

ASIA OPTICAL CO., INC.
2024 ANNUAL GENERAL SHAREHOLDERS' MEETING MINUTES

Type of Meeting: Physical Meeting

Time and Date: 09:00 a.m., May 31 (Friday), 2024

Place: 3F., No. 1, Jianguo Road, Tanzi Dist., Taichung City, Tanzi Technology Industrial Park (TTIP)

Present shareholders and directors:

Total actual issued and outstanding shares of the Company are 279,243,901 shares. Total shares represented by the attending shareholders and by proxy are 180,048,535 shares, including 36,050,856 shares which presented via electronic voting system. The percentage of shares held by shareholders presented in person or by proxy is 64.47%, which constituted a quorum.

There are 7 directors who presented annual shareholders' meeting exceed half of total 7 seats of directors, including I-Jen Lai (Chairman of Board of Directors), Tai-Lang Lin (Director), Shu-Ping Wu (Director), Yu-Liang Lin (Director), Hui-Ming Lu (Independent Director and Convener of the Audit Committee), Teng-Ko Chung (Independent Director), and Chyan-Long Jan (Independent Director and Convener of the Remuneration Committee).

Attendees: Lie-Dong Wu, CPA of Deloitte & Touche

Chairman: I-Jen Lai, Chairman of the Board of Directors

Minutes Taker: Ching-Wen Tseng

Call the meeting to order

Statement by the Chairman: Omitted

I. Reporting Items

【1】 Presenting the 2023 Business Report

(Proposed by the Board of Directors)

Explanation: Please refer to Attachment I.

【2】 Presenting the 2023 Audit Committee's Review Report

(Proposed by the Board of Directors)

Explanation: Please refer to Attachment II.

【3】 Presenting the 2023 Employees' Compensation and Remuneration to Directors

(Proposed by the Board of Directors)

Explanation:

- (1) The 2023 Employees' Compensation and Remuneration to Directors has been approved by the Company's Remuneration Committee and Board of Directors.

- (2) The compensation for employees and the remuneration to directors of 2023 is distributed in accordance with the Company's Articles of Incorporation. The amounts above is NT\$160,000,000, NT\$20,000,000, respectively, and shall be distributed in cash. The compensation is distributed to the employees of the Company and of its subsidiaries.

【4】 To Report 2023 Earnings Distribution by Way of Cash Dividends

(Proposed by the Board of Directors)

Explanation:

- (1) The item has been authorized by the Board of Directors that distributable dividends and bonuses in whole or in part may be paid in cash after resolution has been adopted by the Board, in accordance with Article 27-1 of the Articles of Incorporation of the Company, and reported to general shareholders' meeting.
- (2) The Company distributed NT\$502,639,021 from earnings available for distribution as of 2023, and all the distributed amount will be paid by way of cash dividends of NT\$1.8 per share.
- (3) Cash dividends will be distributed in integer of NTD (round down to integer of NTD). The Company's Chairman will be fully authorized to appoint certain one to handle all the total fraction shares.
- (4) The Company's Chairman shall be fully authorized to set the Ex-dividend Record Date, Payment Date of Cash dividend distribution, and other related matters.
- (5) If there are any changes to Company's share capital and the numbers of outstanding shares to cause the ratio of cash distribution to shareholders before the Ex-dividend Record Date and Payment Date of cash distribution, the Company's Chairman will be authorized to make adjustments.

【5】 To Report the Amendments to the Company's Rules and Procedures of Board of Directors Meetings

(Proposed by the Board of Directors)

Explanation:

- (1) The amended articles of the Company's Rules and Procedures of Board of Directors Meetings have been approved by Audit Committee and the Board of Directors.
- (2) Please refer to the attachment VI for the aforementioned comparison table of amended articles in the Rules and Procedures of Board of Directors Meetings.

【6】 Other Reports

Proposals from shareholders with or over 1% shareholdings in written form submitted to the 2024 Annual General Shareholders' Meeting.

Explanation: By end of April 2, 2024, there were no proposals submitted from shareholders with or over 1% shareholdings to the 2024 Annual General Shareholders' Meeting in accordance with the Article 172-1 of the Company Act.

II. Recognition Items

【Proposal 1】 Adoption of 2023 Business Report and Financial Statements

(Proposed by the Board of Directors)

Explanation:

- (1) The Parent Only Financial Statements and Consolidated Financial Statements prepared and delivered by the Board of Directors have been audited by Deloitte & Touche Taiwan. The Financial Statements and the 2023 Business Report have been approved by the Audit Committee and the Board of Directors. Shareholders' recognition is respectfully requested.
- (2) Please refer to Attachment I, Attachment III and Attachment IV.

Resolutions: The total voting rights of the presenting shareholders are **180,048,535** shares.

Voting Results*	Voting Percentage of the voting rights of the presenting shareholders (%)
Votes in favor : 173,971,237 votes (30,016,558 votes)	96.62%
Votes against: 92,048 votes (92,048 votes)	0.05%
Votes invalid: 0 votes	0.00%
Votes abstained: 5,985,250 votes (Including voting rights casted electronically: 5,942,250 votes)	3.32%

*including votes casted electronically (numbers in brackets)

This proposal is passed as submitted according to the resolution reached by voting and no queries raised by any of the shareholders.

【Proposal 2】 Adoption of 2023 Earnings Distribution

(Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2023 Earnings Distribution has been approved by the Audit Committee and the Board of Directors. Shareholders' recognition is respectfully requested.
- (2) Please refer to Attachment V for more information.

Resolutions: The total voting rights of the presenting shareholders are **180,048,535** shares.

Voting Results	Voting Percentage of the voting rights of the presenting shareholders (%)
Voting in favor: 174,136,238 votes (30,181,559 votes)	96.71%
Voting against: 143,050 votes (143,050 votes)	0.07%
Votes invalid: 0 votes	0.00%
Votes abstained: 5,769,247 votes (Including voting rights casted electronically: 5,726,247 votes)	3.20%

*including votes casted electronically (numbers in brackets)

This proposal is passed as submitted according to the resolution reached by voting and no queries raised by any of the shareholders.

IV. Extemporary Motions: None

V. Meeting Adjourned (A.M.09:17)

There were no queries raised by any of the shareholders during this annual general shareholders' meeting.

Chairman: I-Jen Lai

Minutes Taker: Ching-Wen Tseng

【Attachment 1】

2023 Business Report

(1) Implementation Results of Business Plan

The consolidated revenue of Asia Optical Co., Inc. (hereinafter as “**AOCI**”) in 2023 achieved about NTD 17.8 billion, and Consolidated Net Income attributable to owners of the Company is amounted to NTD 0.78 billion. EPS was NTD 2.78.

AOCI scales up the manufacturing capacity in Philippines, and will actively construct new manufacturing plant and expand current facility to build up the best and finest production base for satisfying various customers. With diverse optotronics products designing and manufacturing capabilities, AOCI continuously develops advanced AR/ VR lenses and 3D LiDAR modules, and amplifies the synergistic effects in product diversification by taking advantages of mastering the core technology in precision glass molding aspherical lenses (including special optronics components and parts, high-end mobile lenses, automotive lenses, riflescopes, range finders, smart video conference cameras, Automated Guided Vehicle (AGV) and Autonomous Mobile Robot (AMR) products, etc.

Besides, by taking the transboundary pioneering movement to step into Metalens technology, AOCI brings the most competitive manufacturing techniques into effect to produce Metalens through direct Nanoimprint Lithography (NIL) technology with high-refractive-index inorganic materials, which applies to cover the ranges from face identification for smartphones to the waveguide for AR products.

Furthermore, AOCI proactively strengthens its corporate governance, continuously devotes efforts and makes commitments to ESG management to move forward for sustainable development.

(2) Budget Execution Situation

Not applicable. AOCI did not disclose any financial forecast in 2023.

(3) Cash Receipts and Expenditures, and Profitability Analysis

1. Statement of Cash Receipts and Expenditures

In 2023, the beginning cash balance of AOCI was NTD 9,179,112 thousand. Cash inflows from operating activities this year was NTD 2,239,852 thousand. Total source of capital was NTD 11,418,964 thousand, which is enough to cope with the demand from investing and financing activities cash outflows in 2023. The ending cash balance remains NTD 9,746,889 thousand.

2. Profitability Analysis

Unit : %

Analysis Indicators		2022	2023
ROA (%)		6.26	5.26
ROE (%)		8.80	7.37
Ratio of Paid-In Capital (%)	Profit From Operation	47.52	32.72
	Profit Before Income Tax	61.10	47.26
Net Profit Margin (%)		7.05	6.10
EPS (Note.)		3.29(NTD)	2.78(NTD)

Note. If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

(4) Research and Development Status

1. Percentage of Research and Development Expenditure in Net Sales in Recent 2 Years

Unit : NTD thousands

Year	2022	2023
Net Sales	19,077,048	17,830,192
R&D Expenditure	849,500	819,860
Percentage of Net Sales	4.45%	4.60%

2. Research & Development Results in Recent 2 Years

(1) 2022:

- A. AMR Multifunctional Delivery Robots were subsidized by the Industrial Development Bureau, Ministry of Economic Affairs (IDB, MOEA) for Innovative Smart Service Promotion Plan
- B. Continuous development of 3D LiDAR Projects for automotive
- C. Initial trial production of digital laser range finder (D-LRF) modules
- D. Continuous development of OIS binoculars
- E. Continuous development of OIS binocular telescope range finders
- F. Development of 10X folded type zoom lens modules for smartphones
- G. Continuous development of 3D LiDAR modules
- H. Continuous development of IP Cam Lens modules
- I. Continuous development of automotive lens modules
- J. Continuous development of AGV (Automated Guided Vehicle) and AMR (Autonomous Mobile Robot) lens modules
- K. Accomplishment of development and small production of AOI sensor products

- L. Accomplishment of development and introduction into more competitive lead-frame material
- M. Accomplishment of development and mass production of high speed multi-channel color chip CMOS image sensor (CIS) modules
- N. Accomplishment of development of high speed test bench platform for high-end products

(2) 2023:

- A. Flash LiDAR System for Electric Buses and Active Phase Array Radar (APAR) Module Development Plan was subsidized by the Industrial Development Bureau, Ministry of Economic Affairs (IDB, MOEA) for Innovative Smart Service Promotion Plan
- B. Collaboration and strategic investment in Myrias Optics, Inc. to develop Metalens technology
- C. Continuous development of AMR (Autonomous Mobile Robot) lenses
- D. Continuous development of 3D LiDAR Projects for automotive
- E. Initial trial production of digital laser range finder (D-LRF) modules
- F. Continuous development of intelligence laser range finder modules
- G. Continuous development of automotive lens modules
- H. Continuous development of AGV (Automated Guided Vehicle) and AMR (Autonomous Mobile Robot) lens modules
- I. Continuous development of Autonomous Mobile Robot (AMR) and Automated Guided Vehicle (AGV) modules for industrial purposes
- J. Accomplishment of development and mass production of high speed multi-channel color chip CMOS image sensor (CIS) modules
- K. Accomplishment of development of high speed test bench platform for high-end products

3. Future Research & Development Strategy

In terms of future research and development, with the steady and active attitude and spirit, along with the innovation-driven, quality-oriented, and service-oriented persistence, AOCI has continuously synchronized the mechanical and electronic technology professionals to complete its techniques for developing the fast-growing high-end technology products to reveal the integration of optoelectronics strength. For the future research and development strategy, AOCI will focus on developing below strategy implementations to build up a high degree of competitiveness in company's long-term growth.

AOCI will be devoted to put the following research and development strategies into practice, in order to increase competitive advantages and future sustainable growth.

- (1) To upgrade the quality and quantity of research and development human resources in Taiwan, China, and Japan for building up the core research and development strength.
- (2) To value the importance of innovation and creativity to accumulate global intellectual property and patents to prepare the unbreakable strength for core

competitiveness for striving the world NO. 1.

- (3) To devote efforts to develop futuristic and diversified optoelectronics products and step in the cross-field of biomedical technology.
- (4) To uphold the critical techniques to create significant powers with outstanding core technologies and be the lead in the optoelectronics industry.

Chairman: I-Jen Lai

General Manager: Tai-Lang Lin

Accounting Manager: Wen-Keh Weng

【Attachment 2】

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and proposal for distribution of earnings. The financial statements were audited by CPA Lie-Dong Wu and CPA Ting-Chien Su of Deloitte & Touche, and have issued an unqualified audit report. The business report, financial statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of ASIA OPTICAL CO., INC. According to relevant requirements of Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

We hereby propose for approval

To

2024 Annual General Shareholders' Meeting of ASIA OPTICAL CO., INC.

ASIA OPTICAL CO., INC.

Chairman of the Audit Committee:

Hui-Ming Lu

March 5, 2024

【Attachment 3】

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Optical Co., Inc.

Opinion

We have audited the accompanying consolidated financial statements of Asia Optical Co., Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and 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 material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (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 Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Sales Recognition

The Group's sales are primarily generated by the optical component segment, contact image sensor module segment, optronics components segment, optronics product segment and digital camera segment. The sales revenue of the Group decreased compared to prior year, but the sales to particular customers had increased. Since the sales generated from these particular customers accounted for a major proportion of total sales, the recognition of sales from these particular customers was identified as a key audit matter, refer to Notes 4 and 23 to the consolidated financial statements.

We obtained an understanding and tested the internal controls of the Group in relation to recognition of sales from particular customers. We also performed the following audit procedures:

1. We selected sample transactions from sales and tested the operating effectiveness of relevant key controls.
2. We selected the samples of sales from particular customers with sales growth and checked them against purchase orders and related documents such as shipping documents and revenue records.

Other Matter

We have also audited the parent company only financial statements of Asia Optical Co., Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial

statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 maintain professional skepticism throughout the audit. We also:

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

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

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

where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lie-Dong Wu and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2024

Notice to Readers

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

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

the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 9,746,889	47	\$ 9,179,112	45
Financial assets at amortized cost - current (Notes 4 and 9)	174,941	1	87,131	-
Notes receivable (Notes 4 and 23)	103,502	-	71,764	-
Trade receivables from unrelated parties (Notes 4, 10 and 23)	4,272,793	20	3,836,922	19
Inventories (Notes 4, 5 and 11)	2,803,913	13	3,360,626	16
Other financial assets - current (Notes 4 and 31)	37,139	-	100,641	1
Other current assets (Notes 4 and 13)	138,445	1	163,797	1
Total current assets	<u>17,277,622</u>	<u>82</u>	<u>16,799,993</u>	<u>82</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	168,746	1	166,996	1
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	80,513	1	-	-
Investments accounted for using the equity method (Notes 4 and 14)	47,690	-	46,741	-
Property, plant and equipment (Notes 4 and 15)	2,588,543	12	2,544,471	13
Right-of-use assets (Notes 4 and 16)	261,090	1	282,110	1
Investment properties (Notes 4 and 17)	326,317	2	366,452	2
Other intangible assets (Notes 4 and 18)	79,280	1	74,202	-
Deferred tax assets (Notes 4 and 25)	37,690	-	43,810	-
Prepayments for equipment	61,814	-	85,170	1
Refundable deposits	13,373	-	13,299	-
Total non-current assets	<u>3,665,056</u>	<u>18</u>	<u>3,623,251</u>	<u>18</u>
TOTAL	<u>\$ 20,942,678</u>	<u>100</u>	<u>\$ 20,423,244</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities (Notes 4 and 23)	\$ 393,691	2	\$ 339,150	2
Notes payable	3,997	-	7,182	-
Trade payables to unrelated parties	3,024,091	14	2,599,360	13
Trade payables to related parties (Note 31)	5,124	-	12,276	-
Other payables (Note 19)	1,931,436	9	1,960,293	9
Current tax liabilities (Notes 4 and 25)	330,976	2	357,316	2
Lease liabilities - current (Notes 4 and 16)	18,057	-	18,730	-
Other current liabilities (Notes 4 and 23)	94,373	1	90,646	-
Total current liabilities	<u>5,801,745</u>	<u>28</u>	<u>5,384,953</u>	<u>26</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	172,406	1	181,701	1
Lease liabilities - non-current (Notes 4 and 16)	16,049	-	25,887	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	118,779	-	122,644	1
Guarantee deposits received	3,781	-	7,856	-
Other non-current liabilities (Notes 4 and 20)	2,314	-	2,285	-
Total non-current liabilities	<u>313,329</u>	<u>1</u>	<u>340,373</u>	<u>2</u>
Total liabilities	<u>6,115,074</u>	<u>29</u>	<u>5,725,326</u>	<u>28</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	2,792,439	13	2,810,839	14
Capital surplus	5,365,320	26	5,400,198	26
Retained earnings				
Legal reserve	2,100,482	10	2,040,613	10
Special reserve	281,870	1	1,085,120	5
Unappropriated earnings	2,379,872	12	1,452,121	7
Other equity	(363,136)	(2)	(276,073)	(1)
Treasury shares	-	-	(109,630)	-
Total equity attributable to owners of the Company	<u>12,556,847</u>	<u>60</u>	<u>12,403,188</u>	<u>61</u>
NON-CONTROLLING INTERESTS	<u>2,270,757</u>	<u>11</u>	<u>2,294,730</u>	<u>11</u>
Total equity	<u>14,827,604</u>	<u>71</u>	<u>14,697,918</u>	<u>72</u>
TOTAL	<u>\$ 20,942,678</u>	<u>100</u>	<u>\$ 20,423,244</u>	<u>100</u>

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
SALES (Notes 4, 23 and 31)	\$ 17,830,192	100	\$ 19,077,048	100
COST OF GOODS SOLD (Notes 11, 24 and 31)	<u>14,645,356</u>	<u>82</u>	<u>15,316,222</u>	<u>80</u>
GROSS PROFIT	<u>3,184,836</u>	<u>18</u>	<u>3,760,826</u>	<u>20</u>
OPERATING EXPENSES (Notes 24 and 31)				
Selling and marketing expenses	206,600	1	215,153	1
General and administrative expenses	1,238,600	7	1,304,783	7
Research and development expenses	819,860	5	849,500	5
Expected credit loss (Notes 4 and 10)	<u>6,128</u>	<u>-</u>	<u>55,794</u>	<u>-</u>
Total operating expenses	<u>2,271,188</u>	<u>13</u>	<u>2,425,230</u>	<u>13</u>
PROFIT FROM OPERATIONS	<u>913,648</u>	<u>5</u>	<u>1,335,596</u>	<u>7</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 24 and 31)	108,388	-	181,638	1
Other gains and losses (Notes 4 and 24)	(10,844)	-	(8,380)	-
Finance costs (Notes 4 and 16)	(1,334)	-	(3,197)	-
Share of profit of associates (Notes 4 and 14)	1,690	-	3,002	-
Interest income (Note 4)	330,864	2	89,981	-
Foreign exchange gain (loss) (Note 4)	(24,523)	-	180,635	1
Net gain (loss) on financial asset at fair value through profit or loss (Note 4)	<u>1,951</u>	<u>-</u>	<u>(61,778)</u>	<u>-</u>
Total non-operating income and expenses	<u>406,192</u>	<u>2</u>	<u>381,901</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	1,319,840	7	1,717,497	9
INCOME TAX EXPENSE (Notes 4 and 25)	<u>232,256</u>	<u>1</u>	<u>371,870</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>1,087,584</u>	<u>6</u>	<u>1,345,627</u>	<u>7</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	(5,623)	-	37,662	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(109,472)</u>	<u>(1)</u>	<u>922,990</u>	<u>5</u>

(Continued)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Other comprehensive income (loss) for the year	<u>(115,095)</u>	<u>(1)</u>	<u>\$ 960,652</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 972,489</u>	<u>5</u>	<u>\$ 2,306,279</u>	<u>12</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 776,955	4	\$ 924,425	5
Non-controlling interests	<u>310,629</u>	<u>2</u>	<u>421,202</u>	<u>2</u>
	<u>\$ 1,087,584</u>	<u>6</u>	<u>\$ 1,345,627</u>	<u>7</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 684,222	4	\$ 1,764,841	9
Non-controlling interests	<u>288,267</u>	<u>1</u>	<u>541,438</u>	<u>3</u>
	<u>\$ 972,489</u>	<u>5</u>	<u>\$ 2,306,279</u>	<u>12</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 2.78</u>		<u>\$ 3.29</u>	
Diluted	<u>\$ 2.75</u>		<u>\$ 3.24</u>	

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company									
	Ordinary Shares (Note 22)	Capital Surplus (Notes 4, 22 and 27)	Retained Earnings (Notes 4, 22 and 27)			Other Equity (Note 4) Exchange Differences on Translation of the Financial Statements of Foreign Operations	Treasury Shares (Note 22)	Total	Non-controlling Interests (Note 4)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2022	\$ 2,810,839	\$ 5,399,840	\$ 1,891,790	\$ 830,448	\$ 2,296,940	\$ (1,079,323)	\$ -	\$ 12,150,534	\$ 3,741,518	\$ 15,892,052
Appropriation of 2021 earnings	-	-	148,823	-	(148,823)	-	-	-	-	-
Legal reserve	-	-	148,823	-	(148,823)	-	-	-	-	-
Special reserve	-	-	-	254,672	(254,672)	-	-	-	-	-
Cash dividends, NT\$3.70 per share	-	-	-	-	(1,040,010)	-	-	(1,040,010)	-	(1,040,010)
Net profit for the year ended December 31, 2022	-	-	-	-	924,425	-	-	924,425	421,202	1,345,627
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	37,166	803,250	-	840,416	120,236	960,652
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	961,591	803,250	-	1,764,841	541,438	2,306,279
Buy-back of treasury shares	-	-	-	-	-	-	(109,630)	(109,630)	-	(109,630)
Actual acquisition of partial interests in subsidiaries	-	-	-	-	(362,905)	-	-	(362,905)	(1,751,347)	(2,114,252)
Change in ownership interests in subsidiaries	-	358	-	-	-	-	-	358	(358)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(236,521)	(236,521)
BALANCE AT DECEMBER 31, 2022	2,810,839	5,400,198	2,040,613	1,085,120	1,452,121	(276,073)	(109,630)	12,403,188	2,294,730	14,697,918
Appropriation of 2022 earnings	-	-	59,869	-	(59,869)	-	-	-	-	-
Legal reserve	-	-	59,869	-	(59,869)	-	-	-	-	-
Special reserve	-	-	-	(803,250)	803,250	-	-	-	-	-
Cash dividends, NT\$1.90 per share	-	-	-	-	(530,563)	-	-	(530,563)	-	(530,563)
Net profit for the year ended December 31, 2023	-	-	-	-	776,955	-	-	776,955	310,629	1,087,584
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(5,670)	(87,063)	-	(92,733)	(22,362)	(115,095)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	771,285	(87,063)	-	684,222	288,267	972,489
Treasury shares retired	(18,400)	(34,878)	-	-	(56,352)	-	109,630	-	-	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(312,240)	(312,240)
BALANCE AT DECEMBER 31, 2023	\$ 2,792,439	\$ 5,365,320	\$ 2,100,482	\$ 281,870	\$ 2,379,872	\$ (363,136)	\$ -	\$ 12,556,847	\$ 2,270,757	\$ 14,827,604

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,319,840	\$ 1,717,497
Adjustments for:		
Depreciation expense	550,959	531,978
Amortization expense	33,105	21,882
Expected credit loss	6,128	55,794
Net loss (gain) on financial assets at fair value through profit or loss	(1,951)	61,778
Finance costs	1,334	3,197
Interest income	(330,864)	(89,981)
Dividend income	(9,310)	(26,245)
Share of profit of associates	(1,690)	(3,002)
Loss (gain) on disposal of property, plant and equipment	7,360	(1,117)
Write-down of inventories	3,237	5,539
Net loss on foreign currency exchange	58,491	9,119
Recognition of provisions	29	34
Net changes in operating assets and liabilities:		
Notes receivable	(33,407)	83,781
Trade receivables	(508,173)	378,265
Inventories	580,720	704,309
Other current assets	25,333	13,713
Other financial assets	64,016	81,412
Contract liabilities	54,941	(86,690)
Notes payable	(3,172)	(10,422)
Trade payables	418,984	(599,723)
Other payables	(59,383)	(463,957)
Other current liabilities	3,853	(24,539)
Net defined benefit liabilities	(9,710)	14,318
Cash generated from operations	2,170,670	2,376,940
Interest received	330,864	89,981
Interest paid	(1,334)	(3,197)
Income tax paid	(260,348)	(164,747)
Net cash generated from operating activities	<u>2,239,852</u>	<u>2,298,977</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of financial assets at fair value through other comprehensive income	(80,513)	-
Purchase of financial assets at amortized cost	(89,016)	(208,020)
Proceeds from sale of financial assets at amortized cost	-	179,045
Purchase of financial assets at fair value through profit or loss	-	(7,378)
Payments for property, plant and equipment	(359,511)	(326,565)
Proceeds from disposal of property, plant and equipment	5,646	1,415
Increase in refundable deposits	(26)	(71)
Payments for intangible assets	(38,237)	(22,055)
Decrease in other financial assets	-	41,492

(Continued)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Increase in prepayments for equipment	\$ (175,576)	\$ (54,210)
Dividends received	<u>9,310</u>	<u>26,245</u>
Net cash used in investing activities	<u>(727,923)</u>	<u>(370,102)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for buy-back of treasury shares	-	(109,630)
Net cash outflow on acquisition of subsidiary	-	(2,114,252)
Decrease in guarantee deposits received	(4,027)	-
Repayment of the principal portion of lease liabilities	(20,554)	(19,934)
Dividends paid to owners of the Company	(530,563)	(1,040,010)
Change in non-controlling interests	<u>(312,240)</u>	<u>(236,521)</u>
Net cash used in financing activities	<u>(867,384)</u>	<u>(3,520,347)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES		
	<u>(76,768)</u>	<u>583,521</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	567,777	(1,007,951)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>9,179,112</u>	<u>10,187,063</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 9,746,889</u>	<u>\$ 9,179,112</u>

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

【Attachment 4】

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Asia Optical Co., Inc.

Opinion

We have audited the accompanying parent company only financial statements of Asia Optical Co., Inc. (the “Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the 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 material accounting policy information (collectively referred to as the “parent company only financial statements”)

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 the 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the 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.

The key audit matter of the Company's parent company only financial statements for the year ended December 31, 2023 is stated as follows:

Sales Recognition

The Company's sales are primarily generated by the optical component segment. The sales revenue of the Company decreased compared to prior year, but the sales to particular customers had increased substantially. Since the sales generated from these particular customers accounted for a major proportion of total sales, the recognition of sales from these particular customers was identified as a key audit matter, refer to Notes 4 and 19.

We obtained an understanding and tested the internal controls of the Company in relation to recognition of sales from particular customers. We also performed the following audit procedures:

1. We selected sample transactions from sales and tested the operating effectiveness of relevant key controls.
2. We selected the samples of sales from particular customers with significant sales growth and checked them against purchase orders and related documents such as shipping documents and revenue records.

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 maintain 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Company 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 for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Lie-Dong Wu and Ting-Chien Su.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2024

Notice to Readers

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

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

ASIA OPTICAL CO., INC.

PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 1,962,320	11	\$ 1,911,151	10
Notes receivable from unrelated parties (Notes 4 and 19)	-	-	156	-
Trade receivables from unrelated parties (Notes 4, 9 and 19)	599,394	3	793,279	4
Trade receivables from related parties (Notes 4, 19 and 27)	231,261	1	101,268	1
Inventories (Notes 4, 5 and 10)	226,054	1	327,006	2
Other financial assets - current (Notes 4 and 27)	20,700	-	8,053	-
Other current assets (Note 27)	40,049	-	17,906	-
Total current assets	<u>3,079,778</u>	<u>16</u>	<u>3,158,819</u>	<u>17</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	42,498	-	47,752	-
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	80,513	1	-	-
Investments accounted for using the equity method (Notes 4 and 11)	14,590,050	78	14,017,891	77
Property, plant and equipment (Notes 4 and 12)	679,975	4	691,776	4
Right-of-use assets (Notes 4 and 13)	14,958	-	16,728	-
Investment properties (Notes 4 and 14)	112,543	1	116,021	1
Other intangible assets (Notes 4 and 15)	61,195	-	53,989	1
Deferred tax assets (Notes 4 and 21)	25,319	-	31,843	-
Prepayments for equipment	21,208	-	24,480	-
Refundable deposits	5,787	-	5,776	-
Total non-current assets	<u>15,634,046</u>	<u>84</u>	<u>15,006,256</u>	<u>83</u>
TOTAL	<u>\$ 18,713,824</u>	<u>100</u>	<u>\$ 18,165,075</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Contract liabilities - current (Notes 4, 19 and 27)	\$ 346,736	2	\$ 707,893	4
Notes payable	-	-	110	-
Trade payables to unrelated parties	317,022	2	391,880	2
Trade payables to related parties (Note 27)	4,290,696	23	3,063,118	17
Other payables to unrelated parties (Note 16)	589,121	3	593,206	3
Other payables to related parties (Note 27)	184,548	1	626,560	3
Current tax liabilities (Notes 4 and 21)	115,102	-	99,146	1
Lease liabilities - current (Notes 4 and 13)	8,309	-	8,685	-
Other current liabilities	2,102	-	2,123	-
Total current liabilities	<u>5,853,636</u>	<u>31</u>	<u>5,492,721</u>	<u>30</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 21)	80,000	-	67,171	-
Lease liabilities - non-current (Notes 4 and 13)	6,101	-	7,644	-
Net defined benefit liabilities (Notes 4 and 17)	113,434	1	116,955	1
Investment accounted for using the equity method - credit (Notes 4 and 11)	103,806	1	77,396	1
Total non-current liabilities	<u>303,341</u>	<u>2</u>	<u>269,166</u>	<u>2</u>
Total liabilities	<u>6,156,977</u>	<u>33</u>	<u>5,761,887</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Ordinary shares	2,792,439	15	2,810,839	15
Capital surplus	5,365,320	29	5,400,198	30
Retained earnings				
Legal reserve	2,100,482	11	2,040,613	11
Special reserve	281,870	1	1,085,120	6
Unappropriated earnings	2,379,872	13	1,452,121	8
Other equity	(363,136)	(2)	(276,073)	(1)
Treasury shares	-	-	(109,630)	(1)
Total equity	<u>12,556,847</u>	<u>67</u>	<u>12,403,188</u>	<u>68</u>
TOTAL	<u>\$ 18,713,824</u>	<u>100</u>	<u>\$ 18,165,075</u>	<u>100</u>

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

ASIA OPTICAL CO., INC.

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
SALES (Notes 4, 19 and 27)	\$ 5,110,530	100	\$ 4,866,346	100
COST OF GOODS SOLD (Notes 10, 17, 20 and 27)	<u>4,229,283</u>	<u>83</u>	<u>3,713,115</u>	<u>76</u>
GROSS PROFIT	<u>881,247</u>	<u>17</u>	<u>1,153,231</u>	<u>24</u>
OPERATING EXPENSES (Notes 17 and 20)				
Selling and marketing expenses	38,832	1	33,298	1
General and administrative expenses	314,451	6	351,797	7
Research and development expenses	533,671	10	509,082	11
Expected credit loss (Notes 4 and 9)	<u>3,418</u>	<u>-</u>	<u>5,612</u>	<u>-</u>
Total operating expenses	<u>890,372</u>	<u>17</u>	<u>899,789</u>	<u>19</u>
INCOME (LOSS) FROM OPERATIONS	<u>(9,125)</u>	<u>-</u>	<u>253,442</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Notes 4 and 13)	(317)	-	(433)	-
Share of profit of subsidiaries (Notes 4 and 11)	772,091	15	739,939	15
Interest income (Note 4)	59,359	1	10,352	-
Rental income (Note 27)	6,406	-	8,955	-
Other income (Notes 4 and 27)	79,811	1	71,109	2
Foreign exchange loss, net (Note 4)	(72,480)	(1)	(70,266)	(1)
Net gain (loss) on financial assets at fair value through profit or loss (Note 4)	(5,254)	-	436	-
Other expenses	<u>(1)</u>	<u>-</u>	<u>(51)</u>	<u>-</u>
Total non-operating income and expenses	<u>839,615</u>	<u>16</u>	<u>760,041</u>	<u>16</u>
PROFIT BEFORE INCOME TAX	830,490	16	1,013,483	21
INCOME TAX EXPENSE (Notes 4 and 21)	<u>53,535</u>	<u>1</u>	<u>89,058</u>	<u>2</u>
NET PROFIT FOR THE YEAR	<u>776,955</u>	<u>15</u>	<u>924,425</u>	<u>19</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 17)	(7,536)	-	28,273	1

(Continued)

ASIA OPTICAL CO., INC.

**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
Share of other comprehensive income of subsidiaries accounted for using the equity method	\$ 1,866	-	\$ 8,893	-
	<u>(5,670)</u>	<u>-</u>	<u>37,166</u>	<u>1</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(87,063)</u>	<u>(2)</u>	<u>803,250</u>	<u>16</u>
Other comprehensive income (loss) for the year	<u>(92,733)</u>	<u>(2)</u>	<u>840,416</u>	<u>17</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 684,222</u>	<u>13</u>	<u>\$ 1,764,841</u>	<u>36</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 2.78</u>		<u>\$ 3.29</u>	
Diluted	<u>\$ 2.75</u>		<u>\$ 3.24</u>	

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

ASIA OPTICAL CO., INC.

**PARENT COMPANY ONLY CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Ordinary Shares (Note 18)	Capital Surplus (Notes 4 and 18)	Retained Earnings (Notes 4 and 18)			Other Equity (Note 4)	Treasury Shares (Note 18)	Total Equity
			Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of The Financial Statements of Foreign Operations		
BALANCE AT JANUARY 1, 2022	\$ 2,810,839	\$ 5,399,840	\$ 1,891,790	\$ 830,448	\$ 2,296,940	\$ (1,079,323)	\$ -	\$ 12,150,534
Appropriation of 2021 earnings								
Legal reserve	-	-	148,823	-	(148,823)	-	-	-
Special reserve	-	-	-	254,672	(254,672)	-	-	-
Cash dividends, NT\$3.70 per share	-	-	-	-	(1,040,010)	-	-	(1,040,010)
Net profit for the year ended December 31, 2022	-	-	-	-	924,425	-	-	924,425
Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	37,166	803,250	-	840,416
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	961,591	803,250	-	1,764,841
Buy-back of treasury shares	-	-	-	-	-	-	(109,630)	(109,630)
Actual acquisition of partial interests in subsidiaries	-	-	-	-	(362,905)	-	-	(362,905)
Change in ownership interests in subsidiaries	-	358	-	-	-	-	-	358
BALANCE AT DECEMBER 31, 2022	2,810,839	5,400,198	2,040,613	1,085,120	1,452,121	(276,073)	(109,630)	12,403,188
Appropriation of 2022 earnings								
Legal reserve	-	-	59,869	-	(59,869)	-	-	-
Special reserve	-	-	-	(803,250)	803,250	-	-	-
Cash dividends, NT\$1.90 per share	-	-	-	-	(530,563)	-	-	(530,563)
Net profit for the year ended December 31, 2023	-	-	-	-	776,955	-	-	776,955
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	(5,670)	(87,063)	-	(92,733)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	771,285	(87,063)	-	684,222
Cancelation of treasury shares	(18,400)	(34,878)	-	-	(56,352)	-	109,630	-
BALANCE AT DECEMBER 31, 2023	\$ 2,792,439	\$ 5,365,320	\$ 2,100,482	\$ 281,870	\$ 2,379,872	\$ (363,136)	\$ -	\$ 12,556,847

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

ASIA OPTICAL CO., INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 830,490	\$ 1,013,483
Adjustments for:		
Depreciation expense	88,423	78,834
Amortization expense	30,389	19,248
Expected credit loss	3,418	5,612
Net loss (gain) on financial assets at fair value through profit or loss	5,254	(436)
Finance costs	317	433
Interest income	(59,359)	(10,352)
Dividend income	-	(232)
Share of profit of subsidiaries	(772,091)	(739,939)
Write-down of inventories	1,454	2,043
Net loss on foreign currency exchange	45,874	125,052
Net changes in operating assets and liabilities:		
Notes receivable	156	411
Trade receivables	43,588	(496,620)
Inventories	99,498	(143,532)
Other current assets	(22,143)	(2,821)
Other financial assets	(12,647)	6,726
Contract liabilities	(361,157)	288,165
Notes payable	(110)	(188)
Trade payables	1,126,353	991,750
Other payables	(447,897)	18,759
Other current liabilities	(21)	266
Net defined benefit liabilities	(11,057)	12,981
Cash generated from operations	588,732	1,169,643
Interest received	59,359	10,352
Interest paid	(317)	(433)
Income tax paid	(18,226)	(15,680)
Net cash generated from operating activities	<u>629,548</u>	<u>1,163,882</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(80,513)	-
Acquisitions of equity interest in subsidiary	-	(25,324)
Proceeds from the capital reduction on investments accounted for using the equity method	-	72,775
Payments for property, plant and equipment	(45,100)	(73,840)
Decrease (increase) in refundable deposits	(11)	233
Payments for intangible assets	(37,595)	(20,030)

Decrease in other financial assets	-	41,492
Increase in prepayments for equipment	(15,032)	(7,663)
Dividends received	<u>141,145</u>	<u>572,396</u>

(Continued)

ASIA OPTICAL CO., INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Net cash generated from (used in) investing activities	<u>\$ (37,106)</u>	<u>\$ 560,039</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments for buy-back of treasury shares	-	(109,630)
Repayment of the principal portion of lease liabilities	(10,710)	(10,434)
Dividends paid to owners of the Company	<u>(530,563)</u>	<u>(1,040,010)</u>
Net cash used in financing activities	<u>(541,273)</u>	<u>(1,160,074)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	51,169	563,847
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>1,911,151</u>	<u>1,347,304</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 1,962,320</u>	<u>\$ 1,911,151</u>

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

【Attachment 5】**Asia Optical Co., Ltd.
2023 Earnings Distribution Table**

Items	Unit: NT\$ Amount
Net Income of 2023	\$776,954,652
Minus: Cancellation of Treasury Shares	(56,352,084)
Minus: Changes in equity of associates accounted for using the equity method	(5,668,885)
The total amount of net income of 2023 and other items adjusted to retained earnings other than net income of 2023	\$714,933,683
Minus: Legal Reserve	(71,493,368)
Add: Set aside Special Reserve	(87,063,190)
Earnings available for distribution in 2023	\$556,377,125
Add: Unappropriated retained earnings of previous years	1,664,937,806
Earnings available for distribution as of December 31, 2023	\$2,221,314,931
Distribution Item	
Cash Dividends (NT\$ <u>1.8</u> per share)	(502,639,021)
Unappropriated retained earnings	\$1,718,675,910

Note 1: Priority to distribute net income of 2023.

Note 2: According to Article 27-1 of the Company's Articles of Incorporation to authorize the distributable dividends and bonuses in whole or in part may be paid in cash after the resolution has been adopted by the board of directors.

Note 3: The cash dividend distribution is based on the number of actual common shares outstanding on the record date for dividend payment as the board's resolution made on March 5, 2024.

【Attachment 6】

**ASIA OPTICAL CO., INC.
Comparison Table of Amended Articles for the Rules and Procedures of
Board of Directors Meetings**

Current Articles	Revised Articles	Rationale of Revision
<p>Article 7 The Company board meeting shall be convened and chaired by the chairperson of the Company board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the directors that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves to chair the meeting.</p> <p>When the chairperson of the Company is on leave or for any reasons unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there no vice chairperson or the vice chairperson is also on leave or for any reasons unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or if there are no managing directors, one of the directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	<p>Article 7 The Company board meeting shall be convened and chaired by the chairperson of the Company board. However, with respect to the first meeting of each newly elected board of directors, it shall be called and chaired by the directors that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected; if two or more directors are so entitled to convene the meeting, they shall select from among themselves to chair the meeting.</p> <p><u>When a meeting of the board of directors is called by a major of directors on their own initiative in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, the directors shall choose one person by and from among themselves to chair the meeting.</u></p> <p>Company is on leave or for any reasons unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there no vice chairperson or the vice chairperson is also on leave or for any reasons unable to exercise the powers of vice chairperson, the chairperson shall appoint one of the managing directors to act, or if there are no managing directors, one of the</p>	<p>In coping with the Act and Regulations amendments to be advised.</p>

	<p>directors shall be appointed to act as chair. If no such designation is made by the chairperson, the managing directors or directors shall select one person from among themselves to serve as chair.</p>	
<p>Article 8 When a board meeting is held, the designated unit responsible for the board meeting shall furnish the attending directors with relevant materials for ready reference.</p> <p>When the Company board meeting is held, the board of directors may, as necessary for the agenda items of the meeting, notifying personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.</p> <p>When necessary, the Company board of directors may also invite certified public accounts, attorney, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>When the time of a board meeting has arrived and one-half of all the board directors are present, the board meeting shall be convened by the chairperson of the board. If one-half of all the directors are not present, the chair may announce postponement of the meeting time, provided that no more than two such postponements may be made.</p> <p>The term “all board directors” as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2,</p>	<p>Article 8 When a board meeting is held, the designated unit responsible for the board meeting shall furnish the attending directors with relevant materials for ready reference.</p> <p>When the Company board meeting is held, the board of directors may, as necessary for the agenda items of the meeting, notifying personnel of relevant departments or subsidiaries to attend the meeting as nonvoting participants.</p> <p>When necessary, the Company board of directors may also invite certified public accounts, attorney, or other professionals to attend as nonvoting participants and to make explanatory statements, provided that they shall leave the meeting when deliberation or voting takes place.</p> <p>When the time of a board meeting has arrived and one-half of all the board directors are present, the board meeting shall be convened by the chairperson of the board. If one-half of all the directors are not present, the meeting chair may announce postponement of the meeting time <u>on that day</u>, provided that no more than two such postponements may be made.</p> <p>The term “all board directors” as used in the preceding paragraph and in Article 16,</p>	<p>In coping with the Act and Regulations amendments to be advised.</p>

<p>shall be calculated as the number of directors then in office.</p>	<p>paragraph 2, subparagraph 2, shall be calculated as the number of directors then in office.</p>	
<p>Article 11 The Company board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice, however, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>At any time during the proceeding of a board meeting, the chairperson shall declare a suspension of the meeting if the number of directors sitting at the meeting does not constitute half of the directors present at the meeting, then upon motion by a director sitting at the meeting.</p>	<p>Article 11 The Company board of directors meeting shall be conducted in accordance with the order of business on the agenda as specified in the meeting notice, however, the order may be changed with the approval of a majority of directors present at the meeting.</p> <p>The meeting chair may not declare the meeting closed without the approval of a majority of directors present at the meeting.</p> <p>At any time during the proceeding of a board meeting, the chairperson shall declare a suspension of the meeting if the number of directors sitting at the meeting does not constitute half of the directors present at the meeting, then upon motion by a director sitting at the meeting, <u>in which case paragraph 1 of the preceding article shall apply mutatis mutandis.</u></p>	<p>In coping with the Act and Regulations amendments to be advised.</p>
<p>Article 15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion</p>	<p>Article 15 If a director or a juristic person that the director represents is an interested party in relation to an agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interest of the Company, that director may not participate in discussion</p>	<p>In coping with the Act and Regulations amendments to be advised.</p>

<p>or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 3 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 2 of the same Act.</p>	<p>or voting on that agenda item and shall recuse himself or herself from the discussion or the voting on the item, and may not exercise voting rights as proxy for another director.</p> <p><u>Where the spouse, a blood relative within the second degree of kinship of a director, or any company which has a controlling or subordinate relation with a director has interests in the matters under discussion in the meeting of the preceding paragraph, such directors shall be deemed to have a personal interest in the matter.</u></p> <p>Where a director is prohibited by the preceding paragraph from exercising voting rights with respect to a resolution at a board meeting, the provisions of Article 180, paragraph 3 of the Company Act apply mutatis mutandis in accordance with Article 206, paragraph 2 of the same Act.</p>	
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