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## Visco Vision Inc.

# 2024 Annual Shareholders' Meeting Minutes



**Meeting Time: May 24th, 2024 (Fri.) 9:00 AM**

**Meeting Place: No. 108, Section 1, Nankan Rd, Luzhu District,  
Taoyuan City Monarch Skyline Hotel**

**Convocation Method: In-person shareholders' meeting**

**Total Shares Held by Shareholders Presented in Person or by Proxy:  
41,850,394 shares (21,166,317 shares exercised via electronic  
transmission)**

**Total Outstanding Visco Vision Shares: 63,000,000 shares**

**Percentage of Shares Held by Shareholders Presented in Person or by  
Proxy: 66.42%**

**Attendees: Chung-I Lee, Director**

**BenQ Materials Corp. Representative: Pei-I Liu, Director**

**Ke-Yung Yu, Director**

**Chiu-Jui Wei, Independent Director and Convener of the  
Audit Committee**

**Ying-Chou Yang, Independent Director**

**Wei-Ting Lai, Independent Director**

**Pei-Ching Cheng, Accounting and Corporate Governance  
Supervisor**

**Ching-Wen Kao, CPA, KPMG**

**Chairman: Chung-I Lee**



**Recorder: Pei-Ching Cheng**



### **I. Call the Meeting to Order**

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum

### **II. Chairman's Address (omitted)**

### **III. Report Items**

(I) 2023 Business Report (Attachment 1)

Shareholder Question (Account Number 00000913) :

Domestic competitors have successively launched Silicon Hydrogel products this year and are expected to expand into the Japan and China markets by 2025, which will overlap with Visco's existing markets. How many years ahead is Visco in terms of techniques? How can Visco maintain its advantage amid competition from other manufacturers?

Chairperson Response : Currently, all contact lens manufacturers in Taiwan have (plans to) launch their own Silicon Hydrogel products and have successively obtained certifications. Visco holds an optimistic and positive view, believing that as competitors join the market, everyone will improve their manufacturing techniques. Additionally, they aim to communicate the advantages of Silicon Hydrogel for eye health to consumers, thereby expanding the market share and penetration rate of Silicon Hydrogel contact lenses collectively.

Shareholder Question (Account Number 00000913) :

In the relatively niche Silicon Hydrogel contact lens market, how can Visco continuously improve its gross profit through cost management, capacity utilization, product mix, or yield improvement?

Chairperson Response : Visco has consistently strived to maintain quality and cost competitiveness in the market. In terms of quality, although competitors have launched products or sent samples to clients, feedback indicates that Visco's Silicon Hydrogel products still have the best quality performance. In the future, the company will continue to invest in R&D to enhance product comfort and will increase production efficiency by adding automated equipment. This will help counteract cost increases due to labor and raw material inflation.

(II) Audit Committee's Review Report (Attachment 2)

(III) Report on the 2023 employees' profit sharing and directors' compensation

The proposal to disburse NT\$24,813,836 and NT\$2,354,799 as employee and director remuneration, in the form of cash, was passed by this Company's board of directors on February 27, 2024.

(IV) Report on the 2023 profit distribution and cash dividends

(1) According to the Company's Articles of Incorporation, the Board of Directors is authorized to issue a dividend of NT\$2.4 per share in cash for the total amount of NT\$151,200,000.

(2) The current cash dividend will adopt the calculation method of "unconditionally discarding any amount below NT\$1" while authorizing the President to set the benchmark date of dividend distribution, distribution date, and other related matters.

## IV. Proposed Resolutions

### Item 1

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**Proposal: Motion to ratify the 2023 financial statement and business report.  
(Proposed by the Board of Directors)**

- Note:
- I. The Company's completed 2023 financial statement has been audited by CPAs Kao Ching-Wen and Chen Mei-Yen of KPMG Taiwan as commissioned by the Board of Directors. Their audit concluded that the report sufficiently reflects the 2023 financial performance and cash flow of Visco Vision Inc. as of December 31, 2023. The business report has also been provided for review.
  - II. Please refer to attachments 1 and attachments 3 for the 2023 CPA audit report, financial statement, and business report.

Resolution: Voting Results

Shares represented at the time of voting: 41,760,394

(Including votes casted electronically)

Voting Results	% of the total represented share present
Votes in favor: 41,709,438 votes.	99.87%
Votes against: 1,903 votes	0.00%
Votes invalid and abstained: 49,053 votes	0.11%

RESOLVED, that the above proposal be and hereby was approved as proposed.

### Item 2

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**Proposal: Motion to ratify the 2023 earnings distribution proposal.  
(Proposed by the Board of Directors)**

Note: Please refer to attachments 4 for the Company's 2023 earnings distribution table.

Resolution: Voting Results

Shares represented at the time of voting: 41,760,394

(Including votes casted electronically)

Voting Results	% of the total represented share present
Votes in favor:41,708,436 votes.	99.87%
Votes against: 2,904 votes	0.00%
Votes invalid and abstained: 49,054 votes	0.11%

RESOLVED, that the above proposal be and hereby was approved as proposed.

## V. Discussion Matters

### Item I

**Proposal: Motion to amend the Company's "Rules and Procedures of Shareholders' Meetings"  
(Proposed by the Board of Directors)**

- Note:
- I. In accordance with statutory and practical needs, it is proposed to amend certain articles of the company's "Rules and Procedures of Shareholders' Meetings".
  - II. Please refer to attachments 5 for a comparison between existing and amended terms of the Company's "Rules and Procedures of Shareholders' Meetings".
  - III. Please refer to appendix I for the Rules and Procedures of Shareholders' Meetings

Resolution: Voting Results

Shares represented at the time of voting: 41,760,394

(Including votes casted electronically)

Voting Results	% of the total represented share present
Votes in favor:41,716,950 votes.	99.89%
Votes against: 3,091 votes	0.00%
Votes invalid and abstained: 40,353 votes	0.09%

RESOLVED, that the above proposal be and hereby was approved as proposed.

## Item 2

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**Proposal: Motion to discuss removal of prohibitions for Directors and their representatives to engage in competitive businesses. (Proposed by the Board of Directors)**

- Note:
- I. In accordance with Article 209 of the Company Act, Directors engaging in any activity relating to the scope of the Company's business for the interests of themselves or a third party must provide explanation for the important details of these actions and obtain approval at the Shareholders' Meeting.
  - II. Assuming no infringement to the Company's rights and interests, this motion is submitted in the Shareholders' Meeting to approve lifting of restrictions for Directors and their representatives to engage in competitive businesses in accordance with law.
  - III. Please refer to attachments 6 for a list of competitive activities that shall be lifted for Directors and their representatives in the 2024 Annual Shareholders' Meeting.

Resolution: Voting Results

Shares represented at the time of voting: 41,760,394

(Including votes casted electronically)

Voting Results	% of the total represented share present
Votes in favor: 41,457,630 votes.	99.27%
Votes against: 261,198 votes	0.62%
Votes invalid and abstained: 41,566 votes	0.09%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**VI. Extraordinary Motions: N/A**

**VII. Adjournment: May 24th, 2024 (Fri.) 9:26 AM**

## Attachment I 2023 Business Report

Welcome to the annual shareholders' meeting. The Company's 2023 operating results and this year's business plan will be reported to each shareholder:

### I. 2023 Operating Results

Unit: Expressed in thousands of New Taiwan Dollars

Item	2023	2022	Annual growth rate (%)
Operating revenue	2,397,675	2,777,524	-14
Operating margin	36%	44%	-18
Operating expenses	525,060	522,811	0
Net operating profit	332,096	709,921	-53
Net profit after tax	301,613	617,431	-51
Earnings per share (NT\$)	4.79	11.11	-57

Following the lifting of the epidemic restrictions in 2023, the Chinese economy has not experienced the anticipated recovery. Existing customers have been consistently reducing their inventory since 2022, leading to a decline in purchases. In addition to the overall economic downturn in Europe, even with inflation slowing down, European customers remained conservative in inventory turnover and procurement in the first half of 2023, with plans to launch new products postponed to the second half of the year. The overall revenue declined by 14% in 2023, with earnings per share dropping to NT\$ 4.79. Fortunately, with the support of new customers and new products, the Japanese market continues to achieve steady and robust revenue growth. There is double-digit growth in the United States market with the support of new customers.

Regarding production and supply, the overall average capacity utilization rate in 2023 decreased to eighty percent. In response to changes in the composition of ordered products and increased demand for colored contact lenses, in the fourth quarter of 2023, the transparent lens production line was modified in batches to also produce colored contact lenses and meet customer demands.

After years of effort, the Company finally obtained the MDR certificate in May 2023, becoming the first domestic manufacturer of contact lenses to receive a full range of MDR certificates. This achievement represents a significant enhancement to the Company's quality system and competitiveness and is expected to greatly benefit future business promotion. All colleagues will uphold the spirit of excellence, continuously delve into technology, products, and the market, and move forward towards the Company's vision of "reproducing the truth, goodness and beauty of the vision".

## II. Summary of Business Plan for 2024

### I. Operating Policy

By upholding the vision of “reproducing the truth, goodness and beauty of the vision”, the Company focuses on the business of eye health and medical care by paying close attention to patient needs and market activity. We continue to develop and produce world class medical products. We also uphold the principles of integrity and good faith by focusing on the rights and interests of all stakeholders while marketing premium products and customer services worldwide.

### 2. Sales Forecast and its Basis

Looking forward, the European and American markets for this year, it seems that the demand of terminal consumers is somewhat lacking in a high-interest environment. Furthermore, the recent crisis in the Red Sea attacks has led to longer transportation times in Europe. It is important to continuously monitor any subsequent changes and the growing demand for safety stock from customers. With the support of new customers and new products, the Asia Pacific market continues to achieve strong demand and promising growth. This year, the Company’s plans to continue the sound operations and proactive adaptation by releasing silicone hydrogel contact lenses for presbyopia and astigmatism in the European, U.S., and Japanese markets; cosmetic and anti-blue light products will be expanded in Asia Pacific markets. Sales and profit forecasts for 2024 are expected to exhibit continued growth.

### 3. Important production and sales strategy

- (1) Pay attention to the activity of market competition in various markets, work more closely with customers to satisfy their demands in terms of products and orders.
- (2) Release the most comprehensive product line and continue to improve safety and comfort for long term wear while achieving our commitment to superior products.
- (3) Make good use of the Company’s resources to support continuous growth and gradually implement sustainable operation and development in accordance with ESG guidance policies. In November 2023, the second phase of solar power generation began operation at our factory and the use of green power is continuously increased; the organization’s carbon inventory and reduction planning has been completed in accordance with procedures.

## III. Future Development Strategy

Expend effort into understanding people’s demand and markets for vision correction and maintenance, eye health, and medical care through the vision of “reproducing the truth, goodness and beauty of the vision”. Establish autonomous capabilities in core R&D and production while releasing superior ophthalmic products in target markets, create mutual benefit for customers and distribution channels through frequent marketing to create long-term value for the Company and benefit shareholders.

IV. The impact from the external competitive environment, regulatory environment, and overall business environment

The biggest variable to market demands this year is the impact of high interest inflation on consumption power and China’s recovery of economic momentum. Luckily, the contact lenses industry has returned to a growth state in 2023. According to the market report published by Contact Lens Spectrum in January 2024, citing data from Baird, the global contact lens market grew by approximately 8% in 2023 compared to 2022. It is projected that the overall market demand will continue to increase next year.

Sales of the Company’s products on the global market inevitable results in direct competition with major global corporations and other contact lens manufacturers. Aside from comprehensive product lines and powerful marketing resources, global corporations also work closely with ophthalmology clinics, optical retailers, and other professional sales channels which impedes this Company’s development into markets. Currently, the Company is Asia’s top manufacturer of silicone hydrogel contact lenses. However, as other manufacturers release silicone hydrogel products, this will negatively impact the Company’s sales development.

The Company is dedicated to advancement and pays constant attention to changes in market activity and the competition. Customer demands and competitive pressure are utilized as fuel for growth and has cultivated our ability to swiftly respond to competitive threats and grasp market opportunities. The Company strives to provide superior products that satisfy consumer demands while also rigorously controlling operating efficiency and costs. Our constant operating model optimizations are for the purpose of pursuing long-term growth and profit.

The Company appreciates the support and encouragement given by our shareholders. The operating team and all colleagues will continue our dedication towards maximizing benefit for both shareholders and the Company.

Chairman:



Manager:



Accounting supervisor:





## Attachment 2 Audit Committee's Review Report

The 2023 financial statement prepared by the Board of Directors was audited by CPAs Kao Ching-Wen and Chen Mei-Yen of KPMG Taiwan. Together with the operating report and profit distribution proposals, the aforementioned financial statement and CPA audit report were found to be without discrepancy by this Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act as well as Article 219 of the Company Act. Please review.

Sincerely,

Visco Vision Inc. 2024 Annual Shareholders' Meeting

Convener of the Audit Committee: 魏秋瑞

February 27, 2024

# Attachment 3 2023 Independent Auditors Report and Financial Statements

## Independent Auditors' Report

To the Board of Directors of Visco Vision Inc.:

### Opinion

We have audited the consolidated financial statements of Visco Vision Inc. and its subsidiaries, which comprise the consolidated balance sheets 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 Visco Vision Inc. and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance 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 Visco Vision Inc. and its subsidiaries 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 significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Visco Vision Inc. and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### I. Revenue recognition

Please refer to note 4(n) for the accounting policies on revenue recognition and note 6(u) for related disclosures of revenue recognition, respectively, of the notes to the consolidated financial statements.

#### Description of key audit matter:

Visco Vision Inc. and its subsidiaries deal with customers located in different geographic areas worldwide and have various trade terms with customers. Revenue is recognized at the timing of transferring control of goods to customers, which is identified based on each individual sale transaction and trade term. Therefore, revenue recognition has been identified as one of the key audit matters.

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

In relation to the key audit matter above, our principal audit procedures included testing Visco Vision Inc. and its subsidiaries' internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between Visco Vision Inc. and its subsidiaries and their customers as well as performing a sample test of related transaction documents; and performing a sample test on sales transactions that took place before and after the balance sheet date to assess the accuracy of the timing of revenue recognition.

## 2. Impairment of goodwill

Please refer to note 4(l) for the accounting policies on impairment of non-financial assets, note 5 for the uncertainty of accounting estimations and assumptions for goodwill impairment, and note 6(j) for related disclosures of impairment test of goodwill, respectively, of the notes to the consolidated financial statements.

#### Description of key audit matter:

Goodwill arising from the acquisition of From-eyes Co., Ltd. is subject to an impairment test annually or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of cash generating units that include goodwill involves management' s judgement and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

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

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of impairment of goodwill provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and test results and assessing the adequacy of Visco Vision Inc. and its subsidiaries' disclosures with respect to the related information on goodwill impairment.

## **Other Matter**

Visco Vision Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have audited and expressed 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Visco Vision Inc. and its subsidiaries' 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 Visco Vision Inc. and its subsidiaries 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 Visco Vision Inc. and its subsidiaries' financial reporting process.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional 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 Visco Vision Inc. and its subsidiaries' 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 Visco Vision Inc. and its subsidiaries' 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 Visco Vision Inc. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Visco Vision Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kao, Ching-Wen and Chen, Mei-Yen.

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2024

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)  
**VISCO VISION INC. AND SUBSIDIARIES**  
 Consolidated Balance Sheets  
 December 31, 2023 and 2022  
 (Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
<b>Assets</b>					<b>Liabilities and Equity</b>						
<b>Current assets:</b>					<b>Current liabilities:</b>						
1100	Cash and cash equivalents	\$ 520,769	11	1,801,461	34	2100	Short-term borrowings	\$ 43,500	1	46,600	1
1137	Financial assets measured at amortized cost – current	214,083	5	11,045	-	2130	Contract liabilities – current	31,317	1	20,905	-
1170	Notes and accounts receivable, net	319,660	7	264,962	5	2170	Notes and accounts payable	142,145	3	156,703	3
1180	Accounts receivable from related parties	54,745	1	34,981	1	2180	Accounts payable to related parties	30,150	1	31,530	1
1200	Other receivables	17,998	-	38,723	1	2213	Payables on equipment	90,069	2	81,007	2
130X	Inventories	606,067	13	461,985	8	2219	Other payables	327,535	7	409,282	8
1479	Prepayments and other current assets	50,352	1	38,548	1	2250	Provisions – current	18,575	-	20,278	-
	<b>Total current assets</b>	<u>1,783,674</u>	<u>38</u>	<u>2,651,705</u>	<u>50</u>	2280	Lease liabilities – current	15,122	-	19,715	-
	<b>Non-current assets:</b>					2322	Current portion of long-term debt	176,287	4	163,066	3
1517	Financial assets at fair value through other comprehensive income					2399	Other current liabilities	10,226	-	7,222	-
	– non-current	265,376	6	-	-		<b>Total current liabilities</b>	<u>884,926</u>	<u>19</u>	<u>956,308</u>	<u>18</u>
1600	Property, plant and equipment	1,889,964	40	1,764,271	33		<b>Non-current liabilities:</b>				
1755	Right-of-use assets	401,432	8	442,478	8	2540	Long-term debt	832,855	18	1,161,251	21
1780	Intangible assets	97,959	2	147,293	3	2570	Deferred income tax liabilities	6,931	-	17,061	-
1840	Deferred income tax assets	212,424	5	151,577	3	2580	Lease liabilities – non-current	16,013	-	25,005	1
1915	Prepayments for construction and equipment	66,662	1	131,759	3	2612	Long-term payables	-	-	25,630	1
1980	Other financial assets – non-current	5,147	-	2,872	-	2670	Other non-current liabilities	816	-	-	-
1990	Other non-current assets	1,320	-	2,040	-		<b>Total non-current liabilities</b>	<u>856,615</u>	<u>18</u>	<u>1,228,947</u>	<u>23</u>
	<b>Total noncurrent assets</b>	<u>2,940,284</u>	<u>62</u>	<u>2,642,290</u>	<u>50</u>		<b>Total liabilities</b>	<u>1,741,541</u>	<u>37</u>	<u>2,185,255</u>	<u>41</u>
							<b>Equity attributable to shareholders of the Company:</b>				
						3110	Common stock	630,000	13	630,000	12
						3200	Capital surplus	1,431,007	30	1,431,007	27
							Retained earnings:				
						3310	Legal reserve	158,609	3	96,866	2
						3320	Special reserve	119,796	3	216,467	4
						3350	Unappropriated earnings	819,709	18	829,668	16
								<u>1,098,114</u>	<u>24</u>	<u>1,143,001</u>	<u>22</u>
						3400	Other equity	(194,181)	(4)	(119,796)	(2)
							<b>Total equity attributable to shareholders of the Company</b>	<u>2,964,940</u>	<u>63</u>	<u>3,084,212</u>	<u>59</u>
						36XX	<b>Non-controlling interests</b>	17,477	-	24,528	-
							<b>Total equity</b>	<u>2,982,417</u>	<u>63</u>	<u>3,108,740</u>	<u>59</u>
							<b>Total liabilities and equity</b>	<u>\$ 4,723,958</u>	<u>100</u>	<u>\$ 5,293,995</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 4,723,958</u>	<u>100</u>	<u>5,293,995</u>	<u>100</u>						

Chairman:



Manager:



Accounting supervisor:



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

VISCO VISION INC. 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)

	2023		2022	
	Amount	%	Amount	%
4000 <b>Net sales</b>	\$ 2,397,675	100	\$ 2,777,524	100
5000 <b>Cost of sales</b>	(1,540,519)	(64)	(1,544,792)	(56)
<b>Gross profit</b>	857,156	36	1,232,732	44
<b>Operating expenses:</b>				
6100 Selling expenses	(174,442)	(7)	(158,925)	(5)
6200 Administrative expenses	(194,924)	(9)	(199,681)	(7)
6300 Research and development expenses	(153,083)	(6)	(160,675)	(6)
6450 Expected credit loss	(2,611)	-	(3,530)	-
<b>Total operating expenses</b>	(525,060)	(22)	(522,811)	(18)
<b>Operating income</b>	332,096	14	709,921	26
<b>Non-operating income and loss:</b>				
7100 Interest income	12,521	-	1,274	-
7010 Other income	5,346	-	15,132	-
7020 Other gains and losses	(21,034)	(1)	18,595	1
7050 Finance costs	(32,848)	(1)	(32,133)	(1)
<b>Total non-operating income and loss</b>	(36,015)	(2)	2,868	-
7900 <b>Income before income tax</b>	296,081	12	712,789	26
7950 Income tax expense	(1,519)	-	(98,780)	(4)
8200 <b>Net income</b>	294,562	12	614,009	22
<b>Other comprehensive income (loss):</b>				
8310 <b>Items that will not be reclassified subsequently to profit or loss:</b>				
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	29,885	1	-	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	29,885	1	-	-
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>				
8361 Exchange differences on translation of foreign operations	(104,270)	(4)	96,671	3
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
	(104,270)	(4)	96,671	3
<b>Other comprehensive income (loss) for the year, net of income tax</b>	(74,385)	(3)	96,671	3
8500 <b>Total comprehensive income for the year</b>	\$ 220,177	9	\$ 710,680	25
<b>Net income attributable to:</b>				
8610 Shareholders of the Company	\$ 301,613	12	\$ 617,431	22
8620 Non-controlling interests	(7,051)	-	(3,422)	-
	\$ 294,562	12	\$ 614,009	22
<b>Total comprehensive income attributable to:</b>				
8710 Shareholders of the Company	\$ 227,228	9	\$ 714,102	25
8720 Non-controlling interests	(7,051)	-	(3,422)	-
	\$ 220,177	9	\$ 710,680	25
<b>Earnings per share:</b>				
9750 Basic earnings per share	\$ 4.79		\$ 11.11	
9850 Diluted earnings per share	\$ 4.78		\$ 11.07	

Chairman:



Manager:



Accounting supervisor:



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

**VISCO VISION INC. 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 shareholders of the Company											
	Retained earnings					Other equity						
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Subtotal	Total equity of the Company	Non-controlling interests	Total equity
<b>Balance at January 1, 2022</b>	\$ 547,267	38,040	52,503	110,456	581,518	744,477	(216,467)	-	(216,467)	1,113,317	-	1,113,317
Net income (loss) in 2022	-	-	-	-	617,431	617,431	-	-	-	617,431	(3,422)	614,009
Other comprehensive income in 2022	-	-	-	-	-	-	96,671	-	96,671	96,671	-	96,671
Total comprehensive income (loss) in 2022	-	-	-	-	617,431	617,431	96,671	-	96,671	714,102	(3,422)	710,680
Appropriation of earnings:												
Legal reserve	-	-	44,363	-	(44,363)	-	-	-	-	-	-	-
Special reserve	-	-	-	106,011	(106,011)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(218,907)	(218,907)	-	-	-	(218,907)	-	(218,907)
Capital increase by cash	82,733	1,392,260	-	-	-	-	-	-	-	1,474,993	-	1,474,993
Share-based compensation cost	-	707	-	-	-	-	-	-	-	707	-	707
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	27,950	27,950
<b>Balance at December 31, 2022</b>	<u>630,000</u>	<u>1,431,007</u>	<u>96,866</u>	<u>216,467</u>	<u>829,668</u>	<u>1,143,001</u>	<u>(119,796)</u>	<u>-</u>	<u>(119,796)</u>	<u>3,084,212</u>	<u>24,528</u>	<u>3,108,740</u>
Net income (loss) in 2023	-	-	-	-	301,613	301,613	-	-	-	301,613	(7,051)	294,562
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(104,270)	29,885	(74,385)	(74,385)	-	(74,385)
Total comprehensive income (loss) in 2023	-	-	-	-	301,613	301,613	(104,270)	29,885	(74,385)	227,228	(7,051)	220,177
Appropriation of earnings:												
Legal reserve	-	-	61,743	-	(61,743)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(96,671)	96,671	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(346,500)	(346,500)	-	-	-	(346,500)	-	(346,500)
<b>Balance at December 31, 2023</b>	<u>\$ 630,000</u>	<u>1,431,007</u>	<u>158,609</u>	<u>119,796</u>	<u>819,709</u>	<u>1,098,114</u>	<u>(224,066)</u>	<u>29,885</u>	<u>(194,181)</u>	<u>2,964,940</u>	<u>17,477</u>	<u>2,982,417</u>

Chairman:



Manager:



Accounting supervisor:





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

**VISCO VISION INC. 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 operating activities:</b>		
Income before income tax	\$ 296,081	\$ 712,789
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	371,662	304,479
Amortization	32,996	31,552
Expected credit loss	2,611	3,530
Interest expense	32,848	32,133
Interest income	(12,521)	(1,274)
Dividend income	(3,784)	-
Share-based compensation cost	-	707
Impairment loss on non-financial assets	11,055	-
Foreign exchange loss (gain) from payables on acquisition considerations	99	(1,551)
Gain on lease modifications	(27)	-
Total adjustments for profit or loss	434,939	369,576
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(54,698)	(619)
Accounts receivable from related parties	(22,375)	10,259
Other receivables	20,856	(33,751)
Other receivable from related parties	11	(11)
Inventories	(144,082)	(171,226)
Prepayments and other current assets	(11,519)	(6,788)
Other non-current assets	720	(2,040)
Total changes in operating assets	(211,087)	(204,176)
Changes in operating liabilities:		
Contract liabilities	10,412	11,233
Notes and accounts payable	(14,558)	20,520
Accounts payable to related parties	(1,380)	(10,726)
Other payables	(30,110)	111,903
Other payables to related parties	(373)	424
Provisions	(1,703)	5,254
Other current liabilities	3,004	3,572
Other non-current liabilities	816	-
Total changes in operating liabilities	(33,892)	142,180
Total changes in operating assets and liabilities	(244,979)	(61,996)
<b>Total adjustments</b>	189,960	307,580
Cash provided by operations	486,041	1,020,369
Interest received	12,379	1,274
Interest paid	(32,917)	(30,132)
Income taxes paid	(112,446)	(6,385)
<b>Net cash provided by operating activities</b>	353,057	985,126

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

**VISCO VISION INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through other comprehensive income	(235,491)	-
Purchase of financial assets measured at amortized cost	(203,038)	-
Additions to property, plant and equipment (including prepayments for construction and equipment)	(449,309)	(931,950)
Additions to intangible assets	(932)	(4,947)
Net cash received from business combination	-	2,081
Additions to right-of-use assets	(227)	-
Increase in other financial assets	(2,275)	(1,670)
Dividends received	3,784	-
Decrease in payables on acquisition considerations	(51,359)	(26,521)
<b>Net cash used in investing activities</b>	<u>(938,847)</u>	<u>(963,007)</u>
<b>Cash flows from financing activities:</b>		
Increase in long-term debt	125,000	1,020,000
Repayments of long-term debt	(424,321)	(852,201)
Payment of lease liabilities	(20,997)	(14,884)
Cash dividends distributed to shareholders	(346,500)	(218,907)
Capital increase by cash	-	1,474,993
<b>Net cash provided by financing activities</b>	<u>(666,818)</u>	<u>1,409,001</u>
<b>Effects of exchange rate changes</b>	<u>(28,084)</u>	<u>19,336</u>
<b>Net increase in cash and cash equivalents</b>	(1,280,692)	1,450,456
<b>Cash and cash equivalents at beginning of year</b>	<u>1,801,461</u>	<u>351,005</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 520,769</u>	<u>\$ 1,801,461</u>

Chairman:



Manager:



Accounting  
supervisor:



## Independent Auditors' Report

To the Board of Directors of Visco Vision Inc.:

### Opinion

We have audited the parent-company-only financial statements of Visco Vision Inc. ("the Company"), which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the 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 Parent-Company-Only 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 significant in our audit of the parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows:

#### I. Revenue recognition

Please refer to note 4(n) for the accounting policies on revenue recognition and note 6(t) for related disclosures of revenue recognition, respectively, of the notes to the parent-company-only financial statements.

#### Description of key audit matter:

The Company deals with customers located in different geographic areas worldwide and has various trade terms with customers. Revenue is recognized at the timing of transferring control of goods to customers, which is identified based on each individual sale transaction and trade term. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included testing the Company's internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between the Company and its customers as well as performing a sample test of related transaction documents; and performing a sample test on sales transactions that took place before and after the balance sheet date to assess the accuracy of the timing of revenue recognition.

2. Impairment of goodwill from investments in subsidiaries

Please refer to note 4(l) for the accounting policies on impairment of non-financial assets, note 5 for the uncertainty of accounting estimations and assumptions for goodwill impairment, and note 6(g) for related disclosures of impairment test of goodwill, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from the acquisition of From-eyes Co., Ltd., which is included in the carrying amount of investments accounted for using the equity method, is subject to an impairment test annually or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of cash generating units that include goodwill involves management's judgement and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of impairment of goodwill provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and test results and assessing the adequacy of the Company's disclosures with respect to the related information on goodwill impairment.

**Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kao, Ching-Wen and Chen, Mei-Yen.

KPMG

Taipei, Taiwan (Republic of China)  
February 27, 2024

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

VISCO VISION INC.

Parent-Company-Only Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
<b>Assets</b>											
<b>Current assets:</b>											
1100	Cash and cash equivalents	\$ 251,498	6	\$ 1,483,004	33	2130	Contract liabilities—current	\$ 9,052	-	\$ 4,044	-
1137	Financial assets measured at amortized cost—current	200,000	5	-	-	2170	Notes and accounts payable	8,103	-	9,290	-
1170	Accounts receivable, net	148,213	4	181,064	4	2180	Accounts payable to related parties	365,560	9	224,198	5
1180	Accounts receivable from related parties	306,823	7	146,707	3	2219	Other payables	144,302	4	247,811	6
1200	Other receivables	17,828	-	34,097	1	2220	Other payables to related parties	7,861	-	1,154	-
1210	Other receivables from related parties	6,302	-	36,134	1	2281	Lease liabilities—current	8,904	-	6,939	-
130X	Inventories	-	-	164	-	2322	Current portion of long-term debt	103,618	3	88,125	2
1479	Prepayments and other current assets	12,777	-	12,228	-	2399	Other current liabilities	1,703	-	1,487	-
	<b>Total current assets</b>	<b>943,441</b>	<b>22</b>	<b>1,893,398</b>	<b>42</b>		<b>Total current liabilities</b>	<b>649,103</b>	<b>16</b>	<b>583,048</b>	<b>13</b>
<b>Non-current assets:</b>											
1517	Financial assets at fair value through other comprehensive income—non-current	265,376	6	-	-	2540	Long-term debt	546,748	13	785,875	17
1550	Investments accounted for using equity method	2,820,657	68	2,471,264	55	2570	Deferred income tax liabilities	1,323	-	3,447	-
1600	Property, plant and equipment	109,943	3	84,808	2	2581	Lease liabilities—non-current	14,380	-	17,927	-
1755	Right-of-use assets	22,585	1	24,321	1	2612	Long-term payables	-	-	25,630	1
1780	Intangible assets	5,514	-	15,988	-		<b>Total non-current liabilities</b>	<b>562,451</b>	<b>13</b>	<b>832,879</b>	<b>18</b>
1840	Deferred income tax assets	4,958	-	2,291	-		<b>Total liabilities</b>	<b>1,211,554</b>	<b>29</b>	<b>1,415,927</b>	<b>31</b>
1915	Prepayments for equipment	1,400	-	5,229	-	3110	<b>Equity:</b>				
1920	Refundable deposits	1,300	-	800	-	3200	Common stock	630,000	15	630,000	14
1990	Other non-current assets	1,320	-	2,040	-	3310	Capital surplus	1,431,007	34	1,431,007	32
	<b>Total noncurrent assets</b>	<b>3,233,053</b>	<b>78</b>	<b>2,606,741</b>	<b>58</b>	3320	Retained earnings:				
						3330	Legal reserve	158,609	4	96,866	2
						3350	Special reserve	119,796	3	216,467	5
							Unappropriated earnings	819,709	20	829,668	18
								1,098,114	27	1,143,001	25
						3400	Other equity	(194,181)	(5)	(119,796)	(2)
							<b>Total equity</b>	<b>2,964,940</b>	<b>71</b>	<b>3,084,212</b>	<b>69</b>
<b>Total assets</b>		<b>\$ 4,176,494</b>	<b>100</b>	<b>4,500,139</b>	<b>100</b>		<b>Total liabilities and equity</b>	<b>\$ 4,176,494</b>	<b>100</b>	<b>\$ 4,500,139</b>	<b>100</b>

Chairman:



Manager:



Accounting supervisor:



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

**VISCO VISION INC.**

**Parent-Company-Only 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)

	2023		2022	
	Amount	%	Amount	%
4000 <b>Net sales</b>	\$ 2,169,396	100	\$ 2,386,135	100
5000 <b>Cost of sales</b>	(1,517,842)	(70)	(1,571,528)	(66)
<b>Gross profit</b>	651,554	30	814,607	34
5910 Realized (unrealized) gross profit on sales	(13,337)	(1)	2,099	-
5950 <b>Realized gross profit</b>	638,217	29	816,706	34
<b>Operating expenses:</b>				
6100 Selling expenses	(29,292)	(1)	(28,486)	(1)
6200 Administrative expenses	(139,554)	(7)	(153,464)	(6)
6300 Research and development expenses	(152,556)	(7)	(160,675)	(7)
<b>Total operating expenses</b>	(321,402)	(15)	(342,625)	(14)
<b>Operating income</b>	316,815	14	474,081	20
<b>Non-operating income and loss:</b>				
7100 Interest income	11,157	1	854	-
7010 Other income	4,002	-	7,498	-
7020 Other gains and losses	(3,177)	-	8,743	-
7050 Finance costs	(14,775)	(1)	(15,656)	-
7070 Share of profits of subsidiaries	62,073	3	239,855	10
<b>Total non-operating income and loss</b>	59,280	3	241,294	10
7900 <b>Income before income tax</b>	376,095	17	715,375	30
7950 Income tax expense	(74,482)	(2)	(97,944)	(4)
8200 <b>Net income</b>	301,613	15	617,431	26
<b>Other comprehensive income (loss) :</b>				
8310 <b>Items that will not be reclassified subsequently to profit or loss:</b>				
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	29,885	1	-	-
8349 Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
	29,885	1	-	-
8360 <b>Items that may be reclassified subsequently to profit or loss:</b>				
8361 Exchange differences on translation of foreign operations	(104,270)	(5)	96,671	4
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
<b>Other comprehensive income (loss) for the year, net of income tax</b>	(74,385)	4	96,671	4
8500 <b>Total comprehensive income for the year</b>	\$ 227,228	11	\$ 714,102	30
<b>Earnings per share (in New Taiwan dollars):</b>				
9750 Basic earnings per share	\$	4.79	\$	11.11
9850 Diluted earnings per share	\$	4.78	\$	11.07

Chairman:



Manager:



Accounting supervisor:





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

VISCO VISION INC.

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total retained earnings	Foreign currency translation differences	Other equity		Total equity
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings			Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Subtotal	
<b>Balance at January 1, 2022</b>	\$ 547,267	38,040	52,503	110,456	581,518	744,477	(216,467)	-	(216,467)	1,113,317
Net income in 2022	-	-	-	-	617,431	617,431	-	-	-	617,431
Other comprehensive income in 2022	-	-	-	-	-	-	96,671	-	96,671	96,671
Total comprehensive income in 2022	-	-	-	-	617,431	617,431	96,671	-	96,671	714,102
Appropriation of earnings:										
Legal reserve	-	-	44,363	-	(44,363)	-	-	-	-	-
Special reserve	-	-	-	106,011	(106,011)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(218,907)	(218,907)	-	-	-	(218,907)
Capital increased by cash	82,733	1,392,260	-	-	-	-	-	-	-	1,474,993
Share-based compensation cost	-	697	-	-	-	-	-	-	-	697
Changes in equity of subsidiaries accounting for using equity method	-	10	-	-	-	-	-	-	-	10
<b>Balance at December 31, 2022</b>	<u>630,000</u>	<u>1,431,007</u>	<u>96,866</u>	<u>216,467</u>	<u>829,668</u>	<u>1,143,001</u>	<u>(119,796)</u>	<u>-</u>	<u>(119,796)</u>	<u>3,084,212</u>
Net income in 2023	-	-	-	-	301,613	301,613	-	-	-	301,613
Other comprehensive income in 2023	-	-	-	-	-	-	(104,270)	29,885	(74,385)	(74,385)
Total comprehensive income in 2023	-	-	-	-	301,613	301,613	(104,270)	29,885	(74,385)	227,228
Appropriation of earnings:										
Legal reserve	-	-	61,743	-	(61,743)	-	-	-	-	-
Reversal of special reserve	-	-	-	(96,671)	96,671	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(346,500)	(346,500)	-	-	-	(346,500)
<b>Balance at December 31, 2023</b>	<u>\$ 630,000</u>	<u>1,431,007</u>	<u>158,609</u>	<u>119,796</u>	<u>819,709</u>	<u>1,098,114</u>	<u>(224,066)</u>	<u>29,885</u>	<u>(194,181)</u>	<u>2,964,940</u>

Chairman:



Manager:



Accounting supervisor:



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

**VISCO VISION INC.**

**Parent-Company-Only Statements of Cash Flows**

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

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

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 376,095	\$ 715,375
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	31,726	27,843
Amortization	11,213	10,037
Interest expense	14,775	15,656
Interest income	(11,157)	(854)
Dividend income	(3,784)	-
Share-based compensation cost	-	697
Share of profit of subsidiaries	(62,073)	(239,855)
Gain on lease modifications	(22)	-
Unrealized (realized) gross profit on sales	13,337	(2,099)
Foreign exchange loss (gain) from payables on acquisition considerations	99	(1,551)
Total adjustments for profit or loss	<u>(5,886)</u>	<u>(190,126)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	32,851	14,173
Accounts receivable from related parties	(160,116)	(26,707)
Other receivables	16,411	(29,021)
Other receivable from related parties	28,507	5,165
Inventories	164	304
Prepayments and other current assets	(549)	(3,277)
Other non-current assets	720	(2040)
Total changes in operating assets	<u>(82,012)</u>	<u>(41,403)</u>
Changes in operating liabilities:		
Contract liabilities	5,008	(5,141)
Notes and accounts payable	(1,187)	3,836
Accounts payable to related parties	141,362	(36,924)
Other payables	(48,051)	41,318
Other payables to related parties	6,707	(297)
Other current liabilities	216	220
Total changes in operating liabilities	<u>104,005</u>	<u>3,012</u>
Total changes in operating assets and liabilities	<u>22,043</u>	<u>(38,391)</u>
<b>Total adjustments</b>	<u>16,157</u>	<u>(228,517)</u>
Cash provided by operations	392,252	486,858
Interest received	11,015	739
Interest paid	(14,653)	(14,791)
Income taxes paid	(111,314)	(6,067)
<b>Net cash provided by operating activities</b>	<u>277,300</u>	<u>466,739</u>

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

VISCO VISION INC.

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through other comprehensive income	(235,491)	-
Purchase of financial assets measured at amortized cost	(200,000)	-
Additions to investments accounted for using equity method	(404,927)	(480,728)
Additions to property, plant and equipment (including prepayments for equipment)	(43,530)	(37,908)
Proceeds from disposal of property, plant and equipment	1,988	4,616
Increase in refundable deposits	(500)	(10)
Additions to intangible assets	(739)	(4,690)
Decrease in payables on acquisition considerations	(51,359)	(26,521)
Dividends received	3,784	-
<b>Net cash used in investing activities</b>	<u>(930,774)</u>	<u>(547,281)</u>
<b>Cash flows from financing activities:</b>		
Increase in long-term debt	(348,634)	(822,080)
Repayments of long-term debt	125,000	1,020,000
Payment of lease liabilities	(7,898)	(6,693)
Capital increase by cash	-	1,474,993
Cash dividends distributed to shareholders	(346,500)	(218,907)
<b>Net cash provided by (used in) financing activities</b>	<u>(578,032)</u>	<u>1,447,313</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(1,231,506)	1,368,811
<b>Cash and cash equivalents at beginning of year</b>	<u>1,483,004</u>	<u>114,193</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 251,498</u>	<u>\$ 1,483,004</u>

Chairman:



Manager:



Accounting supervisor:



## Attachment 4 2023 Earnings Distribution Table

### 2023 Earnings Distribution Table

	Unit: NT\$
2023 net profit after tax	301,613,153
Less: Legal reserve (10%)	(30,161,315)
Less: Reversal of special surplus reserve - cumulative conversion adjustment	(104,269,872)
Surplus available for distribution in 2023	167,181,966
Add: Undistributed surplus from previous year	518,096,587
Cumulative surplus available for distribution up to 2023	685,278,553
Less: Distributed item - cash dividend to shareholders(NT\$2.4 distributed per share)	(151,200,000)
Undistributed surplus at end of period	\$534,078,553

Chairman:



Manager:



Accounting  
supervisor:



## Attachment 5 Comparison Table of Articles Before and After Amendment of the Company's "Rules and Procedures of Shareholders' Meetings"

Articles	Existing clause	Amended clause	Explanation
Article 2	Shareholders themselves or their appointed proxies (hereinafter referred to as "shareholders") shall attend the shareholders' meeting by presenting an attendance certificate, an attendance sign-in card, or other attendance documents. The person soliciting the proxy shall also carry identification documents for verification. The company shall provide a sign-in book for shareholders (or proxies) to sign in, or shareholders (or proxies) may submit their sign-in card for registration. The number of shares present shall be calculated based on the sign-in book or submitted sign-in cards, plus the number of shares exercised through written or electronic voting.	Shareholders themselves or their appointed proxies (hereinafter referred to as "shareholders") shall attend the shareholders' meeting by presenting an attendance certificate, an attendance sign-in card, or other attendance documents. The person soliciting the proxy shall also carry identification documents for verification. The company shall provide a sign-in book for shareholders (or proxies) to sign in, or shareholders (or proxies) may submit their sign-in card for registration. <u>Shareholders who wish to attend the meeting via video conference should register with the company at least two days prior to the meeting.</u> The number of shares present shall be calculated based on the sign-in book, submitted sign-in cards, <u>and the number of shares reported through the video conference platform,</u> plus the number of shares exercised through written or electronic voting.	Revised in accordance with statutory requirements and practical needs.
Article 4	Article <u>4</u> The location of the shareholders' meeting shall be at the company's registered office or at a location convenient for shareholders to attend and suitable for holding the meeting. The meeting start time shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The selection of the meeting location and time shall take into full consideration the opinions of independent directors.	Article <u>5</u> The location of the shareholders' meeting shall be at the company's registered office or at a location convenient for shareholders to attend and suitable for holding the meeting. The meeting start time shall not be earlier than 9:00 a.m. or later than 3:00 p.m. The selection of the meeting location and time shall take into full consideration the opinions of independent directors. <u>When the company convenes a virtual shareholders' meeting, it is not subject to the aforementioned restrictions on the meeting location.</u>	
Article 4-1	Article <u>4-1</u> A shareholders' meeting agenda shall be prepared and announced along with other relevant meeting materials at least twenty-one days prior to the annual general meeting or fifteen days prior to an extraordinary general meeting.  The timing, method of announcement, key	Article <u>5-1</u> A shareholders' meeting agenda shall be prepared and announced along with other relevant meeting materials at least twenty-one days prior to the annual general meeting or fifteen days prior to an extraordinary general meeting. <u>If convening a virtual shareholders' meeting or a shareholders' meeting with virtual assistance, the aforementioned materials shall be uploaded to the video conference platform thirty minutes before the commencement of the shareholders' meeting and shall continue to be disclosed until the meeting concludes.</u> The timing, method of announcement, key	

Articles	Existing clause	Amended clause	Explanation
	items to be included in the agenda, and other matters to be complied with as recorded in the meeting handbook shall all be handled in accordance with the "Regulations Governing the Matters to be Recorded and Complied with in Shareholders' Meeting Handbooks of Publicly Traded Companies".	items to be included in the agenda, and other matters to be complied with as recorded in the meeting handbook shall all be handled in accordance with the "Regulations Governing the Matters to be Recorded and Complied with in Shareholders' Meeting Handbooks of Publicly Traded Companies".	
Article 4-2	<p>Article <u>4-2</u></p> <p>Shareholders holding more than one percent of the total issued shares may submit proposals for agenda items for the annual general meeting in writing to the company. However, only one proposal per shareholder shall be accepted, and any exceeding proposals will not be included in the agenda. Additionally, if any proposal submitted by shareholders falls under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Act, the board of directors may exclude it from the agenda. The company shall announce the acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the cut-off date for share transfer before the annual general meeting. The acceptance period shall not be less than ten days. The company shall notify the proposing shareholders of the handling results before the notice date of the annual general meeting. For proposals not included in the agenda, the board of directors shall provide explanations for their exclusion in the meeting handbook distributed before the annual general meeting.</p> <p>(The following is omitted.)</p>	<p>Article <u>5-2</u></p> <p>Shareholders holding more than one percent of the total issued shares may submit proposals for agenda items for the annual general meeting in writing to the company. However, only one proposal per shareholder shall be accepted, and any exceeding proposals will not be included in the agenda. <u>However, if a shareholder's proposal aims to urge the company to enhance public interest or fulfill social responsibility, the board of directors may still include it in the agenda.</u> Additionally, if any proposal submitted by shareholders falls under any of the circumstances specified in Article 172-1, Paragraph 4 of the Company Act, the board of directors may exclude it from the agenda. The company shall announce the acceptance of shareholders' proposals, the place of acceptance, and the acceptance period before the cut-off date for share transfer before the annual general meeting. The acceptance period shall not be less than ten days. The company shall notify the proposing shareholders of the handling results before the notice date of the annual general meeting. For proposals not included in the agenda, the board of directors shall provide explanations for their exclusion in the meeting handbook distributed before the annual general meeting.</p> <p>(The following is omitted.)</p>	
Article 5-3	<u>(Addition)</u>	<p><u>The company shall convene shareholder meetings via video conferencing, which shall be specified in the articles of association and approved by the board of directors, unless otherwise stipulated by guidelines for stock affairs handling of publicly traded companies. Resolutions regarding video shareholder meetings shall be implemented upon approval by the board of directors with attendance of at least two-thirds of the directors and majority consent of attending directors. Any change in the manner of convening shareholder meetings by the company shall be decided by the board of directors and made no later than before the dispatch of the meeting notice.</u></p>	

Articles	Existing clause	Amended clause	Explanation
		<p>When convening shareholder meetings via video conferencing, the following items shall be specified in the meeting notice:</p> <ol style="list-style-type: none"> <li>1. Methods for shareholders to participate in and exercise their rights in the video conference.</li> <li>2. Procedures for handling obstacles arising from natural disasters, emergencies, or other force majeure events affecting the video conferencing platform or participation via video, including at least the following:               <ol style="list-style-type: none"> <li>(a) If obstacles occur prior to the meeting and persist such that postponement or continuation of the meeting is necessary, the duration of the obstacle and the rescheduled or continued meeting date.</li> <li>(b) Shareholders who did not register for participation via video in the original shareholder meeting shall not be allowed to participate in the rescheduled or continued meeting.</li> <li>(c) In the event of convening a video-assisted shareholder meeting and inability to continue the video conference, if the total shareholding present in the meeting, after deducting those attending via video, reaches the statutory quorum required for the meeting to proceed, the meeting shall continue, and shareholders participating via video conferencing shall be deemed abstained from voting on all agenda items of that meeting.</li> <li>(d) Procedures for handling situations where all agenda items have been announced but ad-hoc motions have not been carried out.</li> </ol> </li> <li>3. Convening a video shareholder meeting shall also specify appropriate alternative measures provided for shareholders who encounter difficulties in participating via video conferencing.</li> </ol>	
Article 5	<p>Article 5          If the shareholders' meeting is convened by the board of directors, the chairman shall be the chairman of the board. In the event that the chairman of the board is absent or unable to perform the duties, the vice chairman shall act as the proxy. If there is no vice chairman or the vice chairman is also absent or unable to perform the duties, the chairman shall appoint one of the executive directors as the proxy. If there are no executive directors, one of the directors shall be appointed as the proxy, and if the chairman does not appoint a proxy, the executive directors or directors shall mutually designate a proxy. If the</p>	<p>Article 4          Unless otherwise provided by law, the shareholders' meeting of the company shall be convened by the board of directors, and the chairman shall be the chairman of the board. In the event that the chairman of the board is absent or unable to perform the duties, the vice chairman shall act as the proxy. If there is no vice chairman or the vice chairman is also absent or unable to perform the duties, the chairman shall appoint one director as the proxy, and if the chairman does not appoint a proxy, the directors shall mutually designate a proxy. If the shareholders' meeting is convened by persons other than the board of</p>	<p>Revised in accordance with statutory requirements and practical needs.</p>

Articles	Existing clause	Amended clause	Explanation
	<p>shareholders' meeting is convened by persons other than the board of directors with the right to convene, the chairman shall be the person with the right to convene, and if there are two or more persons with the right to convene, they shall mutually designate a chairman.</p>	<p>directors with the right to convene, the chairman shall be the person with the right to convene, and if there are two or more persons with the right to convene, they shall mutually designate a chairman.</p>	
<p>Article 7</p>	<p>The company shall continuously record the entire process of shareholder registration, meeting proceedings, and vote counting from the start of shareholder registration. This recording shall be in audio or video format. The audiovisual materials mentioned above shall be retained for at least one year. However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be kept until the conclusion of the litigation. The minutes of the meeting shall be permanently retained for the duration of the company's existence.</p>	<p>The company shall continuously record the entire process of shareholder registration, meeting proceedings, and vote counting from the start of shareholder registration. This recording shall be in audio or video format, and the audiovisual materials shall be retained for at least one year. <u>In the case of the company convening a shareholders' meeting via video conference, records of shareholder registration, registration, check-in, questioning, voting, and company vote counting results shall be kept. The entire video conference shall be continuously recorded and stored properly during the company's existence, and the audio and video recordings shall be provided to the entrusted party handling video conference affairs for safekeeping.</u> However, if a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recordings shall be kept until the conclusion of the litigation. The minutes of the meeting shall be permanently retained for the duration of the company's existence.</p>	
<p>Article 8</p>	<p>At the scheduled meeting time, the chairman shall promptly declare the meeting open. However, if there is no representation of shareholders (or proxies) holding a majority of the total issued shares in attendance, the chairman may announce a maximum of two postponements, with the total postponement time not exceeding one hour. If after two postponements there is still not a representation of shareholders (or proxies) holding at least one-third of the total issued shares in attendance, the chairman shall announce the adjournment of the meeting.</p> <p>If after two postponements there is still not enough attendance but there is a representation of shareholders holding at least one-third of the total issued shares present, the chairman may make a provisional resolution in accordance with Article 175,</p>	<p>At the scheduled meeting time, the chairman shall promptly declare the meeting open. However, if there is no representation of shareholders (or proxies) holding a majority of the total issued shares in attendance, the chairman may announce a maximum of two postponements, with the total postponement time not exceeding one hour. If after two postponements there is still not a representation of shareholders (or proxies) holding at least one-third of the total issued shares in attendance, the chairman shall announce the adjournment of the meeting. <u>If the meeting is convened via video conference, the company shall also announce the adjournment on the shareholders' meeting video conference platform.</u></p> <p>If after two postponements there is still not enough attendance but there is a representation of shareholders holding at least one-third of the total issued shares present, the chairman may make a provisional resolution in accordance with Article 175,</p>	



Articles	Existing clause	Amended clause	Explanation
	<p>Paragraph 1 of the Company Act and notify all shareholders of the provisional resolution within one month to reconvene the shareholders' meeting.</p> <p>(The following is omitted.)</p>	<p>Paragraph 1 of the Company Act and notify all shareholders of the provisional resolution within one month to reconvene the shareholders' meeting. <u>In the case of a shareholders' meeting convened via video conference, shareholders wishing to attend via video conferencing shall register with the company again.</u></p> <p>(The following is omitted.)</p>	
Article 11	<p>On the same agenda item, each shareholder (or proxy) shall be allowed to speak, with the consent of the chairman, for a maximum of two times, each time not exceeding five minutes. However, if a shareholder's speech violates the aforementioned rule or goes beyond the scope of the agenda, the chairman may interrupt their speech. <u>If the shareholder persists in speaking or behaves inappropriately, and the chairman believes it has a detrimental effect on the conduct of the meeting, with the consent of a majority of the voting rights of the attending shareholders, the chairman may expel them from the venue.</u> (Addition)</p>	<p>On the same agenda item, each shareholder (or proxy) shall be allowed to speak, with the consent of the chairman, for a maximum of two times, each time not exceeding five minutes. However, <u>if a shareholder's speech violates the aforementioned rule or goes beyond the scope of the agenda, the chairman may interrupt their speech. Shareholders who disobey the rules of procedure and refuse to comply with the chairman's correction, thereby obstructing the conduct of the meeting after being admonished, may be asked to leave the venue by the chairman directing the inspector or security personnel. Shareholders participating via video conferencing may submit questions in writing on the shareholders' meeting video conference platform from the time the chairman declares the meeting open until the adjournment of the meeting, with a limit of two questions per agenda item and a maximum of 200 words per question.</u></p>	Revised in accordance with statutory requirements and practical needs.
Article 16	<p>The voting on resolutions shall be passed with the consent of a majority of the voting rights of the attending shareholders (or proxies), unless otherwise specified by the Company Act and the company's articles of association.</p> <p>During the voting, <u>if no objections are raised upon inquiry by the chairman, it shall be deemed as passed, with its validity equivalent to that of a vote.</u> (Addition)</p>	<p>The voting on resolutions shall be passed with the consent of a majority of the voting rights of the attending shareholders (or proxies), unless otherwise specified by the Company Act and the company's articles of association. <u>Shareholders who have a conflict of interest that may be detrimental to the company's interests shall not participate in the vote and shall not delegate their voting rights to other shareholders.</u></p> <p>During the voting, <u>the total voting rights of the attending shareholders shall be announced by the chairman or designated personnel for each agenda item. Shareholders shall then proceed to vote on each agenda item, and the results of their agreement, opposition, or abstention shall be entered into the Taiwan Stock Exchange or the Over-the-Counter Market information system on the same day as the shareholders' meeting. In the event of a shareholders' meeting conducted via video conference, shareholders participating via video conferencing shall vote</u></p>	

Articles	Existing clause	Amended clause	Explanation
		<p>on each agenda item and election proposal through the video conference platform after the chairman declares the meeting open. They shall complete their voting before the chairman announces the end of the voting. Any votes submitted after the deadline shall be considered abstentions. For shareholders' meetings conducted via video conference, the chairman shall conduct a one-time tally of votes and announce the voting and election results after announcing the end of the voting.</p>	
Article 17-1	<p>When the shareholders' meeting involves the election of directors or supervisors, it shall be conducted in accordance with the Company's regulations on the election of directors and supervisors, and the election results shall be announced on the spot. The ballots for the aforementioned elections shall be sealed and signed by the scrutineer, and stored securely for at least one year. However, if a lawsuit is filed by a shareholder pursuant to Article 189 of the Company Act, they shall be kept until the conclusion of the litigation.</p>	<p>When there is an election of directors at the shareholders' meeting, it shall be conducted in accordance with the Company's regulations on the election of directors, and the election results shall be announced on the spot. The ballots for the aforementioned election shall be sealed and signed by the scrutineer, and stored securely for at least one year. However, if a lawsuit is filed by a shareholder pursuant to Article 189 of the Company Act, they shall be kept until the conclusion of the litigation.</p>	
Article 18	<p>The matters not covered by these Rules shall be handled in accordance with the provisions of the Company Act and other relevant laws and regulations.</p> <p>These Rules shall come into effect after being passed by the shareholders' meeting, and any amendments shall follow the same procedure. These Rules were established on June 25, 2004.</p> <p>The first amendment was made on June 16, 2017.</p> <p>The second amendment was made on June 30, 2020.</p>	<p>The matters not covered by these Rules shall be governed by the provisions of the Company Act and other relevant laws and regulations.</p> <p>These Rules shall come into effect after being passed by the shareholders' meeting, and any amendments shall follow the same procedure. These Rules were established on June 25, 2004.</p> <p>The first amendment was made on June 16, 2017.</p> <p>The second amendment was made on June 30, 2020.</p> <p>The third amendment was made on May 24, 2024.</p>	Additional revision numbers and dates are added.

## Attachment 6 Prohibition on Directors from Participation in Competitive Business

Name	Planned lifting of competitive content
Chiu-Jui Wei	Corporate Director Representative, Ju Teng Electronic Technology (Vietnam) Limited Corporate Director Representative, Compal Americas (US) Inc. Corporate Director Representative, Compal Electronics N.A. Inc.
Kuo-Kuang Chao	Independent Director, Panram International Corp.

## Appendix I Rules and Procedures of Shareholders' Meetings

- Article 1 The procedure of this Company's shareholders' meetings shall be conducted according to these rules unless otherwise required by law or the Articles of Incorporation.
- Article 2 Shareholders or their appointed proxies ("shareholders") shall provide an attendance pass, sign-in card, or other documents of attendance to attend shareholders' meetings. Solicitors soliciting proxy forms shall also bring identification documents for verification. The Company shall provide a sign-in book for the signing of attending shareholders (or proxies), or the attending shareholders (or proxies) shall submit an sign-in card in place of signing. The number of shares in attendance shall be calculated according to the sign-in book or total submitted sign-in cards or the number of shares whose voting rights are exercised by correspondence or electronically.
- Article 3 Attendance and voting at shareholders' meetings shall be calculated based on the number of shares.
- Article 4 Shareholders' meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not begin earlier than 9 AM or later than 3 PM; the time and location for convening shareholders' meetings must sufficiently consider the opinions of Independent Directors.
- Article 4-1 A handbook should be prepared prior to convening a shareholders' meeting; the shareholders' meeting handbook and other relevant information must be announced 21-days prior to an annual shareholders' meeting or 15-days prior to an extraordinary shareholders' meeting.
- The aforementioned announcement of time, method, and the primary matters or other matters of compliance contained in the handbook must be handled in accordance with Regulations Governing Content and Compliance Requirements for Shareholders' Meeting Agenda Handbooks of Public Companies.
- Article 4-2 Shareholders who hold more than 1% of total issued shares must submit written proposals to the Company for the annual shareholders' meeting. This is limited to one proposal; any additional proposals will not be included in discussion. If a proposal submitted by a shareholder violates any of the stipulations in Paragraph 4, Article 172-1 of the Company Act, the Board of Directors may not include the proposal for discussion. Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Prior to the gathering date of the shareholders' meeting, the Company shall notify shareholders who submit proposals of the handling results; as for shareholder proposals not included in discussion, the Board of Directors shall provide details on their exclusion within the shareholders' meeting handbook.
- If a shareholder proposal is adopted by this Company prior to the shareholders' meeting but the proposing shareholder is unable to personally or have a proxy attend the shareholders' meeting to express their opinion, the chairperson shall place the proposal on hold without discussion and voting.
- If a shareholder's written proposal, as per Article 172-1 of the Company Act, that is included for discussion in a regular shareholders' meeting belongs to the same type as another proposal, the chairperson shall combine the proposals for handling in accordance to Article 17 of these provisions.
- Article 5 If a shareholders' meeting is convened by the Board of Directors, the President shall act as chair. If the President is absent or unable to exercise their duties, the Vice President shall act as chair. If the Vice President does not exist, or if they are absent and cannot exercise their duties, a Managing Director appointed by the President shall act as chair; if a Managing Director has not been appointed, a Director shall be designated to act as chair. If the President has not appointed a representative,

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

Article 6 This Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff workers hosting a shareholders' meeting must wear identity or arm badges.

Article 7 This Corporation, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures. The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation. The recorded meeting minutes shall be preserved permanently during the existence of the Company.

Article 8 The chair shall announce adjournment upon the designated meeting time. However, if the number of shareholders (or proxies) in attendance are less than half the total number of issued shares, the chair may announce a delay of the meeting for a maximum of two times. The total amount of time delayed may not exceed 1 hour; if, after delaying twice, the number of shareholders (or proxies) in attendance is insufficient to represent more than one-third of issued shares, the chair shall announce that the meeting is adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, Paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

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

Article 9 The Board of Directors shall determine agenda when acting as convener of the shareholders' meeting. The meeting shall be conducted in accordance with the scheduled agenda, which may not be altered without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

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

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

If the meeting venue is no longer available for continued use and not all of the items (including

extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

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

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When maintaining order at the meeting place, proctors and security personnel must wear arm badges marked with "proctor" text.

Article 10 Prior to speaking, attending shareholders (or proxies) must fill out a speaker's slip detailing the subject of their statement, shareholder account number (or attendance number), and account name. The presiding chair shall determine speaking order; if attending shareholders (or proxies) submit only speaker's slips but do not speak, this shall be deemed as silence. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

Article 11 Shareholders (or proxies) may not speak on a single proposal more than twice unless otherwise approved by the chair; each speech may not exceed five minutes. If shareholders' speech violates the previous stipulation or exceeds the subject range, the chair shall prohibit speech. The chair may, with approval through voting by more than half of attending shareholders, remove speakers who refuse the chair's orders or act improperly and have been determined as negatively influencing proceedings by the chair.

Article 12 When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

Article 13 After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

Article 14 When the chair determines that discussion of a proposal has reached the point of voting, the chair may, with approval from attending shareholders, announce a stop to discussions and move to vote.

Article 15 Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of this Company. Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 16 Except as otherwise provided in the Company Act and in this Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders (or proxies). A proposal shall pass If, when questioned by the chair, there are no objections to a proposal; the validity of this passage shall be identical to that of voting.

Article 17 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Article 17-1 If an election of Directors or Supervisors shall be conducted at the shareholders' meeting, it must be conducted according to this Company's established rules for electing Directors and Supervisors; voting results shall be announced on-site at the meeting. 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.

Article 18 Matters not stipulated in this procedure shall be handled in accordance with provisions of the Company Act and other relevant laws and regulations.

This meeting procedure shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be affected in the same manner.

These rules were established on June 25, 2004.

First revised on June 16, 2017.

Second revision on June 30, 2020.