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YOUNGOptics

Young Optics Inc. 2023 Annual Shareholders' Meeting Agenda (Translation)

Meeting Date: June 16, 2023

Place: No.2, Zhanye 1st Rd., East Dist., Hsinchu City 300, Taiwan R.O.C.
(Conference Room no. 202, The Allied Association of Science Park Industries)
Shareholders meeting will be held by means of physical shareholders meeting

Table of Contents

	<u>Page</u>
I. Meeting Procedure -----	2
II. Meeting Agenda -----	3
1. Report Items -----	4
2. Ratification Items -----	4
3. Discussion Items -----	5
4. Questions and Motions -----	5
III. Attachments	
1. 2022 Annual Business Report -----	6
2. 2022 Audit Committee's Report -----	8
3. Independent Auditors' Reports and Financial Statements -----	9
4. 2022 Earnings Distribution Table -----	27
IV. Appendices	
1. Articles of Incorporation -----	28
2. Rules of Procedure for Shareholders Meetings-----	35
3. Shareholdings of All Directors -----	38

Young Optics Inc.
2023 Annual General Shareholders' Meeting Procedure

1. Call the Meeting to Order
2. Chairman Remarks
3. Report Items
4. Ratification Items
5. Discussion Items
6. Questions and Motions
7. Adjournment

Young Optics Inc.

2023 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m. on June 16 (Friday), 2023

Place : No.2, Zhanye 1st Road, East Dist., Hsinchu City 300, Taiwan R.O.C.

(Conference Room no. 202, the Allied Association of Science Park Industries)

Shareholders meeting will be held by means of physical shareholders meeting.

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

1. 2022 Annual Business Report.
2. 2022 Audit Committee's Report.
3. The distribution of 2022 employees' compensation.

IV. Ratification Items

1. Ratification of 2022 Annual Business Report and Financial Statements.
2. Ratification of the Proposal for the Distribution of 2022 Earnings.

V. Discussion Items

Proposal to release the Directors from non-competition restrictions.

VI. Questions and Motions

VII. Adjournment

Report Items

1. 2022 Annual Business Report.

Kindly refer to Attachment (1), Page 6 of Handbook.

2. 2022 Audit Committee's Report.

Kindly refer to Attachment (2), Page 7 of Handbook.

3. The distribution of 2022 employees' compensation.

In accordance with Company Act and the Company Article of Incorporation, no less than 10% of profit of the current year shall be distributed as employees' compensation.

The board of directors resolved to distribute NT\$14,138,559 as 2022's employee compensation in cash.

Ratification Items

(Proposed by the Board of Directors)

1. Ratification of 2022 Business Report and Financial Statements.

(1)The 2022 financial statements of the Company had been audited by Ernst & Young.

(2)Please refer to Attachment (1), page 6 and page 8 to page 23, Attachment (3) for 2022 Business Report and financial statements.

(3)Please resolve.

Resolution:

(Proposed by the Board of Directors)

2. Ratification of the Proposal for the Distribution of 2022 Earnings.

(1)Our total profit distributable for the year 2022 is NT\$ 119,370,714, in consideration of future operation and funding needs, we plan to retain instead of distributing. The 2022 earnings distribution proposal has been prepared in accordance with Company Act and the Company Articles of Incorporation. Please refer to Attachment (4), page 24

(2)Please resolve.

Resolution:

Discussion Items

(Proposed by the Board of Directors)

1. Proposal to release the Directors from non-competition restrictions.

(1)In accordance with Company Act Article 209 Paragraph 1, "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."

(2) Concurrent positions are as stated below, looking to release prohibition on directors from participating in competitive business according to law.

Title	Name	Requesting release of prohibition on directors from participating competitive business
Director	Coretronic Corporation	Director, Coretronic Venture Capital co.,Ltd.
Director Legal Representative	Coretronic Corporation Legal Representative: Sarah Lin	Director, Flexenable Limited Director, Mat Limited Director, Nano Precision Taiwan Limited

(3) Please resolve.

Resolution:

Questions and Motions

Adjournment

Young Optics Inc.
2022 Annual Business Report

For the fiscal year of 2022, Young Optics Inc. has reported consolidated sales revenue of NT\$4,684 million. Gross profit was reported at NT\$809 million with gross profit margin of 17.3%. Net operating profit was reported at NT\$18.01 million with net income of NT\$66.37 million. Net income attributable to Shareholders of the parent NT\$64.65 million. The basic EPS was NT\$0.57 per common share.

In the first half of 2022, due to mass production of Pico Optical Module, growth in Optical Component due to novelty application, improvement in 3D Printer material shortage and strong needs for automobile digital headlight, shipments have increased compared to the same period last year. However, inflation in European and American countries have led to worries of recession, along with impact caused by China's epidemic prevention policy, customers had been making adjustments or even cleared their inventory, which further led to conservative order placement, consolidated sales revenue of latter half is amounted to NT\$2,223 million (A decrement of about 10% compared to first half), the consolidated sales revenue was reported at NT\$4,684 million, an annual growth of only 3%. We see most growth in automobiles lens of 61% in the year 2022, 3D Printer slightly increased by 4%, Pico Optical Module and Optical Component 2%; Image Optical smart home camera shipment increased, on the other hand, shipment of web cam has decreased by 11% compared to last year due to customers' inventory adjustments.

As for research and innovation, we have accomplished the following, by hard work of the Research and Development Team:

1. A short throw ratio and zoom lens with lens shift function for 4K resolution laser projector
2. Digital lens for megapixel automotive head light
3. Micro LED lens for smart head light
4. Advanced automotive dynamic ground projection
5. Developed High resolution and high power output UV light engine for 3D printer

Looking into the year 2023, company will be moving forward with strategies below in mind:

- (1) Proactively open up markets of virtual reality (VR), augmented reality (AR) Optical components, glasses for mobile, automobile projector, 3D-Printing and more.
- (2) Continue to improve process management and technologies, promote cost advantage and improve profitability.
- (3) Improve capacity utilization in both Bangladesh and Taiwan's factories

- (4) To become the most trust-worthy supplier of customers by practicing excellent product quality, details in process and service.
- (5) Through the market strategy and group layout, plus lower cost funding. Young Optics Inc. could pursue the best interests of all clients, employees and shareholders.

Sincerely,

Chairman: Sarah Lin

President: Claude Shyu

Accountant: Cynthia Chang

Audit Committee's Report

To: 2023 General Annual Meeting of Shareholders of Young Optics Inc.

The Board of Directors of the Company has delivered the 2022 business reports, the financial statements and the proposal 2022 earnings distribution. The aforesaid 2022 financial statements of the Company and the consolidated financial statements had been audited by Ernst & Young. The Audit Committee has examined the above statements and found nothing out of order and thus prepared this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your ratification.

Young Optics Inc.

Chairman of the Audit Committee : Hsiang-Hsun Wu

Date: April 24, 2023

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Young Optics Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Young Optics Inc. (“the Company”) as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (collectively “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2022 parent company only financial statements. 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.

Valuation for inventories

As of December 31, 2022, the Company's net inventory amounted to NT\$349,637 thousand, which is significant for the parent company only financial statements. Due to the uncertainties arising from the rapid changes of technology and market environment, the assessment of obsolete and slow-moving inventory write-downs required significant management judgement, we therefore determined this as a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the inventory counting plan and choosing significant warehouse for observation of the physical inventory count to verify the quantity and the status; evaluating and testing net realizable value of inventories adopted by the management; evaluating the reasonableness of the accounting policies on obsolete and slow-moving inventory, including the identification of the obsolete and slow-moving inventory, testing the correctness of the inventory aging and the reasonableness of the allowance for inventory obsolescence amount. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the parent company only financial statements.

Revenue recognition

The Company recognized the revenue amounted to NT\$4,669,237 thousand for the year ended December 31, 2022. Main source of revenue comes from projection products and imaging-related products sales. The Company recognized revenue when transferring a promised product to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; selecting the top ten clients to perform testing of transaction and reviewing significant terms and conditions in the contracts; selecting samples to perform details testing of transaction and verifying the appropriateness of the timing of revenue recognition; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; reviewing subsequent significant sales returns and discounts. Please refer to Notes 4 and 6 to the parent company only financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 internal control of the Company.
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 ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's 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 accompanying notes, 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 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 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 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

/s/Chen, Chih-Chung

/s/Chiu, Wan-Ju

Ernst & Young, Taiwan

February 10, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only financial position, results of operations 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 review such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

Young Optics Inc.

Parent Company Only Balance Sheets

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2022	%	December 31, 2021	%	LIABILITIES AND EQUITY	Note	December 31, 2022	%	December 31, 2021	%
Current assets						Current liabilities					
Cash and cash equivalents	4 and 6 (1)	\$457,533	8	\$426,426	7	Short-term borrowings	4 and 6 (9)	\$45,000	1	\$130,000	2
Notes receivable, net	4 and 6 (2)	9	-	-	-	Contract liabilities-current	4, 6 (14) and 7	66,724	1	30,339	1
Trade receivable, net	4 and 6 (3)	338,936	6	479,095	8	Accounts payable		200,385	4	214,126	4
Trade receivable-related parties, net	4, 6 (3) and 7	247,487	5	340,359	6	Accounts payable-related parties	7	411,071	8	549,490	9
Other receivables		11,982	-	17,489	-	Other payables		349,116	6	328,421	6
Other receivables-related parties	7	11,110	-	75,557	2	Other payables-related parties	7	9,492	-	2,491	-
Inventories, net	4 and 6 (4)	349,637	6	415,053	7	Current tax liabilities	4 and 6 (20)	11,047	-	6,162	-
Prepayments		17,853	-	14,272	-	Provisions-current	4 and 6 (12)	26,329	1	18,998	-
Other current assets		89,187	2	66,928	1	Lease liabilities, non-related parties	4 and 6 (16)	15,457	-	15,088	-
Total current assets		1,523,734	27	1,835,179	31	Current portion of long-term borrowings	4 and 6 (10)	412,807	7	314,311	5
						Other current liabilities		13,400	-	15,860	-
Non-current assets						Total current liabilities		1,560,828	28	1,625,286	27
Investments accounted for using the equity method	4 and 6 (5)	1,809,484	32	1,790,926	30	Non-current liabilities					
Property, plant and equipment, net	4, 6 (6), 6 (17) and 8	1,659,109	30	1,693,117	28	Long-term borrowings	4 and 6 (10)	412,807	8	828,515	14
Right-of-use assets	4 and 6 (16)	299,513	5	315,688	5	Deferred tax liabilities	4 and 6 (20)	23,927	1	26,535	1
Investment property, net	4, 6 (7), 6 (17) and 8	144,231	3	152,301	3	Lease liabilities, non-related parties-noncurrent	4 and 6 (16)	295,543	5	309,636	5
Intangible assets	4, 6 (8) and 6 (17)	88,809	2	94,889	2	Guarantee deposits		5,147	-	5,147	-
Deferred tax assets	4 and 6 (20)	27,342	1	33,449	1	Total non-current liabilities		737,424	14	1,169,833	20
Refundable deposits		2,139	-	1,935	-	Total liabilities		2,298,252	42	2,795,119	47
Net defined benefit assets-noncurrent	4 and 6 (11)	20,448	-	18,384	-	Equity					
Other non-current financial assets	8	21,878	-	21,868	-	Capital					
Other non-current assets		3,393	-	12,196	-	Common stock	6 (13)	1,140,598	20	1,140,598	19
Total non-current assets		4,076,346	73	4,134,753	69	Capital surplus	6 (13)	1,648,711	29	1,648,711	28
						Retained earnings	6 (13)				
						Legal reserve		386,690	7	383,980	6
						Special reserve		211,914	4	187,523	4
						Unappropriated retained earnings		64,582	1	27,101	-
						Total retained earnings		663,186	12	598,604	10
						Other equity		(150,667)	(3)	(213,100)	(4)
						Total equity		3,301,828	58	3,174,813	53
Total assets		\$5,600,080	100	\$5,969,932	100	Total liabilities and equity		\$5,600,080	100	\$5,969,932	100

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

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

Young Optics Inc.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2022	%	2021	%
Net sales	4, 6 (14) and 7	\$4,669,237	100	\$3,903,743	100
Operating costs	6 (4), 6 (16), 6 (17) and 7	(3,897,610)	(83)	(3,187,833)	(82)
Gross profit		771,627	17	715,910	18
Unrealized gross profit on sales		(1,904)	-	(15,685)	-
Realized gross profit on sales		15,685	-	4,799	-
Gross profit, net		785,408	17	705,024	18
Operating expenses	6 (15), 6 (16), 6 (17) and 7				
Selling expenses		(103,065)	(2)	(102,091)	(3)
General and administrative expenses		(168,915)	(4)	(167,007)	(4)
Research and development expenses		(415,527)	(9)	(379,782)	(10)
Total operating expenses		(687,507)	(15)	(648,880)	(17)
Operating income		97,901	2	56,144	1
Non-operating income and expenses					
Interest income	6 (18)	1,330	-	614	-
Other income	6 (16) and 6 (18)	43,300	1	41,988	1
Other gains and losses	6 (18)	15,594	-	(17,865)	-
Finance costs	6 (18)	(19,430)	-	(14,360)	-
Share of loss of subsidiaries, associates and joint ventures for using the equity method		(58,576)	(1)	(27,512)	(1)
Total non-operating income and expenses		(17,782)	-	(17,135)	-
Net income before tax		80,119	2	39,009	1
Income tax expense	4 and 6 (20)	(15,469)	-	(12,648)	-
Net income		64,650	2	26,361	1
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (19)	(85)	-	925	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (19) and 6 (20)	17	-	(185)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (19)	62,433	1	(25,577)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	6 (19)	-	-	-	-
Other comprehensive income (loss), net of tax		62,365	1	(24,837)	(1)
Total comprehensive income		\$127,015	3	\$1,524	-
Basic Earnings Per Share (in New Taiwan Dollars)	6 (21)	\$0.57		\$0.23	
Diluted Earnings Per Share (in New Taiwan Dollars)	6 (21)	\$0.57		\$0.23	

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

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

Young Optics Inc.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	Common stock	Capital surplus	Retained earnings			Other equity	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	
Balance as of January 1, 2021	\$1,140,598	\$1,648,711	\$440,202	\$192,691	\$(61,390)	\$(187,523)	\$3,173,289
Appropriation and distribution of retained earnings							
Legal reserve for accumulated deficit	-	-	(56,222)	-	56,222	-	-
Reversal of special reserve	-	-	-	(5,168)	5,168	-	-
Total appropriation and distribution of retained earnings	-	-	(56,222)	(5,168)	61,390	-	-
Net income for the year ended December 31, 2021	-	-	-	-	26,361	-	26,361
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	740	(25,577)	(24,837)
Total comprehensive income (loss)	-	-	-	-	27,101	(25,577)	1,524
Balance as of December 31, 2021	\$1,140,598	\$1,648,711	\$383,980	\$187,523	\$27,101	\$(213,100)	\$3,174,813
Balance as of January 1, 2022	\$1,140,598	\$1,648,711	\$383,980	\$187,523	\$27,101	\$(213,100)	\$3,174,813
Appropriation and distribution of retained earnings							
Legal reserve	-	-	2,710	-	(2,710)	-	-
Special reserve	-	-	-	24,391	(24,391)	-	-
Total appropriation and distribution of retained earnings	-	-	2,710	24,391	(27,101)	-	-
Net income for the year ended December 31, 2022	-	-	-	-	64,650	-	64,650
Other comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(68)	62,433	62,365
Total comprehensive income	-	-	-	-	64,582	62,433	127,015
Balance as of December 31, 2022	\$1,140,598	\$1,648,711	\$386,690	\$211,914	\$64,582	\$(150,667)	\$3,301,828

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

Note: The amounts of employees' compensation was NT\$14,139 thousand and NT\$6,884 thousand for the years ended December 31, 2022 and 2021, respectively.

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

Young Optics Inc.

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$80,119	\$39,009	Proceeds from disposal of property, plant and equipment	937	20
Adjustments for:			Acquisition of property, plant and equipment	(180,724)	(99,782)
The profit or loss items which did not affect cash flows:			Acquisition of intangible assets	(11,447)	(23,243)
Expected credit loss (gain)	63	(4)	(Increase) decrease in refundable deposits	(204)	2,724
Depreciation	227,740	236,724	Increase in other financial assets-noncurrent	(10)	(10)
Amortization	18,738	15,179	Decrease (increase) in other non-current assets	8,619	(11,128)
Interest expense	19,430	14,360	Net cash used in investing activities	(182,829)	(131,419)
Interest income	(1,330)	(614)	Cash flows from financing activities :		
Gain on lease modification	-	(8)	Decrease in short-term borrowings	(85,000)	(109,744)
Share of loss of subsidiaries, associates and joint ventures for using the equity method	58,576	27,512	Increase in long-term borrowings (including current portion of long-term borrowings)	-	599,900
Unrealized gross profit on sales	1,904	15,685	Repayments of long-term borrowings (including current portion of long-term borrowings)	(317,212)	(115,501)
Realized gross profit on sales	(15,685)	(4,799)	Repayment of the principal portion of lease liabilities	(15,160)	(15,370)
Amortization of gain on disposal of intangible assets	(920)	(921)	Increase in guarantee deposits	-	490
Loss (gain) on disposal of property, plant and equipment	9,124	(10)	Net cash (used in) provided by financing activities	(417,372)	359,775
Changes in operating assets and liabilities:			Net increase in cash and cash equivalents	31,107	210,585
Notes receivable	(9)	-	Cash and cash equivalents at beginning of the period	426,426	215,841
Trade receivable	140,096	(99,981)	Cash and cash equivalents at end of the period	\$457,533	\$426,426
Trade receivable-related parties	92,872	(159,114)			
Other receivables	5,494	(7,376)			
Other receivables-related parties	64,447	241,850			
Inventories	65,416	(197,954)			
Prepayments	(3,581)	(2,038)			
Other current assets	(22,259)	(19,736)			
Contract liabilities-current	36,385	(5,766)			
Accounts payable	(13,741)	(9,027)			
Accounts payable-related parties	(138,419)	(169,903)			
Other payables	21,543	78,053			
Other payables-related parties	7,683	(1,633)			
Provisions-current	7,331	6,404			
Other current liabilities	(2,460)	2,319			
Net defined benefit assets-noncurrent	(2,149)	(2,325)			
Cash generated from operating activities	656,408	(4,114)			
Interest received	1,343	609			
Interest paid	(19,375)	(14,216)			
Income tax paid	(7,068)	(50)			
Net cash provided by (used in) operating activities	631,308	(17,771)			

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

AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

English Translation of a Report Originally Issued in Chinese

To Young Optics Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Young Optics Inc. and its subsidiaries (“the Group”) as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2022 consolidated financial statements. 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.

Valuation for inventories

As of December 31, 2022, the Group's net inventory amounted to NT\$689,120 thousand, which is significant for the consolidated financial statements. Due to the uncertainties arising from the rapid changes of technology and market environment, the assessment of obsolete and slow-moving inventory write-downs required significant management judgement, we therefore determined this as a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the inventory counting plan and choosing significant warehouse for observation of the physical inventory count to verify the quantity and the status; evaluating and testing net realizable value of inventories adopted by the management; evaluating the reasonableness of the accounting policies on obsolete and slow-moving inventory, including the identification of the obsolete and slow-moving inventory, testing the correctness of the inventory aging and the reasonableness of the allowance for inventory obsolescence amount. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Group's consolidated financial statements.

Revenue recognition

The Group recognized the revenue amounted to NT\$4,683,503 thousand for the year ended December 31, 2022. Main source of revenue comes from projection products and imaging-related products sales. The Group recognized revenue when transferring a promised product to a customer. The terms of trade in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; selecting the top ten clients to perform testing of transaction and reviewing significant terms and conditions in the contracts; selecting samples to perform details testing of transaction and verifying the appropriateness of the timing of revenue recognition; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; reviewing subsequent significant sales returns and discounts. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations

Committee as endorsed by 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 ability to continue as a going concern of the Group, 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 audit committee, are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 internal control of the Group.
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 ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's 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 accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's 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.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of Young Optics Inc. as of and for the years ended December 31, 2022 and 2021.

/s/Chen, Chih-Chung

/s/Chiu, Wan-Ju

Ernst & Young, Taiwan
February 10, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2022	%	December 31, 2021	%	LIABILITIES AND EQUITY	Note	December 31, 2022	%	December 31, 2021	%
Current assets						Current liabilities					
Cash and cash equivalents	4 and 6 (1)	\$1,385,234	25	\$1,326,254	23	Short-term borrowings	4 and 6 (9)	\$49,648	1	\$130,000	2
Current financial asset at fair value through profit or loss	4 and 6 (2)	196	-	1,093	-	Contract liabilities-current	4, 6 (14) and 7	77,368	1	37,866	1
Notes receivable, net	4, 6 (3) and 6 (15)	18,176	-	16,809	-	Notes payable		503	-	506	-
Trade receivable, net	4, 6 (4) and 6 (15)	528,658	10	574,367	10	Accounts payable		305,191	6	420,192	7
Trade receivable-related parties, net	4, 6 (4), 6 (15) and 7	106,022	2	272,783	5	Accounts payable-related parties	7	-	-	74,836	1
Other receivables		14,362	-	18,478	-	Other payables		480,713	9	472,117	8
Other receivables-related parties	7	32,061	1	-	-	Other payables-related parties	7	34,716	1	3,460	-
Current tax assets	4 and 6 (20)	9,920	-	12,076	-	Current tax liabilities	4 and 6 (20)	24,324	-	18,130	-
Inventories, net	4 and 6 (5)	689,120	12	870,333	15	Provisions-current	4 and 6 (12)	28,968	1	20,856	-
Prepayments		22,012	-	22,676	-	Lease liabilities, non-related parties	4 and 6 (16)	22,036	-	24,942	1
Other current financial assets	8	14	-	13	-	Lease liabilities, related parties	4, 6 (16) and 7	27,053	1	13,921	-
Other current assets		102,731	2	71,976	1	Current portion of long-term borrowings	4 and 6 (10)	414,871	7	316,446	6
Total current assets		2,908,506	52	3,186,858	54	Other current liabilities	4	15,956	-	17,130	-
						Total current liabilities		1,481,347	27	1,550,402	26
Non-current assets						Non-current liabilities					
Property, plant and equipment, net	4, 6 (6), 6 (17) and 8	1,979,410	36	2,038,093	34	Long-term borrowings	4 and 6 (10)	416,944	7	834,932	14
Right-of-use assets	4 and 6 (16)	354,120	6	359,083	6	Deferred tax liabilities	4 and 6 (20)	23,927	-	26,535	1
Investment property, net	4, 6 (7), 6 (17) and 8	144,231	3	152,301	3	Lease liabilities, non-related parties-noncurrent	4 and 6 (16)	324,912	6	337,344	6
Intangible assets	4 and 6 (8)	90,352	2	96,663	2	Guarantee deposits		6,681	-	7,090	-
Deferred tax assets	4 and 6 (20)	30,344	1	41,985	1	Total non-current liabilities		772,464	13	1,205,901	21
Refundable deposits		12,961	-	11,361	-	Total liabilities		2,253,811	40	2,756,303	47
Net defined benefit assets-noncurrent	4 and 6 (11)	20,448	-	18,384	-	Equity attributable to owners of the parent					
Other non-current financial assets	8	21,878	-	21,868	-	Capital					
Other non-current assets		4,008	-	13,542	-	Common stock	6 (13)	1,140,598	21	1,140,598	19
Total non-current assets		2,657,752	48	2,753,280	46	Capital surplus	6 (13)	1,648,711	30	1,648,711	28
						Retained earnings	6 (13)				
						Legal reserve		386,690	7	383,980	7
						Special reserve		211,914	4	187,523	3
						Unappropriated retained earnings		64,582	1	27,101	-
						Total retained earnings		663,186	12	598,604	10
						Other equity		(150,667)	(3)	(213,100)	(4)
						Total equity attributable to owners of the parent		3,301,828	60	3,174,813	53
						Non-controlling interests	6 (13)	10,619	-	9,022	-
						Total equity		3,312,447	60	3,183,835	53
Total assets		\$5,566,258	100	\$5,940,138	100	Total liabilities and equity		\$5,566,258	100	\$5,940,138	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries
Consolidated Statements of Comprehensive Income
For the years ended December 31, 2022 and 2021

(Amounts in thousands of New Taiwan Dollars, except for earnings per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2022	%	2021	%
Net sales	4, 6 (14) and 7	\$4,683,503	100	\$4,562,666	100
Operating costs	6 (5), 6 (16), 6 (17) and 7	(3,874,230)	(83)	(3,777,396)	(83)
Gross profit		809,273	17	785,270	17
Operating expenses	6 (15), 6 (16), 6 (17) and 7				
Selling expenses		(140,240)	(3)	(148,286)	(3)
General and administrative expenses		(209,512)	(5)	(202,553)	(4)
Research and development expenses		(441,513)	(9)	(407,131)	(9)
Total operating expenses		(791,265)	(17)	(757,970)	(16)
Operating income		18,008	-	27,300	1
Non-operating income and expenses					
Interest income	6 (18)	19,363	-	15,471	-
Other income	6 (16) and 6 (18)	43,944	1	47,549	1
Other gains and losses	6 (18)	37,388	1	(20,516)	-
Finance costs	6 (18)	(22,455)	-	(17,946)	-
Total non-operating income and expenses		78,240	2	24,558	1
Net income before tax		96,248	2	51,858	2
Income tax expense	4 and 6 (20)	(29,877)	(1)	(24,884)	(1)
Net income		66,371	1	26,974	1
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (19)	(85)	-	925	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (19)	17	-	(185)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (19)	62,418	2	(25,641)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive income (loss), net of tax		62,350	2	(24,901)	(1)
Total comprehensive income		\$128,721	3	\$2,073	-
Net income for the periods attributable to :					
Shareholders of the parent	6 (21)	\$64,650		\$26,361	
Non-controlling interests	6 (13)	1,721		613	
		\$66,371		\$26,974	
Total comprehensive income for the periods attributable to :					
Shareholders of the parent		\$127,015		\$1,524	
Non-controlling interests		1,706		549	
		\$128,721		\$2,073	
Basic Earnings Per Share (in New Taiwan Dollars)	6 (21)	\$0.57		\$0.23	
Diluted Earnings Per Share (in New Taiwan Dollars)	6 (21)	\$0.57		\$0.23	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries
 Consolidated Statements of Changes in Equity
 For the years ended December 31, 2022 and 2021
 (Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent						Total	Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity			
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations			
Balance as of January 1, 2021	\$1,140,598	\$1,648,711	\$440,202	\$192,691	\$(61,390)	\$(187,523)	\$3,173,289	\$8,473	\$3,181,762
Appropriation and distribution of retained earnings									
Legal reserve for accumulated deficit	-	-	(56,222)	-	56,222	-	-	-	-
Reversal of special reserve	-	-	-	(5,168)	5,168	-	-	-	-
Total appropriation and distribution of retained earnings	-	-	(56,222)	(5,168)	61,390	-	-	-	-
Net income for the year ended December 31, 2021	-	-	-	-	26,361	-	26,361	613	26,974
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	740	(25,577)	(24,837)	(64)	(24,901)
Total comprehensive income (loss)	-	-	-	-	27,101	(25,577)	1,524	549	2,073
Balance as of December 31, 2021	\$1,140,598	\$1,648,711	\$383,980	\$187,523	\$27,101	\$(213,100)	\$3,174,813	\$9,022	\$3,183,835
Balance as of January 1, 2022	\$1,140,598	\$1,648,711	\$383,980	\$187,523	\$27,101	\$(213,100)	\$3,174,813	\$9,022	\$3,183,835
Appropriation and distribution of retained earnings									
Legal reserve	-	-	2,710	-	(2,710)	-	-	-	-
Special reserve	-	-	-	24,391	(24,391)	-	-	-	-
Total appropriation and distribution of retained earnings	-	-	2,710	24,391	(27,101)	-	-	-	-
Net income for the year ended December 31, 2022	-	-	-	-	64,650	-	64,650	1,721	66,371
Other comprehensive (loss) income for the year ended December 31, 2022	-	-	-	-	(68)	62,433	62,365	(15)	62,350
Total comprehensive income	-	-	-	-	64,582	62,433	127,015	1,706	128,721
Decrease of non-controlling interests	-	-	-	-	-	-	-	(109)	(109)
Balance as of December 31, 2022	\$1,140,598	\$1,648,711	\$386,690	\$211,914	\$64,582	\$(150,667)	\$3,301,828	\$10,619	\$3,312,447

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2022	2021		2022	2021
Cash flows from operating activities :			Cash flows from investing activities :		
Net income before tax	\$96,248	\$51,858	Acquisition of financial assets at fair value through profit or loss	\$-	\$(130,578)
Adjustments for:			Proceeds from disposal of financial assets at fair value through profit or loss	-	129,648
The profit or loss items which did not affect cash flows:			Disposals of subsidiary	860	-
Depreciation	320,237	333,450	Acquisition of property, plant and equipment	(198,701)	(107,527)
Amortization	19,167	15,611	Proceeds from disposal of property, plant and equipment	452	479
Expected credit loss (gain)	249	(92)	Acquisition of intangible assets	(11,447)	(23,243)
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	5,806	(8,689)	(Increase) decrease in refundable deposits	(1,600)	3,578
Interest expense	22,455	17,946	(Increase) decrease in other financial assets-current	(1)	7,822
Interest income	(19,363)	(15,471)	Increase in other financial assets-noncurrent	(10)	(10)
Loss (gain) on disposal of property, plant and equipment	9,291	(113)	Decrease (increase) in other non-current assets	9,350	(11,128)
Transfer of property, plant and equipment to expense	4	-	Net cash used in investing activities	(201,097)	(130,959)
Gain on disposal of investments	(531)	-			
Gain on lease modification	-	(9)	Cash flows from financing activities :		
Changes in operating assets and liabilities:			Decrease in short-term borrowings	(80,352)	(162,117)
Financial assets and liabilities at fair value through profit or loss	(4,909)	15,061	Increase in long-term borrowings (including current portion of long-term borrowings)	-	599,900
Notes receivable	(1,367)	(4,034)	Repayments of long-term borrowings (including current portion of long-term borrowings)	(319,563)	(118,001)
Trade receivable	45,460	(93,183)	(Decrease) increase in guarantee deposits	(409)	479
Trade receivable-related parties	166,761	(184,396)	Repayment of the principal portion of lease liabilities	(41,171)	(45,098)
Other receivables	5,188	(4,184)	Net cash (used in) provided by financing activities	(441,495)	275,163
Other receivables-related parties	(32,061)	49			
Inventories	181,213	(383,224)	Effect of exchange rate changes on cash and cash equivalents	39,277	(8,265)
Prepayments	664	(6,684)			
Other current assets	(30,755)	(19,187)	Net increase (decrease) in cash and cash equivalents	58,980	(9,466)
Contract liabilities-current	39,502	(855)	Cash and cash equivalents at beginning of the period	1,326,254	1,335,720
Notes payable	(3)	506	Cash and cash equivalents at end of the period	\$1,385,234	\$1,326,254
Accounts payable	(115,001)	(14,989)			
Accounts payable-related parties	(74,836)	73,966			
Other payables	8,735	92,004			
Other payables-related parties	31,938	167			
Provisions-current	8,112	6,627			
Other current liabilities	(1,174)	1,179			
Net defined benefit assets-noncurrent	(2,149)	(2,325)			
Cash generated from operating activities	678,881	(129,011)			
Interest received	18,291	16,882			
Interest paid	(22,400)	(17,828)			
Income tax paid	(12,477)	(15,448)			
Net cash provided by (used in) operating activities	662,295	(145,405)			

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

Young Optics Inc.
2022 Earnings Distribution Table

Unit : NTD

Items	Amount
Beginning of Unappropriated Retained Earnings	0
Add(Less)	
Re-measurement of Defined Benefit Obligations	(68,000)
Net income of 2022	64,649,799
Appropriated For Legal Reserve	(6,458,180)
Reversal of Special Reserve	61,247,095
Total Available for Distribution	119,370,714
End of Unappropriated Retained Earnings	119,370,714

Chairman: Sarah Lin

President: Claude Shyu

Accountant: Cynthia Chang

Young Optics Inc.
Articles of Incorporation

Chapter I : General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Act of the Republics of China, and its name shall be 揚明光學股份有限公司 in the Chinese language, and Young Optics Inc. in the English language.
- Article 2 The scope of business of the Corporation shall be as follows :
- A. CC01080 Electronic Parts and Components Manufacturing
 - B. CE01030 Photographic and Optical Equipment Manufacturing
 - C. I599990 Other Designing
 - D. F401010 International Trade
- Research, development, design, manufacturing, and selling of the following products:
- a. Optical components for Optical Engine : Color Wheel, Integration Rod, Projection Lens, Polarization Beam Splitter & X-Prism.
 - b. Light Engine: DLP Optical Engine, LCOS Optical Engine.
 - c. Optical Components: Glass Lenses, Plastic Lenses, Reflective Mirror, Filter, Prism.
 - d. Optical systems or sub-system for Image Display and Image Capture.
 - e. Optical Parts, Optical Modules, Instruments and System Products for Image Display and Image Capture.
 - f. Optical Parts and Module for Light Emitting.
 - g. Providing the design development and consulting services for the above mentioned products.
 - h. Import and export business of the above-mentioned items.
- Article 3 Upon consent of the Board of Directors, the Corporation may provide endorsement and guarantee and act as a guarantor in accordance with its operational needs. The Procedures for Endorsement and Guarantee shall be enacted separately.
- Article 4 The Corporation may invest in another company for operational needs, the total amount of its investments may exceed 40 percent of the total paid-in capital, and the Corporation authorizes the Board of Directors to execute.
- Article 5 The Corporation shall have its head office in Hsinchu Science-Based Industrial Park, and if necessary, may set up branches or business offices within and without the territory of the country upon a resolution of its Board of Directors and approval from the competent government authority.

Article 6 Public announcement of the Corporation shall be made in accordance with the Company Act and other relevant rules and regulations.

Chapter II : Shares

Article 7 The total Capital Stock of the Corporation shall be in the amount of 1,600,000,000 New Taiwan Dollars, divided into 160,000,000 shares, at 10 New Taiwan Dollars each. Board of Directors is authorized to issue the unissued shares in installments.

The cancellation of the public offer shall be subject to the approval of the resolution passed on the shareholders meeting after being reviewed by the Board of Directors.

In the event that the Company intends to issue employee warrants or transfer the bought-back shares to employees whose exercise price or transfer price is lower than the limit of the Law, a resolution at a shareholders' meeting shall be adopted.

Article 8 The Corporation may issue shares without printing share certificate(s), however, the shares shall be registered in centralized securities depository enterprises.

Article 9 The Corporation shall handle its stock affairs for shareholders in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and regulations of competent authorities.

Article 10 Registration for transfer of shares shall all be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30) days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

The period mentioned in the previous clause is calculated from the meeting date of the base date.

Chapter III : Shareholders' Meeting

Article 11 Shareholders' meetings of the Corporation shall be of two types, namely regular meetings and special meetings. Regular meetings shall be convened at least once a year, by the Board of Directors, within six (6) months after the close of each fiscal year, excluding those due reasons that have been approved by competent authorities. Special meetings shall be convened in accordance with the relevant laws whenever it is necessary.

Except as provided in the Company Act, shareholders' meetings shall be convened by the Board of Directors.

- Article 12 In case a shareholder is unable to attend a shareholders' meeting. The process shall be in accordance with the article 177 of the Company Act and the provisions of "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies".
- Article 13 The Chairman of the Board of Directors shall internally preside the shareholders' meeting. In his absent, the Vice Chairman shall preside the meeting. In case there is no Vice Chairman, or the Vice Chairman is also absent, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the directors shall elect one from among themselves an acting Chairman of the Board of Directors.
- Article 14 Unless limited stock or no voting right stock specified in Paragraph 2, Article 179 of the Company Act, each share of stock shall be entitled to one vote.
- Article 15 Except as provided in the Company Act and regulations, shareholders' meetings may be held if attended by shareholders in person or by proxy representing more than one half of the total issued and outstanding capital stock of the Corporation, and resolutions shall be adopted at the meeting with the concurrence of a majority of the votes held by shareholders present at the meeting. Shareholders may also vote via an electronic voting system, and those who do so shall be deemed as attending the shareholders' meeting in person; electronic voting shall be conducted in accordance with the relevant laws and regulations.
- Article 16 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all shareholders of the Corporation within twenty (20) days after the close of the meeting.
- The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Corporation.
- The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the Corporation for a minimum period of at least one year. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 hereof, the minutes of the shareholders' meeting involved shall be kept by the Corporation until the legal proceedings of the foregoing lawsuit have been concluded.

Chapter IV : Directors

- Article 17 The Corporation shall have five (5) to seven (7) directors to be elected at the shareholders' meeting from persons with disposing capacity to serve a term of three years and may be re-elected. The Board of Directors is authorized to approve the number of directors.

Where re-election of all directors is effected, by a resolution adopted by a shareholders' meeting, prior to the expiration of the term of office of existing directors, and in the absence of a resolution that existing directors will not be discharged until the expiry of their present term of office, all existing directors shall be deemed discharged in advance.

All directors shall be elected by adopting the candidates nomination system and procedures as specified in Article 192-1 of the Company Act.

Article 17-1 The Company's audit committee is formed by all independent directors and one of whom shall serve as the convener. Effective from the establish date of the audit committee, the Audit Committee or the members of Audit Committee shall be responsible for those responsibilities of Supervisors specified under the relevant regulations.

Article 17-2 Compensation of Directors and Supervisors of the Corporation shall be determined through discussion of the Board of directors by referring to the compensation levels of the industry inside and outside this country.

Article 18 In the case that vacancies on the Board of Directors exceed one third of the total number of the Directors, then the Board of Directors shall convene, within sixty (60) days, a shareholders' meeting to elect succeeding members to fill such vacancies. The new Directors shall serve the remaining term of the predecessors.

Article 19 In case no election of new directors is effected after expiration of the term of office of existing directors, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the Corporation to elect new directors within a given time limit; and if no re-election is effected after expiry of the given time limit, the out-going directors shall be discharged ipso facto from such expiration date.

Article 20 The Board of Directors shall be organized by directors. The Chairman of the Board shall be elected by majority of directors present at a meeting attended by more than two thirds of directors. The directors may also elect a Vice Chairman of the Board whenever they may deem necessary to carry out the Corporation's activities.

The Chairman of the Board shall carry out all of affairs according to the laws, the Articles of Incorporation, and the resolutions of shareholders' meetings and directors' meetings and act on behalf of the Corporation.

Article 21 The operation guidelines and other important matters shall be subject to the resolution of directors' meetings. Meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors, except for the first meeting of each term of the Board of Directors which shall be convened according to Article 203 of the Company Act.

In case the Chairman of the Board of Directors is absent, the Vice Chairman shall act on his behalf. In case there is no Vice Chairman, or the Vice Chairman is also absent, the Chairman of the Board of Directors shall designate one of the Directors to act on his behalf. In the absence of such a designation, the directors shall elect one from among themselves.

In calling a meeting of the Board of Directors, a notice setting forth therein the subject(s) to be discussed at the meeting shall be given to each director and supervisor no later than seven (7) days prior to the scheduled meeting date. However, in the case of emergency, the meeting may be convened at any time.

The notice set forth in the preceding Paragraph may be affected by means of written, fax or electronic transmission.

Article 22 Except as otherwise provided in the Company Act or this Articles of Incorporation, any resolution of a Board of Directors' meeting shall be adopted at a meeting which at least general majority of the directors attend and at which meeting at least a majority of the entire directors vote in favor of such resolution.

A Director may, by written authorization, appoint another director to attend on his behalf any meeting of the Board of Directors, and to vote for him on all matters presented at such meeting, but no director may act as proxy for more than one other director.

If the directors' meeting is conducted in a manner of digital videoconference, the directors who participate in such conference via digital video shall be deemed as present in person.

Article 23 Resolutions adopted at the Board of Directors shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the Chairman of the meeting and shall be distributed to all directors within twenty (20) days after the close of the meeting.

The minutes of the Board of Directors shall record the date and place of the meeting, the name of the Chairman, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. The minutes shall be kept persistently throughout the life of the Corporation. The attendance list is a part of the minutes and shall be kept persistently throughout the life of the Corporation.

The preparation and distribution of the minutes of the Board of Directors as

required in the preceding Paragraph may be affected by means of electronic transmission.

Chapter V : Managers

Article 24 The Corporation may have managers, whose appointments, discharge and remunerations shall be subject to provisions of the Company Act as well as related regulations.

Chapter VI : Accounting

Article 25 After the close of each fiscal year, the following reports shall be prepared by the Board of Directors, audited by the audit committee within thirty (30) days prior to the shareholders' meeting:

- (1) Business Report;
- (2) Financial Statements;
- (3) Proposals of Distribution of Earnings or Make-Up of Loss.

Article 26 If the Company is profitable, it shall set at least 10% as employee compensation. However, if the Company has accumulated losses, it shall be deducted at first. Employee compensation shall be in shares or cash, with recipients being the payroll employees of the Company or the subsidiaries with certain specific requirements.

Article 27 When allocating the net profits (if any) for each fiscal year, the Corporation shall first pay taxes and dues, offset its losses in previous years, and set aside a legal capital reserve at ten percent (10%) of the profits left over, until the accumulated legal capital reserve has equaled the total capital of the Corporation; then set aside or rotate special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. Any balance left over added the unallocated surplus from the prior year shall be the shareholder's dividend and bonus. The Board of Directors shall draft a proposal to distribute the surplus, which shall be approved at the shareholders' meeting.

The Corporation's dividends policy is ordered by the Company Act and the Articles of Incorporation and decided according to the Corporation's capital and financial structure, operation situation, profits and the characters of the industry and business cycle. Distributions shall be made in cash dividends or in stock dividends. However, as the Corporation is engaged in mature industry but there is great growth and development potential for the application market of new optical products, the Corporation shall, in consideration of the financial, business and administrative needs, distribute cash dividends that are not less than ten percent (10%) of the total cash and share dividends issued in the year (if any).

In case there is no profit for distribution in a certain year, or considering the financial, business or operational factors, this Corporation may allocate a portion

or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.

Article 28 Deleted

Chapter VII : Supplementary Provisions

Article 29 The organization of the Corporation and the detailed procedures of business operation shall be determined otherwise.

Article 30 In regard to all matters not provided for in these Articles of Incorporation, the Company Act and other Laws shall govern.

Article 31 These Article of Incorporation were enacted on January 2, 2002, and the first amendment was approved by the shareholders' meeting on October 6, 2003, the second amendment on April 12, 2005, the third amendment on April 12, 2005, the fourth amendment on April 28, 2006, the fifth amendment on June 11, 2007, the sixth amendment on June 11, 2008, the seventh amendment on June 16, 2009, the eighth amendment on June 18, 2010, the nine amendment on June 13, 2012, the tenth amendment on June 14, 2016, the eleventh amendment on June 13, 2017.

Young Optics Inc.
Rules of Procedure for Shareholders Meetings

- Article 1 Shareholders' Meeting of this Company (the "Meeting") shall be conducted in accordance with these Rules and Procedures, unless the Company Act, Rules Governing the Conduct of Shareholders Meetings by Public Companies and the Articles of Incorporation of this Company provides otherwise.
- Article 2 This Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by electronically.
- Article 3 Attendance at shareholders meetings shall be calculated based on numbers of shares.
- Article 4 The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. When this Corporation holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting.
- Article 5 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the chairperson shall appoint a director to serve on his behalf. Where the chairperson does not make such a designation, the directors shall select from among themselves one person to serve as chair. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- Article 6 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 handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
- Article 7 Company shall record the whole process of shareholders meeting, either in audio or visual, and keep for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.
- Article 8 The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such

postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act.

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

Article 9 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair 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 the chair were to violate meeting regulations and declare adjournment, by agreement among over a half of shareholding attendees, one person can be elected as moderator to proceed with the meeting.

After adjournment, shareholders are not allowed to re-elect chair and commence meetings at current or new locations.

Article 10 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation

Article 11 Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

Article 12 When a juristic person 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 is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote. During voting, those with no objection towards chair's words are considered adopted, which equals to voting itself.

- 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 Corporation.
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 When a meeting is in progress, the chair may announce a break based on time considerations.
- Article 17 Except as otherwise provided in the Company Act and in this Corporation'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. Each shareholder is entitled one vote per share holding, unless otherwise stated in law.
- Article 18 When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- Article 19 The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
- Article 20 Any matter not provided in these Rules and Procedures shall be handled in accordance with the Company Act, the Articles of Incorporation, relevant laws and regulations.
- Article 21 These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Shareholdings of All Directors

Title	Name	Number of shares holding (2023.04.18)	Shareholding Ratio
Chairman	Coretronic Corp. Legal representative Sarah Lin	37,367,586	32.76%
Director	Coretronic Corp. Legal representative Ken Wang	37,367,586	32.76%
Director	Coretronic Corp. Legal representative Sara Lin	37,367,586	32.76%
Director	Jyh-Horng Shyu	30,336	0.03%
Independent Director	Hsiang-Hsun Wu	0	0%
Independent Director	Wan-Ting Yuan	0	0%
Independent Director	Chih-Hun Huang	0	0%
Number of Shares and Ratio held by all directors		37,397,922	32.79%

1. The total paid-in capital stock of the Company shall be in the amount of NT\$1,140,597,850 divided into 114,059,785 shares at par value of NT\$10.0 each.
2. According to Article 26 of the Securities and Exchange Act and the Rules and Review Procedures for Share Ownership Ratios of Directors and Supervisors at Public Companies, since three independent directors of the Company had been elected, the minimum number of shares that might be held by all directors shall be decreased by 20 percent. The minimum legal number of shares that may be held by all directors is 8,000,000 shares.
3. The minimum legal number of shares that should be held by Supervisors of the Company is not applicable since the Audit Committee is set up with three independent directors instead of Supervisors.