

**Young Optics Inc.**  
**2025 Annual Shareholders' Meeting Minutes**  
(Translation)

Time : 9:00 a.m. on June 17 (Tuesday), 2025

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

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

Convening Method : The shareholders' meeting was held as a physical meeting.

Total outstanding shares of Young Optics Inc.: 114,059,785 shares.

Total shares represented by shareholders present in person or by proxy: 68,183,460 shares. (incl. E-voting: 30,083,838 shares)

Percentage of shares held by shareholders present in person or by proxy (incl. E-voting): 59.77%

Directors present: Sarah Lin, Chairman; Ken Wang, Director; Miranda Wang, Director; Hsiang-Hsun Wu, Independent Director, Convener of the Audit Committee.

Attendees: Cynthia Chang, President and Ming-Ju Huang, CPA of Ernst & Young

Chairman: Sarah Lin

Recorder: Renny Tsao

I. Call the Meeting to Order

The aggregate shareholding of the shareholders present in person or by proxy (incl. E-voting) constituted a quorum. The chairman called the meeting to order.

II. Chairman's Remarks (Omitted)

III. Report Items

1. 2024 Annual Business Report.

Please refer to Attachment 1.

2. 2024 Audit Committee's Report.

Please refer to Attachment 2.

IV. Ratification Items

(Proposed by the Board of Directors)

1. Ratification of 2024 Annual Business Report and Financial Statements.

(1) The 2024 financial statements of the Company had been audited by Ernst & Young.

(2) Please refer to Attachment 1 and Attachment 3 for the 2024 Annual Business Report, Independent Auditors' Reports and Financial Statements.

(3) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 68,183,460.

Votes in favor: 64,134,596 (incl. E-voting: 26,046,974 votes).

Votes against: 73,053 (incl. E-voting: 73,053 votes).

Votes abstained: 3,975,811 (incl. E-voting: 3,963,811 votes).

Votes invalid: none.

(Proposed by the Board of Directors)

2. Ratification of the Proposal for 2024 Deficit Compensation.

(1) Please refer to Attachment 4 for the 2024 Statement of Deficit Compensation.

(2) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 68,183,460.

Votes in favor: 64,135,139 (incl. E-voting: 26,047,517 votes).

Votes against: 73,510 (incl. E-voting: 73,510 votes).

Votes abstained: 3,974,811 (incl. E-voting: 3,962,811 votes).

Votes invalid: none.

V. Discussion Items

(Proposed by the Board of Directors)

1. Proposal to revise of the Articles of Incorporation.

(1) In accordance with Securities and Exchange Act Article 14, Paragraph 6, “Listed companies shall specify in its articles of incorporation that a certain percentage of its annual earnings shall be allocated for salary adjustments or compensation distributions for its non-executive employees. However, the Company’s accumulated losses shall have been covered. ”

(2) Please refer to Attachment 5 for the Comparison Table of Amendments to the Articles of Incorporation.

(3) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 68,183,460.

Votes in favor: 64,135,534 (incl. E-voting: 26,047,912 votes).

Votes against: 69,105 (incl. E-voting: 69,105 votes).

Votes abstained: 3,978,821 (incl. E-voting: 3,966,821 votes).

Votes invalid: none.

(Proposed by the Board of Directors)

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

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

(2) In the event that the director of the Company is engaged in conduct and duties for himself/herself or others within the Company’s business scope that do not harm the interests of the Company, he/she may request the shareholders’ meeting to release the director from his/her non-competition restriction in accordance with Company Act Article 209. Please refer to the table below for the details of the director’s added concurrent positions.

Title	Name	Requesting release of prohibition on director from participating competitive business
Director	Coretronic Corp. Legal representative Sarah Lin	Director, Tecpoint Limited Director, Great Pride Inc. Director, Great Pride Hong Kong Limited Director, Visicorp Limited Director, Wisdom Success Limited Director, Wisdom Success Hong Kong Limited Director, Sinolink Global Limited Director, Coretronic (BVI) Investment Corp. Director, Greendale Investments Limited

(3) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 68,183,460.

Votes in favor: 64,117,174 (incl. E-voting: 26,029,552 votes).

Votes against: 98,105 (incl. E-voting: 98,105 votes).

Votes abstained: 3,968,181 (incl. E-voting: 3,956,181 votes).

Votes invalid: none.

VI. Motions : Upon inquiry by the Chairman, no extraordinary motions were raised by the attending shareholders.

No questions were raised by the shareholders regarding the proposals of this shareholders' meeting.

VII. Adjournment : 9:12 a.m.

## **Young Optics Inc.**

### **2024 Annual Business Report**

For the fiscal year of 2024, Young Optics Inc. has reported consolidated sales revenue of NT\$2,572 million. Gross profit was reported at NT\$302 million with gross profit margin of 11.73%. Net operating loss was reported at NT\$267 million with an after-tax net loss of NT\$248 million. Net loss attributable to shareholders of the Company was reported at NT\$248 million. The basic after-tax loss was NT\$2.17 per share.

In 2024, the consolidated sales revenue was NT\$2,572 million with a decrease of 15% compared to the previous year. Among them, the Pico Optical Module experienced a decline in overall shipments of nearly 40% 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. 3D printer sales decreased by 33% due to weak consumption, resulting in customer inventory adjustments. Optical Component products decreased by 10% due to decline in shipments for new applications and impact from disposal of Japanese subsidiary in the third quarter. Smart home camera increased by 6% due to new modules enter mass production gradually. Automotive products increased by 22% due to the growth in shipments of HUD. In 2024, the gross margin of 11.7% increased by 1.2% compared to 10.5% in the previous year, affected by the product sales mix variances and increase in capacity utilization. Additionally, the Company recognized non-operating losses of NT\$72,581 thousand due to the fire incident, received prepaid claims for property insurance and recognized compensation revenue amounting NT\$45,000 thousand. The amount of remaining property insurance claim will be finalized upon the completion of the insurer's co-insurance meeting and associated procedures while the claims related to the unresolved items and the business interruption insurance claims process are still in progress.

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

1. The development of ophthalmoscope has been completed and has entered the human trial phase.
2. Developed Super Slim LED smart car headlamp lens.
3. Developed economical and industrial-grade 3D printer modules.
4. Developed Co-Packaged Optics fiber connectors.

Looking into the year 2025, the Company will be moving forward with strategies below in mind:

- (1) Proactively open up markets for Virtual Reality (VR) and Augmented Reality (AR) optical components, Co-Packaged Optics (CPO), automobile projector, and 3D-Printing, as well as expand into non-Chinese markets.
- (2) Continuing to improve process management and technologies, promoting cost advantage and improving profitability.
- (3) Becoming the most trust-worthy supplier for our customers by practicing excellent product quality, details in process and services.
- (4) Leveraging the market strategies, group layout and lower cost fundings to serve as a solid foundation for the Company's continued growth.
- (5) Strengthening corporate governance, pursuing sustainability and making the best interests for our customers, employees and shareholders.

Chairman: Sarah Lin      President: Cynthia Chang,      Wayne Lin      Accountant: Cynthia Chang

### **Audit Committee's Report**

The Board of Directors of the Company has delivered the 2024 business reports, the financial statements and the proposal for 2024 Deficit Compensation. The aforesaid 2024 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

2025 Annual Shareholders' Meeting, Young Optics Inc.

Young Optics Inc.

Chairman of the Audit Committee : Hsiang-Hsun Wu

Date: April 25, 2025

## AUDIT REPORT OF INDEPENDENT ACCOUNTANTS

### English Translation of a Report Originally Issued in Chinese

To Young Optics Inc.

#### **Opinion**

We have audited the accompanying parent company only balance sheets of Young Optics Inc. (“the Company”) as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, and its financial performance and cash flows for the years ended December 31, 2024 and 2023, 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 2024 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, 2024, the Company's net inventory amounted to NT\$262,120 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\$2,142,915 thousand for the year ended December 31, 2024. 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 trade terms of 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 2024 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/ Chiu, Wan-Ju

/s/Huang, Min-Ju

Ernst & Young, Taiwan  
February 14, 2025

### **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, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2024	%	December 31, 2023	%	LIABILITIES AND EQUITY	Note	December 31, 2024	%	December 31, 2023	%
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4 and 6 (1)	\$243,572	5	\$257,791	5	Short-term borrowings	4 and 6 (8)	\$-	-	\$100,000	2
Trade receivable, net	4, 6 (2) and 6 (14)	386,888	9	328,402	7	Contract liabilities-current	4 and 6 (13)	70,109	2	57,159	1
Trade receivable-related parties, net	4, 6 (2), 6 (14) and 7	175,048	4	236,168	5	Accounts payable		212,471	5	164,860	4
Other receivables		7,779	-	8,809	-	Accounts payable-related parties	7	292,791	7	390,428	9
Other receivables-related parties	7	162,611	4	192,641	4	Other payables		231,185	5	229,762	5
Current tax assets	4 and 6 (19)	364	-	388	-	Other payables-related parties	7	36,594	1	13,229	-
Inventories, net	4 and 6 (3)	262,120	6	266,709	6	Provisions-current	4 and 6 (11)	20,691	-	23,827	1
Prepayments	7	32,355	1	49,801	1	Lease liabilities, non-related parties	4 and 6 (15)	15,728	-	15,481	-
Other current assets		35,902	1	29,844	1	Current portion of long-term borrowings	4 and 6 (9)	57,143	1	299,950	6
<b>Total current assets</b>		<u>1,306,639</u>	<u>30</u>	<u>1,370,553</u>	<u>29</u>	Other current liabilities		21,073	-	16,232	-
						<b>Total current liabilities</b>		<u>957,785</u>	<u>21</u>	<u>1,310,928</u>	<u>28</u>
<b>Non-current assets</b>						<b>Non-current liabilities</b>					
Investments accounted for using the equity method	4 and 6 (4)	1,110,756	25	1,181,464	25	Long-term borrowings	4 and 6 (9)	342,857	8	112,900	2
Property, plant and equipment, net	4, 6 (5), 6 (16) and 8	1,446,645	33	1,602,615	33	Deferred tax liabilities	4 and 6 (19)	22,335	1	23,927	1
Right-of-use assets	4 and 6 (15)	265,779	6	281,876	6	Lease liabilities, non-related parties-noncurrent	4 and 6 (15)	265,622	6	280,062	6
Investment property, net	4, 6 (6), 6 (16) and 8	125,771	3	136,161	3	Guarantee deposits		10,914	-	10,131	-
Intangible assets	4, 6 (7) and 6 (16)	60,095	1	74,137	1	<b>Total non-current liabilities</b>		<u>641,728</u>	<u>15</u>	<u>427,020</u>	<u>9</u>
Deferred tax assets	4 and 6 (19)	21,769	-	26,681	1	<b>Total liabilities</b>		<u>1,599,513</u>	<u>36</u>	<u>1,737,948</u>	<u>37</u>
Refundable deposits		1,067	-	2,116	-	<b>Equity</b>					
Net defined benefit assets-noncurrent	4 and 6 (10)	28,601	1	24,784	1	<b>Capital</b>					
Other non-current financial assets	8	23,517	1	24,194	1	Common stock	6 (12)	1,140,598	26	1,140,598	24
Other non-current assets		18,679	-	8,977	-	<b>Capital surplus</b>	6 (12)	1,648,205	37	1,648,205	35
<b>Total non-current assets</b>		<u>3,102,679</u>	<u>70</u>	<u>3,363,005</u>	<u>71</u>	<b>Retained earnings</b>	6 (12)				
						Legal reserve		393,148	9	393,148	8
						Special reserve		150,667	3	150,667	3
						Accumulated deficit		(410,940)	(9)	(168,132)	(3)
						<b>Total retained earnings</b>		<u>132,875</u>	<u>3</u>	<u>375,683</u>	<u>8</u>
						<b>Other equity</b>		<u>(111,873)</u>	<u>(2)</u>	<u>(168,876)</u>	<u>(4)</u>
						<b>Total equity</b>		<u>2,809,805</u>	<u>64</u>	<u>2,995,610</u>	<u>63</u>
<b>Total assets</b>		<u>\$4,409,318</u>	<u>100</u>	<u>\$4,733,558</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$4,409,318</u>	<u>100</u>	<u>\$4,733,558</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, 2024 and 2023

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

Description	Note	For the year ended December 31		For the year ended December 31	
		2024	%	2023	%
<b>Net sales</b>	4, 6 (13) and 7	\$2,142,915	100	\$2,749,057	100
<b>Operating costs</b>	6 (3), 6 (15), 6 (16) and 7	(1,812,830)	(85)	(2,321,655)	(84)
<b>Gross profit</b>		330,085	15	427,402	16
Unrealized gross profit on sales		-	-	(389)	-
Realized gross profit on sales		389	-	1,904	-
<b>Gross profit, net</b>		330,474	15	428,917	16
<b>Operating expenses</b>	6 (14), 6 (15), 6 (16) and 7				
Selling expenses		(77,951)	(4)	(91,696)	(3)
General and administrative expenses		(137,566)	(6)	(130,175)	(5)
Research and development expenses		(297,647)	(14)	(326,429)	(12)
Total operating expenses		(513,164)	(24)	(548,300)	(20)
<b>Operating loss</b>		(182,690)	(9)	(119,383)	(4)
<b>Non-operating income and expenses</b>					
Interest income	6 (17)	4,039	-	3,393	-
Other income	6 (15), 6 (17) and 10	103,039	5	43,661	2
Other gains and losses	6 (17) and 10	(88,909)	(4)	(22,381)	(1)
Finance costs	6 (17)	(11,619)	(1)	(18,017)	(1)
Share of loss of subsidiaries, associates and joint ventures for using the equity method		(69,555)	(3)	(182,311)	(7)
Total non-operating income and expenses		(63,005)	(3)	(175,655)	(7)
<b>Net loss before tax</b>		(245,695)	(12)	(295,038)	(11)
<b>Income tax (expense) income</b>	4 and 6 (19)	(2,079)	-	7,738	-
<b>Net loss</b>		(247,774)	(12)	(287,300)	(11)
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (18)	6,207	-	(253)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (18) and 6 (19)	(1,241)	-	50	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (18)	57,003	3	(18,209)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss	6 (18)	-	-	-	-
<b>Other comprehensive income (loss), net of tax</b>		61,969	3	(18,412)	(1)
<b>Total comprehensive loss</b>		<u><u>\$(185,805)</u></u>	<u><u>(9)</u></u>	<u><u>\$(305,712)</u></u>	<u><u>(12)</u></u>
Basic Loss Per Share (in New Taiwan Dollars)	6 (20)	<u><u>\$ (2.17)</u></u>		<u><u>\$ (2.52)</u></u>	
Diluted Loss Per Share (in New Taiwan Dollars)	6 (20)	<u><u>\$ (2.17)</u></u>		<u><u>\$ (2.52)</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, 2024 and 2023

(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, 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 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	-	(506)	-	-	-	-	(506)
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>
Balance as of January 1, 2024	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(168,132)	\$(168,876)	\$2,995,610
Net loss for the year ended December 31, 2024	-	-	-	-	(247,774)	-	(247,774)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,966	57,003	61,969
Total comprehensive income (loss)	-	-	-	-	(242,808)	57,003	(185,805)
Balance as of December 31, 2024	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(410,940)</u>	<u>\$(111,873)</u>	<u>\$2,809,805</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 Cash Flows

For the years ended December 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2024	2023		2024	2023
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Net loss before tax	\$(245,695)	\$(295,038)	Disposal of a subsidiary	\$50,390	\$-
Adjustments for:			Proceeds from capital reduction of investee accounted for using the equity method	-	146,805
The profit or loss items which did not affect cash flows:			Acquisition of property, plant and equipment	(60,835)	(148,344)
Expected credit loss (gain)	1,167	(17)	Proceeds from disposal of property, plant and equipment	348	4,115
Depreciation	232,363	229,410	Acquisition of intangible assets	(427)	(9,086)
Amortization	14,453	18,326	Cash flow provided by absorption merger	-	79,637
Interest expense	11,619	18,017	Decrease in refundable deposits	1,049	26
Interest income	(4,039)	(3,393)	Decrease (Increase) in other financial assets-noncurrent	677	(2,316)
Share of loss of subsidiaries, associates and joint ventures for using the equity method	69,555	182,311	Increase in other non-current assets	(9,886)	(5,768)
Unrealized gross profit on sales	-	389	Net cash (used in) provided by investing activities	(18,684)	65,069
Realized gross profit on sales	(389)	(1,904)			
Amortization of gain on disposal of intangible assets	(919)	(920)	<b>Cash flows from financing activities :</b>		
Loss on disposal of property, plant and equipment	3,127	-	(Decrease) Increase in short-term borrowings	(100,000)	55,000
Loss on disposal of investment	9,074	-	Increase in long-term borrowings (including current portion of long-term borrowings)	287,100	112,900
Loss from disaster	72,581	-	Repayments of long-term borrowings (including current portion of long-term borrowings)	(299,950)	(525,664)
Loss on lease modification	69	-	Repayment of the principal portion of lease liabilities	(15,592)	(15,457)
Changes in operating assets and liabilities:			Increase in guarantee deposits	783	4,984
Notes receivable	-	9	Acquisition of a subsidiary's equity	-	(10,178)
Trade receivable	(59,653)	83,868	Net cash used in financing activities	(127,659)	(378,415)
Trade receivable-related parties	61,120	4,084			
Other receivables	1,157	3,540	Net decrease in cash and cash equivalents	(14,219)	(199,742)
Other receivables-related parties	30,030	(17,690)	Cash and cash equivalents at beginning of the period	257,791	457,533
Inventories	(3,024)	82,308	Cash and cash equivalents at end of the period	\$243,572	\$257,791
Prepayments	17,446	(31,948)			
Other current assets	(6,058)	60,872			
Contract liabilities-current	12,950	(18,528)			
Accounts payable	47,611	(35,583)			
Accounts payable-related parties	(97,637)	(20,643)			
Other payables	(54,646)	(119,189)			
Other payables-related parties	23,365	3,737			
Provisions-current	(3,136)	(6,559)			
Other current liabilities	4,841	322			
Net defined benefit assets-noncurrent	2,390	(4,589)			
Cash generated from operating activities	139,722	131,192			
Interest received	3,860	3,403			
Interest paid	(11,482)	(18,074)			
Income tax paid	24	(2,917)			
Net cash provided by operating activities	132,124	113,604			

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, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, 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, 2024 and 2023, and its consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, 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 2024 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, 2024, the Group's net inventory amounted to NT\$406,458 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\$2,572,028 thousand for the year ended December 31, 2024. 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 trade terms of 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 2024 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, 2024 and 2023.

/s/ Chiu, Wan-Ju

/s/ Huang, Ming-Ju

Ernst & Young, Taiwan  
February 14, 2025

### **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, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2024	%	December 31, 2023	%	LIABILITIES AND EQUITY	Note	December 31, 2024	%	December 31, 2023	%
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4 and 6 (1)	\$1,018,824	23	\$1,071,067	23	Short-term borrowings	6 (8)	\$-	-	\$104,344	2
Notes receivable, net	4, 6 (2) and 6 (14)	-	-	18,272	-	Contract liabilities-current	6 (13) and 7	83,308	2	69,192	2
Trade receivable, net	4, 6 (3) and 6 (14)	391,357	9	353,180	7	Notes payable		564	-	352	-
Trade receivable-related parties, net	4, 6 (3), 6 (14) and 7	137,315	3	119,505	3	Accounts payable		312,276	7	262,303	6
Other receivables		9,760	-	10,778	-	Accounts payable-related parties	7	21,773	-	331	-
Other receivables-related parties	7	60,038	2	97,186	2	Other payables		310,582	7	325,975	7
Current tax assets	4 and 6 (19)	14,019	-	11,933	-	Other payables-related parties	7	66,554	3	98,673	2
Inventories, net	4 and 6 (4)	406,458	9	444,490	9	Current tax liabilities	4 and 6 (19)	10,375	-	10,579	-
Prepayments		38,647	1	26,732	1	Provisions-current	4 and 6 (11)	20,712	-	23,881	-
Other current assets		39,103	1	37,934	1	Lease liabilities, non-related parties	4 and 6 (15)	19,556	-	20,144	-
<b>Total current assets</b>		<u>2,115,521</u>	<u>48</u>	<u>2,191,077</u>	<u>46</u>	Lease liabilities, related parties	4, 6 (15) and 7	28,082	1	27,064	1
<b>Non-current assets</b>						Current portion of long-term borrowings	6 (9)	57,143	2	301,879	7
Property, plant and equipment, net	4, 6 (5), 6 (16) and 8	1,707,865	38	1,884,376	40	Other current liabilities	4	22,419	-	17,642	-
Right-of-use assets	4 and 6 (15)	318,754	7	332,805	7	<b>Total current liabilities</b>		<u>953,344</u>	<u>22</u>	<u>1,262,359</u>	<u>27</u>
Investment property, net	4, 6 (6), 6 (16) and 8	125,771	3	136,161	3	<b>Non-current liabilities</b>					
Intangible assets	4, 6 (7) and 6 (16)	60,095	2	75,201	2	Long-term borrowings	6 (9)	342,857	8	114,838	2
Deferred tax assets	4 and 6 (19)	21,769	-	26,681	1	Deferred tax liabilities	4 and 6 (19)	22,335	-	23,927	-
Refundable deposits		13,118	-	12,400	-	Lease liabilities, non-related parties-noncurrent	4 and 6 (15)	295,610	7	307,831	7
Net defined benefit assets-noncurrent	4 and 6 (10)	28,601	1	24,784	1	Guarantee deposits		12,118	-	11,619	-
Other non-current financial assets	8	23,517	1	24,194	-	<b>Total non-current liabilities</b>		<u>672,920</u>	<u>15</u>	<u>458,215</u>	<u>9</u>
Other non-current assets		21,058	-	8,977	-	<b>Total liabilities</b>		<u>1,626,264</u>	<u>37</u>	<u>1,720,574</u>	<u>36</u>
<b>Total non-current assets</b>		<u>2,320,548</u>	<u>52</u>	<u>2,525,579</u>	<u>54</u>	<b>Equity attributable to owners of the parent</b>					
						<b>Capital</b>					
						Common stock	6 (12)	1,140,598	26	1,140,598	24
						<b>Capital surplus</b>	6 (12)	1,648,205	37	1,648,205	35
						<b>Retained earnings</b>	6 (12)				
						Legal reserve		393,148	9	393,148	8
						Special reserve		150,667	3	150,667	3
						Accumulated deficit		(410,940)	(9)	(168,132)	(3)
						<b>Total retained earnings</b>		<u>132,875</u>	<u>3</u>	<u>375,683</u>	<u>8</u>
						<b>Other equity</b>		<u>(111,873)</u>	<u>(3)</u>	<u>(168,876)</u>	<u>(3)</u>
						<b>Total equity attributable to owners of the parent</b>		<u>2,809,805</u>	<u>63</u>	<u>2,995,610</u>	<u>64</u>
						<b>Non-controlling interests</b>	6 (12)	-	-	472	-
						<b>Total equity</b>		<u>2,809,805</u>	<u>63</u>	<u>2,996,082</u>	<u>64</u>
<b>Total assets</b>		<u>\$4,436,069</u>	<u>100</u>	<u>\$4,716,656</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$4,436,069</u>	<u>100</u>	<u>\$4,716,656</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, 2024 and 2023

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

Description	Note	For the year ended December 31		For the year ended December 31	
		2024	%	2023	%
<b>Net sales</b>	4, 6 (13) and 7	\$2,572,028	100	\$3,010,369	100
<b>Operating costs</b>	6 (4), 6 (15), 6 (16) and 7	(2,270,228)	(88)	(2,693,747)	(89)
<b>Gross profit</b>		301,800	12	316,622	11
<b>Operating expenses</b>	6 (14), 6 (15), 6 (16) and 7				
Selling expenses		(104,208)	(4)	(123,116)	(4)
General and administrative expenses		(165,103)	(6)	(159,004)	(5)
Research and development expenses		(299,139)	(12)	(345,999)	(12)
Total operating expenses		(568,450)	(22)	(628,119)	(21)
<b>Operating loss</b>		(266,650)	(10)	(311,497)	(10)
<b>Non-operating income and expenses</b>					
Interest income	6 (17)	17,814	1	28,578	1
Other income	6 (15), 6 (17), and 10	104,466	4	46,647	2
Other gains and losses	5, 6 (17), 6 (21), and 10	(85,420)	(3)	(31,508)	(1)
Finance costs	6 (17)	(14,181)	(1)	(20,906)	(1)
Total non-operating income and expenses		22,679	1	22,811	1
<b>Net loss before tax</b>		(243,971)	(9)	(288,686)	(9)
<b>Income tax (expense) income</b>	4 and 6 (19)	(3,780)	-	939	-
<b>Net loss</b>		(247,751)	(9)	(287,747)	(9)
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (18)	6,207	-	(253)	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (18)	(1,241)	-	50	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (18)	57,016	2	(18,237)	(1)
Income tax related to items that may be reclassified subsequently to profit or loss		-	-	-	-
<b>Other comprehensive income (loss) , net of tax</b>		61,982	2	(18,440)	(1)
<b>Total comprehensive loss</b>		<u>\$(185,769)</u>	<u>(7)</u>	<u>\$(306,187)</u>	<u>(10)</u>
<b>Net loss for the periods attributable to :</b>					
<b>Shareholders of the parent</b>	6 (20)	\$(247,774)		\$(287,300)	
<b>Non-controlling interests</b>	6 (12)	23		(447)	
		<u>\$(247,751)</u>		<u>\$(287,747)</u>	
<b>Total comprehensive loss for the periods attributable to :</b>					
<b>Shareholders of the parent</b>		\$(185,805)		\$(305,712)	
<b>Non-controlling interests</b>		36		(475)	
		<u>\$(185,769)</u>		<u>\$(306,187)</u>	
Basic Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$(2.17)</u>		<u>\$(2.52)</u>	
Diluted Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$(2.17)</u>		<u>\$(2.52)</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, 2024 and 2023  
(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, 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)	128,271
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>
Balance as of January 1, 2024	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(168,132)	\$(168,876)	\$2,995,610	\$472	\$2,996,082
Net loss for the year ended December 31, 2024	-	-	-	-	(247,774)	-	(247,774)	23	(247,751)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,966	57,003	61,969	13	61,982
Total comprehensive income (loss)	-	-	-	-	(242,808)	57,003	(185,805)	36	(185,769)
Disposal of subsidiary	-	-	-	-	-	-	-	(508)	(508)
Balance as of December 31, 2024	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(410,940)</u>	<u>\$(111,873)</u>	<u>\$2,809,805</u>	<u>\$-</u>	<u>\$2,809,805</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, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2024	2023		2024	2023
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Net loss before tax	\$(243,971)	\$(288,686)	Disposal of a subsidiary	\$32,700	\$-
Adjustments for:			Acquisition of property, plant and equipment	(82,638)	(161,278)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of property, plant and equipment	681	-
Depreciation	302,498	314,865	Acquisition of intangible assets	(427)	(9,290)
Amortization	14,780	18,789	(Increase) decrease in refundable deposits	(718)	561
Expected credit loss (gain)	1,167	(11)	Decrease in other financial assets-current	-	14
Net loss on financial assets and liabilities at fair value through profit or loss	-	12,465	Decrease (increase) in other financial assets-noncurrent	677	(2,316)
Interest expense	14,181	20,906	Increase in other non-current assets	(12,595)	(5,153)
Interest income	(17,814)	(28,578)	Net cash used in investing activities	(62,320)	(177,462)
Loss on disposal of property, plant and equipment	2,510	1,151			
Transfer of property, plant and equipment to expense	35	-	<b>Cash flows from financing activities :</b>		
Loss on disposal of investments	9,074	-	(Decrease) increase in short-term borrowings	(104,344)	54,696
Loss from disaster	72,581	-	Increase in long-term borrowings (including current portion of long-term borrowings)	287,100	112,900
Loss on lease modification	69	-	Repayments of long-term borrowings (including current portion of long-term borrowings)	(301,341)	(527,998)
Changes in operating assets and liabilities:			Increase in guarantee deposits	499	4,938
Financial assets and liabilities at fair value through profit or loss	-	(12,269)	Repayment of the principal portion of lease liabilities	(40,838)	(43,655)
Notes receivable	3,514	(96)	Acquisition of a subsidiary's equity	-	(10,178)
Trade receivable	(52,238)	175,507	Net cash used in financing activities	(158,924)	(409,297)
Trade receivable-related parties	(17,810)	(13,483)			
Other receivables	2,202	2,663	Effect of exchange rate changes on cash and cash equivalents	27,071	(17,368)
Other receivables-related parties	37,148	(65,125)			
Inventories	19,463	244,010	Net decrease in cash and cash equivalents	(52,243)	(314,167)
Prepayments	(11,955)	(4,720)	Cash and cash equivalents at beginning of the period	1,071,067	1,385,234
Other current assets	(1,200)	64,797	Cash and cash equivalents at end of the period	<u>\$1,018,824</u>	<u>\$1,071,067</u>
Contract liabilities-current	14,225	(8,176)			
Notes payable	212	(151)			
Accounts payable	50,944	(42,888)			
Accounts payable-related parties	21,442	331			
Other payables	(49,807)	(154,740)			
Other payables-related parties	(32,119)	63,957			
Provisions-current	(3,171)	(5,087)			
Other current liabilities	4,858	1,686			
Net defined benefit assets-noncurrent	2,390	(4,589)			
Cash generated from operating activities	143,208	292,528			
Interest received	16,577	29,499			
Interest paid	(14,046)	(20,961)			
Income tax paid	(3,809)	(11,106)			
Net cash provided by operating activities	<u>141,930</u>	<u>289,960</u>			

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

## Young Optics Inc. 2024 Statement of Deficit Compensation

Unit: NTD

Item	Amount
Accumulated Deficit at the beginning of the period	(168,132,165)
Add (Less):	
Re-measurement of Defined Benefits Obligations	4,965,600
Net loss of 2024	(247,773,847)
Reversal of Special Reserve	38,793,641
Losses to be covered for the period	(204,014,606)
Accumulated Deficit yet to be compensated at the end of the period	(372,146,771)

Chairman: Sarah Lin      President: Cynthia Chang,      Wayne Lin      Accountant: Cynthia Chang

**Young Optics Inc.**  
**Comparison Table of Amendments to the Articles of Incorporation**

<b>Current Provisions</b>	<b>Proposed Amendments</b>	<b>Explanatory Notes</b>
<p><b>Article 26</b></p> <p>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.</p> <p>Employee compensation shall be in shares or cash, with recipients being the payroll employees of the Company or the subsidiaries with certain specific requirements.</p>	<p><b>Article 26</b></p> <p>If the Company is profitable, it shall set at least 10% as employee compensation, <u>and no less than 1% of the amount of employee compensation shall be distributed to non-executive employees.</u></p> <p>However, if the Company has accumulated losses, it shall be deducted at first.</p> <p>Employee compensation shall be in shares or cash, with recipients being the payroll employees of the Company or the subsidiaries with certain specific requirements.</p>	<p>In accordance with Securities and Exchange Act Article 14, Paragraph 6.</p>
<p><b>Article 31</b></p> <p>(Skip) the eleventh amendment on June 13, 2017.</p>	<p><b>Article 31</b></p> <p>(Skip) the eleventh amendment on June 13, 2017, <u>the twelfth amendment on June 17, 2025.</u></p>	<p>Add the times of amendment and corresponding dates of amendment.</p>