

Stock Code: 3504

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Young Optics Inc.
2024 Annual Shareholders' Meeting
Meeting Agenda

(Translation)

Meeting Date: June 19, 2024

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

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Young Optics Inc.

2024 Annual General Shareholders' Meeting Procedure

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

Young Optics Inc.

2024 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m. on June 19 (Wednesday), 2024

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.

- I. Call the Meeting to Order (Report on Number of Shares Present)
- II. Chairman Remarks
- III. Report Items
 1. 2023 Annual Business Report.
 2. 2023 Audit Committee's Report.
- IV. Ratification Items
 1. Ratification of 2023 Annual Business Report and Financial Statements.
 2. Ratification of the Proposal for 2023 Deficit Off-Setting.
- V. Discussion & Election Items
 1. Proposal for election of the 9th Directors of the Company.
 2. Proposal to release the new Directors from non-competition restrictions.
- VI. Questions and Motions
- VII. Adjournment

Report Items

1. 2023 Annual Business Report.

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

2. 2023 Audit Committee's Report.

Kindly refer to Attachment (2), Page 8 of the Handbook.

Ratification Items

Proposal 1 (Proposed by the Board of Directors)

Ratification of 2023 Annual Business Report and Financial Statements.

- (1) The 2023 financial statements of the Company had been audited by Ernst & Young.
- (2) Please refer to Attachment (1) on page 6 and Attachment (3) on page 9 to page 27 of the Handbook, for 2023 Annual Business Report, Auditor's Report and Financial Statements.
- (3) Please resolve.

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Ratification of the Proposal for 2023 Deficit Off-Setting.

- (1) The proposal for 2023 Deficit Off-Setting has been approved by the Board of Directors and audit by the Audit Committee. Please refer to Attachment (4) on page 28 of the Handbook for the Statement of Deficit Off-Setting.
- (2) Please resolve.

Resolution:

Discussion & Election Items

Proposal 1 (Proposed by the Board of Directors)

Proposal for election of the 9th Directors of the Company.

- (1) The 8th Directors' term of office will expire on July 14, 2024, and it is proposed to coordinate the reelection process with this Annual Shareholders' Meeting. The old

Directors will step down on the election date of the new Directors. At this Annual Shareholders' Meeting, seven Directors (including three independent Directors) will be elected in accordance with the Articles of Incorporation, and the current Directors will serve for a term of three years, from June 19, 2024 to June 18, 2027.

- (2) According to the Company's Articles of Incorporation, the election of directors follows a nomination system, with directors being selected from the list of candidates by shareholders. Please refer to Attachment (5) on page 29 to 30 of the Handbook for their educational and professional backgrounds, as well as other relevant information.
- (3) Please vote.

Election Results:

Proposal 2 (Proposed by the Board of Directors)

Proposal to release the new 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) In the event that a newly appointed director of the Company is engaged in conduct and duties for himself/herself or others within the scope of the Company's business that do not harm the interests of the Company, he/she may request the shareholders' meeting to release the newly appointed director from his/her non-competition restriction. Please refer to Attachment (6) on pages 31 to 32 of the Handbook for the details of the release from non-competition restrictions for new directors.
- (3) Please resolve.

Resolution:

Questions and Motions

Adjournment

Young Optics Inc.**2023 Annual Business Report**

For the fiscal year of 2023, Young Optics Inc. has reported consolidated sales revenue of NT\$3,010 million. Gross profit was reported at NT\$317 million with gross profit margin of 10.5%. Net operating loss was reported at NT\$311 million with an after-tax net loss of NT\$287.7 million. Net loss attributable to Shareholders of the parent was reported at NT\$287.3 million. The basic after-tax loss was NT\$2.52 per share.

In 2023, the consolidated sales revenue was NT\$3,010 million, a decrease of 36% compared to the previous year. Among them, the Pico Optical Module experienced a decline in overall shipments of nearly 60% due to the destocking of non-Chinese market customers and the impact of the Chinese economic contraction, weak consumption, and competition from low-cost single-panel LCD projection solutions in the Chinese market. Optical Component products decreased by 13% due to customer inventory adjustments. Image Optical products decreased by 22% due to end of life of smart home camera and lower-than-expected sales of high-end lenses. 3D printer decreased by 26% due to the cautious attitude of end customers towards equipment investment caused by the interest rate hikes of European and American central banks, resulting in inventory adjustments and delayed production schedules for new models. Automotive products decreased by 3%, mainly due to the growth in shipments of HUD and ground projections, offsetting the significant decline in shipments of automotive lenses due to poor conditions in the Chinese automotive market. In 2023, the gross margin of 10.5% decreased by 6.8% compared to 17.3% in the previous year, affected by the decline in capacity utilization and differences in product sales mix.

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

1. Developed 16K~25K pixels Micro LED smart car head light and obtained certification of Verband der Automobilindustrie.
2. Developed exterior color dynamic DLP DGP ground projection for automobile.
3. Developing the world's smallest DLP 0.16-inch 720p PICO Engine with XPR.
4. Developed the Scan lens for the AOI 3D color confocal, microscopic measurement system.
5. Developed a handheld device with an 8-megapixel camera paired with a 45-degree ultra-wide-angle lens optical system.
6. Designed an image-framing wide-aperture lens.

Looking into the year 2024, company will be moving forward with strategies below in mind:

- (1) Proactively open up markets of virtual reality (VR), augmented reality (AR) Optical components, automobile projector, 3D-Printing, as well as expanding into customers in non-Chinese markets.
- (2) Continue to improve process management and technologies, promote cost advantage and improve profitability.
- (3) To become the most trust-worthy supplier of customers by practicing excellent product quality, details in process and service.
- (4) 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.

Chairman: Sarah Lin

President: Claude Shyu

Accountant: Cynthia Chang

Audit Committee's Report

The Board of Directors of the Company has delivered the 2023 business reports, the financial statements and the proposal for 2023 Deficit Off-Setting. The aforesaid 2023 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.

Yours sincerely

2024 Annual General Shareholders' Meeting, Young Optics Inc.

Young Optics Inc.

Chairman of the Audit Committee : Hsiang-Hsun Wu

Date: April 25, 2024

AUDIT REPORT OF INDEPENDENT ACCOUNTANTSEnglish 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, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material 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, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagement 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 (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 2023 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, 2023, the Company's net inventory amounted to NT\$266,709 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\$2,749,057 thousand for the year ended December 31, 2023. 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.

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 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 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 2023 parent company only financial statements 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.

/s/Chen, Chih-Chung

/s/Chiu, Wan-Ju

Ernst & Young, Taiwan
February 23, 2024

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023	%	December 31, 2022	%	LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
Current assets						Current liabilities					
Cash and cash equivalents	4 and 6 (1)	\$257,791	5	\$457,533	8	Short-term borrowings	4 and 6 (9)	\$100,000	2	\$45,000	1
Notes receivable, net	4, 6 (2) and 6 (15)	-	-	9	-	Contract liabilities-current	4, 6 (14) and 7	57,159	1	66,724	1
Trade receivable, net	4, 6 (3) and 6 (15)	328,402	7	338,936	6	Accounts payable		164,860	4	200,385	4
Trade receivable-related parties, net	4, 6 (3), 6 (15) and 7	236,168	5	247,487	5	Accounts payable-related parties	7	390,428	9	411,071	8
Other receivables		8,809	-	11,982	-	Other payables		229,762	5	349,116	6
Other receivables-related parties	7	192,641	4	11,110	-	Other payables-related parties	7	13,229	-	9,492	-
Current tax assets	4 and 6 (20)	388	-	-	-	Current tax liabilities	4 and 6 (20)	-	-	11,047	-
Inventories, net	4 and 6 (4)	266,709	6	349,637	6	Provisions-current	4 and 6 (12)	23,827	1	26,329	1
Prepayments	7	49,801	1	17,853	-	Lease liabilities, non-related parties	4 and 6 (16)	15,481	-	15,457	-
Other current assets		29,844	1	89,187	2	Current portion of long-term borrowings	4 and 6 (10)	299,950	6	412,807	7
Total current assets		<u>1,370,553</u>	<u>29</u>	<u>1,523,734</u>	<u>27</u>	Other current liabilities		<u>16,232</u>	<u>-</u>	<u>13,400</u>	<u>-</u>
						Total current liabilities		<u>1,310,928</u>	<u>28</u>	<u>1,560,828</u>	<u>28</u>
Non-current assets						Non-current liabilities					
Investments accounted for using the equity method	4 and 6 (5)	1,181,464	25	1,809,484	32	Long-term borrowings	4 and 6 (10)	112,900	2	412,807	8
Property, plant and equipment, net	4, 6 (6), 6 (17) and 8	1,602,615	33	1,659,109	30	Deferred tax liabilities	4 and 6 (20)	23,927	1	23,927	1
Right-of-use assets	4 and 6 (16)	281,876	6	299,513	5	Lease liabilities, non-related parties-noncurrent	4 and 6 (16)	280,062	6	295,543	5
Investment property, net	4, 6 (7), 6 (17) and 8	136,161	3	144,231	3	Guarantee deposits		<u>10,131</u>	<u>-</u>	<u>5,147</u>	<u>-</u>
Intangible assets	4, 6 (8) and 6 (17)	74,137	1	88,809	2	Total non-current liabilities		<u>427,020</u>	<u>9</u>	<u>737,424</u>	<u>14</u>
Deferred tax assets	4 and 6 (20)	26,681	1	27,342	1	Total liabilities		<u>1,737,948</u>	<u>37</u>	<u>2,298,252</u>	<u>42</u>
Refundable deposits		2,116	-	2,139	-	Equity					
Net defined benefit assets-noncurrent	4 and 6 (11)	24,784	1	20,448	-	Capital					
Other non-current financial assets	8	24,194	1	21,878	-	Common stock	6 (13)	1,140,598	24	1,140,598	20
Other non-current assets		<u>8,977</u>	<u>-</u>	<u>3,393</u>	<u>-</u>	Capital surplus	6 (13)	1,648,205	35	1,648,711	29
Total non-current assets		<u>3,363,005</u>	<u>71</u>	<u>4,076,346</u>	<u>73</u>	Retained earnings	6 (13)				
						Legal reserve		393,148	8	386,690	7
						Special reserve		150,667	3	211,914	4
						Unappropriated retained earnings(Accumulated deficit)		<u>(168,132)</u>	<u>(3)</u>	<u>64,582</u>	<u>1</u>
						Total retained earnings		<u>375,683</u>	<u>8</u>	<u>663,186</u>	<u>12</u>
						Other equity		<u>(168,876)</u>	<u>(4)</u>	<u>(150,667)</u>	<u>(3)</u>
						Total equity		<u>2,995,610</u>	<u>63</u>	<u>3,301,828</u>	<u>58</u>
Total assets		<u>\$4,733,558</u>	<u>100</u>	<u>\$5,600,080</u>	<u>100</u>	Total liabilities and equity		<u>\$4,733,558</u>	<u>100</u>	<u>\$5,600,080</u>	<u>100</u>

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, 2023 and 2022

(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	
		2023	%	2022	%
Net sales	4, 6 (14) and 7	\$2,749,057	100	\$4,669,237	100
Operating costs	6 (4), 6 (16), 6 (17) and 7	(2,321,655)	(84)	(3,897,610)	(83)
Gross profit		427,402	16	771,627	17
Unrealized gross profit on sales		(389)	-	(1,904)	-
Realized gross profit on sales		1,904	-	15,685	-
Gross profit, net		428,917	16	785,408	17
Operating expenses	6 (15), 6 (16), 6 (17) and 7				
Selling expenses		(91,696)	(3)	(103,065)	(2)
General and administrative expenses		(130,175)	(5)	(168,915)	(4)
Research and development expenses		(326,429)	(12)	(415,527)	(9)
Total operating expenses		(548,300)	(20)	(687,507)	(15)
Operating (loss) income		(119,383)	(4)	97,901	2
Non-operating income and expenses					
Interest income	6 (18)	3,393	-	1,330	-
Other income	6 (16) and 6 (18)	43,661	2	43,300	1
Other gains and losses	6 (18)	(22,381)	(1)	15,594	-
Finance costs	6 (18)	(18,017)	(1)	(19,430)	-
Share of loss of subsidiaries, associates and joint ventures for using the equity method		(182,311)	(7)	(58,576)	(1)
Total non-operating income and expenses		(175,655)	(7)	(17,782)	-
Net (loss) income before tax		(295,038)	(11)	80,119	2
Income tax income (expense)	4 and 6 (20)	7,738	-	(15,469)	-
Net (loss) income		(287,300)	(11)	64,650	2
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (19)	(253)	-	(85)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (19) and 6 (20)	50	-	17	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (19)	(18,209)	(1)	62,433	1
Income tax related to items that may be reclassified subsequently to profit or loss	6 (19)	-	-	-	-
Other comprehensive (loss) income, net of tax		(18,412)	(1)	62,365	1
Total comprehensive (loss) income		<u><u>\$(305,712)</u></u>	<u><u>(12)</u></u>	<u><u>\$127,015</u></u>	<u><u>3</u></u>
Basic (Loss) Earnings Per Share (in New Taiwan Dollars)	6 (21)	<u><u>\$(2.52)</u></u>		<u><u>\$0.57</u></u>	
Diluted (Loss) Earnings Per Share (in New Taiwan Dollars)	6 (21)	<u><u>\$(2.52)</u></u>		<u><u>\$0.57</u></u>	

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, 2023 and 2022

(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, 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	<u>\$1,140,598</u>	<u>\$1,648,711</u>	<u>\$386,690</u>	<u>\$211,914</u>	<u>\$64,582</u>	<u>\$(150,667)</u>	<u>\$3,301,828</u>
Balance as of January 1, 2023	\$1,140,598	\$1,648,711	\$386,690	\$211,914	\$64,582	\$(150,667)	\$3,301,828
Appropriation and distribution of retained earnings							
Legal reserve	-	-	6,458	-	(6,458)	-	-
Reversal of special reserve	-	-	-	(61,247)	61,247	-	-
Total appropriation and distribution of retained earnings	-	-	6,458	(61,247)	54,789	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	(287,300)	-	(287,300)
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(203)	(18,209)	(18,412)
Total comprehensive loss	-	-	-	-	(287,503)	(18,209)	(305,712)
Difference between the actual acquisition or disposal price and the carrying amount of the subsidiary's equity	-	(560)	-	-	-	-	(560)
Balance as of December 31, 2023	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(168,132)</u>	<u>\$(168,876)</u>	<u>\$2,995,610</u>

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

Note: The amounts of employee compensation for the years ended December 31, 2023 and 2022 amounted to NT\$0 thousand and NT\$14,139 thousand, 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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities :			Cash flows from investing activities :		
Net (loss) income before tax	\$(295,038)	\$80,119	Return of Capital from an Investee Accounted for Using the Equity Method due to Capital Reduction	\$146,805	\$-
Adjustments for:			Proceeds from disposal of property, plant and equipment	4,115	937
The profit or loss items which did not affect cash flows:			Acquisition of property, plant and equipment	(148,344)	(180,724)
Expected credit (gain) loss	(17)	63	Acquisition of intangible assets	(9,086)	(11,447)
Depreciation	229,410	227,740	Cash flow provided by absorption merger	79,637	-
Amortization	18,326	18,738	Decrease (increase) in refundable deposits	26	(204)
Interest expense	18,017	19,430	Increase in other financial assets-noncurrent	(2,316)	(10)
Interest income	(3,393)	(1,330)	(Increase) decrease in other non-current assets	(5,768)	8,619
Share of loss of subsidiaries, associates and joint ventures for using the equity method	182,311	58,576	Net cash provided by (used in) investing activities	65,069	(182,829)
Unrealized gross profit on sales	389	1,904			
Realized gross profit on sales	(1,904)	(15,685)	Cash flows from financing activities :		
Amortization of gain on disposal of intangible assets	(920)	(920)	Increase (decrease) in short-term borrowings	55,000	(85,000)
Loss on disposal of property, plant and equipment	-	9,124	Increase in long-term borrowings (including current portion of long-term borrowings)	112,900	-
Changes in operating assets and liabilities:			Repayments of long-term borrowings (including current portion of long-term borrowings)	(525,664)	(317,212)
Notes receivable	9	(9)	Repayment of the principal portion of lease liabilities	(15,457)	(15,160)
Trade receivable	83,868	140,096	Increase in guarantee deposits	4,984	-
Trade receivable-related parties	4,084	92,872	Acquisition of Subsidiary Equity	(10,178)	-
Other receivables	3,540	5,494	Net cash used in financing activities	(378,415)	(417,372)
Other receivables-related parties	(17,690)	64,447			
Inventories	82,308	65,416	Net (decrease) increase in cash and cash equivalents	(199,742)	31,107
Prepayments	(31,948)	(3,581)	Cash and cash equivalents at beginning of the period	457,533	426,426
Other current assets	60,872	(22,259)	Cash and cash equivalents at end of the period	<u>\$257,791</u>	<u>\$457,533</u>
Contract liabilities-current	(18,528)	36,385			
Accounts payable	(35,583)	(13,741)			
Accounts payable-related parties	(20,643)	(138,419)			
Other payables	(119,189)	21,543			
Other payables-related parties	3,737	7,683			
Provisions-current	(6,559)	7,331			
Other current liabilities	322	(2,460)			
Net defined benefit assets-noncurrent	(4,589)	(2,149)			
Cash generated from operating activities	131,192	656,408			
Interest received	3,403	1,343			
Interest paid	(18,074)	(19,375)			
Income tax paid	(2,917)	(7,068)			
Net cash provided by operating activities	<u>113,604</u>	<u>631,308</u>			

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, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material 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, 2023 and 2022, and its consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, 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 2023 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, 2023, the Group's net inventory amounted to NT\$444,490 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\$3,010,369 thousand for the year ended December 31, 2023. 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.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 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 2023 consolidated financial statements 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.

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, 2023 and 2022.

/s/Chen, Chih-Chung

/s/Chiu, Wan-Ju

Ernst & Young, Taiwan
February 23, 2024

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2023	%	December 31, 2022	%	LIABILITIES AND EQUITY	Note	December 31, 2023	%	December 31, 2022	%
Current assets						Current liabilities					
Cash and cash equivalents	4 and 6 (1)	\$1,071,067	23	\$1,385,234	25	Short-term borrowings	6 (9)	\$104,344	2	\$49,648	1
Current financial asset at fair value through profit or loss	4 and 6 (2)	-	-	196	-	Contract liabilities-current	6 (14) and 7	69,192	2	77,368	1
Notes receivable, net	4, 6 (3) and 6 (15)	18,272	-	18,176	-	Notes payable		352	-	503	-
Trade receivable, net	4, 6 (4) and 6 (15)	353,180	7	528,658	10	Accounts payable		262,303	6	305,191	6
Trade receivable-related parties, net	4, 6 (4), 6 (15) and 7	119,505	3	106,022	2	Accounts payable-related parties	7	331	-	-	-
Other receivables		10,778	-	14,362	-	Other payables		325,975	7	480,713	9
Other receivables-related parties	7	97,186	2	32,061	1	Other payables-related parties	7	98,673	2	34,716	1
Current tax assets	4 and 6 (20)	11,933	-	9,920	-	Current tax liabilities	4 and 6 (20)	10,579	-	24,324	-
Inventories, net	4 and 6 (5)	444,490	9	689,120	12	Provisions-current	4 and 6 (12)	23,881	-	28,968	1
Prepayments		26,732	1	22,012	-	Lease liabilities, non-related parties	4 and 6 (16)	20,144	-	22,036	-
Other current financial assets	8	-	-	14	-	Lease liabilities, related parties	4, 6 (16) and 7	27,064	1	27,053	1
Other current assets		37,934	1	102,731	2	Current portion of long-term borrowings	6 (10)	301,879	7	414,871	7
Total current assets		<u>2,191,077</u>	<u>46</u>	<u>2,908,506</u>	<u>52</u>	Other current liabilities	4	17,642	-	15,956	-
						Total current liabilities		<u>1,262,359</u>	<u>27</u>	<u>1,481,347</u>	<u>27</u>
Non-current assets						Non-current liabilities					
Property, plant and equipment, net	4, 6 (6), 6 (17) and 8	1,884,376	40	1,979,410	36	Long-term borrowings	6 (10)	114,838	2	416,944	7
Right-of-use assets	4 and 6 (16)	332,805	7	354,120	6	Deferred tax liabilities	4 and 6 (20)	23,927	-	23,927	-
Investment property, net	4, 6 (7), 6 (17) and 8	136,161	3	144,231	3	Lease liabilities, non-related parties-noncurrent	4 and 6 (16)	307,831	7	324,912	6
Intangible assets	4, 6 (8) and 6 (17)	75,201	2	90,352	2	Guarantee deposits		11,619	-	6,681	-
Deferred tax assets	4 and 6 (20)	26,681	1	30,344	1	Total non-current liabilities		<u>458,215</u>	<u>9</u>	<u>772,464</u>	<u>13</u>
Refundable deposits		12,400	-	12,961	-	Total liabilities		<u>1,720,574</u>	<u>36</u>	<u>2,253,811</u>	<u>40</u>
Net defined benefit assets-noncurrent	4 and 6 (11)	24,784	1	20,448	-						
Other non-current financial assets	8	24,194	-	21,878	-	Equity attributable to owners of the parent					
Other non-current assets		8,977	-	4,008	-	Capital					
Total non-current assets		<u>2,525,579</u>	<u>54</u>	<u>2,657,752</u>	<u>48</u>	Common stock	6 (13)	1,140,598	24	1,140,598	21
						Capital surplus	6 (13)	1,648,205	35	1,648,711	30
						Retained earnings	6 (13)				
						Legal reserve		393,148	8	386,690	7
						Special reserve		150,667	3	211,914	4
						Unappropriated retained earnings(Accumulated deficit)		(168,132)	(3)	64,582	1
						Total retained earnings		<u>375,683</u>	<u>8</u>	<u>663,186</u>	<u>12</u>
						Other equity		<u>(168,876)</u>	<u>(3)</u>	<u>(150,667)</u>	<u>(3)</u>
						Total equity attributable to owners of the parent		<u>2,995,610</u>	<u>64</u>	<u>3,301,828</u>	<u>60</u>
						Non-controlling interests	6 (13)	<u>472</u>	<u>-</u>	<u>10,619</u>	<u>-</u>
						Total equity		<u>2,996,082</u>	<u>64</u>	<u>3,312,447</u>	<u>60</u>
Total assets		<u>\$4,716,656</u>	<u>100</u>	<u>\$5,566,258</u>	<u>100</u>	Total liabilities and equity		<u>\$4,716,656</u>	<u>100</u>	<u>\$5,566,258</u>	<u>100</u>

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, 2023 and 2022

(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	
		2023	%	2022	%
Net sales	4, 6 (14) and 7	\$3,010,369	100	\$4,683,503	100
Operating costs	6 (5), 6 (16), 6 (17) and 7	(2,693,747)	(89)	(3,874,230)	(83)
Gross profit		<u>316,622</u>	<u>11</u>	<u>809,273</u>	<u>17</u>
Operating expenses	6 (15), 6 (16), 6 (17) and 7				
Selling expenses		(123,116)	(4)	(140,240)	(3)
General and administrative expenses		(159,004)	(5)	(209,512)	(5)
Research and development expenses		(345,999)	(12)	(441,513)	(9)
Total operating expenses		<u>(628,119)</u>	<u>(21)</u>	<u>(791,265)</u>	<u>(17)</u>
Operating (loss) income		<u>(311,497)</u>	<u>(10)</u>	<u>18,008</u>	<u>-</u>
Non-operating income and expenses					
Interest income	6 (18)	28,578	1	19,363	-
Other income	6 (16) and 6 (18)	46,647	2	43,944	1
Other gains and losses	6 (18)	(31,508)	(1)	37,388	1
Finance costs	6 (18)	(20,906)	(1)	(22,455)	-
Total non-operating income and expenses		<u>22,811</u>	<u>1</u>	<u>78,240</u>	<u>2</u>
Net (loss) income before tax		<u>(288,686)</u>	<u>(9)</u>	<u>96,248</u>	<u>2</u>
Income tax income (expense)	4 and 6 (20)	939	-	(29,877)	(1)
Net (loss) income		<u>(287,747)</u>	<u>(9)</u>	<u>66,371</u>	<u>1</u>
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (19)	(253)	-	(85)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (19)	50	-	17	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (19)	(18,237)	(1)	62,418	2
Income tax related to items that may be reclassified subsequently to profit or loss		-	-	-	-
Other comprehensive (loss) income, net of tax		<u>(18,440)</u>	<u>(1)</u>	<u>62,350</u>	<u>2</u>
Total comprehensive (loss) income		<u><u>\$(306,187)</u></u>	<u><u>(10)</u></u>	<u><u>\$128,721</u></u>	<u><u>3</u></u>
Net (loss) income for the periods attributable to :					
Shareholders of the parent	6 (21)	<u>\$(287,300)</u>		<u>\$64,650</u>	
Non-controlling interests	6 (13)	<u>(447)</u>		<u>1,721</u>	
		<u><u>\$(287,747)</u></u>		<u><u>\$66,371</u></u>	
Total comprehensive (loss) income for the periods attributable to :					
Shareholders of the parent		<u>\$(305,712)</u>		<u>\$127,015</u>	
Non-controlling interests		<u>(475)</u>		<u>1,706</u>	
		<u><u>\$(306,187)</u></u>		<u><u>\$128,721</u></u>	
Basic (Loss) Earnings Per Share (in New Taiwan Dollars)	6 (21)	<u><u>\$(2.52)</u></u>		<u><u>\$0.57</u></u>	
Diluted (Loss) Earnings Per Share (in New Taiwan Dollars)	6 (21)	<u><u>\$(2.52)</u></u>		<u><u>\$0.57</u></u>	

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, 2023 and 2022
(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity	Total		
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations			
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	128,271
Decrease of non-controlling interests	-	-	-	-	-	-	-	(109)	(109)
Balance as of December 31, 2022	<u>\$1,140,598</u>	<u>\$1,648,711</u>	<u>\$386,690</u>	<u>\$211,914</u>	<u>\$64,582</u>	<u>\$(150,667)</u>	<u>\$3,301,828</u>	<u>\$10,619</u>	<u>\$3,312,447</u>
Balance as of January 1, 2023	\$1,140,598	\$1,648,711	\$386,690	\$211,914	\$64,582	\$(150,667)	\$3,301,828	\$10,619	\$3,312,447
Appropriation and distribution of retained earnings									
Legal reserve	-	-	6,458	-	(6,458)	-	-	-	-
Reversal of special reserve	-	-	-	(61,247)	61,247	-	-	-	-
Total appropriation and distribution of retained earnings	-	-	6,458	(61,247)	54,789	-	-	-	-
Net loss for the year ended December 31, 2023	-	-	-	-	(287,300)	-	(287,300)	(447)	(287,747)
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	(203)	(18,209)	(18,412)	(28)	(18,440)
Total comprehensive loss	-	-	-	-	(287,503)	(18,209)	(305,712)	(475)	(306,187)
Difference between the actual acquisition or disposal price and the carrying amount of the subsidiary's equity	-	(506)	-	-	-	-	(506)	-	(506)
Decrease of non-controlling interests	-	-	-	-	-	-	-	(9,672)	(9,672)
Balance as of December 31, 2023	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(168,132)</u>	<u>\$(168,876)</u>	<u>\$2,995,610</u>	<u>\$472</u>	<u>\$2,996,082</u>

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, 2023 and 2022

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2023	2022		2023	2022
Cash flows from operating activities :			Cash flows from investing activities :		
Net (loss) income before tax	\$(288,686)	\$96,248	Disposals of subsidiary	\$-	\$860
Adjustments for:			Acquisition of property, plant and equipment	(161,278)	(198,701)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of property, plant and equipment	-	452
Depreciation	314,865	320,237	Acquisition of intangible assets	(9,290)	(11,447)
Amortization	18,789	19,167	Decrease (increase) in refundable deposits	561	(1,600)
Expected credit (gain) loss	(11)	249	Decrease (increase) in other financial assets-current	14	(1)
Net loss on financial assets and liabilities at fair value through profit or loss	12,465	5,806	Increase in other financial assets-noncurrent	(2,316)	(10)
Interest expense	20,906	22,455	(Increase) decrease in other non-current assets	(5,153)	9,350
Interest income	(28,578)	(19,363)	Net cash used in investing activities	(177,462)	(201,097)
Loss on disposal of property, plant and equipment	1,151	9,291			
Transfer of property, plant and equipment to expense	-	4	Cash flows from financing activities :		
Gain on disposal of investments	-	(531)	Decrease in short-term borrowings	54,696	(80,352)
Changes in operating assets and liabilities:			Increase in long-term borrowings (including current portion of long-term borrowings)	112,900	-
Financial assets and liabilities at fair value through profit or loss	(12,269)	(4,909)	Repayments of long-term borrowings (including current portion of long-term borrowings)	(527,998)	(319,563)
Notes receivable	(96)	(1,367)	Increase (decrease) in guarantee deposits	4,938	(409)
Trade receivable	175,507	45,460	Repayment of the principal portion of lease liabilities	(43,655)	(41,171)
Trade receivable-related parties	(13,483)	166,761	Acquisition of Subsidiary's equity	(10,178)	-
Other receivables	2,663	5,188	Net cash used in financing activities	(409,297)	(441,495)
Other receivables-related parties	(65,125)	(32,061)			
Inventories	244,010	181,213	Effect of exchange rate changes on cash and cash equivalents	(17,368)	39,277
Prepayments	(4,720)	664			
Other current assets	64,797	(30,755)	Net (decrease) increase in cash and cash equivalents	(314,167)	58,980
Contract liabilities-current	(8,176)	39,502	Cash and cash equivalents at beginning of the period	1,385,234	1,326,254
Notes payable	(151)	(3)	Cash and cash equivalents at end of the period	\$1,071,067	\$1,385,234
Accounts payable	(42,888)	(115,001)			
Accounts payable-related parties	331	(74,836)			
Other payables	(154,740)	8,735			
Other payables-related parties	63,957	31,938			
Provisions-current	(5,087)	8,112			
Other current liabilities	1,686	(1,174)			
Net defined benefit assets-noncurrent	(4,589)	(2,149)			
Cash generated from operating activities	292,528	678,881			
Interest received	29,499	18,291			
Interest paid	(20,961)	(22,400)			
Income tax paid	(11,106)	(12,477)			
Net cash provided by operating activities	289,960	662,295			

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

Young Optics Inc.**2023 Statement of Deficit Off-Setting**

Unit: NTD

Item	Amount
Undistributed surplus at the beginning of the period	119,370,714
Add (less):	
Re-measurement of Defined Benefit Obligations	(202,400)
Net loss of 2023	(287,300,479)
Losses to be covered for the period	(287,502,879)
Losses to be covered at the end of the period	(168,132,165)

Chairman: Sarah Lin

President: Claude Shyu

Accountant: Cynthia Chang

Young Optics Inc.
List of Director Candidates

CANDIDATE CATEGORY	NAME	EDUCATION	EXPERIENCE	CURRENT POSITION	NUMBER OF SHARES HOLDING
Director	Coretronic Corp. Legal representative Sarah Lin	Bachelor of International Business, National Chengchi University	President, Coretronic Corporation	President, Coretronic Corporation	37,217,586
	Coretronic Corp. Legal representative Ken Wang	Master of Electronic and Computer Engineering, National Taiwan University of Science and Technology	Chairman, Nano Precision Taiwan Limited	Vice President, Coretronic Corporation	37,217,586
	Coretronic Corp. Legal representative Miranda Wang	Bachelor of Business Administration, National Cheng Kung University	Vice President, Optoma Corporation.	Vice President, Coretronic Corporation	37,217,586
	Ker-Jev Huang	PhD of Power Mechanical Engineering, National Tsing Hua University	Team Leader of Materials and Electro-Optics, National Chung Shan Institute of Science and Technology	None	0
Independent Director	Hsiang-Hsun Wu	PhD of International Business, National Taiwan University	Assistant Professor, College of Management, Yuan Ze University	Assistant Professor, College of Management, Yuan Ze University	0

CANDIDATE CATEGORY	NAME	EDUCATION	EXPERIENCE	CURRENT POSITION	NUMBER OF SHARES HOLDING
	Wan-Ting Yuan	Master of Guanghua School of Management EMBA, Peking University EMBA of National Central University	Chairman, Aces Electronics Co., Ltd. Director, National Central University foundation Director, the Taitung County Cultural Foundation Director, Board of Directors of Chien Hsin University of Science and Technology Foundation	Chairman, Aces Electronics Co., Ltd.	0
	Chin-Do Lai	Master of Institute of Computer and Communications Engineering, National Taipei University of Technology	CEO, GranDen Corp.	CEO, GranDen Corp.	0

Young Optics Inc.

Details of Director's Release from Non-Competition Restrictions

Title	Name	Requesting release of prohibition on directors from participating competitive business
Director	Coretronic Corp.	Director, Young Green Energy Co., LTD Director, uCare Medical Electronics Co., Ltd. Director, Champ Vision Display Inc. Director, InnoSpectra Corporation Director, Coretronic Intelligent Cloud Service Corporation Director, Coretronic Intelligent Robotics Corporation Director, Coretronic MEMS Corporation Director, Coretronic Reality Incorporation Director, Eterge Opto-Electronics Co., Ltd. Director, Tecpoint Limited Director, Coretronic(BVI) Investment Corp. Director, Sinolink Global Limited Director, Coretronic Vietnam Company Limited Director, Chung Tsen Investment Corp. Director, Coretronic Venture Capital Corp.
Director	Coretronic Corp. Legal representative Sarah Lin	Director, Nano Display Hong Kong Limited Director, Bigshine International Limited Director, Bigshine International Hong Kong Limited Director, Lead Bright International Limited Director, Lead Bright Hong Kong Limited Director, Elite View Limited Director, Elite View Hong Kong Limited Director, Young Lighting Limited Director, Mat Limited Chairman, uCare Medical Electronics Co., Ltd. Chairman, Champ Vision Display Inc. Director, Tsen Ming Investment Corp. President, Coretronic Corporation
Director	Coretronic Corp. Legal representative Ken Wang	Vice President, Coretronic Corporation
Director	Coretronic Corp. Legal representative Miranda Wang	Chairman, Nano Precision Taiwan Limited Director, Nano Precision (Suzhou) Co., Ltd Director, Core-Flex Limited Vice President, Coretronic Corporation

Title	Name	Requesting release of prohibition on directors from participating competitive business
Independent Director	Wan-Ting Yuan	Chairman, Aces Electronics Co., Ltd. Chairman, Kunshan Hongzhi Electronics Co., Ltd. Chairman, Kunshan Qizhi Commerce and Trade Co., Ltd. Chairman, Chongqing Honggao Electronics Co., Ltd. Chairman, Dongguan Hongzhi Electronic Co., Ltd. Chairman, Suzhou Jialisi Precise Metal Art Products Co., Ltd. Chairman, Kunshan Cheng Gang Electronics Technology Co., Ltd. Chairman, Zhuhai Hongzhi Electronics Co., Ltd. Chairman, Zhuhai Hongtai Trading Co., Ltd. Legal Representative of Director, Wei Hong International Investment Co., Ltd. Legal Representative of Director, ACES Precision Machinery Co., Ltd. Legal Representative of Director, Mec Imex Inc. Legal Representative of Director, Kuang Ying Computer Equipment Co., Ltd. Director, Wei Ji Investment Corp. Director, Aces Precision Industry Pte Ltd. Director, Acesconn Holdings Co., Ltd. Director, Asia Century Investment Ltd.

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 any law or regulations and the Articles of Incorporation of this Company provides otherwise.
- Article 2 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.
- Article 3 The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.
When the government or a legal entity is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a legal entity is entrusted to attend the shareholders' meeting, only one person may be appointed to represent.
- Article 4 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. If there are two or more persons with the power to convene, they shall mutually elect one person to serve as chairman.
The Company may appoint lawyers, accountants, or relevant personnel to attend the shareholders' meeting.
- Article 5 Company shall record the whole process of shareholder registration, meeting proceedings, voting and vote counting processes continuously and without interruption, starting from the time when the registration of shareholders is accepted.
Audiovisual materials mentioned in the preceding paragraph should be kept 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 6 The attendance of shareholders' meetings shall be based on the number of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, plus the number of shares whose voting rights are exercised by electronically.
The chair shall call the meeting to order at the appointed meeting time, and shall also announce the number of non-voting rights and the number of shares present, and other

relevant information at the same 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 attending shareholders still represent less than one third of the total number of issued shares after two postponements, the chairman shall announce that the meeting will be adjourned.

In the preceding paragraph that if the attending shareholders still represent less than one third of the total number of issued shares after two postponements, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act, and the tentative resolution shall be notified to all shareholders for the convening of another shareholders' meeting within one month.

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

Article 7 If a shareholders meeting is convened by the board of directors, the meeting agenda (including extraordinary motions and amendments to the original proposal) 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, the other members of the board of directors should promptly assist the shareholders in accordance with the statutory procedures to elect, by agreement among over a half of shareholding attendees, one person can be elected as the chair to proceed with the meeting.

The chair should provide sufficient explanation and discussion opportunities for proposals and the proposed amendments or extraordinary motions raised by shareholders. When they have been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and allocate an adequate amount of time for voting.

Article 8 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.

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.

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.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives may speak on the same proposal.

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

Article 9 The voting at shareholders meetings shall be calculated based on numbers of shares. Each shareholder has one voting right per share. However, those who are restricted or listed as having no voting rights under Article 179, Paragraph 2 of the Company Act are not subject to this limitation.

The resolution of the shareholders' meeting stipulates that the shareholding of non-voting shareholders shall not be included in the total number of issued shares.

Shareholders who have a conflict of interest in matters discussed at the meeting that may be detrimental to the Company's interests shall not participate in the voting and shall not act as proxies for other shareholders to exercise their voting rights.

The number of shares that are prohibited from exercising the voting rights in the preceding paragraph shall not be counted as the number of voting rights of the shareholders present.

Article 10 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. During the voting, the chair or their designated personnel shall announce the total number of voting rights of the shareholders present, and the shareholders shall vote on each proposal. The results of the shareholders' approval, opposition, and abstention shall be entered into the Market Observation Post System on the same day as the shareholders' meeting.

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.

scrutineer and counting personnel for the voting on a proposal shall be appointed by the chair, but all scrutineers shall be shareholders of this Corporation.

The voting or election ballot counting process for shareholder meetings should be conducted openly at the meeting venue. After the counting is completed, the voting results, including the statistical figures, should be announced on the spot and recorded.

Article 11 The chair may direct the proctors or security personnel to help maintain order at the meeting place.

If there are amplification devices available at the venue, the chairman may prohibit shareholders from using equipment not provided by the Company when speaking.

Shareholders who violate the rules of procedure and refuse to comply with the chairman's correction, thereby obstructing the progress of the meeting and persisting despite being stopped, may be asked to leave the venue by the chair, who will direct the proctors or security personnel.

Article 12 During the meeting, the chair may announce a break at certain times. In the event of force majeure, the chair may temporarily suspend the meeting and announce the resumption time based on the situation.

If the venue for the meeting becomes unusable before the agenda set by the shareholders' meeting (including extraordinary motions) is concluded, the shareholders' meeting may decide to find another venue to continue the meeting.

The shareholders' meeting may, in accordance with Article 182 of the Company Act, decide to postpone or continue the assembly within five days.

Article 13 This regulation shall come into effect upon approval by the shareholders' meeting, and the same applies to any amendments made thereafter.

Young Optics Inc.

Rules for Election of Directors

- Article 1 Unless otherwise provided in the Company Act or the Articles of Incorporation of this Company, the directors of this Company shall be elected in accordance with the rules specified herein.
- Article 2 The election of the directors of the Company shall be on the basis of accumulation of votes. Each share shall have voting rights equivalent to the number of seats to be elected and such voting rights can be combined to vote for one person or divided to vote for several persons.
- Article 3 The Company shall prepare election ballots equal to the number of directors to be elected, and indicate their voting rights. These ballots shall be distributed to the shareholders attending the shareholders' meeting, and the names of the electors may be represented by their attendance card numbers printed on the ballots.
- Article 4 The directors of the Company shall be elected in accordance with the number of seats specified in the Company's Articles of Incorporation. The voting rights of independent directors and non-independent directors shall be calculated separately. The candidates with the highest number of votes representing each category of directors shall be elected in order. In the event that two or more candidates have the same number of votes and exceed the specified number of seats, a draw shall be conducted to determine the elected candidates. If a candidate is absent, the chair shall draw on their behalf.
- Article 5 At the beginning of the election, the Chairman shall appoint several persons to be counting officer(s) and scrutineer(s) who are shareholders to perform various related duties. The ballot box shall be prepared by the Company and shall be publicly inspected by the scrutineers before the voting.
- Article 6 Ballots shall be deemed invalid under the following conditions:
- (1) When ballots not prepared by the convener are used.;
 - (2) When blank ballots are deposited into the ballot box.;
 - (3) When the handwriting is unclear, indecipherable, or altered.;
 - (4) When the name filled in as the candidate does not match the list of nominated directors..
 - (5) When any additional text is included alongside the allocation of voting rights.;
- Article 7 After the voting is completed, the votes shall be cast on the spot. The result of the voting shall be announced by the chair on the spot or by the emcee on behalf of him/her, and shall include the names of the Directors elected and their number of rights elected.

Election ballots mentioned in the preceding paragraph should be kept in a safe place 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 These Rules and any revision thereof shall become effective after the approval at the shareholders' meeting.

Young Optics Inc.

Shareholdings of All Directors

Title	Name	Book Closure Date(2024.04.21) Number of Shares Holding	Shareholding Ratio
Director	Coretronic Corp. Legal representative Sarah Lin	37,217,586	32.62%
Director	Coretronic Corp. Legal representative Ken Wang	37,217,586	32.62%
Director	Coretronic Corp. Legal representative Sara Lin	37,217,586	32.62%
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		37,247,922	32.65%

Note:

1. As of April 21, 2024, the Company has issued a total of 114,059,785 shares.
2. The total number of shares that all directors of the Company are required to hold by law is 8,000,000 shares, and all directors currently meet the legal ownership requirement.