



**Formosa Optical Technology Co., Ltd.**

# **2024 Annual General Meeting Meeting Handbook**

**Time: May 30, 2024 at 10:00 AM**

**Location: 17 F., No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City**

**Shareholders' meeting convening method: Physical Shareholders' meeting**

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# **Formosa Optical Technology Co., Ltd.**

## **2024 General Shareholders' Meeting Agenda**

Time: May 30, 2024 (Thursday) at 10:00 AM

Location: 17 F., No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City

I. Meeting Called to Order

II. Chairman Address

III. Report Matters

(I) 2023 Business Report

(II) 2023 Audit Committee Review Report

(III) 2023 Employee and Director Remuneration Distribution Report

(IV) Other Report Matters

IV. Approval Matters

(I) Proposal to approve the 2023 Annual Financial Statements

(II) Proposal to approve the 2023 Earnings Distribution

V. Election Matters

(I) Re-election of directors

VI. Other Agenda

(I) Discussion to approve the lifting of non-competition restrictions for newly-appointed directors

VII. Motions

VIII. Adjournment

## **Report Matters**

### **Agenda 1**

**Subject:** The Company's 2023 Business Condition Report.

**Description:** The 2023 Business Report is attached (please refer to Attachment 1 of this Handbook; pages 5-6).

### **Agenda 2**

**Subject:** The Company's 2023 Audit Committee Review Report.

**Description:** The Audit Committee Review Report is attached (please refer to Attachment 2 of this Handbook; page 7).

### **Agenda 3**

**Subject:** The Company's 2023 Employee and Director Remuneration Distribution Report.

**Description:** Before the Company's 2023 Individual Financial Statement was issued, the pre-tax net profit amounted to NT\$505,574,171, 2.5% of the employees' remuneration (or NT\$12,639,354) was set aside, and the payment recipients were Company employees. 1% of the directors' remuneration (or NT\$5,055,742) was set aside. These remunerations were paid in cash, and the chairman was authorized to handle the relevant operation matters.

The 2023 Director Remuneration Distribution Report is attached (please refer to Attachment 3 of this Handbook; page 8).

**Agenda 4:** Other report matters: None.

## **Approval Matters**

Agenda 1 (Proposed by the Board of Directors)

Subject: The submission of the Company's 2023 Final Statement for approval.

Description: The Company's 2023 Final Statement includes the Business Report, Individual Financial Report, and Consolidated Financial Report, approved by the board of directors and audited by the Audit Committee. Please refer to pages 5 - 6 of Attachment 1 and pages 9 - 23 of Attachment 4 in this Handbook for details on preceding reports.

Proposed for approval.

Resolution:

Agenda 2 (Proposed by the Board of Directors)

Subject: The Company's 2023 Earnings Distribution Proposal has been submitted for approval.

Description:

1. The Company has formulated the 2023 Net Income Disposition Report. Please refer to page 24 of Attachment 5 in this Handbook for details.
2. The cash dividend allotment proposal is NT\$6 per share or NT\$6,000 per thousand shares.
3. Cash dividends are calculated to the nearest dollar. The Chairman is authorized to distribute an amount less than one dollar.
4. If the dividend distribution needs to be adjusted due to changes in the Company's share capital, which affect the number of outstanding shares and result in a dividend rate change, the General Shareholders' Meeting shall be requested to authorize the Chairman to handle matters in accordance with the Company Act or relevant laws and regulations.
5. After the resolution of this General Shareholders' Meeting is passed, the Chairman shall be authorized to set another dividend distribution base date.

Proposed for approval.

Resolution:

## **Election Matters**

Agenda 1 (Proposed by the Board of Directors)

Subject: e-election of directors

Description:

1. The tenure of the incumbent directors of the Company will expire on July 26, 2024. It is planned to comprehensively reelect directors at this general Shareholders' Meeting.
2. Eleven directors (including four independent directors) will be re-elected at this general Shareholders' Meeting in accordance with the Articles of Association of the Company.
3. The tenure of the newly-elected directors shall last for three years. To be specific, newly-elected directors will take office after end of the general Shareholders' Meeting scheduled on May 30, 2024 and the tenure will expire on May 29, 2027. The tenure of the former directors will end when the directors re-elected at this general Shareholders' Meeting take office.
4. For the candidate list of directors (including independent directors) of the Company, please refer to pages 25-29 of Attachment 6 in this Handbook for details.

Election results:

## **Other Agenda**

Agenda 1 (Proposed by the Board of Directors)

Subject: discussion to approve the lifting of non-competition restrictions for newly-appointed directors is submitted for resolution.

Description:

1. Under the precondition that the behaviors adopted by the directors of the Company for themselves or others within the business scope of the Company do not contradict the Company's interests, it is planned to submit to the Shareholders' Meeting a proposal for the relief of the non-competition restriction on new directors pursuant to Article 209 of the Company Act.
2. A candidate nomination system is adopted for the election of directors of the Company. After the director candidates are elected at the general Shareholders' Meeting, it is planned to submit to the general Shareholders' Meeting a proposal for the relief of their non-competition. Please refer to page 30 of Attachment 7 in this Handbook for details.

Resolution:

## **Motions**

## **Adjournment**

## Formosa Optical Technology Co., Ltd.

**Business Report****A. 2023 Business Plan Implementation Results:**

Unit: NT\$ Thousand

Product Type	Sales Volume			Operating Income		
	2022	2023	Increase (Decrease)%	2022	2023	Increase (Decrease)%
Glasses	6,362,713	6,680,202	4.99%	3,297,876	3,863,856	17.16%

The company opened 10 new stores in 2023, bringing the group's total number of business locations to 350 stores. Despite Taiwan's economic slowdown this year, the Company's profits were only slightly impacted, realizing stable growth thanks to factors like the easing of the COVID-19 situation in Taiwan, an increase in working from home and remote learning in recent years, and support from a large customer base with myopia. Sales volume rose by 4.99% from the previous year, while overall operating income grew by 17.16%.

**B. Budget Implementation Status:**

Unit: NT\$ Thousand

Year	2023 Fiscal Year		
Category	Anticipated Number	Actual Number	Achievement Rate
Operating Income	3,725,862	3,863,856	103.70%
Operating Cost	1,503,238	1,481,878	98.58%
Operating Profit Margin	2,222,624	2,381,978	107.17%
Operating Expenses	1,920,994	2,053,953	106.92%
Net Operating Profit	301,630	328,025	108.75%
Non-operating Incomes	205,327	220,747	107.51%
Non-operating Expenditures	49,346	49,365	100.04%
Net Profit Before Tax	457,611	499,407	109.13%
Income Tax Expense	91,522	81,508	89.06%
Current Period Net Income	366,089	417,899	114.15%
Company's Net Income	366,089	417,942	114.16%
Non-controlling Net Income (Loss)	-	(43)	-

The impact of the Covid-19 pandemic eased gradually in 2023. Benefitting from post-epidemic business opportunities, increased working from home and remote learning, and support from a large visually impaired customer base, the company achieved 103.70% of its projected operating income and 98.58% of budgeted operating costs. The cost ratio

dropped from 39.02% in 2022 to 38.35% in 2023, while the operating profit margin rate increased from 60.98% to 61.65%. Achievement rates were 107.17% for gross profit and 108.75% for net operating profit. The overall operating performance exceeded expectations given the post-epidemic business opportunities.

Interest income, rental income, and income from dividends were the main sources of non-operating income this year. Meanwhile, as income generated from interest and dividends were better than expected, the non-operating income achievement rate was 107.51%. The non-operating cost achieved was 100.04%, due to the capital loss on investment caused by adopting the equity method. In conclusion, the overall operating results of 2023 showed a profit of NT\$417,942,000, 114.16% of the net profit budget as both operating and non-operating business performance exceeded expectations.

### **C. Financial Performance and Profitability Analysis**

Operating income in 2023 was NT\$3,863,856,000, an increase of NT\$565,980,000 or 17.16% from NT\$3,297,876,000 in 2022. Net operating cash flow rose by NT\$210,161,000 to NT\$903,512,000 in 2023 from NT\$693,351,000 in 2022.

Net profit before tax in 2023 was NT\$499,407,000, an increase of NT\$293,585,000 compared to the net profit before tax of NT\$205,822,000 in 2022. In 2023, the settled net profit of controlling interests of the Company reached NT\$ 417,942,000, increased by NT\$ 247,756,000 compared to NT\$ 170,186,000 in 2022, presenting a growth rate of 145.58%; Return on Equity (ROE) increased from 6.49% in 2022 to 14.98% in 2023, while EPS increased from NT\$2.83 in 2022 to NT\$6.96 in 2023. The overall operating results showed a profit growth compared to that of 2022.

Chairman:

Manager:

Accounting Supervisor:



Formosa Optical Technology Co., Ltd.

**Audit Committee Review Report**

The board of directors has formulated the Final Statement, including the Company's 2023 Business Report, Financial Statement, and Net Income Disposition Report. The 2023 Financial Statement has been audited by CPA Yu-Feng Hsu and CPA Hui-Chih Kou of KPMG in Taiwan, who have issued an audit report. The aforesaid Business Report, Financial Statement, and Net Income Disposition Report have been audited by the Audit Committee, and no discrepancy was found. A report was generated pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

Respectfully submitted,

2024 General Shareholders' Meeting

Formosa Optical Technology Co., Ltd.

Audit Committee Convener: WEN, CHUNG-CHI

March 6, 2024

## Director's remuneration

## Remuneration for Ordinary Directors and Independent Directors (Individual Disclosure of Names and Remuneration Information)

Unit: %, NT\$ Thousand										Date: December 31, 2023				
Title	Name	Remuneration to directors				Sum of A+B+C+D and ratio to net income	Remuneration received by directors for concurrent service as an employee				Sum of A+B+C+D+E+F+G and ratio to net income	Remuneration received from investee enterprises other than subsidiaries or from the parent company		
		Base compensation (A)	Retirement pay (B)	Director profitsharing compensation (C)			Expenses and perquisites (D)	Salary, rewards, and special disbursements(E)	Retirement pay and pension (F)				Employee profit-sharing compensation (G)	
				The Company	All Consolidated entities				The Company	All Consolidated entities			The Company	All Consolidated entities
Chairman	Chieh Fu International Co., Ltd. Representative: TSAI, KUO-CHOU			778	778	48	48	1,440	0	0		2,266	2,266	None
Vive Chairman	TSAI, KUO-PING			777	777	48	48	0	0	0		825	825	
Director	CHEN LIU, HUI-YU			389	389	32	32	0	0	0		421	421	
Director	Chieh Fu International Co., Ltd. Representative: TSAI, YI-SHAN			389	389	32	32	4,142	120	120		4,683	4,683	
Director	YAO, HSIU-PI	0	0	389	389	48	48	0	0	0	0	437	437	
Director	Formosa Electronics Co., Ltd. Representative: CHUEH, TZU-CHIANG			389	389	48	48	0	0	0		437	437	
Director	Kaiju Investment Co., Ltd. Representative: CHANG, CHIH-WEI			389	389	48	48	0	0	0		437	437	
Independent Director	WEN, CHUNG-CHI			389	389	64	64	0	0	0		453	453	
Independent Director	WU, MENG-JOU			389	389	64	64	0	0	0		453	453	
Independent Director	TSAI, YU-CHING	0	0	389	389	64	64	0	0	0	0	453	453	
Independent Director	LIANG, JUNG-HUI			389	389	64	64	0	0	0		453	453	
Policy, standard, and structure of remuneration for directors:														
(1) According to the Articles of Association, when a director executes the duties assigned to them by the Company, the Company shall pay remuneration to the director regardless of the Company's operating profit or loss, and the remuneration is adjusted in accordance with the value of participation in and contribution to business operations of such director. The level of remuneration shall not exceed the standard of our remuneration policy.														
(2) In accordance with the Articles of Association of the Company, if the Company makes a profit in the current year, it shall appropriate at least 1% of the profit as employee remuneration. The Board of Directors will pass the relevant resolution on the distribution of employee remuneration by stock or cash. Employees for such remuneration include employees from subordinate companies who have fulfilled relevant conditions; the Board of Directors will pass the relevant resolution on the appropriation of no more than 3% of the preceding profit amount of the Company as directors' remuneration. The proposals for the distribution of employee remuneration and director remuneration shall be reported to the Shareholders' Meeting. However, when the Company suffers accumulated losses, the relevant amount for compensation thereof shall be reserved before employee remuneration and director remuneration can be appropriated per the preceding ratios.														
(3) Our directors have no other form of remuneration other than director remuneration and travel allowance.														

## **Independent Auditors' Report**

To the Board of Directors of Formosa Optical Technology Corporation:

### **Opinion**

We have audited the consolidated financial statements of Formosa Optical Technology Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and 2022, the consolidated statements 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 material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. We have determined the matter described below to be the key audit matter to be communicated in our report.

#### **1. Valuation of inventories**

Please refer to note 4(h) "Inventories" to the consolidated financial statements for the accounting policies on inventory valuation, note 5(a) for the uncertainties over accounting estimation and assumption regarding to inventory valuation, and note 6(f) for details of inventories.



#### Description of the key audit matter:

Inventories of the Group were measured at the lower of costs or net realizable values. Market competition leads to rapid changes in product prices, and the products may not meet market demand and thus become obsolete. As a result, estimation of net realizable value may involve management's subjective judgment. Therefore, we considered inventory valuation to be a key audit matter in our audit.

#### How the matter was addressed in our audit:

Our principle audit procedures in this area included assessing the reasonableness of the Group's policies on loss allowances for inventory write downs or obsolescence and whether the aforementioned loss allowances have been recognized pursuant to relevant standards; through reviewing inventory aging reports, obtaining an inventory aging analysis and sampling to verify whether inventories are classified in the appropriate age range; and performing net realizable value tests on inventories to assess the reasonableness of the recognition of write-down of inventories.

#### **Other Matter**

Formosa Optical Technology Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified 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 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 and 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 matter communicated with those charged with governance, we determine the matter that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matter. We describe the matter 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 audit resulting in this independent auditors' report are Yu-Feng Hsu and Hui-Chih Kou.

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2024

#### **Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 134,810	2	154,278	2
1110 Current financial assets at fair value through profit or loss (note 6(b))	969,375	14	830,319	13
1120 Current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	1,229,750	17	911,085	15
1136 Current financial assets at amortised cost (notes 6(d) and 8)	1,084,599	15	1,031,544	16
1170 Accounts receivable (notes 6(e) and (u))	44,407	1	29,534	-
1200 Other receivables (including related parties) (note 7)	79,003	1	38,891	1
130X Inventories (note 6(f))	624,236	8	584,122	10
1175 Lease payments receivable (note 6(g))	3,347	-	-	-
1410 Other current assets	58,780	1	21,940	-
<b>Total current assets</b>	<b>4,228,307</b>	<b>59</b>	<b>3,601,713</b>	<b>57</b>
<b>Non-current assets:</b>				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	73,243	1	38,162	1
1535 Non-current financial assets at amortised cost (note 6(d))	4,878	-	103,159	2
1550 Investments accounted for using equity method (note 6(h))	410,284	6	459,956	7
1600 Property, plant and equipment (notes 6(i) and 8)	1,235,803	18	1,145,144	19
1755 Right-of-use assets (note 6(j))	964,193	14	788,234	12
1760 Investment property, net (notes 6(k) and 8)	78,638	1	79,165	1
1780 Intangible assets	15,082	-	19,197	-
1840 Deferred tax assets (note 6(r))	10,817	-	10,064	-
1915 Prepayments for equipment	-	-	10,000	-
1935 Long-term lease payments receivable (note 6(g))	19,172	-	-	-
1920 Refundable deposits (note 6(p))	75,477	1	73,312	1
1975 Net defined benefit asset, non-current (note 6(q))	21,974	-	20,319	-
<b>Total non-current assets</b>	<b>2,909,561</b>	<b>41</b>	<b>2,746,712</b>	<b>43</b>
<b>Total assets</b>	<b>\$ 7,137,868</b>	<b>100</b>	<b>6,348,425</b>	<b>100</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
Short-term borrowings (note 6(l))	1,109,500	16	1,029,310	16
Notes payable	21,530	-	15,937	-
Notes payable to related parties (note 7)	423,613	6	335,253	5
Accounts payable	134,779	2	129,900	2
Accounts payable to related parties (note 7)	1,583	-	6,233	-
Other payables (including related parties) (notes 6(m) and 7)	412,111	6	339,705	5
Current tax liabilities	82,032	1	61,062	1
Current lease liabilities (note 6(p))	304,762	4	294,985	5
Long-term liabilities, current portion (note 6(n))	27,359	-	37,061	1
Other current liabilities	55,180	1	50,164	1
<b>Total current liabilities</b>	<b>2,572,449</b>	<b>36</b>	<b>2,299,610</b>	<b>36</b>
<b>Non-Current liabilities:</b>				
Long-term borrowings (note 6(n))	337,656	5	371,942	6
Non-current provisions	21,374	-	17,650	-
Deferred tax liabilities (note 6(r))	309,882	4	316,700	5
Non-current lease liabilities (note 6(p))	694,024	10	499,836	8
Guarantee deposits received (note 6(o))	238,840	3	243,782	4
<b>Total non-current liabilities</b>	<b>1,601,776</b>	<b>22</b>	<b>1,449,910</b>	<b>23</b>
<b>Total liabilities</b>	<b>4,174,225</b>	<b>58</b>	<b>3,749,520</b>	<b>59</b>
<b>Equity attributable to owners of parent (notes 6(c) and (s)):</b>				
Ordinary share	600,599	8	600,599	9
Capital surplus	474,688	7	477,975	8
Retained earnings:				
Legal reserve	503,073	7	485,462	8
Special reserve	226,095	3	257,342	4
Unappropriated retained earnings	1,277,610	18	997,627	16
Total retained earnings	2,006,778	28	1,740,431	28
Other equity	(124,374)	(1)	(226,095)	(4)
<b>Total equity attributable to owners of parent:</b>	<b>2,957,691</b>	<b>42</b>	<b>2,592,910</b>	<b>41</b>
Non-controlling interests	5,952	-	5,995	-
<b>Total equity</b>	<b>2,963,643</b>	<b>42</b>	<b>2,598,905</b>	<b>41</b>
<b>Total liabilities and equity</b>	<b>\$ 7,137,868</b>	<b>100</b>	<b>6,348,425</b>	<b>100</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (note 6(u))</b>	\$ 3,863,856	100	3,297,876	100
5000	<b>Operating costs (note 6(f))</b>	<u>1,481,877</u>	<u>38</u>	<u>1,286,923</u>	<u>39</u>
	<b>Gross profit from operations</b>	<u>2,381,979</u>	<u>62</u>	<u>2,010,953</u>	<u>61</u>
	<b>Operating expenses (notes 6(i), (j), (k) and 7):</b>				
6100	Selling expenses	1,957,308	51	1,729,984	52
6200	Administrative expenses	<u>96,645</u>	<u>2</u>	<u>94,042</u>	<u>3</u>
	<b>Total operating expenses</b>	<u>2,053,953</u>	<u>53</u>	<u>1,824,026</u>	<u>55</u>
	<b>Net operating income</b>	<u>328,026</u>	<u>9</u>	<u>186,927</u>	<u>6</u>
	<b>Non-operating income and expenses (notes 6(h), (w) and 7):</b>				
7100	Interest income	104,315	3	37,822	1
7010	Other income	95,197	2	63,028	2
7020	Gains and losses, net	19,274	-	(4,951)	-
7050	Finance costs, net	(36,604)	(1)	(28,985)	(1)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	<u>(10,801)</u>	<u>-</u>	<u>(48,019)</u>	<u>(2)</u>
	<b>Total non-operating income and expenses</b>	<u>171,381</u>	<u>4</u>	<u>18,895</u>	<u>-</u>
7900	<b>Profit before income tax</b>	499,407	13	205,822	6
7950	Less: Income tax expenses (note 6(r))	<u>81,508</u>	<u>2</u>	<u>35,641</u>	<u>1</u>
8200	<b>Profit</b>	<u>417,899</u>	<u>11</u>	<u>170,181</u>	<u>5</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	1,159	-	3,470	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	234,806	6	26,352	1
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	64	-	849	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>232</u>	<u>-</u>	<u>694</u>	<u>-</u>
		<u>235,797</u>	<u>6</u>	<u>29,977</u>	<u>1</u>
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(34,015)	(1)	9,001	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(6,803)</u>	<u>-</u>	<u>1,800</u>	<u>-</u>
	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>	<u>(27,212)</u>	<u>(1)</u>	<u>7,201</u>	<u>-</u>
8300	<b>Other comprehensive income</b>	<u>208,585</u>	<u>5</u>	<u>37,178</u>	<u>1</u>
8500	<b>Total comprehensive income</b>	<u>\$ 626,484</u>	<u>16</u>	<u>207,359</u>	<u>6</u>
	<b>Profit, attributable to:</b>				
8610	Owners of parent	\$ 417,942	11	170,186	5
8620	Non-controlling interests	<u>(43)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
		<u>\$ 417,899</u>	<u>11</u>	<u>170,181</u>	<u>5</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of parent	\$ 626,527	16	207,364	6
8720	Non-controlling interests	<u>(43)</u>	<u>-</u>	<u>(5)</u>	<u>-</u>
	Earnings per share (dollars) (note 6(t))	<u>\$ 626,484</u>	<u>16</u>	<u>207,359</u>	<u>6</u>
9750	<b>Basic earnings per share</b>	<u>\$ 6.96</u>		<u>2.83</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 6.94</u>		<u>2.83</u>	

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**FORMOSA OPTICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent												
	Retained earnings						Total other equity						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		Total retained earnings	Exchange differences on translation of foreign financial statements	on financial assets measured at fair value through other comprehensive income	Total other equity	Total equity attributable to owners of parent	Non-controlling interests	Total equity
<b>Balance at January 1, 2022</b>	\$ 600,599	481,505	456,305	254,666	1,111,601	1,822,572	(150,286)	-	(107,056)	(257,342)	2,647,334	1,603	2,648,937
Profit (loss)	-	-	-	-	170,186	170,186	-	-	-	-	170,186	(5)	170,181
Other comprehensive income (loss)	-	-	-	-	3,625	3,625	7,201	26,352	33,553	33,553	37,178	-	37,178
Total comprehensive income (loss)	-	-	-	-	173,811	173,811	7,201	26,352	33,553	33,553	207,364	(5)	207,359
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	29,157	-	(29,157)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	2,676	(2,676)	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(258,258)	(258,258)	-	-	-	-	(258,258)	-	(258,258)
Changes in equity of associates accounted for using equity method	-	(3,530)	-	-	-	-	-	-	-	-	(3,530)	-	(3,530)
Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,603)	(1,603)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	6,000	6,000
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance at December 31, 2022	600,599	477,975	485,462	257,342	997,627	1,740,431	(143,085)	(83,010)	(226,095)	(2,306)	2,592,910	5,995	2,598,905
Profit (loss)	-	-	-	-	417,942	417,942	-	-	-	-	417,942	(43)	417,899
Other comprehensive income (loss)	-	-	-	-	991	991	(27,212)	234,806	207,594	207,594	208,585	-	208,585
Total comprehensive income (loss)	-	-	-	-	418,933	418,933	(27,212)	234,806	207,594	207,594	626,527	(43)	626,484
Appropriation and distribution of retained earnings:													
Legal reserve	-	-	17,611	-	(17,611)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	(31,247)	31,247	-	-	-	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(258,258)	(258,258)	-	-	-	-	(258,258)	-	(258,258)
Changes in equity of associates and joint venture accounted for using equity method	-	(3,287)	-	-	-	-	(201)	-	(201)	(201)	(3,488)	-	(3,488)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	105,672	105,672	-	(105,672)	(105,672)	(105,672)	-	-	-
<b>Balance at December 31, 2023</b>	\$ 600,599	474,688	503,073	226,095	1,277,610	2,006,778	(170,498)	46,124	(124,374)	(124,374)	2,957,691	5,952	2,963,643

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**FORMOSA OPTICAL TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 499,407	205,822
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	490,169	466,760
Amortization expense	8,482	8,692
Net loss (gain) on financial assets at fair value through profit or loss	(18,657)	15,384
Interest expense	36,604	28,985
Interest income	(104,315)	(37,822)
Dividend income	(55,624)	(23,681)
Share of loss of associates accounted for using equity method	10,801	48,019
Loss (gain) on disposal of property, plan and equipment	706	(483)
Loss (gain) on lease modification	(590)	79
Gain on sublease of right-of-use assets	(887)	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>366,689</b>	<b>505,933</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease in notes receivable	-	209
Increase in accounts receivable	(14,873)	(4,838)
Increase in other receivables	(40,112)	(6,886)
Decrease (increase) in inventories	(40,114)	700
Decrease (increase) in other current assets	(36,840)	1,273
Increase in net defined benefit assets, non-current	(496)	(364)
Increase in notes payable	5,593	5,186
Increase (decrease) in notes payable to related parties	88,360	(59,423)
Increase in accounts payable	4,879	80,220
Increase (decrease) in accounts payable to related parties	(4,650)	6,233
Increase (decrease) in other payables	67,339	(19,547)
Increase in provisions	2,682	-
Increase in other current liabilities	5,016	9,068
<b>Total changes in operating assets and liabilities</b>	<b>36,784</b>	<b>11,831</b>
<b>Total adjustments</b>	<b>403,473</b>	<b>517,764</b>
Cash inflow generated from operations	902,880	723,586
Interest received	104,303	37,822
Interest paid	(35,562)	(28,474)
Income taxes paid	(68,110)	(39,583)
<b>Net cash flows from operating activities</b>	<b>903,511</b>	<b>693,351</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(559,616)	(644,995)
Proceeds from disposal of financial assets at fair value through other comprehensive income	440,676	11,810
Acquisition of financial assets at amortized cost	45,226	(1,043,168)
Proceeds from disposal of financial assets at amortized cost	-	116,845
Acquisition of financial assets at fair value through profit or loss	(954,892)	(1,313,334)
Proceeds from disposal of financial assets at fair value through profit or loss	834,222	543,646
Acquisition of investments accounted for using equity method	-	(3,573,573)
Proceeds from disposal of investments accounted for using equity method	-	5,283,866
Acquisition of property, plant and equipment	(231,018)	(118,414)
Proceeds from disposal of property, plant and equipment	1,301	490
Increase in refundable deposits	(2,165)	(208)
Acquisition of intangible assets	(4,367)	(9,615)
Decrease in lease payments receivables	242	-
Increase in prepayments for equipment	-	(10,000)
Dividends received	58,757	26,814
<b>Net cash flows used in investing activities</b>	<b>(371,634)</b>	<b>(729,836)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	80,190	617,610
Repayments of long-term borrowings	(43,988)	(50,195)
Decrease in guarantee deposits received	(4,942)	(2,571)
Payment of lease liabilities	(329,489)	(324,885)
Cash dividends paid	(258,258)	(258,258)
Change in non-controlling interests	-	6,000
<b>Net cash flows used in financing activities</b>	<b>(556,487)</b>	<b>(12,299)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>5,142</b>	<b>74,855</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(19,468)</b>	<b>26,071</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>154,278</b>	<b>128,207</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 134,810</b>	<b>154,278</b>

See accompanying notes to consolidated financial statements.

## **Independent Auditors' Report**

To the Board of Directors of Formosa Optical Technology Corporation:

### **Opinion**

We have audited the financial statements of Formosa Optical Technology Corporation("the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, 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 audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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. We have determined the matters described below to be the key audit matter to be communicated in our report.

#### **1. Valuation of inventories**

Please refer to note 4(g) "Inventories" to the financial statements for accounting policies on inventory valuation, note 5(a) for the uncertainties over accounting estimation and assumption regarding to inventory valuation, and note 6(f) for details of inventories.

Description of the key audit matter:

Inventories of the Company were measured at the lower of costs or net realizable values. Market competition leads to rapid changes in product prices, and the products may not meet market demand and thus become obsolete. As a result, estimation of net realizable value may involve management's subjective judgment. Therefore, we considered inventory valuation to be a key audit matter in our audit.



How the matter was addressed in our audit:

Our principle audit procedures in this area included assessing the reasonableness of the Company's policies on loss allowances for inventory write downs or obsolescence and whether the aforementioned loss allowances have been recognized pursuant to relevant standards; through reviewing inventory aging reports, obtaining an inventory aging analysis and sampling to verify whether inventories are classified in the appropriate age range; and performing net realizable value tests on inventories to assess the reasonableness of the recognition of write-down of inventories.

### **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 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 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 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 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 the investment in other entities accounted for using the equity method to express an opinion on this 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 matter communicated with those charged with governance, we determine the matter that was of most significance in the audit of the financial statements of the current period and are therefore the key audit matter. We describe the matter 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 audit resulting in this independent auditors' report are Hsu, Yu-Feng and Ko, Hui-Chih.

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2024

#### **Notes to Readers**

The accompanying parent company only financial statements are intended only to present the statement of financial position, financial performance and its cash flows in accordance with the 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

The auditors' report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language auditors' report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION**

**Balance Sheets**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 77,152	1	56,662	1
1110 Current financial assets at fair value through profit or loss (note 6(b))	17,144	-	13,798	-
1120 Current financial assets at fair value through other comprehensive income (notes 6(c) and 8)	1,097,128	17	798,465	14
1136 Current financial assets at amortized cost (note 6(d))	10,000	-	10,000	-
1170 Accounts receivable (notes 6(e) and (t))	21,098	-	14,288	-
1200 Other receivables (including related parties) (note 7)	47,691	1	15,017	-
130X Inventories (note 6(f))	442,463	7	402,775	8
1410 Other current assets	45,798	1	15,269	-
<b>Total current assets</b>	<b>1,758,474</b>	<b>27</b>	<b>1,326,274</b>	<b>23</b>
<b>Non-current assets:</b>				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(c))	73,243	1	38,162	1
1535 Non-current financial assets at amortized cost (note 6(d))	4,878	-	103,159	2
1550 Investments accounted for using equity method (note 6(g))	2,711,408	42	2,536,750	44
1600 Property, plant and equipment (note 6(h))	1,075,171	17	998,166	17
1755 Right-of-use assets (note 6(i))	717,097	11	567,655	10
1760 Investment property, net (notes 6(j) and 8)	78,638	1	79,165	2
1780 Intangible assets	14,956	-	18,558	-
1840 Deferred tax assets (note 6(q))	8,777	-	8,224	-
1920 Refundable deposits (note 6(o))	56,250	1	54,944	1
1975 Net defined benefit asset, non-current (note 6(p))	21,974	-	20,319	-
<b>Total non-current assets</b>	<b>4,762,392</b>	<b>73</b>	<b>4,425,102</b>	<b>77</b>
<b>Total assets</b>	<b>\$ 6,520,866</b>	<b>100</b>	<b>\$ 5,751,376</b>	<b>100</b>
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
2100 Short-term borrowings (note 6(k))	\$ 1,098,500	17	972,000	17
2150 Notes payable	11,195	-	3,772	-
2160 Notes payable to related parties (note 7)	291,915	5	217,502	4
2170 Accounts payable	109,599	2	106,930	2
2200 Other payables (including related parties) (notes 6(l) and 7)	320,253	5	262,484	4
2230 Current tax liabilities	70,323	1	56,872	1
2280 Current lease liabilities (note 6(o))	219,407	3	214,628	4
2320 Long-term liabilities, current portion (note 6(m))	27,359	-	27,061	-
2300 Other current liabilities	41,546	1	37,917	1
<b>Total current liabilities</b>	<b>2,190,097</b>	<b>34</b>	<b>1,899,166</b>	<b>33</b>
<b>Non-current liabilities:</b>				
2540 Long-term borrowings (note 6(m))	337,656	5	364,859	6
2550 Non-current provisions	17,198	-	13,807	-
2570 Deferred tax liabilities (note 6(q))	309,881	5	316,700	6
2580 Non-current lease liabilities (note 6(o))	507,274	8	357,743	6
2645 Guarantee deposits received (note 6(n))	201,069	3	206,191	4
<b>Total non-current liabilities</b>	<b>1,373,078</b>	<b>21</b>	<b>1,259,300</b>	<b>22</b>
<b>Total liabilities</b>	<b>3,563,175</b>	<b>55</b>	<b>3,158,466</b>	<b>55</b>
<b>Equity(note 6(r)):</b>				
3110 Ordinary share	600,599	9	600,599	11
3200 Capital surplus	474,688	7	477,975	8
Retained earnings:				
Legal reserve	503,073	8	485,462	8
Special reserve	226,095	3	257,342	4
Unappropriated retained earnings	1,277,610	20	997,627	18
Total retained earnings	2,006,778	31	1,740,431	30
Other equity	(124,374)	(2)	(226,095)	(4)
<b>Total equity</b>	<b>2,957,691</b>	<b>45</b>	<b>2,592,910</b>	<b>45</b>
<b>Total liabilities and equity</b>	<b>\$ 6,520,866</b>	<b>100</b>	<b>\$ 5,751,376</b>	<b>100</b>

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION**

**Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2023</b>		<b>2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue (note 6(t))</b>	\$ 2,837,002	100	2,429,194	100
5000	<b>Operating costs(note 6(f))</b>	<u>1,067,897</u>	<u>38</u>	<u>925,572</u>	<u>38</u>
	<b>Gross profit from operations</b>	<u>1,769,105</u>	<u>62</u>	<u>1,503,622</u>	<u>62</u>
	<b>Operating expenses (notes 6(h), (i) and 7):</b>				
6100	Selling expenses	1,392,327	49	1,223,097	50
6200	Administrative expenses	<u>94,842</u>	<u>3</u>	<u>89,082</u>	<u>4</u>
	<b>Total operating expenses</b>	<u>1,487,169</u>	<u>52</u>	<u>1,312,179</u>	<u>54</u>
	<b>Net operating income</b>	<u>281,936</u>	<u>10</u>	<u>191,443</u>	<u>8</u>
	<b>Non-operating income and expenses (notes 6(v) and 7):</b>				
7100	Interest income	14,371	-	9,116	-
7010	Other income	90,181	3	62,233	3
7020	Other gains and losses	3,736	-	4,024	-
7050	Finance costs	(32,595)	(1)	(21,028)	(1)
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	<u>130,250</u>	<u>5</u>	<u>(43,448)</u>	<u>(2)</u>
	<b>Total non-operating income and expenses</b>	<u>205,943</u>	<u>7</u>	<u>10,897</u>	<u>-</u>
7900	<b>Profit before income tax</b>	487,879	17	202,340	8
7950	Less: Income tax expenses (note 6(q))	<u>69,937</u>	<u>2</u>	<u>32,154</u>	<u>1</u>
8200	<b>Profit</b>	<u>417,942</u>	<u>15</u>	<u>170,186</u>	<u>7</u>
8300	<b>Other comprehensive income:</b>				
8310	<b>Items that may not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	1,159	-	3,470	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	177,057	6	(4,908)	-
8330	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	57,813	2	32,109	1
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>232</u>	<u>-</u>	<u>694</u>	<u>-</u>
		<u>235,797</u>	<u>8</u>	<u>29,977</u>	<u>1</u>
8360	<b>Items that may be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(34,015)	(1)	9,001	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>(6,803)</u>	<u>-</u>	<u>1,800</u>	<u>-</u>
	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>	<u>(27,212)</u>	<u>(1)</u>	<u>7,201</u>	<u>-</u>
8300	<b>Other comprehensive income (loss)</b>	<u>208,585</u>	<u>7</u>	<u>37,178</u>	<u>1</u>
8500	<b>Total comprehensive income (loss)</b>	<u>\$ 626,527</u>	<u>22</u>	<u>207,364</u>	<u>8</u>
	<b>Earnings per share (dollar) (note 6(s))</b>				
9750	<b>Basic earnings per share</b>	<u>\$ 6.96</u>		<u>2.83</u>	
9850	<b>Diluted earnings per share</b>	<u>\$ 6.94</u>		<u>2.83</u>	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION**

**Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	Ordinary shares	Retained earnings					Total other equity			
		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Total equity
<b>Balance at January 1, 2022</b>										
Profit	600,599	481,505	456,305	254,666	1,111,601	1,822,572	(150,286)	-	(257,342)	2,647,334
Other comprehensive income (loss)	-	-	-	-	170,186	170,186	-	-	-	170,186
Total comprehensive income (loss)	-	-	-	-	3,625	3,625	7,201	26,352	33,553	37,178
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	-	-	173,811	173,811	7,201	26,352	33,553	207,364
Special reserve	-	-	29,157	-	(29,157)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	2,676	(2,676)	-	-	-	-	-
Changes in equity of associates accounted for using equity method	-	(3,530)	-	-	(258,258)	(258,258)	-	-	-	(258,258)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(3,530)
<b>Balance at December 31, 2022</b>										
Profit	600,599	477,975	485,462	257,342	997,627	1,740,431	(143,085)	(2,306)	(226,095)	2,592,910
Other comprehensive income (loss)	-	-	-	-	417,942	417,942	-	-	-	417,942
Total comprehensive income (loss)	-	-	-	-	991	991	(27,212)	234,806	207,594	208,585
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	-	-	418,933	418,933	(27,212)	234,806	207,594	626,527
Special reserve	-	-	17,611	(31,247)	(17,611)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	31,247	-	-	-	-	-
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(258,258)	(258,258)	-	-	-	(258,258)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(3,287)	-	-	-	-	(201)	-	(201)	(3,488)
<b>Balance at December 31, 2023</b>										
	600,599	474,688	503,073	226,095	1,277,610	2,006,778	(170,498)	46,124	(105,672)	2,957,691

See accompanying notes to parent company only financial statements.



(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

**FORMOSA OPTICAL TECHNOLOGY CORPORATION**

**Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 487,879	202,340
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	351,842	337,100
Amortization expense	7,688	7,086
Net loss (gain) on financial assets at fair value through profit or loss	(3,346)	6,202
Interest expense	32,595	21,028
Interest income	(14,371)	(9,116)
Dividend income	(49,689)	(19,277)
Share of loss (profit) of associates accounted for using equity method	(130,250)	43,448
Gain on disposal of property, plant and equipment	(12)	(483)
Loss (gain) on lease modification	(456)	287
<b>Total adjustments to reconcile profit (loss)</b>	<b>194,001</b>	<b>386,275</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease in notes receivable	-	198
Increase in accounts receivable	(6,810)	(1,649)
Decrease (increase) in other receivable	(32,674)	12,009
Increase in inventories	(39,688)	(4,606)
Decrease (increase) in other current assets	(30,529)	1,991
Increase in net defined benefit assets	(496)	(364)
Increase (decrease) in notes payable	7,423	(641)
Increase (decrease) in notes payable to related parties	74,413	(65,143)
Increase in accounts payable	2,669	68,062
Increase (decrease) in other payable	57,769	(18,297)
Increase in other current liabilities	6,145	7,925
<b>Total changes in operating assets and liabilities</b>	<b>38,222</b>	<b>(515)</b>
<b>Total adjustments</b>	<b>232,223</b>	<b>385,760</b>
Cash inflow generated from operations	720,102	588,100
Interest received	14,371	9,116
Dividends received from subsidiaries and associates	15,902	134,025
Interest paid	(31,720)	(20,667)
Income taxes paid	(57,287)	(39,006)
<b>Net cash flows from operating activities</b>	<b>661,368</b>	<b>671,568</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(546,683)	(644,995)
Proceeds from disposal of financial assets at fair value through other comprehensive income	389,996	11,810
Acquisition of financial assets at amortized cost	98,281	(11,624)
Acquisition of investments accounted for using equity method	(40,000)	(96,322)
Acquisition of property, plant and equipment	(179,055)	(63,355)
Proceeds from disposal of property, plant and equipment	28	490
Decrease (increase) in refundable deposits	(1,306)	285
Acquisition of intangible assets	(4,086)	(9,533)
Dividends received	49,689	19,277
<b>Net cash flows used in investing activities</b>	<b>(233,136)</b>	<b>(793,967)</b>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term borrowings	126,500	618,500
Repayments of long-term borrowings	(26,905)	(27,278)
Increase in guarantee deposits received	(5,122)	(1,838)
Payment of lease liabilities	(243,957)	(236,628)
Cash dividends paid	(258,258)	(258,258)
<b>Net cash flows (used in) from financing activities</b>	<b>(407,742)</b>	<b>94,498</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>20,490</b>	<b>(27,901)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>56,662</b>	<b>84,563</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 77,152</b>	<b>\$ 56,662</b>

See accompanying notes to parent company only financial statements.

**Formosa Optical Technology Co., Ltd.****2023 Net Income Disposition Report**

Unit: NT\$

Category		
Unappropriated retained earnings at the beginning of the term		\$ 753,004,546
Net profit after tax for the period	\$ 417,942,064	
After determining the benefit plan, the remeasured amount is recognized as retained surplus	927,422	
Retained earnings due to investment adjustments using the equity method	37,221,856	
Disposal of retained earnings of financial assets measured at fair value through other comprehensive income	68,514,160	
The current period's net profit after tax plus the amount of items other than the current period's net profit after tax are included in the current year's undistributed surplus		524,605,502
Appropriation of statutory surplus reserve (10%)		( 52,460,550)
Set aside special surplus reserve according to law		101,720,900
Current distributable earnings		1,326,870,398
Allocation Items:		
Cash dividends (NT\$6 per share)	(\$ 360,359,388)	( 360,359,388)
Ending undistributed earnings		\$ 966,511,010
Remark: 1. This surplus allocation shall give priority to the 2023 surplus.		

Chairman:

Manager:

Accounting Supervisor:

## Formosa Optical Technology Co., Ltd.

**Director Candidate List**

S.N.	Type of Candidates	Name of Candidates	Education Background	Experience	Current position(s)	Reason of continuing to serve as an independent director for three consecutive terms of the Company	No. of Shares (Unit: Share)
1	Director	Representative of Chieh Fu International Co., Ltd.: TSAI, KUO-CHOU	Master of Business Administration of Tunghai University	Chairman of Formosa Optical Technology Co., Ltd. Chairman of Prosper Link International Limited Chairman of Haichang International Limited Chairman of Ginko International Co., LTD Chairman of Hydron Contact Lens Co., Ltd. Chairman of Jiangsu Hailun Contact Lens Co., Ltd. Chairman of Jiangsu East Optics Co., Ltd. Chairman of New Path International Co., Ltd. Chairman of GINKO OPTICAL INDUSTRIAL CO., LTD. Chairman of Chieh Fu International Co., Ltd. Chairman of Chi Sheng Co., Ltd. Chairman of Yung Sheng Optical Co., Ltd. Chairman of Master Harvest Global Ltd.	Chairman of Formosa Optical Technology Co., Ltd. Chairman of Prosper Link International Limited Chairman of Haichang International Limited Chairman of Ginko International Co., LTD Chairman of Hydron Contact Lens Co., Ltd. Chairman of Jiangsu Hailun Contact Lens Co., Ltd. Chairman of Jiangsu East Optics Co., Ltd. Chairman of New Path International Co., Ltd. Chairman of GINKO OPTICAL INDUSTRIAL CO., LTD. Chairman of Chieh Fu International Co., Ltd. Chairman of Chi Sheng Co., Ltd. Chairman of Yung Sheng Optical Co., Ltd. Chairman of Master Harvest Global Ltd.	N/A	10,785,057

S.N.	Type of Candidates	Name of Candidates	Education Background	Experience	Current position(s)	Reason of continuing to serve as an independent director for three consecutive terms of the Company	No. of Shares (Unit: Share)
				Chairman of Glamor Vision Ltd. Chairman of GHS International Co. Ltd.	Chairman of Glamor Vision Ltd. Chairman of GHS International Co. Ltd.		
2	Director	TSAL KUO-PING	Ph.D. in Agricultural Economics, University of Pennsylvania	Vice Chairman of Formosa Optical Technology Co., Ltd. Chairman of Pao Lien Optical Co., Ltd. Chairman of Milanno Optical Company Chairman of Baowei Optical Co., Ltd. Chairman of Baoxiang Optical Co., Ltd. Chairman of Baoanshi Technology Co., Ltd. Chairman of Oriental Vanguard Logistics Co., Ltd. Chairman of Silvercoast Investments LTD. Supervisor of Chieh Fu International Co., Ltd. Director of Chi Sheng Co., Ltd. Supervisor of Jiangsu East Optics Co., Ltd. Chief executive of Ginko Strategic Investment Business Group	Vice Chairman of Formosa Optical Technology Co., Ltd. Chairman of Pao Lien Optical Co., Ltd. Chairman of Milanno Optical Company Chairman of Baowei Optical Co., Ltd. Chairman of Baoxiang Optical Co., Ltd. Chairman of Baoanshi Technology Co., Ltd. Chairman of Oriental Vanguard Logistics Co., Ltd. Chairman of Silvercoast Investments LTD. Supervisor of Chieh Fu International Co., Ltd. Director of Chi Sheng Co., Ltd. Supervisor of Jiangsu East Optics Co., Ltd.	N/A	389,439
3	Director	CHEN LIU, HUI-YU	Ming Chuan Business College	Chairman of Formosa Investment Development Co., Ltd. Director of Formosa Optical Technology Co., Ltd.	Chairman of Formosa Investment Development Co., Ltd. Director of Formosa Optical Technology Co., Ltd.	N/A	2,396,975

S.N.	Type of Candidates	Name of Candidates	Education Background	Experience	Current position(s)	Reason of continuing to serve as an independent director for three consecutive terms of the Company	No. of Shares (Unit: Share)
4	Director	Representative of Chieh Fu International Co., Ltd. : TSAI, YI-SHAN	Master in Brand Management, Istituto Marangoni	President of Formosa Optical Technology Co., Ltd. Director of Baowei Optical Co., Ltd. Director of Milanno Optical Company Director of Baoanshi Technology Co., Ltd. Director of Oriental Vanguard Logistics Co., Ltd.	President of Formosa Optical Technology Co., Ltd. Director of Baowei Optical Co., Ltd. Director of Milanno Optical Company Director of Baoanshi Technology Co., Ltd. Director of Oriental Vanguard Logistics Co., Ltd.	N/A	10,785,057
5	Director	Formosa Electronics Co., Ltd. Representative: CHUEH, TZU-CHIANG	Department of Economics, Chinese Culture University	Vice President of Formosa Watch Co., Ltd. Supervisor of Formosa Optical Technology Co., Ltd. Director of Formosa Optical Technology Co., Ltd.	Vice President of Formosa Watch Co., Ltd. Supervisor of Formosa Optical Technology Co., Ltd. Director of Formosa Optical Technology Co., Ltd.	N/A	874,115
6	Director	Representative of Kaiju Investment Co., Ltd.: CHANG, WEN-HSIUNG	National Sun Yat-sen University EMBA Shanghai Tongji University EMBA	Director of Baowei Optical Co., Ltd. Chairman of Outstanding Managers Association President of Council for Industrial & Commercial Development. Director of Sun Yat-sen University Alumni Association	Director of Baowei Optical Co., Ltd.	N/A	1,300,972
7	Director	YAO, HSIU-PI	Master of Business Administration, University of Missouri-Columbia	Manager of Strategic Investment Department of Yung Sheng Optical Co., Ltd. Director of Formosa Optical Technology Co., Ltd. Supervisor of Formosa Optical Technology Co., Ltd.	Manager of Strategic Investment Department of Director of Formosa Optical Technology Co., Ltd. Supervisor of Formosa Optical Technology Co., Ltd. Director of YJS Environmental Technologies Co., Ltd.	N/A	0

S.N.	Type of Candidates	Name of Candidates	Education Background	Experience	Current position(s)	Reason of continuing to serve as an independent director for three consecutive terms of the Company	No. of Shares (Unit: Share)
				Director of YJS Environmental Technologies Co., Ltd. Independent Director of Sharehope Medicine Co., Ltd. Supervisor of Shangjingcheng Co., Ltd. Director of Haichang Biochemical Technology Co., Ltd.	Independent Director of Sharehope Medicine Co., Ltd. Supervisor of Shangjingcheng Co., Ltd. Director of Haichang Biochemical Technology Co., Ltd.		
8	Independent Director	LIANG, JUNG-HUI	Ph.D. in Business Administration, National Taiwan University of Science and Technology	Professor and President of Kainan University Jinwen University of Science and Technology Supervisor Independent Director of King Polytechnic Engineering Co., Ltd. Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd.	Supervisor of Jinwen University of Science and Technology Independent Director of King Polytechnic Engineering Co., Ltd. Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd.	N/A	0
9	Independent Director	TSAI, YU-CHING	National Taiwan University Institute of Accountancy	Associate accountant of EVERWELL & CO., CPAs. Independent Director and Remuneration Committee member of Auden Techno Corp. Independent Director and Remuneration Committee member of APEX DYNAMICS, INC. Independent Director and Remuneration Committee	Associate accountant of EVERWELL & CO., CPAs. Independent Director and Remuneration Committee member of Auden Techno Corp. Independent Director and Remuneration Committee member of APEX DYNAMICS, INC. Independent Director and Remuneration Committee	N/A	0

S.N.	Type of Candidates	Name of Candidates	Education Background	Experience	Current position(s)	Reason of continuing to serve as an independent director for three consecutive terms of the Company	No. of Shares (Unit: Share)
				member of Paiho Shih Holdings Corporation Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd. Remuneration Committee member of Aker Technology Co., Ltd. Supervisor of Chuan Da Technology Co., Ltd.	member of Paiho Shih Holdings Corporation Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd. Remuneration Committee member of Aker Technology Co., Ltd. Supervisor of Chuan Da Technology Co., Ltd.		
10	Independent Director	WU, MENG-JOU	M.S. in Economics, Michigan State University School of Management	Attorney at Fahey Law Firm Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd.	Attorney at Fahey Law Firm Independent Director and Remuneration Committee member of Formosa Optical Technology Co., Ltd. Member of the Audit Committee of Formosa Optical Technology Co., Ltd.	N/A	0
11	Independent Director	CHIANG, MING-HSUAN	Master of Laws, National Chung Cheng University	Lawyer at Chu & Chiu International Law Offices LCS & Partners Attorneys-at Law	LCS & Partners Attorneys-at Law	N/A	0

## Formosa Optical Technology Co., Ltd.

**Detailed Statement of Relief of Noncompetition of Director Candidates per  
Article 209 of the Company Act**

Title	Name	Important positions concurrently held in other companies
Director candidate	Chieh Fu International Co., Ltd.	Business scope: Wholesale and retail of glasses
Representative of director candidate	TSAI, KUO-CHOU	<p>Chairman of Ginko International Co., Ltd. (Business Scope: Wholesale, Retail and International Trade of Glasses)</p> <p>Chairman of Hydron Contact Lens Co., Ltd. (Business Scope: Production and Sales of Category-III 6822 Medical Optical Equipment, Instruments and Endoscopic Equipment, Cosmetics, Metal Glasses Frames and Accessories, and Optical Products)</p> <p>Chairman of Jiangsu Hailun Contact Lens Co., Ltd. (Business Scope: Production and Sales of Category-III 6822 Medical Optical Equipment, Instruments and Endoscopic Equipment)</p> <p>Chairman of Jiangsu East Optics Co., Ltd. (Business Scope: Production and Sales of Glasses and Accessories, Optical Instruments, and Optical Products)</p> <p>Chairman of Ginko Optical Industrial Co., Ltd. (Business Scope: Manufacturing, Processing and Sales of Various Kinds of Glasses)</p> <p>Chairman of Yung Sheng Optical Co., Ltd. (Business Scope: Manufacturing and Sales of Contact Lens and Solutions)</p>
Director candidate	TSAI, KUO-PING	<p>Chairman of Pao Lien Optical Co., Ltd. (Business Scope: Wholesale of Glasses, and Wholesale and International Trade of Medical Devices)</p> <p>Chairman of Baoxiang Optical Co., Ltd. (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p> <p>Chairman of Milanno Optical Company (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p> <p>Chairman of Baowei Optical Co., Ltd. (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p> <p>Chairman of Baoanshi Technology Co., Ltd. (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p>



Title	Name	Important positions concurrently held in other companies
		Supervisor of Jiangsu East Optics Co., Ltd. (Business Scope: Production and Sales of Glasses and Accessories, Optical Instruments, and Optical Products)
Representative of director candidate	TSAI, YI-SHAN	<p>Director of Baowei Optical Co., Ltd. (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p> <p>Chairman of Milanno Optical Company (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p> <p>Director of Baoanshi Technology Co., Ltd. (Business Scope: Retail of Glasses, Retail of Medical Devices, and Optician Services)</p>
Representative of director candidate	CHANG, WEN-HSIUNG	Director of Baowei Optical Co., Ltd. (Business Scope: Retail of Glasses and Retail of Medical Devices)

Formosa Optical Technology Co., Ltd.

**Shareholders' Meeting Procedure Rules**

1. Purpose: These Procedure Rules are formulated pursuant to the Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, with which the Company shall comply to establish a good governance system for Shareholders' Meetings, improve the supervision capacity, and strengthen management.
2. Scope: The main discussions in Shareholders' Meetings, operating procedures, matters that must be recorded in the meeting minutes, announcements, and other rules to be followed must be handled according to the provisions of these Procedure Rules unless provided for by other laws or regulations.
3. Responsible unit:
  - 3.1 Accounting office: Responsible for the formulation and revision of the Procedure Rules.
  - 3.2 Deliberation unit: Responsible for the execution of Shareholders' Meeting affairs.
4. Definition:
5. Operation content:
  - 5.1 Notice of convening a Shareholders' Meeting:
    - 5.1.1 Unless otherwise specified by the laws or the Articles of Incorporation, the Company's Shareholders' Meetings shall be convened by the board of directors.
    - 5.1.2 Changes to how the Company convenes its Shareholders' Meeting shall be resolved by the board of directors, and shall be made no later than when a Shareholders' Meeting notice is mailed.
    - 5.1.3 This Company shall prepare electronic versions of the notice of a Shareholders' Meeting and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular Shareholders' Meeting or 15 days prior to a special shareholders' meeting. The Company shall prepare electronic versions of the Shareholders' Meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of a regular Shareholders' Meeting or 15 days prior to a special shareholders' meeting. If, however, the Company has a paid-in capital of NT\$10 billion or more as of the last day of the current fiscal year,

or the total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the Shareholders' Meeting held in the immediately preceding year, transmission of these electronic files shall be prepared 30 days before a regular Shareholders' Meeting. In addition, 15 days before the Shareholders' Meeting, the Company shall also have prepared the Shareholders' Meeting agenda and supplemental meeting materials and made them available for shareholders to review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the designated professional shareholder services agent.

- 5.1.4 The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the Shareholders' Meeting:
- a. For physical Shareholders' Meetings, to be distributed on-site at the meeting.
  - b. For hybrid Shareholders' Meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
  - c. For virtual-only Shareholders' Meetings, electronic files shall be shared on the virtual meeting platform.
- 5.1.5 The Company shall specify in its Shareholders' Meeting notices the time during which attendance registrations for shareholders, solicitors, and proxies (collectively "shareholders") will be accepted, the place to register attendance, and other matters for shareholders' attention.
- 5.1.6 The notice shall specify the reason for convening the meeting; if the counterparty approves the notice, it may be prepared in electronic format.
- 5.1.7 The election or dismissal of directors, amendments to the Articles of Association, capital reduction, application for a cessation of a public offering, relief of directors' non-competition agreement, capital increase from a surplus, capital increase from public reserves, company dissolution, merger, division, or any matters specified in Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and the reason for convening the meeting given, and shall not be proposed as an extempore motion.
- 5.1.8 If the reasons for convening a general Shareholders' Meeting stated the general re-election of directors and the date of their inauguration, after

re-election during the Shareholders' Meeting, the same meeting shall not reach any resolution to change the date of the directors' inauguration by extempore motion or any other means.

- 5.1.9 Shareholders holding over 1% of the Company's outstanding shares are entitled to propose written motions for discussion at annual general Shareholders' Meetings. Each shareholder may only propose one motion. Proposals exceeding this limit shall be excluded from the discussion. If a shareholder's proposal involves one of the conditions specified by Paragraph 4, Article 172-1 of the Company Act, the proposal shall be excluded from the board of directors meeting. Shareholders may submit proposals to urge the Company to promote public interests or fulfill CSR duties. Only one item may be proposed pursuant to the provisions of Article 172-1 of the Company Act. Proposals containing more than one item shall be rejected.
- 5.1.10 Before the book closure date of the Annual General Shareholders' Meeting, the Company shall announce the conditions, places, acceptance method in writing or electronically, and time within which shareholders' proposals are accepted, which must be not less than 10 days.
- 5.1.11 A proposal made by a shareholder shall be limited to 300 characters. Anything exceeding 300 characters shall be excluded. The proposing shareholder shall attend the Shareholders' Meeting in person or entrust a proxy to participate in the proposal discussion.
- 5.1.12 Before the date of notice of Shareholders' Meeting, the Company shall advise the proposing shareholder of the handling results and list the proposals conforming to the provision of this Article in the meeting notice. For shareholders' proposals not included in the discussion, the board of directors shall explain the reasons for rejection at the Shareholders' Meeting.
- 5.1.13 Any of the shareholders may, at each Shareholders' Meeting, issue a power of attorney stipulated by the Company specifying the scope of authorization to appoint a proxy to attend the Shareholders' Meeting.
- 5.1.14 Each shareholder may only issue one power of attorney to appoint only one proxy, which shall be delivered to the Company five days before the Shareholders' Meeting is convened. In the event of any repetitive powers of attorney, the one served first shall prevail. However, such provision does not apply to powers of attorney issued prior to the declaration of revocation.

- 5.1.15 After a power of attorney is delivered to the Company, shareholders who wish to attend the Shareholders' Meeting shall notify the Company in writing of the revocation of the proxy two days before the Shareholders' Meeting. In case of an overdue revocation, the voting right exercised by the authorized proxy shall prevail.
- 5.1.16 If, after a proxy form is delivered to the Company, a shareholder wishes to attend a virtual Shareholders' Meeting, a written notice of proxy cancellation shall be submitted to the Company 2 business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.
- 5.1.17 To convene a virtual Shareholders' Meeting, the Company shall include the follow particulars in the Shareholders' Meeting notice:
- a. How the shareholders shall attend the virtual meeting and exercise their rights.
  - b. Actions to be taken if there is disruption during the virtual meeting platform or participation in the virtual meeting is affected due to natural disaster, accident, or other force majeure event, at least covering the following:
    - (a) To what time the meeting is postponed or from what time the meeting will resume if the disruption continues and cannot be resolved, and the date to which the meeting is postponed or on which the meeting will resume.
    - (b) Shareholders not having registered to attend the affected virtual Shareholders' Meeting shall not attend the postponed or resumed session.
    - (c) If a hybrid Shareholders' Meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting after deducting those represented by shareholders attending the virtual Shareholders' Meeting meets the minimum legal requirement for a Shareholders' Meeting, the Shareholders' Meeting shall continue. The shares represented by shareholders attending a virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting shall be deemed as abstaining from voting on all proposals on the meeting agenda of that Shareholders' Meeting.

(d) Actions to be taken if the outcome of all proposals are announced but an extraordinary motion has not been carried out.

- c. To convene a virtual-only Shareholders' Meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual Shareholders' Meeting shall be specified.

5.2 Shareholders' Meeting venue and time principles:

- 5.2.1 The Shareholders' Meeting shall be located within the Company or a place convenient for the shareholders to attend that is suitable for a Shareholders' Meeting. The start time of the meeting shall not be earlier than 9 am or later than 3 pm. The opinions of independent directors must be fully considered in terms of the location and time of the meeting.
- 5.2.2 Restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only Shareholders' Meeting.
- 5.2.3 The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle registrations. For virtual Shareholders' Meeting, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as having attended the Shareholders' Meeting in person.
- 5.2.4 When the Company convenes a virtual-only Shareholders' Meeting, both the Chairman and secretary shall be in the same location, and the Chairman shall declare the address of their location when the meeting is called to order.

5.3 Preparation of sign-in books and other documents:

- 5.3.1 Shareholders shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.
- 5.3.2 The Company shall prepare the sign-in book for shareholders in attendance to sign in, or shareholders in attendance may hand in their sign-in cards in lieu of signing in.

- 5.3.3 The Company shall deliver procedure handbooks, annual reports, attendance certificates, speech slips, voting ballots, and other meeting materials to the shareholders attending the Shareholders' Meeting; if there is any election of directors, election ballots shall be attached.
- 5.3.4 The number of representatives of a shareholder who is a government or legal person attending a Shareholders' Meeting is not limited to one person. When a legal person is appointed to attend a Shareholders' Meeting, only one representative of such legal person may be appointed to participate in the meeting.
- 5.3.5 If a virtual Shareholders' Meeting, shareholders wishing to attend the virtual meeting shall register with the Company two days before the meeting date.
- 5.3.6 If a virtual Shareholders' Meeting, the Company shall upload the meeting agenda book, annual report, and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information available until the end of the meeting.
- 5.4 Chairman of the Shareholders' Meeting and non-voting attendees:
  - 5.4.1 If the board of directors convenes a Shareholders' Meeting, the meeting shall be chaired by the Chairman of the board. If the Chairman cannot perform the duties due to a leave of absence or other reason, the Chairman may appoint one of the directors to act on his or her behalf. If no one is appointed, the remaining directors will appoint one person as an agent.
  - 5.4.2 If a director must act on behalf of the preceding chair, said director must have served for over six months to duly understand the Company's financial and business status. The same applies if the Chairman represents legal person directors.
  - 5.4.3 A Shareholders' Meeting convened by the board of directors shall be chaired by the Chairman in person, attended by a majority of the board directors, and at least one representative from each functional committee. Attendance shall be recorded in the Shareholders' Meeting minutes.
  - 5.4.4 If a person other than the board of directors with the right to convene a meeting convenes the Shareholders' Meeting, the Chairman shall be such person. If two or more persons have the right to convene meetings, one of such persons shall be elected as the Chairman.

- 5.4.5 The Company may designate lawyers, accountants, or relevant personnel to attend the Shareholders' Meeting as attendees.
- 5.5 Shareholders' Meeting attendance:
- 5.5.1 The Chairman shall call the meeting to order at the appointed meeting time and disclose information concerning the number of non-voting shares and number of shares represented by shareholders attending the meeting.
- 5.5.2 The Chairman shall call the meeting to order at the scheduled meeting time and announce the relevant information, such as the number of non-voting rights and the number of shares present. However, when shareholders representing over half of the total number of issued shares are not present, the Chairman may announce that the meeting be postponed. The number of times the meeting may be postponed shall not exceed two, and the total time of postponement shall not exceed one hour. If the share amount present is still insufficient after two postponements but is over one-third of the total issued shares, the Chairman shall announce the meeting adjourned. If a virtual Shareholders' Meeting, the Company shall also declare the meeting adjourned on the virtual meeting platform.
- 5.5.3 If the share amount present does not exceed one-third of the total issued shares after two postponements, a tentative resolution may be passed pursuant to the Company Act, the shareholders shall be notified of the tentative resolution, and the Shareholders' Meeting shall be reconvened within one month. If a virtual Shareholders' Meeting, shareholders intending to attend the virtual meeting shall re-register with the Company in accordance with Article 5.3.5.
- 5.5.4 If the number of shares represented by the shareholders present has reached a majority of the total number of shares issued before the end of the meeting, the Chairman shall resubmit the tentative solutions passed to be voted on by the Shareholders' Meeting according to the Company Act.
- 5.6 Discussion of proposals:
- 5.6.1 If the board of directors convenes a Shareholders' Meeting, the board of directors shall determine the meeting proceedings. The relevant discussions (including temporary motions and amendments to the original discussions) shall be decided on a case-by-case voting basis. Proceedings cannot be changed unless resolved during the Shareholders' Meeting.



- 5.6.2 If the Shareholders' Meeting is convened by a person who has the right to convene other than the board of directors, the provisions of the preceding paragraph shall apply mutatis mutandis.
- 5.6.3 Before the meeting (including special motions) has been concluded, the Chairman shall declare the meeting adjourned only with a resolution. If the Chairman violates the procedure rules and announces the meeting adjourned, other members of the board of directors shall promptly assist the shareholders present to elect one person to serve as the Chairman and continue the meeting according to the procedures established by law.
- 5.6.4 The Chairman shall provide sufficient explanations and opportunities to discuss the proposals, amendments, or extempore motions proposed by shareholders. When the Chairman deems that the voting has reached a sufficient level, he or she may announce the suspension of the discussion for voting and arrange a suitable time for voting.
- 5.7 Statements by shareholders:
  - 5.7.1 Before a shareholder present delivers a speech in the meeting, he or she must fill out a speech slip that states the main points of his or her address, his or her shareholder account number (or attendance certificate number), and account name. The Chairman shall determine the order of speeches to be delivered.
  - 5.7.2 Shareholders in attendance who submit a speech slip and do not make a speech are deemed to have not made a speech. If the content of an oral speech is inconsistent with the details on the speech slip, the content of the oral speech shall prevail.
  - 5.7.3 The number of speeches of shareholders on the same proposal shall not exceed two (each time shall not exceed five minutes) without the Chairman's consent. However, if the shareholder's speech violates the regulations or exceeds the scope of the agenda, the Chairman may stop such shareholder from making a speech.
  - 5.7.4 When a shareholder in attendance makes a speech, other shareholders shall not disrupt his or her address unless having obtained the consent of the Chairman and the speaking shareholder, and the Chairman shall stop anyone violating this provision.

- 5.7.5 When a legal person shareholder appoints two or more representatives to attend the Shareholders' Meeting, only one of these representatives may make a speech on each of the proposals.
- 5.7.6 After the shareholders in attendance have given their speeches, the Chairman may reply in person or designate relevant personnel to reply.
- 5.7.7 If a virtual Shareholders' Meeting, shareholders in attendance at the virtual meeting may raise questions in writing on the virtual meeting platform from the time the Chairman declares the meeting open until the Chairman declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1-5 do not apply.
- 5.7.8 If the questions raised in accordance with the preceding paragraph do not violate the regulations or are beyond the scope of a proposal, it is advisable that the questions be disclosed to the public on the virtual meeting platform.
- 5.8 Voting shares calculation of and recusal system:
  - 5.8.1 The voting rights for a Shareholders' Meeting shall be calculated according to the number of shares.
  - 5.8.2 Shareholders have one voting right per share, except for those restricted or have no voting rights pursuant to the Company Act.
  - 5.8.3 The number of shares of shareholders without voting rights shall not be included in the total number of issued shares in the resolution of the Shareholders' Meeting.
  - 5.8.4 Shareholders who have personal interests in the matters discussed in the meeting that may pose a conflict of interest and damage the Company's interests shall not participate in voting and shall not exercise their voting rights on behalf of other shareholders.
  - 5.8.5 The number of shares for which voting right not be exercised based on the preceding paragraph shall not be included in the number of voting rights of shareholders in attendance.
  - 5.8.6 Except for a trust enterprise or a stock agency approved by the competent securities authority, when two or more shareholders appoint one proxy simultaneously, the voting rights of the proxy shall not exceed 3% of the total voting rights of the issued shares. Excess voting rights shall not be included.

- 5.8.7 When the Company convenes a Shareholders' Meeting, voting rights may be exercised in writing or electronically; when exercising voting rights in writing or electronically, the method for exercising such rights shall be specified in the convening notice for the Shareholders' Meeting. Shareholders who exercise their voting rights in writing or electronically are deemed to have attended the Shareholders' Meeting in person. However, extempore motions and amendments to the original Shareholders' Meeting proposals shall be deemed as abstentions. Therefore, the Company must avoid proposing extempore motions and amendments to the original proposals.
- 5.8.8 When exercising voting rights in writing or electronically according to the preceding paragraph, the statement of intent shall be delivered to the Company two days prior to the Shareholders' Meeting. However, such provision does not apply to those statements of intent issued prior to the declaration of revocation.
- 5.8.9 After shareholders have exercised their voting rights in writing or electronically, if they wish to attend the Shareholders' Meeting in person, they must revoke the aforesaid expressions of intent two days prior to the Shareholders' Meeting, the same way in which they exercised their voting rights. If the revocation is overdue, the voting rights exercised in writing or electronically shall prevail. If the voting rights are exercised in writing or electronically, and a proxy is appointed via a power of attorney to attend the Shareholders' Meeting, the voting rights exercised by the proxy appointed shall prevail.
- 5.8.10 The vote for a proposal shall be passed with the approval of a majority of the shareholder voting rights present, unless otherwise stipulated in the Company Act or the Company's Articles of Incorporation. At the time of voting, shareholders shall vote on a case-by-case basis after the total number of shareholders' voting rights present is announced by the Chairman or the Chairman's proxy. The shareholders' approval, opposition, and abstention voting results shall be uploaded to the Market Observation Post System.
- 5.8.11 When there are several amendments or alternatives to the same proposal, the Chairman shall determine the order of voting on such a proposal with the original. If one of the proposals is resolved, the other proposals shall be deemed to be rejected, and no further voting is required.

- 5.8.12 The Chairman shall designate persons to count the votes when voting on a resolution from among the shareholders.
  - 5.8.13 The counting of votes for voting on proposals or elections at the Shareholders' Meeting shall be done at a public place at the venue of the meeting. After the votes are fully counted, the results shall be announced and recorded immediately, including the weighting.
  - 5.8.14 If a virtual Shareholders' Meeting, after the Chairman declares the meeting open, shareholders attending the virtual meeting shall cast their votes on proposals and elections on the virtual meeting platform before the Chairman announces the voting session has closed or it is deemed abstained from voting.
  - 5.8.15 If a virtual Shareholders' Meeting, votes shall be counted immediately after the Chairman announces the voting session has closed, and the results of the votes and elections shall be announced immediately.
  - 5.8.16 If a hybrid Shareholders' Meeting, if shareholders who have registered to attend the virtual meeting in accordance with Article 5.3.5 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 virtual Shareholders' Meeting.
  - 5.8.17 When shareholders exercise voting rights in writing or electronically, unless they have withdrawn the declaration of intent and attended the virtual Shareholders' Meeting, except for extraordinary motions, they will not exercise their voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.
  - 5.8.18 If a virtual Shareholders' Meeting, the Company shall disclose the real-time results of votes and election immediately after the voting session is closed on the virtual meeting platform according to the regulations, and this disclosure shall continue for at least 15 minutes after the Chairman has announced the meeting adjourned.
- 5.9 Election matters:
- 5.9.1 The election of directors during a Shareholders' Meeting must be handled according to the relevant election provisions set by the Company. The

election results, including the list of elected directors, the final tally, the list of directors who have lost the election, and the number of voting rights obtained must be announced on-site.

- 5.9.2 The ballots for election in the preceding paragraph shall be sealed and signed by the counters, and shall be properly preserved for at least one year. However, a lawsuit arises under the Company Act, such materials shall be retained until the end of the lawsuit.

5.10 Shareholders' Meeting minutes:

- 5.10.1 The resolutions of the Shareholders' Meeting shall be made into minutes, which shall be signed or sealed by the Chairman. They shall be distributed to all shareholders no later than 20 days after the meeting. The production and distribution of meeting minutes may be conducted electronically.
- 5.10.2 The aforesaid meeting minutes may be announced by uploading them to the Market Observation Post System.
- 5.10.3 The minutes shall detail the date and venue of the meeting, the Chairman's name, the method of resolution, the proceedings and voting results of various motions (including statistical weightings), and the number of votes obtained by each candidate during director and supervisor elections. The meeting minutes shall be retained for the duration of the Company's existence.
- 5.10.4 If a virtual Shareholders' Meeting, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the Shareholders' Meeting, the convening of the meeting, the Chairman's and secretary's names, and actions to be taken in the event of technical issue or disruption to the virtual meeting platform or due to natural disaster, accident, or other force majeure event, and how such issues shall be handled shall also be included in the minutes.
- 5.10.5 When convening a virtual-only Shareholders' Meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures available to shareholders with difficulties in attending a virtual-only Shareholders' Meeting.

5.11 External announcement:

- 5.11.1 The number of shares acquired by solicitors and the number of shares represented by entrusted proxies shall be disclosed in the Shareholders' Meeting on the meeting day in a statistical table compiled in the prescribed

format. If a virtual Shareholders' Meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

5.11.2 During a 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.

5.11.3 If a Shareholders' Meeting resolution involves significant information required by the laws and regulations or the Taipei Exchange, the company shall transmit the content to the Market Observation Post System within the prescribed deadline.

5.12 Maintaining order at the venue:

5.12.1 Shareholders' Meeting staff shall wear identification cards or armbands.

5.12.2 The Chairman may direct proctors or security personnel to assist in maintaining order at the venue. When proctors or security personnel are present to assist in maintaining order, they shall wear armbands or ID cards displaying the word "Proctor."

5.12.3 If the venue has any amplifying equipment installed, the Chairman may stop shareholders from speaking using such equipment other than those provided by the Company.

5.12.4 If a shareholder violates the procedure rules, does not obey the Chairman's corrections, disrupts the progress of the meeting, and refuses to comply, the Chairman may direct proctors or security personnel to escort the shareholder out of the venue.

5.13 Recess and resumption:

5.13.1 During a meeting, the Chairman may announce a break at his or her discretion. During a force majeure event, the Chairman may rule to suspend the meeting temporarily and announce the meeting continuation time.

5.13.2 If the meeting venue can no longer be used before the agenda (including extempore motions) set by the Shareholders' Meeting are concluded, the Shareholders' Meeting may decide to find another venue to continue the meeting.

- 5.13.3 The Shareholders' Meeting may decide to postpone or continue the meeting within five days pursuant to the Company Act.
- 5.14 Audio or video recordings of Shareholders' Meetings:
- 5.14.1 The Company shall record the entire process of registration, discussion, and voting of the Shareholders' Meeting continuously and without interruption starting from the time of acceptance of shareholders' registration.
- 5.14.2 The audio-visual materials in the preceding paragraph shall be retained for at least one year. However, if a lawsuit arises under the Company Act, such materials shall be retained until the end of the lawsuit.
- 5.14.3 If a virtual Shareholders' Meeting, the Company shall retain records of shareholder registration, sign-in, check-in, questions raised, votes cast, and results of votes counted by the Company, and ensure continuous audio and video recording of the proceedings of the virtual meeting from beginning to end without interruption.
- 5.14.4 The information and audio and video recording in the preceding paragraph shall be properly retained by the Company for the entirety of its existence, and copies of the audio and video recording shall be provided to and retained by the party appointed to handle matters of the virtual meeting.
- 5.14.5 If a virtual Shareholders' Meeting, the Company is advised to ensure an audio and video recording of the back-end operation interface of the virtual meeting platform.
- 5.15 Communication and technical issues:
- 5.15.1 If 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.
- 5.15.2 If a virtual Shareholders' Meeting, when declaring the meeting open, the Chairman shall also declare, unless the meeting is not required to be postponed or resumed at another time under paragraph 4, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if there are issues with the virtual meeting platform or participation in the virtual meeting may be disrupted due to natural disaster, accident, or other force majeure event before the Chairman announces the meeting adjourned; if disruption 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.

- 5.15.3 If a meeting is postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected virtual Shareholders' Meeting shall not attend the postponed or resumed session.
- 5.15.4 For a meeting to be postponed or resumed under Article 5.15.2, the number of shares represented, and the voting rights and election rights exercised, by the shareholders who have registered to participate in the affected Shareholders' Meeting and have successfully signed in to the meeting but do not attend the postponed or resumed session of 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.
- 5.15.5 During a postponed or resumed session of a Shareholders' Meeting held under Article 5.15.2, no further discussion or resolution is required for proposals for which votes have been cast, counted and the results of which have been announced, or the list of elected directors.
- 5.15.6 If 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 still meets the minimum legal requirement for a Shareholders' Meeting, then the Shareholders' Meeting shall continue, and no postponement or resumption thereof under Article 5.15.2 is required.
- 5.15.7 If a meeting should continue per the preceding paragraph, the shares represented by shareholders attending the virtual meeting shall be counted towards the total number of shares represented by shareholders present at the meeting, provided that such shareholders are deemed as abstaining from voting on all proposals of the meeting agenda of that Shareholders' Meeting.
- 5.15.8 When postponing or resuming a meeting according to Article 5.15.2, the Company shall handle the preparatory work based on the date of the original Shareholders' Meeting in accordance with the requirements listed under paragraph 7, Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies.



5.15.9 The dates or period set forth under the second half of Article 12 and paragraph 3, Article 13 of the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies, and paragraph 2, Article 44-15 and paragraph 1, Article 44-17 of the Regulations Governing the Administration of Shareholder Services of Public Companies, shall be handled by the Company based on the date of the Shareholders' Meeting that is postponed or resumed under Article 5.15.2.

5.15.10 When convening a virtual-only Shareholders' Meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulty attending a virtual Shareholders' Meeting.

6. These provisions shall be implemented after approval by the Shareholders' Meeting, and the same shall apply to its amendments.
7. Related document: Articles of Incorporation for Formosa Optical Technology Co., Ltd.
8. Forms used: None.
9. Implementation and amendment history:
  - 9.1 These Articles of Incorporation were formulated on June 29, 1991, and entered into force on the date of approval and promulgation.
  - 9.2 The 1<sup>st</sup> amendment was made on June 24, 1998.
  - 9.3 The 2<sup>nd</sup> amendment was made on June 28, 2002.
  - 9.4 The 3<sup>rd</sup> amendment was made on March 14, 2012.
  - 9.5 The 4<sup>th</sup> amendment was made on March 25, 2015.
  - 9.6 The 5<sup>th</sup> amendment was made on June 24, 2020.
  - 9.7 The 6<sup>th</sup> amendment was made on July 27, 2021.
  - 9.8 The 7<sup>th</sup> amendment was made on June 27, 2022.
10. Operating procedure: None.

**Formosa Optical Technology Co., Ltd.**  
**Articles of Incorporation**

**Chapter I General Rules**

Article 1. This Company is an organization established pursuant to the provisions of the Company Act related to limited companies, and is named Formosa Optical Technology Co., Ltd.

Article 2. The scope of business for this Company is listed as follows:

1. CB01020 Office Machines Manufacturing
2. CC01060 Wired Communication Equipment and Apparatus Manufacturing
3. CC01070 Telecommunication Equipment and Apparatus Manufacturing
4. CC01080 Electronics Components Manufacturing
5. CE01030 Optical Instruments Manufacturing
6. F108031 Wholesale of Drugs, Medical Goods
7. F110020 Wholesale of Spectacles
8. F113070 Wholesale of Telecommunication Apparatus
9. F208031 Retail Sale of Medical Apparatus
10. F210020 Retail Sale of Glasses
11. F213060 Retail Sale of Telecommunication Apparatus
12. F401010 International Trade
13. JZ99060 Spectacles Shops
14. IZ01010 Photocopy
15. IZ02010 Typing
16. IZ10010 Typesetting
17. F118010 Wholesale of Computer Software
18. F119010 Wholesale of Electronic Materials
19. I301010 Information Software Services
20. I301020 Data Processing Services
21. I301030 Electronic Information Supply Services
22. I401010 General Advertisement Service
23. I401020 Advertising Leaflet Distribution
24. JA02040 Clocks and Watches Repair
25. F102040 Wholesale of Nonalcoholic Beverages
26. F107030 Wholesale of Cleaning Supplies
27. F108040 Wholesale of Cosmetics
28. F203010 Retail Sale of Food, Grocery and Beverage

- 29. F207030 Retail Sale of Cleaning Supplies
- 30. F208040 Retail Sale of Cosmetics
- 31. F113050 Wholesale of Computers and Clerical Machinery Equipment
- 32. F213030 Retail Sale of Computers and Clerical Machinery Equipment
- 33. F399040 Retail Sale No Storefront
- 34. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval

Article 3. The Company is established in New Taipei City. Branch offices or subsidiaries may be established domestically or overseas upon resolution of the board of directors as it deems necessary. External guarantees are provided. The Company's external investment amount is not subject to the restrictions imposed under Article 13 of the Company Act that the reinvestment shall not exceed 40% of the paid-in share capital.

Article 4. All public announcements of the Company shall be duly made according to Article 28 of the Company Act.

## Chapter II Shares

Article 5. The Company's registered capital is NT\$850 million with 85 million shares. Each share is valued at NT\$10, and shares are issued in several batches.

Article 6. The Company's stocks shall be signed or sealed and numbered by a director representing the Company. The stocks shall be issued after proper certification by the competent authority or authorized registration institutes. Co-printed or non-printed stock certificates may also be provided. The shares issued under the preceding paragraph shall be registered and retained by a centralized securities depository enterprise.

Article 7. Shareholders shall report their name, title, and address to the Company, seal where designated, and send it to the Company for inspection. If the seal is lost, report the loss to the Company in writing. All share administration related affairs shall proceed according to the Company Act, the Regulations Governing the Administration of Shareholder Services of Public Companies, and other relevant laws and regulations.

Article 8. When a stock is transferred, the transferor and transferee shall fill in an application for the transfer of shares and submit the application to the Company for share ownership transfer. After registration in the shareholders' roster, the shares may be set up as a valid defense against the Company.

- Article 9. If the shares are lost or destroyed, the recovery method shall be handled according to the Company Act or other relevant laws and regulations.
- Article 10. During share replacement or re-issuance, the Company may charge handling fees and stamp duties at its discretion.
- Article 11. The Company's stockholders' registry shall be closed for 60 days prior to an annual general meeting, 30 days prior to an extempore meeting, and five days prior to the baseline date for distributing dividends or other entitlements.

### Chapter III Shareholders' Meetings

- Article 12. Shareholders' Meetings are classified into two types: General Shareholders' Meetings and Extempore Shareholders' Meeting. A General Shareholders' Meeting shall be convened within six months after the end of each fiscal year, and each shareholder shall be notified 30 days in advance. An Extempore Shareholders' Meeting shall be convened when necessary, and the shareholders shall be notified 15 days in advance. The meeting notice shall specify the date, the venue, and agenda to be discussed during the meeting.
- Article 12-1 Shareholders' Meetings of the Company may be held via video conference or other methods announced by the Ministry of Economic Affairs.
- Article 13. If a shareholder is unable to attend the Shareholders' Meeting in person, a proxy can be appointed by completing the Company's proxy form and by specifying the scope of delegated authority. In addition to Article 177 of the Company Act, a proxy may also be designated to attend on behalf of a shareholder who is absent pursuant to the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies as stipulated by the competent authority.
- Article 14. The Chairman shall chair Shareholders' Meetings. If the Chairman is absent, the Chairman may appoint one of the directors to act as an agent on his or her behalf. If no one is appointed, the remaining directors shall appoint one person to serve as the agent. If convened by a person with the right to convene other than the board of directors, the Chairman shall be such person with the right to convene. If two or more persons have the right to convene meetings, one of such persons shall be elected as the Chairman. Shareholders' Meetings shall be convened according to the Company's procedure rules.

- Article 15. Each shareholder of the Company shall be entitled to one vote for each share held. However, no voting power shall be granted to the shares prescribed in Article 179 of the Company Act.
- Article 16. Unless otherwise regulated by the Company Act, a Shareholders' Meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting and voted in favor of by over 50% of all voting rights represented at the meeting. Voting rights can be exercised in writing or electronically. Instructions for exercising voting rights in writing or electronically must be clearly stated in the Shareholders' Meeting guidance.
- Article 17. The resolutions of the Shareholders' Meeting shall be made into minutes, which shall be signed or sealed by the Chairman and published no later than 20 days after the meeting. The minutes must detail the date and venue of the meeting, the meeting chair's name, the method of resolution, and a summary and results of the meeting agenda. These minutes are to be retained permanently. The retention period for shareholders' attendance sheets and proxy forms shall be at least one year. However, if a lawsuit arises under Article 189 of the Company Act, such materials shall be retained until the end of the lawsuit.

## Chapter IV Directors

- Article 18. The Company has 7 - 11 directors, all of whom are elected by the Shareholders' Meeting with the ability to act for a term of three years, and may be re-elected. The total number of registered shares held by all directors in the preceding paragraph shall be regulated by the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.
- Article 18-1 Among the Company directors, the number of independent directors shall not be less than three and shall not represent less than one-fifth of the total directorial seats. The director candidate (including independent directors) nomination system shall be adopted, and the Shareholders' Meeting shall select and appoint directors from the list of director candidates. The board of directors shall authorize directors' remuneration at the rate of industry level. Restrictions concerning directors' eligibility, shareholding, concurrent employment, nomination, method of election, and all other compliance issues are governed by the relevant laws of the authority.
- Article 18-2 The Company's board of directors may establish other functional committees, and the rules for exercising their powers shall be determined by the board of directors.

The Company's board of directors shall establish an audit committee composed of no less than three independent directors, from among which one shall be the convener, and at least one member shall possess expertise in accounting or finance. The responsibilities, organizational rules, exercise of powers, and other matters by which the audit committee must abide shall be handled according to the relevant laws and regulations or Company rules.

Article 19. If the term of a director has expired and a replacement cannot be sought for any reason, his or her executive duties shall be extended until a new director takes office.

Article 20. The directors shall organize the board of directors. The directors shall elect a chairman and a vice-chairman from among each other in a meeting with over two-thirds of the directors present and with majority approval. The Chairman shall represent the Company externally.

Article 21. If board of director members are short by up to one-third, the board of directors shall convene an Extempore Shareholders' Meeting within 60 days to elect supplemental members to serve out the terms of the missing members whom they were elected to replace.

Article 22. The board of directors shall be convened and chaired by the Chairman. If the Chairman cannot perform the duties due to a leave of absence or any other reason, the Chairman may appoint one of the directors to act on his or her behalf. If no one is appointed, the remaining directors shall appoint one person as an agent. The Company may convene the board of directors at any time during an emergency. The notice of the convening the board of directors of the Company may be made in writing, e-mail, or facsimile and all members of the board of directors shall be notified.

Article 23. Unless otherwise stipulated by the Company Act, a resolution by the board of directors shall be adopted in a meeting attended by over half of all directors and approved by over half of the directors present. If a director cannot attend for any reason, the director may issue a power of attorney stating the scope of authorization under the convening reasons and entrust another director to attend as a proxy. One person may entrust only one other person.

Article 24. Resolutions of meetings of the board of directors shall be made into minutes, which shall be signed or sealed by the Chairman and delivered to the directors no later than 20 days after the meeting. The minutes must detail the date and venue

of the meeting, the meeting chairman's name, the method of resolution, and a summary and results of the meeting agenda. These minutes are to be retained permanently. The retention period for directors' attendance sheets and proxy forms shall be at least one year.

Article 25. When any of the directors perform the Company's duties, regardless of the Company's operating profit or loss, the Company shall pay the directors the remuneration negotiated based on their involvement in the Company's operations and the value of their contributions, which shall not exceed the highest salary scale stipulated by the Company's salary assessment provisions. If the Company has any surplus distribution, the remuneration shall be distributed according to the provisions of Article 30. Liability insurance shall be purchased for all directors, the amount of which shall be authorized by the board of directors.

## Chapter V Managerial Officers and Staff

Article 26. The Company shall establish one president and several senior vice presidents and vice presidents. Their appointment and removal shall be made by the board of directors with majority consent from all directors. However, the appointment and removal of senior vice presidents and vice presidents shall be nominated by the president.

Article 27. The Company's board of directors shall pass a resolution to retain consultants or important staff members.

## Chapter VI Settlement

Article 28. Upon closing of each fiscal year, the board of directors shall formulate the following documents to be ratified by the General Shareholders' Meeting:

1. Business report
2. Financial statement
3. Proposal for surplus distribution or loss supplement

Article 29. If the Company makes a profit for the year, it shall allocate not less than 1% as employee remuneration, and the board of directors shall pass a resolution on whether the allocation distribution should be made in stocks or cash. The recipients of such distribution must be Company employees meeting certain conditions. The board of directors shall pass a resolution to allocate no more than 3% of the aforesaid profit as remuneration for directors and supervisors. Proposals for the distribution of employee and director remuneration shall be submitted to the Shareholders'

Meeting. Priority shall be given to reserve the funds to cover accumulated losses before allocation to employee and director remuneration according to the preceding ratio.

Article 30. If the Company's annual final accounts are in surplus, 10% shall be appropriated as the statutory surplus reserve after tax and after accumulated losses have been offset pursuant to the law, unless the statutory surplus reserve has already reached the paid-in capital of the Company. The rest shall be appropriated or revolved as a special surplus reserve. If there is balance remaining and an accumulated undistributed surplus, the board of directors shall make a surplus distribution proposal, and submit the case to the board of directors to pass a resolution on the shareholder dividend allocation.

When the Company sets aside special surplus reserves according to the law, if the "net increase in fair value of investment-type real estate accumulated in the previous period" and the "net decrease in other equity accumulated in the previous period" are under-reported, the same amount of special surplus reserve from the undistributed surplus in the previous period shall be set aside before the surplus distribution. If that is still insufficient, the amount other than the current after-tax net profit plus the current after-tax net profit shall be included in the current undistributed surplus.

The Company's dividend policy is based on current and future development plans, consideration of the investment environment, funding demands, and domestic/foreign competition conditions, and takes into account the interests of shareholders and other factors. For each fiscal year, no less than 20% of the distributable earnings for the current fiscal year shall be allocated as dividends to shareholders. However, when the accumulated distributable earning is less than 70% of the paid-in capital, no distribution will be made; the shareholders' dividends may be made in shares or cash. The cash dividends shall not be less than 10% of the total dividends.

## Chapter VII Supplemental Provisions

Article 31. The board of directors shall establish the Company's organization procedures and operation rules.

Article 32. Matters not addressed in the Articles of Incorporation shall be governed by the Company Act and other relevant laws and regulations.



Article 33. The Articles of Incorporation shall be implemented following resolution of the Shareholders' Meeting and be submitted to the competent authority for approval. The same shall apply to any revisions.

Article 34. These Articles of Incorporation were established on October 19, 1989.

The 1<sup>st</sup> amendment was made on June 9, 1990.

The 2<sup>nd</sup> amendment was made on March 13, 1991.

The 3<sup>rd</sup> amendment was made on June 8, 1991.

The 4<sup>th</sup> amendment was made on April 23, 1993.

The 5<sup>th</sup> amendment was made on November 1, 1993.

The 6<sup>th</sup> amendment was made on June 21, 1994.

The 7<sup>th</sup> amendment was made on November 28, 1994.

The 8<sup>th</sup> amendment was made on May 16, 1996.

The 9<sup>th</sup> amendment was made on June 24, 1997.

The 10<sup>th</sup> amendment was made on June 24, 1998.

The 11<sup>th</sup> amendment was made on November 10, 1998.

The 12<sup>th</sup> amendment was made on June 24, 1999.

The 13<sup>th</sup> amendment was made on September 1, 1999.

The 14<sup>th</sup> amendment was made on June 23, 2000.

The 15<sup>th</sup> amendment was made on March 27, 2001.

The 16<sup>th</sup> amendment was made on November 16, 2001.

The 17<sup>th</sup> amendment was made on November 16, 2001.

The 18<sup>th</sup> amendment was made on June 28, 2002.

The 19<sup>th</sup> amendment was made on June 28, 2004.

The 20<sup>th</sup> amendment was made on June 24, 2005.

The 21<sup>st</sup> amendment was made on June 27, 2006.

The 22<sup>nd</sup> amendment was made on June 25, 2010.

The 23<sup>rd</sup> amendment was made on June 24, 2011.

The 24<sup>th</sup> amendment was made on June 27, 2012.

The 25<sup>th</sup> amendment was made on June 26, 2013.

The 26<sup>th</sup> amendment was made on June 22, 2015.

The 27<sup>th</sup> amendment was made on June 22, 2016.

The 28<sup>th</sup> amendment was made on June 24, 2020.

The 29<sup>th</sup> amendment was made on July 27, 2021.

The 30<sup>th</sup> amendment was made on June 27, 2022.

Formosa Optical Technology Co., Ltd.  
**Procedures for Election of Directors**

1. Purpose: To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
2. Scope: Except as otherwise provided by law and regulation or by this Corporation's Articles of Incorporation, elections of directors shall be conducted in accordance with these Procedures.
3. Responsible unit:
  - 3.1 Accounting office: Responsible for the formulation and revision of the Procedure Rules.
  - 3.2 Deliberation unit: Shareholders' Meeting.
4. Operation content:
  - 4.1 Qualifications for election:
    - 4.1.1 The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:
      - 4.1.1.1 Basic requirements and values: Gender, age, nationality, and culture.
      - 4.1.1.2 Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.
    - 4.1.2 Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:
      - 4.1.2.1 The ability to make judgments about operations.
      - 4.1.2.2 Accounting and financial analysis ability.
      - 4.1.2.3 Business management ability.

- 4.1.2.4 Crisis management ability.
- 4.1.2.5 Knowledge of the industry.
- 4.1.2.6 An international market perspective.
- 4.1.2.7 Leadership ability.
- 4.1.2.8 Decision-making ability.
- 4.1.3 More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.
- 4.1.4 The board of directors of this Corporation shall consider adjusting its composition based on the results of performance evaluation.
- 4.1.5 The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.
- 4.2 Methods of election:
  - 4.2.1 Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's Articles of Incorporation, this Corporation shall call a special shareholders' meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.
  - 4.2.2 The cumulative voting method shall be used for election of the directors at this Corporation. 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.
  - 4.2.3 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.

- 4.2.4 The number of directors will be as specified in this Corporation'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.
- 4.2.5 Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.
- 4.2.6 A ballot is invalid under any of the following circumstances:
  - 4.2.6.1 The ballot was not prepared by a person with the right to convene.
  - 4.2.6.2 A blank ballot is placed in the ballot box.
  - 4.2.6.3 The writing is unclear and indecipherable or has been altered.
  - 4.2.6.4 The candidate whose name is entered in the ballot does not conform to the director candidate list.
  - 4.2.6.5 Other words or marks are entered in addition to the number of voting rights allotted.
- 4.2.7 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.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

4.2.8 The board of directors of this Corporation shall issue notifications to the persons elected as directors.

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

6. Related documents:

6.1 Regulations Governing Appointment of Independent Directors and Compliance Matters

6.2 Corporate Governance Best Practice Principles

7. Implementation and amendments:

7.1 These Procedures were first formulated on November 28, 1994, and approved by special shareholders' meeting.

7.2 The 1<sup>st</sup> amendment was made on June 19, 2009, and voted by shareholders' meeting for approval.

7.3 The 2<sup>nd</sup> amendment was made on June 22, 2015, and voted by shareholders' meeting for approval.

7.4 The 3<sup>rd</sup> amendment was made on June 23, 2021, and voted by shareholders' meeting for approval.

### Shareholding of Directors

- Per Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies (independent director provisions apply):
  - All non-independent directors must collectively hold at least 4,804,792 shares issued by the company.
  - As the Company has established an Audit Committee, the provision on the number of shares that a supervisor must hold is not applicable.
- The number of shares held by company directors on the closing date of the General Shareholders' Meeting is recorded in the shareholder register as follows:

General shareholders meeting date: May 30, 2024

Title	Name	Number of shares currently held	
		Number of shares	Shareholding ratio
Chairman	Chieh Fu International Co., Ltd. Representative: TSAI, KUO-CHOU	10,785,057	17.95%
Vice Chairman	TSAI, KUO-PING	389,439	0.64%
Director	CHEN LIU, HUI-YU	2,396,975	3.99%
Director	Chieh Fu International Co., Ltd. Representative: TSAI, YI-SHAN	10,785,057	17.95%
Director	Formosa Electronics Co., Ltd. Representative: CHUEH, TZU-CHIANG	874,115	1.45%
Director	Kaiju Investment Co., Ltd. Representative: CHANG, CHIH-WEI	1,300,972	2.16%
Director	YAO, HSIU-PI	0	0.00%
Independent Director	TSAI, YU-CHING	0	0.00%
Independent Director	WEN, CHUNG-CHI	0	0.00%
Independent Director	WU, MENG-JOU	0	0.00%
Independent Director	LIANG, JUNG-HUI	0	0.00%
Number of shares held by all non-independent directors		15,746,558	26.21%

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