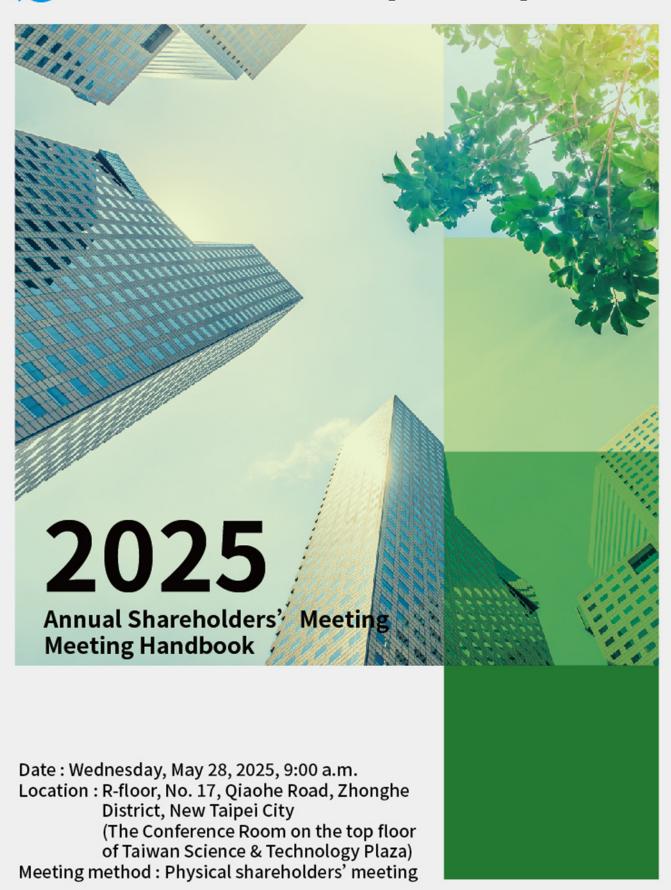
# **DISON** Edison Opto Corporation



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# One. Meeting Agenda

# Edison Opto Corporation 2025 Annual Shareholders' Meeting Agenda

**Meeting method**: Physical shareholders'meeting

**Date:** Wednesday, May 28, 2025, 9:00 a.m.

Location: R-floor, No. 17, Qiaohe Road, Zhonghe District, New Taipei City
(The Conference Room on the top floor of Taiwan Science & Technology Plaza)

- I. Call the Meeting to Order
- II. Chairperson's Remarks
- **III.** Management Presentation (Company Reports)
  - 1. Annual Business Report for 2024.
  - 2. Audit Report of the Audit Committee.
  - 3. 2024 distributable compensation for employees and directors.
  - 4. Report remuneration policy of director and managerial personnel.
  - 5. Report execution situation of the company repurchase Edison common stocks.
  - 6. Status of implementation of the fourth domestic unsecured convertible bonds.
  - 7. Amendments to the Company's "Corporate Governance Best Practice Principles."

# IV. Recognition Items

- 1. The Company's 2024 Business Report and Financial Statements.
- 2. The Company's 2024 Earnings Distribution.

# V. Discussion and Election Items

- 1. Proposal for Amendments to the Company's Articles of Incorporation
- 2. Election of the 9th term of directors and independent directors.
- 3. Release of the Company's 9th term of directors and their representatives from the non-compete restriction.
- VI. Questions and Motions
- VII. End of Meeting

# Two. Meeting Presentation(Compnay Reports)

# Proposal 1.

Reason for Prposal: The company's Annual Business Report for 2024 is proposed for review.

## Statements:

- 1. For the company's Annual Business Report for 2024, please refer to Annex 1 of the Agenda Manual.
- 2. Please review the report.

# Proposal 2.

Reason for Prposal: The Audit Report of the Audit Committee is proposed for review.

### Statements:

- 1. For the Audit Report of the Audit Committee, please refer to Annex 2 of the Agenda Manual.
- 2. Please review the report.

# Proposal 3.

Reason for Prposal: The Company's Report on Distribution of Employees' and Directors'
Remuneration for 2024 is proposed for review.

### Statements:

- 1. In accordance with Article 18 of the Company's Articles of Incorporation and the resolution of the Board of Directors' meeting held on February 26, 2025, the Company's set aside NT\$ 7,800,000 as profit sharing remuneration for employees and NT\$ 1,800,000 as profit sharing remuneration for directors based on the profitability of the year of 2024, Which is proposed to be paid in cash.
- 2. Please review the Report.

# Proposal 4.

Reason for Prposal: The Company's report remuneration policy of director and managerial personnel

# Statements:

 The remuneration to the Directors of the Company is handled in accordance with the Company's Articles of Incorporation and the "Regulations Governing the Remuneration of Directors and Managerial Officers." The general Directors and Independent Directors who are not concurrently employees of the Company are entitled to fixed monthly

- compensation. The relevant payment standards for remuneration are reviewed by the Remuneration Committee and submitted to the Board of Directors for resolution.
- 2. The salary and remuneration of directors are set at a reasonable fixed amount based on the Company's operating performance. If the Company is profitable in the fiscal year, additional remuneration shall be allocated to directors in accordance with the Articles of Incorporation. In order to establish a mechanism for evaluating directors' performance and linking remuneration with individual performance and future risks, the allocation of directors' remuneration is also based on the evaluation criteria for each individual director outlined in the Company's "Regulations Governing the Performance Evaluation of the Board of Directors."
- 3. In accordance with the "Regulations Governing the Remuneration of Directors and Managerial Officers," the Company's performance appraisal for managerial officers and compensation policies, systems, and standards are reviewed by the Remuneration Committee and then submitted to the board of directors for resolution. In order to motivate managerial officers to achieve the Company's goals and improve business performance, the Company shall regularly evaluate the remuneration of managerial officers, taking into account the Company's industry and market salary levels, as well as the reasonable correlation of future risks. If there are serious risk events that may impact the company's profits or instances of internal management misconduct or personnel malpractice, the managerial officers' bonuses will be reduced or withheld. This ensures that managerial officers' salaries and remuneration are closely tied to the company's operating performance.
- 4. For the Remuneration paid to directors for 2024. please refer to Annex 3 of the Agenda Manual
- 5. Please review the Report.

## Proposal 5.

Reason for Prposal: Implementation Report on Repurchasing of the Company's Shares.

Statements:

Circumstances regarding the Company's repurchasing of treasury shares in the past three years, and cancellations and transfers that have not yet been made currently are listed as follows:

Number of Repurchase times	The seventh time
Repurchase Purpose	To transfer the shares to
	employees.
Repurchase period	2022/9/5-2022/10/4
Interval price of repurchase	NTD 13-22
Type and number of shares	Common stock 1500
repurchased	thousand shares
Amount of shares repurchased	NTD 24,847 thousand
Number of shares Canceled and transferred	0 shares
Cumulative number of shares held in the Compnay	1,500 thousand shares
Percentage of the cumulative number of shares held in the Compnay to the total number of issued shares(%)	1.04%

# Proposal 6.

# Reason for Prposal: Implementation Report on the Company's Fourth Domestic Issuance of Unsecured Convertible Corporate Bonds.

# Statement:

- 1. The Company's Board of Directors resolved on August 8, 2024 to issue a three-year (November 22, 2024 to November 22, 2027) unsecured convertible bond in the amount of NT\$300,000 thousand for the repayment of bank loans and reinvestment in the subsidiary "Edison-Litek Opto Corporation", and the fund raising was completed on November 20, 2024.
- 2. The conversion of the bonds was suspended during the period of stock transfer suspension from March 30, 2025 to May 28, 2025 due to the 2025 regular shareholders' meeting.
- 3. Please review the report.

# Proposal 7.

# Reason for Prposal: The amendments to the Company's Corporate Governance Best Practice Principles were proposed for report.

# Statements:

- To strengthen corporate governance and to accommodate the amendments to laws and regulations, the Company intends to amend partial articles of its "Corporate Governance Best Practice Principles", please refer to Annex 4 of the Agenda Manual.
- 2. Please review the report.

# Three. Recognition Items

Proposal 1.

(proposed by the Board of Directors)

Reason for Prposal: The compnay's Business Report and Financial Statements for 2024 is proposed for recognition.

Statement:

- The Company's individual financial statements and consolidated financial statements for 2024 were prepared by itself, and then audited by CPAs Shu-Chih Yang and Bei-Chi Chen of KPMG, who issued an Audit Report. The Audit Report, together with the Business Report, was audited by the Audit Committee and approved by the Board of Directors.
- 2. For the Business Rport, individual financial statements, and consolidated financial statements for 2024, please refer to Annex 1 and Annex 5 of the Agenda Manual, respectively.
- 3. Please recognize.

Resolution:

Proposal 2.

(proposed by the Board of Directors)

Reason for Prposal: The Company's Annual Profit Distribution Plan for 2024 is proposed for recognition.

Statement:

- 1. For 2024, the Company's net profit after tax was NT\$141,904,918. After adding the undistributed earnings at the beginning of the period of NT\$2,229,259 and the change in actuarial gain and loss for the period of NT\$372,000, the distributable earnings amounted to NT\$144,506,177. It is proposed to allocate 10% as a legal reserve with an amount of NT\$14,227,692, set aside a special reserve of NT\$2,229,259, and distribute shareholders' bonus of NT\$105,000,000 in accordance with the Articles of Incorporation, resulting in an ending undistributed earnings of NT\$23,049,226. Shareholders' bonuses are paid in the form of cash dividends per share, which amount to NT\$0.738867, calculated up to NT\$1. Any cash dividends less than NT\$1 are rounded off and recognized as other income by the Company. After the cash dividend is resolved by the shareholders' meeting, the board of directors is authorized to set ex-dividend record date, payment date, and other related matters.
- If there is a change in the proposed distribution rate before the distribution record date due to fluctuations in the number of the Company's outstanding shares resulting from transfers or buybacks of

treasury shares as outlined in Article 28-2 of the Securities and Exchange Act, or the creditors of the domestic unsecured conversion corporate bonds issued by the Company exercise the conversion rights, it is suggested that the shareholders' meeting grant authorization to the Chairman to adjust the dividend distribution rate based on the cash dividends resolved in the proposal for earnings distribution and the actual number of shares outstanding on the distribution record date.

3. The Profit Distribution Table is presented below. Please recognize.

# Edison Opto Corporation Profit Distribution Table

Unit:NTD\$

		<u>'</u>
Itom	Am	ount
ltem	Subtoal	Toatal
Undistributed earnings at the beginning of the period		2,229,259
Undistributed earnings from 2024		
Add: Net profit after tax for 2024	141,904,918	
Change in actuarial gain and loss for the period	372,000	142,276,918
Available-for-distribution earnings for the period		144,506,177
Distributable items:		
Provision for legal reserve	(14,227,692)	
Provision of special reserve for deduction from equity	(2,229,259)	
Dividend to shareholders – cash (NT\$ 0.738867/share)*	(105,000,000)	(121,456,951)
Unappropriated retained earnings	_	23,049,226

<sup>\*</sup>Note: It is calculated based on the number of outstanding stock, 142,109,435 shares, as of February 26, 2025.

Chairperson: Jason Wu Managerial Officer: Jason Wu Accounting Officer: Xi-Quan Hu Resolution:

# Four. Discussion and Election Items

**Proposal 1.** (proposed by the Board of Directors)

Reason for Prposal: The amendments to the Company's Articles of Incorporationare proposed for discussion.

# Statement:

- 1. In response to the Group's operational considerations and in conjunction with amendments to the laws and regulations, it is proposed toamend some articles of the "Articles of Incorporation" of the Company. For the comparison table for the amended articles, please refer to Annex 6 of the Agenda Manual.
  - 2. Please make a resolution.

Resolution:

# **Proposal 2**

(proposed by the Board of Directors)

Reason for Proposal: Election of the 9th term directors and independent directors.

# Statement:

- I. The Company will fully re-elect the ninth term directors and independent directors at this year's regular shareholders' meeting, and three directors and four independent directors will be elected. The term of office of the new directors and independent directors is three years, from May 28, 2025 to May 27, 2028. The former directors (including independent directors) shall be relieved from office on the date of the new directors (including independent directors) taking office.
- II. The Company adopts the candidate nomination system for the election of directors and independent directors. The shareholders shall elect the candidates for the election of directors and independent directors from the list of candidates for the election of directors and independent directors. Please refer to Annex 7 for the candidates' major academic and work experience, concurrent positions in other companies and other relevant information.
- III. Please elect.

# Resolution:

**Proposal 3** 

(proposed by the Board of Directors)

Reason for Proposal: Release of the Company's 9th term directors and their

representatives from the non-compete restriction is hereby

submitted for your discussion.

Statements:

I. In accordance with Article 209 of the Company Act, a director who performs

acts for himself/herself or for others that fall within the scope of the

Company's business shall explain the material content of his/her acts to the

shareholders' meeting and obtain their approval.

II. Considering that the fully re-elected directors and their representatives will be

in doubt about non-compete restrictions for their future directorships of

affiliates and other companies that have the same or similar business

activities to the Company's. In order to meet the needs of the Company's

continuous business expansion and without compromising the interests of the

Company's scope of business as set forth in the Company's Articles of

Incorporation, we hereby request the shareholders' meeting to approve the

release of the non-compete restriction on the newly elected directors and

their representatives. If the Company's corporate directors assign as corporate

representatives due to business needs, the non-compete restriction on such

corporate directors' representatives shall be hereby lifted.

III. Please resolve.

Resolution:

**Five. Questions and Motions** 

Six . End of the Meeting

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# [Annex 1]

# **Edison Opto Corporation**

# **2024 Business Report**

Over the past year, we faced a volatile international political and economic landscape. The conflict between Russia and Ukraine persisted, the Israel-Palestine conflict intensified, and the U.S.-China trade war continued. These complex geopolitical situations have affected the operations and deployment of industries. In response to changes in the macro environment and to drive Company growth, the Group has continued to develop lighting and automotive modules, while transforming toward the downstream lighting and automotive end-product markets. We have reduced orders for low gross margin products and increased the sales proportion of high gross margin products. In 2024, the Group's consolidated revenue reached NT\$2.559 billion. Due to an increase in shipments of automotive end-products compared to the previous year, consolidated revenue increased by 29% year over year. The Group continued to invest in equipment and optimize production lines, resulting in higher production costs. However, through changes in the product sales mix and cost-saving measures, the gross profit margin remained at approximately 25%. In addition, as costs for overseas exhibitions and business trips increased, along with higher R&D and development expenses for new products, operating expenses rose by 5.5% compared to the previous period. Since the growth rate of operating expenses was lower than that of revenue, and due to the depreciation trend of the New Taiwan Dollar and Renminbi against the U.S. Dollar during the period, foreign exchange gains increased compared to the previous period. As a result, both operating profit and net profit after tax grew compared to the previous year.

Given the intense competition in the LED industry, the Group continues to expand into high-end commercial lighting, automotive lighting, smart lighting, and infrared sectors, establishing a differentiated business model distinct from other competitors. The Group swiftly adjusts according to market changes to avoid price-cutting competition in red ocean markets, striving to maximize the interests of all shareholders. The following is a summary of the 2024 Business Report and the 2025 Business Plan:

- I. 2024 Consolidated Business Report
  - (I) Results of implementation of the business plan
    - 1. Regarding the consolidated operating revenue, our consolidated net operating revenue in 2024 was NT\$2,558,790 thousand, an increase of NT\$567,729 thousand from NT\$1,991,061 thousand in 2023.
    - 2. Regarding the consolidated net after-tax profit, our consolidated net operating profit in 2024 was NT\$143,279 thousand, an increase of NT\$95,486 thousand from the consolidated net operating profit of NT\$47,793 thousand in 2023.
    - 3. Regarding the consolidated net after-tax profit, our consolidated net after-tax profit (including non-controlling interests) in 2024 was \$152,352 thousand, an

increase of \$107,850 thousand from the consolidated net after-tax profit of \$44,502 thousand in 2023.

# (II)Implementation of budget

We have not published any financial forecast for 2024, so no disclosure of any information of such implementation is required.

# (III) Analysis of financial revenue and expenditure and profitability (consolidated companies)

	Item	2024	2023	
Canital	Liabilities to assets rati	23.94	23.60	
Capital structure	Long-term funds to pro equipment ratio (%)	217.73	193.07	
	Return on assets (%)	3.98	1.43	
	Return on equity (%)	4.96	1.55	
Profitability	As a percentage of paid-in capital (%)	Net operating profit	9.98	3.33
		Net pre-tax profit	12.13	3.44
	Net profit margin (%)		5.95	2.24
	Earnings per share (NT	\$)	1.00	0.35

# (IV) Research and development

The consolidated R&D expenses of the Company in 2024 amounted to NT\$146,068 thousand, representing an increase of NT\$16,294 thousand compared to 2023. This was mainly due to continued investment in product development for automotive lighting and new products. Overall, R&D expenses accounted for more than 5% of consolidated revenue. The Company focuses on the R&D of products in the lighting and automotive sectors, as well as improvements in packaging technology. Our professional R&D team has accumulated extensive technical experience and obtained numerous patents both domestically and internationally, ranging from components to finished products. We continue to develop products that meet market demands and future trends, including smart lighting and intelligent control systems, long-lasting energy-saving streetlight products, and automotive-grade LED components, modules, and finished products.

### II. Summary of the 2025 Business Plan

As LED lighting applications continue to expand and more competitors enter the market, the Company has transitioned from offering LED components to providing module and end-product services driven by customer needs. We are actively expanding into additional applications such as horticultural lighting, medical lighting, smart lighting, commercial lighting, and automotive lighting. According to a TrendForce report, in 2024, lighting

market demand was driven by the retirement of fixtures reaching the end of their service life, resulting in considerable demand for secondary replacements. The output value of the LED lighting market grew by 4% to US\$60.9 billion. Looking ahead to 2025, secondary replacement demand has begun to follow the initial replacement cycle and is becoming a key driving force in the LED lighting market. By 2028, approximately 78% of LED lighting demand is expected to come from secondary replacements. Additionally, according to the Industrial Technology Research Institute (ITRI), the global automotive lighting market is projected to grow from US\$34.8 billion in 2024 to US\$36.4 billion in 2025, representing a 5% year-over-year increase. The Company has gradually expanded its presence in the automotive LED lighting sector to avoid markets plagued by excessive price competition.

# III.Our future development strategy

Looking ahead to 2025, the global manufacturing sector is expected to remain polarized. While demand for advanced semiconductor processes and servers remains strong, the recovery in traditional industries is limited. Recent interest rate cuts by major central banks, coupled with declines in international oil and other commodity prices, have led to easing inflation across countries, which is favorable for driving up demand. In addition, global trade continues to expand, and the National Development Council forecasts that the global economy is expected to grow steadily in 2025. At this stage, the Company continues to prioritize operational agility, increasing investment in Taiwan while advancing product transformation, improving internal processes and efficiency, strengthening R&D capabilities and core technologies, and moving toward the goal of becoming an international professional optoelectronics manufacturing service provider.

IV. Effects of external competition, legal environment and overall business environment Due to intense market competition, the low price market has seriously eroded the profit. When the supply and demand do not reach a balance, it will easily lead to overcapacity and a decline in profit. In the face of this situation, we will carefully evaluate our investments and continue to launch new products, reduce production costs, improve product quality, shorten delivery times for customers and develop new areas of application including smart applications, in order to achieve substantial business growth. In addition, with the rise of global environmental awareness and changes in laws and regulations, we will strive to improve efficiency and recycle resources, and keep an eye on domestic and international policies and legal changes and propose timely countermeasures in order to minimize the adverse effects of the external competitive and regulatory environment on us.

We are appreciative of the support from all shareholders during the past year. Despite intense market competition and all kinds of challenges, our management team will focus on R&D and maximizing the interests of shareholders, and will remain committed to the missions of improving corporate governance and increasing social responsibility

Chairperson: Jason Wu Manager: Jason Wu Account Officer: XI-Quan Hu

[Annex 2]

**Edison Opto Corporation** 

**Audit Committee's Report** 

The Board of Directors has prepared the 2024 Business Report, financial

statements and earnings distribution proposal, where the financial

statements have been audited by CPAs Shu-Chih Yang and Bei-Chi Chen from

KPMG Taiwan with the Auditor's Report issued. The above report, statements

and proposal have been reviewed by the Audit Committee and found to be in

conformity. We hereby present the above in accordance with Article 14-4 of

the Securities and Exchange Act and Article 219 of the Company Act for your

scrutiny.

To The 2025 Regular Shareholders' Meeting of Edison Opto Corporation

**Audit Committee** 

Convener: Wen-Chao Wang

February 26, 2025

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# [Annex 3]

# Remuneration paid to directors, presidents and vice presidents for 2024

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bu	Any remunerati Isinesses other th			None	None	None	None	None	None	None	None	None	None	None
The total amount of A, B, C, D, E, F and G as a more profit after tax  The Company  The Company		14,545 10.25	200	276 0.19	200	282	4,573	476 0.34	542 0.38	542 0.38	542 0.38	536		
The total	of A, B, C, D, E, F and G as a percentage of th net profit after tax	The Con	npany	7,808	200	276 0.19	200	282	579	476 0.34	542 0.38	542 0.38	542 0.38	536
	or	All companies in the financial report	Stock amount	0	0	0	0	0	0	0	0	0	0	0
S	ation fo	com in fina re	Cash amount	0	0	0	0	0	0	0	0	0	0	0
Remuneration for part-time employees	Remuneration for employees (G)	The Compa	Stock amount	0	0	0	0	0	0	0	0	0	0	0
t-time		The	Cash amount	0	0	0	0	0	0	0	0	0	0	0
n for par	Retirement pension (F)	All compani financial		108	0	0	0	0	20	0	0	0	0	0
uneratio	Retire	The Con	npany	108	0	0	0	0	20	0	0	0	0	0
Rem	Salary, bonus and special expenses, etc. (E)	All compani		14,237	0	0	0	0	4,311	0	0	0	0	0
	Salary and s expen	The Con	npany	7,500	0	0	0	0	317	0	0	0	0	0
The total	amount or A, B, C and D as a percentage of the net profit after tax	All compan		200	200	276 0.19	200	282	242 0.17	476 0.34	542 0.38	542 0.38	542 0.38	536
The	amou B, Cal a perc of th profii	The Con	npany	200	200	276 0.19	200	282 0.20	242	476 0.34	542 0.38	542 0.38	542 0.38	536 0.38
	Expenses on business operation (D)	All compani financial		0	0	36	0	42	42	36	42	42	42	36
	Exp bus ope (	The Con	npany	0	0	36	0	42	42	36	42	42	42	36
irectors	Remunerati on for directors (C)	All compan		200	200	0	200	0	200	200	200	200	200	200
n for d	Rem or dire	The Con	npany	200	200	0	200	0	200	200	200	200	200	200
Remuneration for directors	Retiremen t pension (B)	All compani financial		0	0	0	0	0	0	0	0	0	0	0
Rem	Reti t pé	The Company	1	0	0	0	0	0	0	0	0	0	0	0
	Remunerat ion (A)	All compani financial		0	0	240	0	240	0	240	300	300	300	300
	Remu	The Con	npany	0	0	240	0	240	0	240	300	300	300	300
Name		Jason Wu	YOUNGTEK ELECTRONICS CORP.	YOUNGTEK ELC. CORP Rept.: June Wung	Weixin Investment Ltd	Weixin Investment Ltd. Representative: Po-Chung Wang	Wen-Ruei Cheng	Nan-Yang Wu	Wen-Chao Wang	Tung-Hsiung Hung	Yin-Fei Liu	Tseng-Nan Chou		
Position			Chairperson		כסו שסו מנה ביו שכנים		Corporate Director	Director	Director	Independent director	Independent director	Independent director	Independent director	

Note 1: Except as disclosed in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) the last year: None.

# [Annex 4]

# **Edison Opto Corporation**

# Comparison Table for the Amendments to the "Corporate Governance Best Practice Principles"

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
Article 3-1	Personnel responsible for matters related	Personnel responsible for matters related	Amended the text
	to corporate governance	to corporate governance	with reference to
	The Company has an adequate number of	The Company has an adequate number of	the sample
	corporate governance personnel with	corporate governance personnel with	announced by the
	appropriate qualifications based on the size	appropriate qualifications based on the size	Taiwan Stock
	of the Company, business conditions, and	of the Company, business conditions, and	Exchange Co., Ltd
	management requirements. The Company	management requirements. The Company	
	has appointed a corporate governance	has appointed the top executive of the	
	officer as the top executive in charge of	financial and accounting department to be	
	corporate governance affairs as required by	in charge of corporate governance affairs.	
	the competent authority and the TWSE.	Said executive shall be a qualified,	
	Said officer shall be a qualified,	practice-eligible lawyer or accountant or	
	practice-eligible lawyer or accountant or	have been a supervisor in a securities,	
	have been a supervisor in a securities,	financial, or futures institution or a public	
	financial, or futures institution or a public	company in handling legal affairs, legal	
	company in handling legal affairs, legal	compliance, internal audits, financial	
	compliance, internal audits, financial	affairs, stock affairs, or corporate	
	affairs, stock affairs, or corporate	governance affairs for at least three years.	
	governance affairs for at least three years.		
	Corporate governance affairs shall cover, at	Corporate governance affairs shall cover, at	
	a minimum, the following:	a minimum, the following:	
	I. Handling of board meeting and	I. Handling of board meeting and	
	shareholder meeting affairs.	shareholder meeting affairs.	
	II. Preparation of minutes of the board	II. Preparation of minutes of the board	
	of directors meetings and	of directors meetings and	
	shareholders meetings.	shareholders meetings.	
	III. Assistance in onboarding and	III. Assistance in onboarding and	
	continuing education of the directors	continuing education of the directors	
	and independent directors.	and supervisors.	
	IV. Providing directors and independent	IV. Provision of information required for	
	directors with the information	the performance of duties by the	
	needed to perform duties.	directors and <u>supervisors</u> .	
	V. Assistance in the directors' and	V. Assistance in the directors' and	
	independent directors' compliance	supervisors' compliance with the law.	
	with law.	VI. Other matters described or	
	VI. Reporting to the board of directors	established in the articles of	
	on the review result of whether the	incorporation or under contract.	
	qualifications of the independent	incorporation of under contract.	
	directors meet the requirements of		
	the relevant laws and regulations		
	<u> </u>		
	upon the nomination and election		
	and during the term of office.		
	VII. Matters related to the change of		
	directors.		
	VIII. Other tasks specified in Articles of		
	Incorporation or contract.		
Article 6	Properly arrange the agenda and	Properly arrange the agenda and	Amended the text
	procedure of the shareholders' meeting	procedure of the shareholders' meeting	with reference to

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
	The Company shall properly arrange the agenda and procedures of the shareholders' meeting, establish the principles and procedures for the nomination of directors and independent directors, and the proposals for the shareholders' meeting by shareholders, and shall duly handle the proposals proposed by shareholders in accordance with the law. (Omitted below)	The Company shall properly arrange the agenda and procedures of the shareholders' meeting, establish the principles and procedures for the nomination of directors, and the proposals for the shareholders' meeting by shareholders, and shall duly handle the proposals proposed by shareholders in accordance with the law; (omitted below)	the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 13-3	Formulate and disclose the operating strategy and business plan The Company formulates and discloses its business strategy and business plan to specify the specific measures for enhancing corporate value, which shall be reported to the board of directors and be communicated with shareholders actively.	(None)	This Article is newly added in accordance with the version amended by Taiwan Stock Exchange Co., Ltd. on August 23, 2024, under Announcement No. 130015652.
Article 17	If the Company has business dealings with an affiliate, it shall be based on the principle of fairness and reasonableness. If the Company has financial or business dealings or transactions with related parties and shareholders, the Company shall establish written regulations on the relevant financial or business operations between the two parties based on the principle of fairness and reasonableness. The price, conditions, and payment methods shall be clearly defined for the contract signing, and non-regular transactions and the transmission of improper benefits shall be prevented. The content of the written regulations in the preceding paragraph includes the management procedures for the purchase and sale transactions, acquisitions or disposals of assets, loaning of funds, endorsements and guarantees, and other transactions, and the relevant significant transactions shall be submitted to the board of directors for approval, and submitted to the shareholders' meeting for approval or report.	If the Company has business dealings with an affiliate, it shall be based on the principle of fairness and reasonableness. If the Company has business dealings with businesses, the Company shall establish written regulations on the relevant financial or business operations between the two parties based on the principle of fairness and reasonableness. The price, conditions, and payment methods shall be clearly defined for the contract signing, and non-regular transactions shall be prevented.  The transactions or contracts between the Company and its related parties and shareholders shall also be handled in accordance with the aforementioned principles, and the transmission of benefits is strictly forbidden.	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 22	The Articles of Incorporation specify that the candidate nomination system is adopted for the election of directors The Company shall specify in its Articles of Incorporation that the candidate nomination system shall be adopted for the election of directors according to laws and regulations of the competent authority.  Before convening a shareholders' meeting for the election of directors, the Company shall duly evaluate whether circumstances	The Articles of Incorporation specify that the candidate nomination system is adopted for the election of directors Before convening a shareholders' meeting for the election of directors, the Company shall duly evaluate whether circumstances set out in the subparagraphs of Article 30 of the Company Act occur to the nominees' qualifications, and it shall make arrangements according to Article 192-1.	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
	set out in the subparagraphs of Article 30 of the Company Act occur to the nominees' qualifications, and it shall make arrangements according to Article 192-1.		
Article 24	Have independent directors in place in accordance with the Articles of Incorporation (Omitted)  V. Professional qualification, restrictions on shareholding and concurrent positions, recognition of independence, nomination method, and other compliance matters of independent directors shall be subject to the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and requirements of the Taiwan Stock Exchange.	Have independent directors in place in accordance with the Articles of Incorporation (Omitted)  V. Professional qualification, restrictions on shareholding and concurrent positions, recognition of independence, nomination method, and other compliance matters of independent directors shall be subject to the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and requirements of the TWSE or TPEx.	Amended the text based on the current conditions of the Company.
Article 25	Matters to be proposed to the board of directors for resolution and approval (Omitted)  III. Matters involving the interests of directors or independent directors.  (Omitted)	Matters to be proposed to the board of directors for resolution and approval (Omitted)  III. Matters involving the interests of directors or supervisors.  (Omitted)	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 27	Establishment of functional committees To improve the supervisory function and strengthen the management function, the board of directors may establish the audit, remuneration, nomination, risk management, or other functional committees by taking into account the scale of the Company, business nature, and the number of board members, and may establish environmental protection, sustainable development, or other committees based on the philosophy of corporate social responsibility and sustainable management, and specify in the Articles. Functional committees shall be held responsible to the board of directors, and their proposals shall be submitted to the board of directors for resolution. However, this does not apply to the exercise of the powers of independent directors by the Audit Committee in accordance with paragraph 4, Article 14-4 of the Securities and Exchange Act.	Establishment of functional committees To improve the supervisory function and strengthen the management function, the board of directors may establish the audit, remuneration, nomination, risk management, or other functional committees by taking into account the scale of the Company, business nature, and the number of board members, and may establish environmental protection, corporate social responsibility, or other committees based on the philosophy of corporate social responsibility and sustainable management, and specify in the Articles. Functional committees shall be held responsible to the board of directors, and their proposals shall be submitted to the board of directors for resolution. However, this does not apply to the exercise of the powers of supervisors by the Audit Committee in accordance with paragraph 4, Article 14-4 of the Securities and Exchange Act.	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 28	and Exchange Act.  Audit Committee I. The Company has its Audit Committee in place. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one	Exchange Act.  Audit Committee  I. The Company has its Audit Committee in place. The Audit Committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one	Amended the text based on the current conditions of the Company.

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
	of whom shall have accounting or financial	of whom shall have accounting or financial	
	expertise.	expertise.	
	II. The exercise of the powers of the Audit	II. The exercise of the powers of the Audit	
	Committee and its members who are	Committee and its members who are	
	independent directors shall comply with	independent directors shall comply with	
	the Securities and Exchange Act,	the Securities and Exchange Act,	
	Regulations Governing the Exercise of	Regulations Governing the Exercise of	
	Powers by Audit Committees of Public	Powers by Audit Committees of Public	
	Companies, and requirements of the TWSE.	Companies, and requirements of the TWSE_ or TPEx.	
Article 29	Strengthen and improve the quality of	Strengthen and improve the quality of	Amended the text
	financial statements	financial statements	with reference to
	(Omitted)	(Omitted)	the sample
	The Company shall regularly (at least once	The Company shall regularly (at least once	announced by the
	a year) refer to the Audit Quality Indicators	a year) assess the independence and	Taiwan Stock
	(AQIs) to assess the independence and	suitability of the appointed CPAs. If the	Exchange Co., Ltd
	suitability of the appointed CPAs. If the	Company has not changed its CPAs for	
	Company has not changed its CPAs for	seven consecutive years or the CPAs are	
	seven consecutive years or the CPAs are	subject to disciplinary action or have	
	subject to disciplinary action or have	harmed their independence, the Company	
	harmed their independence, the Company	shall assess whether it is necessary to	
	shall assess whether it is necessary to	change its CPAs, and the assessment	
	change its CPAs, and the assessment	results shall be reported to the board of	
	results shall be reported to the board of	directors.	
	directors.		
Article 30	Provide appropriate legal services to the	Provide appropriate legal services to the	Amended the text
	Company	Company	with reference to
	The Company has appointed professional	The Company has appointed professional	the sample
	and competent lawyers to provide	and competent lawyers to provide	announced by the Taiwan Stock
	appropriate legal consultation services to the Company, or assist the board of	appropriate legal consultation services to the Company, or assist the board of	Exchange Co., Ltd
	directors, independent directors and the	directors, independent directors and the	Exchange co., Ltd
	management to improve their legal literacy,	management to improve their legal literacy,	
	prevent the Company and related	prevent the Company and related	
	personnel from violating laws and	personnel from violating laws and	
	regulations, and facilitate the operation of	regulations, and facilitate the operation of	
	its corporate governance in compliance	its corporate governance in compliance	
	with relevant legal structures and statutory	with relevant legal structures and statutory	
	procedures.	procedures.	
	In the event of any litigation of directors,	In the event of any litigation of directors,	
	independent directors, or the management	supervisors, or management due to the	
	due to the execution of business and	execution of business and disputes with	
	disputes with shareholders, the Company	shareholders, the Company shall engage a	
	shall engage a lawyer for assistance subject	lawyer for assistance subject to the	
	to the circumstances.	circumstances.	
Article 31	Convening a board meeting	Convening a board meeting	Amended the text
	The board meeting shall be convened at	The board meeting shall be convened at	with reference to
	least once a quarter, and it may be	least once a quarter, and it may be	the sample
	convened at any time in case of emergency.	convened at any time in case of emergency.	announced by the
	To convene a board meeting, set out the	To convene a board meeting, set out the	Taiwan Stock
	reason for the meeting, notify the directors	reason for the meeting, notify the directors	Exchange Co., Ltd
	and <u>independent directors</u> seven days	and <u>supervisors</u> seven days before the	
	before the meeting, and provide abundant	meeting, and provide abundant meeting	
	meeting materials that are dispatched	materials that are dispatched together with	
	together with the meeting notice. If the	the meeting notice. If the meeting	
	meeting materials are insufficient, the	materials are insufficient, the directors are	
	directors are entitled to request	entitled to request supplementation or the	

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
	supplementation or the review may be postponed upon the resolution of the board of directors.	review may be postponed upon the resolution of the board of directors.  The Company has established its Rules of	
	The Company has established its Rules of Procedures for Board Meetings. The main	Procedures for Board Meetings. The main agenda items, procedures, matters to be	
	agenda items, procedures, matters to be	set out in the meeting minutes,	
	set out in the meeting minutes, announcements, and other compliance matters shall be subject to the Regulations Governing Procedure for Board of Directors	announcements, and other compliance matters shall be subject to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.	
	Meetings of Public Companies.		
Article 39	Liability insurance of directors The Company shall purchase liabilities insurance for directors during their term of office for the compensation responsibility within the scope of business execution according to the law to reduce the disperse the risks of material damages to the	Liability insurance of directors The Company shall purchase liabilities insurance for directors during their term of office for the compensation responsibility within the scope of business execution according to the law to reduce the disperse the risks of material damages to the	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
	Company and shareholders due to the mistakes or negligence of directors.  After the Company has purchased or renewed liability insurance for the	Company and shareholders due to the mistakes or negligence of directors.  After the Company has purchased or renewed liability insurance for the	
	directors, the Company shall report the amount of liability insurance, coverage and premium rate to the coming Board of	directors, the Company shall report the amount of liability insurance, coverage and premium rate to the coming Board of	
Article 40	Directors' meeting.  Board members participate in continuing	Directors' meeting.  Board members participate in continuing	Amended the text
	education courses It is advisable that board members continue to participate in financial, risk management, business, commercial, accounting, legal, or corporate social responsibility, and other continuing education courses organized by institutions designated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" that cover corporate governance themes and ask employees of different levels to improve their professional and legal knowledge upon being newly appointed or	education courses It is advisable that board members continue to participate in financial, risk management, business, commercial, accounting, or legal, and other continuing education courses organized by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies that cover corporate governance themes and ask employees of different levels to improve their professional and legal knowledge upon being newly appointed or during the term of office.	with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
	during the term of office.	daming the term of office.	
Article 42	The Articles of Incorporation specify that the candidate nomination system is adopted for the election of independent directors  The Company shall specify in its Articles of Incorporation that the candidate nomination system shall be adopted for the election of independent directors according to laws and regulations of the	The Articles of Incorporation specify that the candidate nomination system is adopted for the election of independent directors  The Company shall specify in its Articles of Incorporation that the candidate nomination system shall be adopted for the election of independent directors according to laws and regulations of the	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
	competent authority. For the election of independent directors, the Company shall duly evaluate whether circumstances set out in the subparagraphs of Article 30 of the Company Act occur to the nominees'	competent authority. For the election of independent directors, the Company shall duly evaluate whether circumstances set out in the subparagraphs of Article 30 of the Company Act occur to the nominees'	

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
	qualifications, and it shall make arrangements according to Article 192-1.	qualifications, and it shall make arrangements according to Article 192-1.	
Article 45	Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers, and shall also pay attention to the implementation of the Company's internal control system, so as to reduce the financial crisis and operating risks of the Company. In case a director transacts a sale with, borrows money from or conducts any legal act with the Company for himself/herself or others, the members of the Audit Committee who are independent directors shall act as the representative of the Company.	Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers, and shall also pay attention to the implementation of the Company's internal control system, so as to reduce the financial crisis and operating risks of the Company. In case a director transacts a sale with, borrows money from or conducts any legal act with the Company for himself/herself or others, the independent directors shall act as the representative of the Company.	Amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 50	Independent directors participate in continuing education courses It is advisable that independent directors continue to participate in financial, risk management, business, commercial, accounting, legal, or corporate social responsibility, and other continuing education programs organized by institutions designated in the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" that cover corporate governance themes upon being newly appointed or during the term of office.	Independent directors participate in continuing education courses It is advisable that independent directors continue to participate in financial, risk management, business, commercial, accounting, or legal, and other continuing education programs organized by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies that cover corporate governance themes upon being newly appointed or during the term of office.	Added quotation marks to allow a better reading experience and amended the text with reference to the sample announced by the Taiwan Stock Exchange Co., Ltd
Article 58	Method of convening investor conferences If the Company convenes an investor conference, it shall make arrangements according to the requirements of the TWSE and preserve the audio or video recording throughout the conference. The financial and business information at the investor conference shall be uploaded to MOPS according to the requirements of TWSE and be available for inquiries on the Company's website or through other appropriate channels.	Method of convening investor conferences If the Company convenes an investor conference, it shall make arrangements according to the requirements of the TWSE or TPEx and preserve the audio or video recording throughout the conference. The financial and business information at the investor conference shall be uploaded to MOPS according to the requirements of TWSE or TPEx and be available for inquiries on the Company's website or through other appropriate channels.	Amended the text based on the current conditions of the Company.

# [Annex 5]



# 安侯建業解合會計師事務的 KPMG

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Independent Auditors' Report

To the Board of Directors of Edison Opto Corporation:

# **Opinion**

We have audited the financial statements of Edison Opto Corporation("the Company"), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Edison Opto Corporation as of December 31, 2024 and 2023, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

# **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key auditor matters that, in our professional judgment, should be communicated are as follows:

Description of key audit matter:

1. Impairment evaluation of accounts receivable

Please refer to Note 4(f) "Financial instruments", Note 5(a) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(d) "Notes and accounts receivable".

For the year ended December 31, 2024, the accounts receivable accounted for 4% of the total assets are material to the financial statements. In addition, the provision of bad debt allowance is a subject to the management's judgment. Therefore, it has been identified as a key audit matter.



How the matter was addressed in our audit:

Our principal audit procedures included:

- Assess the impairment of accounts receivable and whether the impairment has been modified by policy.
- Examine the aging analysis table, analyze the reason of overdue collection and the situation of subsequent collection.
- Evaluate the adequacy of impairment on the financial report date.

# 2. Revenue recognition

Please refer to Note 4(m) Revenue from contracts with customers, and Note 6(t) "Revenue".

Description of key audit matter:

The major business activities of Edison Opto Corporation are manufacturing, selling, research and development of LED components, modules and products. Operating Revenue is the main indicator for the management of Edison Opto Corporation and investor to evaluate the financial and business performance of Edison Opto Company. Therefore, it has been identified as a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included:

- Test the design and implementation of internal controls related with revenue recognition.
- A sample of sales revenue throughout the year is selected, and the external orders, packing lists and various vouchers are checked to confirm that the operating income is recognized.
- Choose the period between the financial reporting, then examine the recognition of income transactions and vouchers cover for the appropriate period.

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

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

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

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



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 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 Edison Opto Corporation's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Edison Opto Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Edison Opto Corporation to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are SHU-CHIH YANG and PEI-CHI CHEN.

**KPMG** 

Taipei, Taiwan (Republic of China) February 26, 2025

# **Notes to Readers**

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese) EDISON OPTO CORPORATION

Balance Sheets
December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023			December 31, 2024 December 31, 2023
11xx	Assets Current assets:	Amount	%  	Amount %	21xx	Liabilities and Equity Current liabilities:	Amount % Amount %
1100	Cash and cash equivalents (note 6(a))	\$ 376,756	756 11	383,870 11	2100	Short-term borrowings (note 6(k))	\$ 180,705 5
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,255	- 55	6,468 -	2130	Current contract liabilities(note 6(t))	10,522
1136	Current financial assets at amortised cost, net (note 6(c))	37,500	00 1	1	2150	Notes payable	375 - 250 -
1140	Current contract assets(note 6(t))	2,821	. 21	1	2170	Accounts payable	33,818 1 33,388 1
1150	Notes receivable, net (note 6(d))	7,8	7,832 -	6,036	2180	Accounts payable to related parties (note 7)	161,555 5 95,388 3
1170	Accounts receivable, net (note 6(d))	151,691	91 4	194,145 6	2200	Other payables (note $6(u)$ )	62,363 2 49,760 1
1180	Accounts receivable due from related parties, net (note 6(d) and 7)	9,584	- 48	7,466 -	2220	Other payables to related parties (note 7)	33
1200	Other receivables, net (note 6(e))	2	287 -	180 -	2280	Current lease liabilities (note 6(n))	3,411 - 3,547 -
1210	Other receivables due from related parties, net (note 6(e) and 7)	12,952	25	7,231 -	2322	Long-term borrowing due within one year (note 6(I) and 8)	- 16,080 -
1310	Inventories (note 6(f))	41,471	.71 1	57,746 2	2399	Other current liabilities, others	10,107 - 25,548 1
1410	Prepayments	4,9	4,915 1	9,447 1		Total current liabilities	282,184 8 404,666 11
1220	Current tax asset	1,2	1,246 -	1,006	25xx	Non-Current liabilities:	
1470	Other current assets (note 8)		32	23 -	2530	Bonds payable (note 6(m))	276,220 8
	Total current assets	653,342	42 18	673,618 20	2540	Long-term borrowing (note 6(1) and 8)	118,220 5
15xx	Non-current assets:				2570	Deferred tax liabilities (note 6(p))	1,790 - 1,805 -
1550	Investments accounted for using equity method, net (note 6(g))	1,886,426	126 53	1,685,808 50	2580	Non-current lease liabilities (note 6(n))	. 2,745 -
1600	Property, plant and equipment (note 6(i) and 8)	935,530	30 27	946,437 28	2600	Other non-current liabilities (note 6(0))	12,408 - 12,065 -
1755	Right-of-use asset (notes 6(j))	3,997	- 26	6,033 -		Total non-current liabilities	291,317 8 134,835 5
1780	Intangible assets	1	125 -	71 -		Total liabilities	573,501 16 539,501 16
1840	Deferred tax assets (note 6(p))	52,853	53 1	56,054 2	31xx	Equity (notes $6(m)(q)(r)$ ):	
1915	Prepayments for business facilities(note 9)	1,961	- 19	3,819 -	3100	Capital stock	1,436,094 40 1,436,094 43
1990	Other non-current assets, others (notes 8 and 9)	47,291	91	4,347	3200	Capital surplus	1,527,876 43 1,562,759 46
	Total non-current assets	2,928,183	83 82	2,702,569 80	3310	Legal reserve	10,594 - 5,835 -
					3320	Special reserve	26,392 1
					3350	Unappropriated retained earnings	144,506 4 47,591 1
					3410	Exchange differences on translation of foreign financial statements	(101,880) (3) (180,453) (5)
					3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	. (976) - (976) -
					3500	Treasury shares	(34,164)  (1)  (34,164)  (1)
						Total equity	3,008,024 84 2,836,686 84
	Total assets	\$ 3,581,525	100	3,376,187 100		Total liabilities and equity	$\frac{3.581,525}{2}$ $\frac{100}{2}$ $\frac{3.376,187}{2}$ $\frac{100}{2}$

See accompanying notes to consolidated financial statements.

# (English Translation of Parent Company Only Financial Statements Originally Issued in Chinese) EDISON OPTO CORPORATION

# **Statements of Comprehensive Income**

# For the years ended December 31, 2024 and 2023

# (Expressed in Thousands of New Taiwan Dollar, Except Earnings Per Share)

		202	24		2023	
		Amount	Q	%	Amount	%
4000	Operating revenue (note 6(t) and 7)	\$ 1,137,1	74 1	100	1,043,571	100
5000	Operating costs (note 6(f)(i)(j)(n)(o) and 7)	856,5	96	75	847,890	81
5900	Gross profit from operations	280,5	78	25	195,681	19
5910	Unrealized profit (loss) from sales (note 7)	(	90)		1,390	
5950	Gross profit from operations, net	280,4	88	25	197,071	19
	Operating expenses (note 6(i)(j)(n)(o)(r)):					
6100	Selling expenses	81,4	09	7	79,330	8
6200	Administrative expenses	94,7	11	8	105,702	10
6300	Research and development expenses	36,2	.08	3	29,225	3
6450	Expected credit loss(reversed) (note 6(d))		74		(700)	
	Total operating expenses	212,4	02	18	213,557	21
6900	Net operating income (loss)	68,0	86	7	(16,486)	<u>(2</u> )
	Non-operating income and expenses (note 6(h)(m)(v) and 7):					
7100	Total interest income	3,6	22	-	3,799	-
7010	Other income	19,3	90	2	16,767	2
7020	Other gains and losses, net	3,9	95	-	4,751	-
7050	Finance costs, net	(6,0	38)	(1)	(9,081)	(1)
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method,					
	net	56,0	36	5	50,011	5
	Total non-operating income and expenses	77,0		6	66,247	6
7900	Profit from continuing operations before tax	145,0		13	49,761	4
7950	Less: Income tax expenses (note 6(p))	3,1			2,233	
	Profit	141,9	05	13	47,528	4
8300	Other comprehensive income:					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(o))	3	72	-	63	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(q))	(4	18)	-	(976)	-
8349	Income tax related to components of other comprehensive income that will not be					
	reclassified to profit or loss Components of other comprehensive income that will not be reclassified to profit or	(	<u>(46</u> )		(913)	
8360	loss Components of other comprehensive income (loss) that will be reclassified to profit or					
8361	loss Exchange differences on translation of foreign financial statements	78,5	73	7	(25,416)	(2)
8399	Income tax related to components of other comprehensive income that will be reclassified					
	to profit or loss Components of other comprehensive income that will be reclassified to profit or loss	78,5	73	7	(25,416)	<u>(2</u> )
8300	Other comprehensive income (loss)	78,5	27	7	(26,329)	(2)
8500	Total comprehensive income	\$ 220,4	32	20	21,199	2
	Earnings per share (note 6(s))					
9750	Basic earnings per share	\$	1	.00		0.35
9850	Diluted earnings per share	\$	0	.99		0.35

See accompanying notes to consolidated financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese) EDISON OPTO CORPORATION

Statements of Changes in Equity
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollar)

Total other equity interest

		•		Retained earnings			Unrealized gains		
					Retained cornings	Exchange differences on	(losses) on financial		
	Ordinary shares	Capital	Legal reserve	Snecial reserve	(Unappropriated	foreign financial	value through other	Treasury	Total equity
Balance at January 1, 2023	1,353,353	1,519,350	16,903	112,126	(123,194)	(155,037)	-	(86,416)	2,637,085
Appropriation and distribution of retained earnings:		,	(11 068)	,	11 068				
Special reserve used to offset accumulated deficits		,	(200(11)	(112,126)	_	,			
•			(11,068)	(112,126					
Net income					47,528				47,528
Other comprehensive income				,	63	(25,416)	(926)		(26,329)
Total comprehensive income					47,591	(25,416)	(976)		21,199
Other changes in capital surplus:									
Cash dividends from capital surplus		(40,000)							(40,000)
Other changes in capital surplus		(9,915)						9,915	
Conversion of convertible bonds	99,541	73,914	,						173,455
Retirement of treasury share	(16,800)	(6,912)	,		,			23,712	
Adjustments of capital surplus for company's cash dividends received by subsidiaries		153		,					153
Changes in ownership interests in subsidiaries		10,329					,		10,329
Share-based payments		15,840							15,840
Changes in non-controlling interests								18,625	18,625
Balance at December 31, 2023	1,436,094	1,562,759	5,835		47,591	(180,453)	(926)	(34,164)	2,836,686
Appropriation and distribution of retained earnings:									
Legal reserve appropriated			4,759						
Special reserve appropriated				26,392	(26,392)				
Cash dividends of ordinary share					(14,211)				(14,211)
			4,759	26,392	(45,362)				(14,211)
Net income					141,905		,		141,905
Other comprehensive income				٠	372	78,573	(418)		78,527
Total comprehensive income					142,277	78,573	(418)		220,432
Other changes in capital surplus:									
Due to recognition of equity component of convertible bonds issued		22,414							22,414
Cash dividends from capital surplus		(56,844)							(56,844)
Changes in ownership interests in subsidiaries		(716)							(7.16)
Adjustificities of capital surplus for company's cash dividends received by substitutions.  Balance at December 31, 2024	1,436,094	1.527.876	10.594	26.392	144.506	(101.880)	(1,394)	(34,164)	3,008.024

See accompanying notes to consolidated financial statements.

# (English Translation of Parent Company Only Financial Statements Originally Issued in Chinese) EDISON OPTO CORPORATION

### **Statements of Cash Flows**

# For the years ended December 31, 2024 and 2023

# (Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from (used in) operating activities:  Profit before tax	\$ 145,091	49,761
Adjustments:	\$143,091	49,701
Adjustments to reconcile profit (loss):		
Depreciation expense	28,858	28,653
Amortization expense	46	52
Expected credit loss (reversal)  Net loss (gain) on financial assets at fair value through profit or loss	74 333	(700) (362)
Interest expense	6,038	9,081
Interest income	(3,622)	(3,799)
Share-based payments	-	15,840
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(56,036)	(50,011)
Gain on disposal of property, plant and equipment	(482)	(2,971)
Gain on disposal of other assets	(115)	- 2.050
Unrealized profit from sales Realized profit on from sales	3,049 (2,959)	2,959 (4,349)
Loss (gain) on bond redemption	(2,939)	(4,349)
Total adjustments to reconcile loss	(24,816)	(5,604)
Changes in operating assets and liabilities:	(= 1,0 = 0)	(2,000)
Decrease (increase) in current contract assets	(2,821)	671
Accounts and notes receivable	40,584	(40,960)
Accounts receivable due from related parties	(2,118)	6,405
Other receivable	(5,828)	(4,494)
Inventories	16,275	14,553
Prepayments Other current assets	6,163	3,018 19
Increase (decrease) in current contract liabilities	(4,994)	250
Accounts and notes payable	555	(541)
Accounts payable to related parties	66,167	7,235
Other payable	12,761	4,292
Increase (decrease) in other payable to related parties	33	-
Other current liabilities	74	2,443
Net defined benefit liability	708	708
Total changes in operating assets and liabilities Cash flows from operations	127,550 247,825	(6,401) 37,756
Interest received	3,622	3,799
Interest paid	(5,545)	(5,770)
Income taxes refund (paid)	(240)	2,122
Net cash flows from operating activities	245,662	37,907
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(6,090)
Acquisition of investments accounted for using equity method	(91,875)	(52,000)
Proceeds from capital reduction of investments accounted for using equity method Acquisition of financial assets at amortized cost	15,200 (37,500)	-
Proceeds from disposal of financial assets at fair value through profit or loss	(120)	-
Acquisition of property, plant and equipment	(10,098)	(6,460)
Proceeds from disposal of property, plant and equipment	239	-
Increase(decrease)in refundable deposits	(1,034)	1,607
Acquisition of intangible assets	(100)	(83)
Increase in restricted deposits	(43)	(35)
Increase in other non-current assets	(41,867)	- (2.010)
Increase in prepayments for business facilities Dividends received	(3,592) 9,949	(3,819) 17,060
Net cash flows used in investing activities	(160,841)	(49,820)
Cash flows from (used in) financing activities:	(100,011)	(17,020
Increase in short-term loans	310,000	621,815
Decrease in short-term loans	(491,185)	(504,910)
Proceeds from issuing bonds	297,983	-
Repayments of bonds	-	(300)
Repayments of long-term debt	(134,300)	(156,480)
Increase (decrease) in guarantee deposits received	7	(6)
Payment of lease liabilities Cash dividends paid	(3,865)	(3,564)
Treasury shares sold to employees	(71,055)	(40,000) 18,625
Net cash flows used in financing activities	(92,415)	(64,820)
Effect of exchange rate changes on cash and cash equivalents	480	2,381
Net increase (decrease) in cash and cash equivalents	(7,114)	(74,352)
Cash and cash equivalents at beginning of period	383,870	458,222
Cash and cash equivalents at end of period	\$ 376,756	383,870

See accompanying notes to consolidated financial statements

# **Representation Letter**

The entities that are required to be included in the combined financial statements of EDISON OPTO CORPORATION as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 ,"Consolidated Financial Statements." endored by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, EDISON OPTO CORPORATION and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: EDISON OPTO CORPORATION

Chairman: Jason Wu Date: February 26, 2025.



# 安侯建業解合會計師事務的 KPMG

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Independent Auditors' Report

To the Board of Directors of EDISON OPTO CORPORATION:

# **Opinion**

We have audited the consolidated financial statements of EDISON OPTO CORPORATION and its subsidiaries ("the Edison Group"), which comprise the consolidated statement of financial position as of December 31, 2024 and 2023, and the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the EDISON OPTO CORPORATION and subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

# **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Enggements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

# **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key auditor matters that, in our professional judgment, should be communicated are as follows:



# 1. Impairment evaluation of accounts receivable

Please refer to Note 4(g) "Financial instruments", Note 5(b) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty", and Note 6(e) "Notes and accounts receivable".

For the year ended December 31, 2024, the accounts receivable accounted for 19% of the total assets are material to the financial statements. In addition, the provision of bad debt allowance is a subject to the management's judgment. Therefore, it has been identified as a key audit matter.

Our principal audit procedures included:

- Assess the impairment of accounts receivable and whether the impairment has been modified by policy.
- Examine the aging analysis table, analyze the reason of overdue collection and the situation of subsequent collection.
- Evaluate the adequacy of impairment on the financial report date EDISON OPTO CORPORATION and subsidiaries.

# 2. Revenue recognition

Please refer to Note 4(1) Revenue from contracts with customers, and Note 6(v) "Revenue".

The major business activities of EDISON OPTO CORPORATION and subsidiaries are manufacturing, selling, research and development of LED components and modules. Operating Revenue is the main indicator for the management of Edison Consolidated Company and investor to evaluate the financial and business performance of Edison Consolidated Company. Therefore, it has been identified as a key audit matter.

Our principal audit procedures included:

- Test the design and implementation of internal controls related with revenue recognition.
- A sample of sales revenue throughout the year is selected, and the external orders, packing lists and various vouchers are checked to confirm that the operating income is recognized.
- Choose the period between the financial reporting, then examine the recognition of income transactions and vouchers cover for the appropriate period.

# **Other Matter**

Edison Opto Corporation has prepared its parent-company-only financial report for the year 2024 and 2023, on which we have issued an unmodified opinion.



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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 Edison Opto Corporation Limited's internal control.
- 3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Edison Opto Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the EDISON OPTO CORPORATION and subsidiaries.to cease to continue as a going concern.
- 5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Edison Opto Corporation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Consolidated Company audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Yang, Shu-Chih and Chen, Pei-Chi.

**KPMG** 

Taipei, Taiwan (Republic of China) February 26, 2025

### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

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

# EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31	, 2024	December 31, 2023	31, 2023			December 31, 2024	December 31, 2023	2023
	Assets	Amount %	%	Amount	%		Liabilities and Equity	Amount %	Amount	%
11xx	Current assets:					21xx	Current liabilities:			
1100	Cash and cash equivalents (note $6(a)$ )	\$ 1,140,78	31 27	1,086,224	224 28	2100	Short-term borrowings (notes 6(1) and 7)		180,705	5
1110	Current financial assets at fair value through profit or loss (note 6(b))	6,2;	- 55	11,831	831 -	2130	Current contract liabilities(note 6(v))	11,491 -	24,904	-
1136	Current financial assets at amortized cost, net (note 6(d))	72,822	22 2	27,	27,669 1	2170	Accounts and notes payable	438,151 10	338,336	6 9
1141	Current contract assets (note $6(v)$ )	2,821	- 12	1	'	2200	Other payables (note 6(w))	162,296 4	149,499	4
1170	Accounts and notes receivable, net (notes 6(e)(v))	783,716	16 19	548,544	544 15	2230	Ĭ	24,243	000'9	'
1180	Accounts receivable due from related parties, net (note 7)	,	•	13,	13,218 -	2280	Current lease liabilities (note 6(0))	16,636 -	15,243	,
1200	Other receivables (notes 6(f), 7 and 9)	8,540	- 0#	1,	1,574 -	2322			16,080	-
1310	Inventories(note 6(g))	299,175	75 7	328,391	391 8	2399		23,766 -	13,872	,
1410	Prepayments	51,202	02 1	57,	57,443 2		Total current liabilities	676,583 15	744,639	20
1470	Other current assets (note 8)	11,042	42 -	30,	30,736	25xx	Non-Current liabilities:			
	Total current assets	2,376,354	54 56	2,105,630	630 55	2530	Bonds payable (note 6(n))	7 276,220 7	,	٠
15xx	Non-current assets:					2540			118,220	3
1517	Non-current financial assets at fair value through other comprehensive	1,059	- 69	1,	1,477 -	2570		1,790	1,805	- 1
	income (note $6(c)$ )					2580	Non-current lease liabilities (note 6(0))	7,391	12,075	-
1600	Property, plant and equipment (notes 6(j), 8 and 9)	1,611,539	39 39	1,623,932	932 42		Other non-current liabilities (notes 6(p)(q))	39,815	38,935	
1755	Right-of-use assets (note $6(k)$ )	49,829	29 1	51,921	921 1		Total non-current liabilities	325,216 8	171,035	5
1780	Intangible assets	1,163	53 -	2,.	2,309 -		Total liabilities	1,001,799 23	915,674	1 25
1840	Deferred tax assets (note $6(r)$ )	52,853	53 1	56,	56,054 1	31xx	Equi			
1915	Prepayments for business facilities (note 9)	29,757	57 1	16,777	- LLL	3110		1,436,094 34	1,436,094	1 37
1990	Other non-current assets, others (notes 8 and 9)	62,797	<u>37</u> _ 2	21,	21,885	3200	Capital surplus	1,527,876 37	1,562,759	040
	Total non-current assets	1,808,997	97 44	1,774,355	355 45		Legal reserve	10,594	5,835	,
						3320	Special reserve	26,392	,	,
						3350	Unappropriated retained earnings (accumulated deficit)	144,506 3	47,591	_
						3410	Exchange differences on translation of foreign financial statements	(101,880) (1)	(180,453)	(5)
						3420	Unrealized gains (loss) on financial assets at fair value through other	(1,394) -	(926)	- (6
							comprehensive income			
						3500	Treasury shares	(34,164) (1)	(34,164)	
							Total equity attributable to owners of parent	3,008,024 73	2,836,686	72
						36xx	Non-controlling interests	175,528 4	127,625	3
							Total equity	3,183,552 77	2,964,31	75
	Total assets	\$ 4,185,351	100	3,879,985	985 100		Total liabilities and equity	\$ 4,185,351 100	3,879,985	100

See accompanying notes to consolidated financial statements.

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

# EDISON OPTO CORPORATION AND SUBSIDIARIES

# **Consolidated Statements of Comprehensive Income**

# For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share)

		_	2024		2023	
			Amount	<u>%</u>	Amount	<u>%</u>
4000	Operating revenue (notes 6(v) and 7)	\$	2,558,790	100	1,991,061	100
5000	Operating costs (notes $6(g)(j)(k)(q)$ )		1,926,389	75	1,479,712	74
	Gross profit from operations		632,401	25	511,349	26
	Operating expenses (notes $6(e)(f)(j)(k)(o)(q)(t)(w)$ ):					
6100	Selling expenses		151,033	6	143,761	7
6200	Administrative expenses		192,028	8	196,562	10
6300	Research and development expenses		146,068	5	129,774	7
6450	Expected impairment loss (reversed)		(7)		(6,541)	
	Total operating expenses		489,122	19	463,556	24
6900	Net operating income		143,279	6	47,793	2
	<b>Non-operating income and expenses</b> (notes $6(n)(o)(p)(x)$ and 7):					
7100	Interest income		14,455	-	15,595	1
7010	Other income		7,956	-	5,582	-
7020	Other gain and losses		18,757	1	(6,448)	-
7050	Finance costs		(10,185)		(13,109)	(1)
	Total non-operating income and expenses		30,983	1	1,620	
7900	Profit from continuing operations before tax		174,262	7	49,413	2
7950	Less: Income tax expenses (note 6(r))	_	21,910	1	4,911	
	Profit		152,352	6	44,502	2
8300	Other comprehensive income:					
8310	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans (note 6(q))		372	-	63	-
8316	Unrealized (gains) losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(c))		(418)	_	(976)	_
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or					
	loss	_	-			
		_	(46)		(913)	
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		82,188	3	(25,350)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	_	-			
	Components of other comprehensive income that will be reclassified to profit or loss	_	82,188	3	(25,350)	(1)
8300	Other comprehensive income (loss)	_	82,142	3	(26,263)	<u>(1</u> )
8500	Total comprehensive income	\$_	234,494	9	18,239	1
	Profit (loss), attributable to:					
8610	Attributable to owners of parent	\$	141,905	6	47,528	2
8620	Attributable to non-controlling interests	_	10,447		(3,026)	
		\$_	152,352	6	44,502	2
	Comprehensive income (loss) attributable to:					
8710	Attributable to owners of parent	\$	220,432	9	21,199	1
8720	Attributable to non-controlling interests	_	14,062	<u> </u>	(2,960)	<u> </u>
		<b>\$</b> _	234,494	9	18,239	1
	Earnings per share (note 6(u))					
9750	Basic earnings per share	<u>\$</u> _		1.00	(	).35 ).25
9850	Diluted earnings per share	<b>\$</b>		0.99	(	0.35

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

EDISON OPTO CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity For the years ended December 31, 2024 and 2023 (Expressed in Thousands of New Taiwan Dollars) Equity attributable to owners of parent

			R	Retained earnings	ıgs	Other equity	quity				
		ı					Thunselined				
							Onrealized				
							gains (losses)				
							on financial				
						Exchange	assets				
				_	ıted	differences on	measured at				
					retained	translation of	fair value		Total equity	S N	
	Capital	Capital	Legal	Special	(accumulated	financial	comprehensive	Treasury	owners of	controlling	
Rajance of January 1 2023	\$ 1 353 353	1 510 350	16 903	112 126	deficit)	statements (155 037)	ıncome	(86.416)	2 637 085	interests 145 414	1 otal equity 7 782 499
A A A A A A A A A A A A A A A A A A A	00000000	000,010,1	10,00	117,170	(1/1,071)	(100,001)		(00,110)	000,100,7	FIT, CFI	7,102,177
Appropriation and distribution of retained earnings.			(0) (0) (1)								
Legal reserve appropriated for the net operating loss			(11,068)		11,068						
Special reserve appropriated for the net operating loss				(112,126)	112,126						
			(11,068)	(112,126)	123,194						
Net income			 		47.528				47.528	(3.026)	44.502
Other commelensive income					63	(25.416)	(926)		(96 329)	(1)	(26,263)
Total commensate income					17 501	(25,116)	(976)		21 100	(090 0)	18 230
Conformation months					177,77	(01+,07)	(0/6)		771,177	(2,200)	10,237
Other changes in capital surplus:											
Cash dividends from capital surplus		(40,000)							(40,000)		(40,000)
Other changes in capital surplus		(9,915)						9,915			
Conversion of convertible bonds	99,541	73.914	,						173,455		173,455
Retirement of treasury chare	(16,800)	(6,912)						23 712			
A discussion of decision of the feet of th	(10,000)	(0,712)						71,77	153		153
Adjustments of capital surplus for company's cash dividends received by subsidiaries		551							133		153
Changes in ownership interests in subsidiaries		10,329							10,329	(10,329)	
Share-based payments		15,840						18,625	34,465		34,465
Changes in non-controlling interests										(4,500)	(4,500)
Balance at December 31, 2023	1,436,094	1,562,759	5,835		47,591	(180,453)	(926)	(34,164)	2,836,686	127,625	2,964,311
Appropriation and distribution of retained earnings:											
Legal reserve appropriated		,	4,759		(4,759)		,	,		,	
Special reserve appropriated		,		26.392	(26.392)						
Cash dividends of ordinary share		,	,	` '	(14.211)			,	(14.211)		(14.211)
	.		4.759	26.392	(45,362)			  -	(14.211)		(14,211)
Net income					141,905				141.905	10,447	152,352
Other comprehensive income					372	78.573	(418)		78.527	3,615	82,142
Total commehensive income	.		 		142 277	78.573	(418)		220.432	14 062	234 494
Other changes in capital cumhic											
Due to recognition of equity component of convertible bonds (preference share) issued		22,414	,	,	,	,	,		22,414	,	22,414
Cash dividends from capital surplus		(56,844)	,						(56,844)		(56,844)
Adjustments of capital surplus for company's cash dividends received by subsidiaries		263	,	,				,	263		263
Clarest and the second		350							315	217	
Changes in Ownership Interests in Substitutions		(/10)							(017)	77 175	301.00
Changes in non-controlling interests						1 2				55,123	52,123
Balance at December 31, 2024	\$ 1,436,094	1,527,876	10,594	26,392	144,506	(101,880)	(1,394)	(34,164)	3,008,024	175,528	3,183,552
			, !								.1

See accompanying notes to consolidated financial statements.

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

#### EDISON OPTO CORPORATION AND SUBSIDIARIES

#### **Consolidated Statements of Cash Flows**

# For the years ended December 31, 2024 and 2023 (Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities: Profit before tax	\$ 174,262	49.413
Adjustments:	φ174,202	77,413
Adjustments to reconcile profit (loss):		
Depreciation expense	122,122	124,565
Amortization expense	1,419	2,028
Expect impairment reversed	(7)	(6,541)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	242	(1,415)
Interest expense	10,185	13,109
Interest income	(14,455)	(15,595)
Share-based payments	-	15,840
Loss on disposal of property, plant and equipment	750	8,192
Loss on disposal of intangible assets	65	7
Loss on disposal of lease modification	2,369	- 2
Loss on bond redemption  Total adjustments to recognile profit	122,690	140,193
Total adjustments to reconcile profit Changes in operating assets and liabilities:	122,090	140,193
Current contract assets	(2,821)	_
Accounts and notes receivable	(213,416)	(131,109)
Accounts receivable due from related parties	13,218	(13,218)
Other receivables	(4,119)	(115)
Inventories	29,216	(30,668)
Prepayments	9,575	5,577
Other current assets	(5,742)	2,777
Other operating assets	1,160	(280)
Current contract liabilities	(13,413)	-
Accounts and notes payable	99,815	97,416
Other payable	12,956	22,598
Other current liabilities	9,894	319
Net defined benefit liability	709	708
Total changes in operating assets and liabilities	(62,968)	(45,995)
Cash inflow generated from operations	233,984	143,611
Interest received	14,455	15,604
Interest paid Income taxes	(9,534) (997)	(9,796) (13,333)
Net cash flows from operating activities	237,908	136,086
	237,906	130,080
Cash flows from (used in) investing activities: Acquisition of financial assets at amortized cost	(37,500)	(27,669)
Proceeds from disposal of financial assets at amortised cost	(37,300)	8,702
Acquisition of financial assets at fair value through profit or loss	(541,798)	(8,367)
Proceeds from disposal of financial assets at fair value through profit or loss	547,132	2,367
Acquisition of property, plant and equipment	(52,646)	(68,357)
Proceeds from disposal of property, plant and equipment	2,103	3,162
Decrease in refundable deposits	373	3,004
Acquisition of intangible assets	(290)	(1,563)
Increase in restricted deposits	-	10,000
Increase in other non-current assets	(41,909)	(36)
Increase in prepayments for business facilities	(26,810)	(2,212)
Net cash flows used in investing activities	(151,345)	(80,969)
Cash flows from (used in) financing activities:		
Increase in short-term loans	310,000	681,009
Decrease in short-term loans	(491,185)	(595,259)
Proceeds from issuing bonds	297,983	-
Repayments of bonds	-	(300)
Repayments of long-term debt	(134,300)	(156,480)
Increase (Decrease) in guarantee deposits received	8	(3)
Payment of lease liabilities	(17,709)	(14,867)
Cash dividends paid	(70,792)	(39,847)
Treasury shares sold to employees	-	18,625
Change in non-controlling interests	33,125	(4,500)
Net cash flows used in financing activities	<u>(72,870)</u>	(111,622)
Effect of exchange rate changes on cash and cash equivalents	40,864	(11,608)
Net increase(decrease) in cash and cash equivalents Cash and cash equivalents at beginning of period	54,557 1,086,224	(68,113) 1,154,337
Cash and cash equivalents at end of period	\$ 1,140,781	1,134,337
Cash and cash equivalents at the or period	J 1,140,/81	1,000,424

# [Annex 6]

# Edison Opto Corporation Comparison Table for the Amendments to the "Articles of Incorporation"

Article order	Provisions after amendment	Provisions before amendment	Explanation of amendment
Article 18	If the Company has any surplus in the net profit for the year as concluded by the annual accounting book close, the Company shall set aside 1% to 10% of the current year's net profit as profit sharing remuneration for employees, which shall be distributed in stock or cash by resolution of the Board of Directors, and the recipients of which include the employees of the subordinate companies who meet certain criteria, where the profit sharing remuneration for managerial officers shall be based on the Company's business strategy, profitability, their performance and contributions, and other factors, and with reference to the market level of salaries, with reference to the recommendation of the Remuneration Committee and approval of the Board of Directors;  If the Company has a net profit after the final account for the year, it shall set aside 1% to 5% for the salary adjustment or remuneration distribution to grassroots staff; the Board of Directors shall resolve to distribute remuneration of employees or adjust salaries, or adopt both methods concurrently;  The Board of Directors shall determine by resolution to distribute no more than 3% of the aforementioned profit amount as the remuneration of employees, remuneration of grassroots staff, and remuneration of Directors shall be reported at the shareholders' meeting.  However, if the Company has accumulated losses, the amount of losses make-up shall be reserved in advance, and then the remuneration of employees, remuneration of grassroots staff, and remuneration of Directors shall be appropriated in accordance with the aforementioned percentages.	If the Company has any surplus in the net profit for the year as concluded by the annual accounting book close, the Company shall set aside 5% to 15% of the current year's net profit as profit sharing remuneration for employees, which shall be distributed in stock or cash by resolution of the Board of Directors, and the recipients of which include the employees of the subordinate companies who meet certain criteria, where the profit sharing remuneration for managerial officers shall be based on the Company's business strategy, profitability, their performance and contributions, and other factors, and with reference to the market level of salaries, with reference to the recommendation of the Remuneration Committee and approval of the Board of Directors;  The profit sharing remuneration for employees and directors shall be reported to the shareholders' meeting. However, if the Company has accumulated losses, the amount of losses make-up shall be reserved in advance and then the employees and directors' profit sharing remuneration shall be appropriated in accordance with the aforementioned percentages.	amendment  According to Letter No. Jin- Guan-Cheng-Fa- 11303854422 dated November 8, 2024, from the Financial Supervisory Commission, amended the Articles of Incorporation and added the appropriation ratio for remuneration of employees and remuneration of grassroots staff based on the requirements in paragraph 6, Article 14 of the Securities and Exchange Act: "A company referred to in the preceding paragraph 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 grassroots staff."
Article 20	The Articles of Incorporation were established on September 13, 2001. (Omitted)  The 17th amendment was made on [MM/DD/YYYY].	The Articles of Incorporation were established on September 13, 2001. (Hereinafter omitted)	Added the date of the amendment

# [Annex 7] Edison Opto Corporation List of Candidates for the 9th Session of Directors and Independent Directors

Serial number	Category of nominees	Name	Major academic and work experience	Concurrent positions in other companies	If the individual has served three consecutive terms as an independent director/reason
1	Director	Jason Wu	Master of Chemistry, National Sun Yat-sen University Assistant Manager of R&D Department, Everlight Electronics Co., Ltd Chairperson/President, LUMENMAX OPTOELECTRONICS CO., LTD. Chairperson/President, Yangzhou Ledison Trading Limited. Chairperson/President, Edison Opto Europe GmbH Chairperson, Edison Opto USA Corp Chairperson/President, DAVINCI OPTO CORP./DONGGUAN DAVINCI OPTO CORP.	President, Edison Opto Corp. Chairperson/President, Yangzhou Edison Opto Corp./Yangzhou Aichuang Electronic Trading Limited. Chairperson, Dongguan Edison Opto Corp./Yangzhou Edison-Litek Opto Corp. Chairperson, Weixin Investment Limited Representatives of corporate directors, Edison Opto Corp./Ledison Opto Corp./Best Opto Corp. /Best Led Corp. President, Edison-Litek Opto Corp. Ltd. President, Aifa Investment Co., Ltd. Chairperson/President, Edison-Litek Opto Corp./LEDIONOPTO LIGHTING, INC./LEDISON OPTO CORP/EDISON AUTO LIGHTING CORP	-
2	Director	Weixin Investment Limited	-	-	-
3	Director	Wen-Ruei Cheng	Master of Education Technology, West Michigan University, USA Chairperson, Optec Display Inc. Project Leader Light Vision Corp. Supervisor, Juji Investment Development Co., Ltd.	Chairperson/President, Edison Opto USA Corp.	-

4	Independent director	Wen-Chao Wang	Doctor of Business Administration, Nova Southeastern University, USA Supervisor, MORTECH CORPORATION Supervisor, AMAZING MICROELECTRONIC CORP.	President, Wenkai Network Technology Marketing Limited Supervisor, Chingxingwang Industry Co., Ltd.	No/not applicable
5	Independent director	Tung-Hsiung Hung	Department of Law, National Taiwan University Partner Attorney, Chienyeh Law Firm	Practicing Attorney, Lidong Law Firm Independent Director, NAN JUEN INTERNATIONAL CO., LTD. Independent Director, POTENS SEMICONDUCTOR CORP.	No/not applicable
6	Independent director	Yin-Fei Liu	EMBA, National Chengchi University Partner, Audit Services Department, PwC	Senior Consultant, Audit Services Department, PwC Independent Director, Waffer Technology Corp.	No/not applicable
7	Independent director	Tseng-Nan Chou	Department of Accounting, Tunghai University Senior Manager, Everlight Electronics Co., Ltd Chief Finance Officer, TONS LIGHTOLOGY INC. Supervisor, HORIZON SECURITIES CO., LTD.	Independent Director, TONS LIGHTOLOGY INC Independent Director, KHGEARS LIMITED Independent Director, APISTEK TECHNOLOGY CO., LTD	No/not applicable

# [Annex 8]



# **Edison Opto Corporation**

# Corporate Governance Best Practice Principles (full text before amendments)

#### **Chapter 1 General Provisions**

#### Article 1

To build a favorable governance regulations and set up an effective corporate governance structure, the Principles were established for observation.

#### Article 2

The Company shall comply with the laws, regulations and the Articles of Incorporation. Apart from the contracts entered into with TWSE or TPEx and relevant specifications, the Company shall comply with the following principles:

- I. Protect shareholders' rights and interests.
- II. Enhance the functions of the board of directors.
- III. Exert the functions of supervisors.
- IV. Respect stakeholders' rights and interests.
- V. Improve information transparency.

#### Article 3 Establish the internal control system

The Company established the requirements for the Regulations Governing the Internal Control System, designed and duly implemented its internal control system by taking the overall operating activities of the Company and its subsidiaries into consideration, and make examinations at all times to respond to changes in the intern and external environment so as to ensure the continuous validity of the design and implementation of the system.

Apart from duly organizing the self-evaluation of the internal control system, the board of directors and the management shall at least examine the self-evaluation results of the respective departments annually and examine the audit report issued by the audit department quarterly. The audit committee shall pay attention and supervise it. Directors and the audit committee shall regularly have interviews with internal auditors regarding the examination of the deficiencies of the internal control system with meeting minutes made, follow up and implement improvements, and report to the board of directors. The Company may establish communication channels and systems between Independent directors, the audit committee and the internal audit officer, and the convener of the audit committee shall report the communication between the members of the audit committee and the internal audit officer at the shareholders' meeting.

The management of the Company shall attach attention to the internal audit department and personnel, grant abundant authorities, urge them to duly examine and evaluate the deficiencies of the internal control system, measure operating efficiency to ensure the system can be implemented with continuous validity, and assist the board of directors and the management in duly fulfill their responsibilities, and in turn, implement the corporate governance system.

The appointment, dismissal, evaluation, and remuneration of the Company's internal auditors shall be submitted to the board of directors or be reported to the chairman by the audit officer to sign for approval.

#### Article 3-1 Personnel responsible for matters related to corporate governance

The Company has an adequate number of corporate governance personnel with appropriate qualifications based on the size of the Company, business conditions, and management requirements. The Company has appointed the top executive of the financial and accounting department to be in charge of corporate governance affairs. Said executive shall be a qualified, practice-eligible lawyer or accountant or have been a supervisor in a securities, financial, or futures institution or a public company in handling legal affairs, legal compliance, internal audits, financial affairs, stock affairs, or corporate governance affairs for at least three years.

Corporate governance affairs shall cover, at a minimum, the following:

- I. Handling of board meeting and shareholder meeting affairs.
- II. Preparation of board/shareholder meeting minutes.
- III. Assistance in onboarding and continuing education of the directors and supervisors.
- IV. Provision of information required for the performance of duties by the directors and supervisors.
- V. Assistance in the directors' and supervisors' compliance with the law.
- VI. Other tasks specified in Articles of Incorporation or contract.

#### **Chapter 2 Protect Shareholders' Rights and Interests**

Article 4 Protect shareholders' rights and interests

The corporate governance system shall protect the rights and interests of shareholders and treat all shareholders fairly. The Company shall establish a corporate governance system that ensures that shareholders are entitled to the full acknowledgment, participation, and decision of material matters of the Company.

Article 5 Convening shareholders' meeting and formulate comprehensive rules of procedures

The Company convenes shareholders' meetings according to the Company Act and relevant laws and regulations, and has formulated comprehensive rules of procedures. Matters to be resolved by the shareholders' meeting shall be duly implemented according to the rules of procedures. The content of resolutions made by the shareholders' meeting shall comply with laws, regulations, and the Articles of Incorporation.

Article 6 Properly arrange the agenda and procedure of the shareholders' meeting

The Company shall properly arrange the agenda and procedures of the shareholders' meeting, establish the principles and procedures for the nomination of directors, and the proposals for the shareholders' meeting by shareholders, and shall duly handle the proposals proposed by shareholders in accordance with the law; convenient meeting venue shall be arranged for shareholders' meeting, and a supplementary video conference shall be adopted; regarding the certifying documents presented by shareholders' for attendance, the Company may not require additional other certifying documents at will; reasonable discussion time shall be granted for each proposal, and shareholders shall have appropriate opportunities to speak.

For the shareholders' meeting convened by the board of directors, the Chairman of the board of directors should preside in person, and a majority of the directors (including at least one independent director), the convener of the audit committee, and at least one representative of other functional committees should attend, and the attendance should be recorded in the shareholders' meeting minutes.

Article 7 Encourage shareholders to participate in corporate governance

The Company encourages shareholders to participate in corporate governance, and shall appoint a professional stock affairs agent to handle shareholders' meeting affairs, allowing shareholders' meeting to be held in a legal, effective and safe manner. The Company shall fully adopt technical information disclosure approaches through various methods and channels, concurrently upload the annual report, annual financial statements, notice for the shareholders' meeting, meeting handbook, and supplementary materials for the meeting in both Chinese and English, and shall adopt electronic votes so as to improve the attendance of shareholders at the shareholders' meeting and ensure that shareholders may exercise their shareholders' rights at the shareholders' meeting according to the law. The Company shall prevent proposing extempore motions and amendments to the initial proposals at the shareholders' meeting.

The Company shall make arrangements for shareholders to vote at the shareholders' meeting for each proposal and upload the results of votes for, votes against, and waived votes to MOPS on the day after the shareholders' meeting.

Article 8 Minutes of the shareholders' meeting

The Company shall record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and the results in the minutes of the shareholders' meeting according to the Company Act and relevant laws and regulations. Regarding the election of directors and independent directors, the voting method and the elected weights of the elected directors and independent directors shall be recorded.

The minutes of the shareholders' meeting shall be kept properly and permanently throughout the duration of the Company, and shall be fully disclosed if the Company has a website.

Article 9 The chairperson of the shareholders' meeting shall fully acknowledge and comply with the rules of procedures established by the Company

The chairperson of the shareholders' meeting shall fully acknowledge and comply with the rules of procedures established by the Company, maintain the smooth flow of the agenda, and may not declare the meeting adjourned at will.

To protect the rights and interests of the majority of shareholders, if the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

Article 10 Value shareholders' rights to know and prevent insider trading

The Company values the shareholders' rights to know and duly complies with requirements related to information disclosure. Regarding the finance, business, shareholding of insiders, and corporate governance status, the Company provides regular and real-time information to shareholders through MOPS or the website set up by the Company.

To treat shareholders fairly, the publication of the information in the preceding paragraph shall be disclosed in English concurrently.

To protect shareholders' rights and interests and realize the fair treatment of shareholders, the Company established internal policies that prevent insiders from trading securities against non-public information.

The abovementioned policies include the control measures for stock transactions of insiders of the Company from the date of acknowledging the Company's financial statements or relevant performance, including (but not limited to) that directors shall not trade their stocks during the lock-up period of 30 days before the announcement of the annual financial statements and 15 days before the announcement of the quarterly financial statements.

Article 10-1 Report the remuneration of directors at the shareholders' meeting

The Company shall report the remuneration received by directors at an annual shareholders' meeting, including the remuneration policy, the content of individual remunerations, amounts, and the correlation with the results of the performance evaluation.

Article 11 Shareholders shall be entitled to share earnings of the Company

Shareholders shall be entitled to share earnings of the Company. To ensure the investment rights and interests of shareholders, the shareholders' meeting may perform and audit of the statements prepared by the board of directors and reports of the audit committee according to Article 184 of the Company Act and make the resolution on earning distribution or loss compensation. When conducting the examination set forth in the preceding paragraph, the shareholders' meeting may select and appoint inspectors as required.

Shareholders may apply with the court for the selection and appointment of inspectors according to Article 245 of the Company Act to inspect the business accounts, property status, particular matters, and particular transaction documents and records of the Company.

The board of directors, audit committee and managers of the Company shall cooperate fully with the inspectors in the preceding two paragraphs, and shall not have evasion, hindrance or refusal.

Article 12 Significant financial and business acts shall be approved by the shareholders' meeting

The acquisitions or disposals of assets, loaning of funds, endorsements and guarantees, and other material financial and business acts of the Company shall be reported to the shareholders' meeting for approval according to relevant laws and regulations and the procedures formulated by the Company to protect shareholders' rights and interests.

In the event of a merger or acquisition or public acquisition, the Company shall comply with relevant laws and regulations, shall also pay attention to the fairness and reasonableness of the plans and transactions of the merger or acquisition, and shall also pay attention to the disclosure of information and the soundness of the Company's financial structure subsequently.

If the management or a major shareholder of the Company participates in the merger or acquisition, Whether members of the audit committee who review and discuss the merger or acquisition in the preceding paragraph comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and they shall not be related parties to the counterparty of the merger or acquisition or have interests that affect their independent, whether that the design and implementation of relevant procedures comply with relevant laws and regulations, and whether

the information is fully disclosed according to relevant laws and regulations, an independent lawyer shall issue its legal opinion.

The qualification of the lawyer in the preceding period shall comply with Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall not be related parties to the counterparty of the merger or acquisition or have interests that affect their independent.

Personnel dealing with merger or acquisition or public acquisition of the Company shall pay attention to the conflicts of interest and the recusal.

Article 13 There shall be dedicated personnel in place to duly deal with shareholders' recommendations

To protect the rights and interests of shareholders, there shall be dedicated personnel in place to duly deal with shareholders' recommendations, suspicions, and disputes.

If shareholders' rights and interests are harmed due to the resolutions made by the shareholders' meeting or board meeting of the Company violating laws and regulations or articles of incorporation or the violation of laws and regulations or articles of incorporation by directors, independent directors, or managers when executing their duties, the Company shall duly deal with litigations raised by shareholders according to the law.

The Company shall establish internal procedures to duly deal with matters in the preceding two paragraphs, keep written records for future reference, and include them in the internal control system for control.

Article 13-1 The board of directors is responsible for establishing interactive systems with shareholders

The board of directors of the Company is responsible for establishing interactive systems with shareholders to improve the joint understanding of both parties regarding the targets and development of the Company.

Article 13-2 Communicate with and contact shareholders with effective methods and obtain their support Apart from communicating with shareholders through shareholders' meetings and encouraging shareholders to participate in shareholders' meetings, the board of directors contacts shareholders with effective methods, jointly understands the opinions of and issues of concern of shareholders, and accurately explains the Company's policies with managers and independent directors to obtain their support

Article 14 Firewalls shall be established between affiliates

The management targets, authorities, and responsibilities of personnel, assets, and finance between the Company and its affiliates shall be accurate, and the Company shall duly implement risk assessment and establish appropriate firewalls.

Article 15 A manager shall not concurrently be a manager of an affiliate

Unless otherwise specified by laws, a manager shall avoid concurrently being a manager of an affiliate.

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.

Article 16 Establish a healthy financial, business, and accounting management system

The Company established a healthy financial, business, and accounting management system according to relevant laws and regulations, duly implemented comprehensive risk assessment for main banks, customers, and supplies with its affiliates, and implemented necessary control systems to reduce credit risks.

Article 17 If the Company has business dealings with an affiliate, it shall be based on the principle of fairness and reasonableness

If the Company has business dealings with affiliates, the Company shall establish written regulations on the relevant financial or business operations between the two parties based on the principle of fairness and reasonableness. The price, conditions, and payment methods shall be clearly defined for the contract signing, and non-regular transactions shall be prevented.

The transactions or contracts between the Company and its related parties and shareholders shall also be handled in accordance with the aforementioned principles, and the transmission of benefits is strictly forbidden.

Article 18 Matters of compliance shall be stated for corporate shareholders who have control over the Company A corporate shareholder who has control over the Company shall comply with the following matters:

- I. It shall assume the fiduciary duty to other shareholders and shall not directly or indirectly cause the Company to engage in operations not complying with operating norms or other disadvantageous operations.
- II. The representative of the corporate shareholder shall comply with the regulations related to the

exercise of rights and the participation in voting that were established by the Company. When participating in the shareholders' meeting, it shall exercise its voting rights based on the principles of good faith with shareholders' optimal benefits in mind and duly fulfill the obligations of loyalty and care of directors and independent directors.

- III. The nomination of the Company's directors and independent directors shall be in accordance with the relevant laws and regulations and the Company's articles of incorporation, and shall not exceed the scope of authority of the shareholders' meeting and the board of directors.
- IV. It shall not interfere with the Company's decision-making or hinder operating activities.
- V. It shall not restrict or hinder the Company's production and management through monopoly purchases, closing sales channels, or other unfair competition methods.
- VI. Corporate representatives who are appointed as they are elected directors or independent directors shall comply with the professional qualification required by the Company; reassignment shall not be made at will.

Article 19 List of major shareholders and ultimate controllers of major shareholders

The list of major shareholders and ultimate controllers of major shareholders who hold major shareholding ratios and can control the Company shall be readily available to the Company at all times.

The Company shall regularly disclose the shares pledged, increased, or decreased of shareholders who hold over 10% of shares or other material matters that may trigger changes in shares for other shareholders to supervise.

Major shareholders, as referred to in paragraph 1, are shareholders with a shareholding ratio of 5% or more, or the top ten shareholders in terms of shareholding ratio. However, the shareholding ratio may be revised downward depending on the shareholding that controls the Company.

#### Chapter 3 Enhance the Functions of the Board of Directors

Article 20 Abilities that the overall board of directors shall possess

The board of directors shall lead the Company's strategies, supervise the management, be held responsible to the Company and its shareholders, and it shall ensure that the board of directors exercises its powers according to laws and regulations, articles of incorporation, or resolutions made by the shareholders' meeting regarding the operations and arrangements of the corporate governance system.

Regarding the structure of the board of directors, the Company shall decide on an appropriate number of directors that is five or above based on the operating and development scale and the shareholding of major shareholders with reference to the operating requirements of practices.

Except for directors who are concurrently managers of the Company being no more than one-third of the number of directors, the composition of the board of directors shall be made by taking into consideration diversity, and appropriate diversity guidelines shall be made with respect to the Company's operation, business type and development needs, which shall include, but not be limited to, the following two major criteria:

- I. Basic conditions and value: Gender, age, nationality, and culture; the ratio of female directors shall reach one-third of the number of directors or above.
- II. Professional knowledge and skills: Professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Board members should generally possess the knowledge, skills and qualities necessary to perform their duties. To achieve the ideal target of corporate governance, the overall competencies that the board of directors shall possess are as follows:

- I. The ability to make judgments about operations
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry Knowledge
- VI. An international market perspective.
- VII. Leadership
- VIII. Decision-making ability.

Article 21 Formulate election procedures for directors that are fair, just, and open

The Company shall formulate election procedures for directors that are fair, just, and open based on the principles of protecting shareholders' rights and interests and treating shareholders fairly, encourage shareholders' participation, and adopt the cumulative voting system according to the Company Act to fully reflect shareholders' opinions.

Except for those approved by the competent authority, more than half of the directors should have neither a spouse nor relatives within the second degree of kinship in any other director.

When the number of directors falls below five due to the dismissal of a director for any reason, the Company shall hold a director by-election at the next following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact to hold a director by-election.

The total shareholding ratio of all directors of the board of directors shall comply with laws and regulations, the transfer restriction, pledge creation and cancelation, and other changes in the shares of each director shall comply with relevant requirements, and the information shall be fully disclosed.

Article 22 The articles of incorporation specify that the candidate nomination system is adopted for the election of directors

Before convening a shareholders' meeting for the election of directors, the Company shall duly evaluate whether circumstances set out in the subparagraphs of Article 30 of the Company Act occur to the nominees' qualifications, and it shall make arrangements according to Article 192-1.

Article 23 The authorization of the board of directors to functional committees, chairman, and president and their duties shall be clearly defined

The duties of the chairman and the president shall be clearly defined.

The chairman and president or other equivalent positions shall not be assumed by the same person.

If it is necessary to set up a functional committee, its duties shall be clearly defined.

Article 24 Have independent directors in place in accordance with the articles of incorporation

- I. The Company has two or more independent directors in accordance with the articles of incorporation, and the number of independent directors shall not be less than one-third of the number of directors. The term of office of the independent directors shall not exceed three sessions.
- II. Independent directors shall possess professional knowledge, and their shareholding shall be restricted. In addition to arrangements made according to relevant laws and regulations, an independent director shall not concurrently be the director (independent director) or supervisor of over five listed companies, shall maintain its independence within the scope of business execution, and shall not have direct or indirect interests in the Company.
- III. If the Company, its conglomerate, and organization and another company and its conglomerate, and organization have mutually nominated a director, supervisor, or manager of the other party as an independent director candidate, the Company shall make disclosures when accepting the nomination of the independent director candidate and describe the adequacy of the independent director candidate. If the said person is elected as an independent director, the elected weights shall be disclosed.
  - Regarding the conglomerate and organization referred to in the paragraph, the applicable scope covers incorporated foundations that the Company and its subsidiaries directly or indirectly donated funds that exceed 50% in accumulation and other institutions or corporations with substantial control.
- IV. Independent directors and non-independent directors shall not change their identity during the term of office.
- V. Professional qualification, restrictions on shareholding and concurrent positions, recognition of independence, nomination method, and other compliance matters of independent directors shall be subject to the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and requirements of the TWSE or TPEx.
- Article 25 Matters to be proposed to the board of directors for resolution and approval The Company has independent directors in place. Except for those approved by the competent authority, the following matters shall be submitted to the board of directors for resolution and approval; if any independent director has an opposing opinion or qualified opinion, it shall be set out in the minutes of the board meeting:
  - I. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and

- Exchange Act.
- II. Establish or amend procedures for the acquisition or disposal of assets, engaging in derivative transactions, loans to others, provision of endorsements or guarantees to others, and other material financial and business acts.
- III. Matters involving the interests of directors or supervisors.
- IV. Significant assets or derivatives transactions.
- V. Significant loans to others, endorsements or provision of guarantees.
- VI. Offering, issuance or private placement of equity-type securities.
- VII. Appointment, dismissal or remuneration of certified public accountants.
- VIII. Appointment and dismissal of financial, accounting or internal audit officers.
- IX. Other significant matters specified by the competent authority.

#### Article 26 Specify the scope of duties of independent directors

The Company shall specify the scope of duties of independent directors and provide relevant personnel and material resources for the exercise of their powers. The Company or other members of the board of directors may not hinder, reject, or avoid the execution of duties by independent directors. The Company shall specify the remuneration of Directors according to relevant laws and regulations. The remuneration of directors shall fully reflect the individual performance and the long-term operating performance of the Company with comprehensive considerations given to the operating risks of the Company. The Company may determine reasonable remuneration for independent directors that is different from that of general directors.

#### Article 27 Establishment of functional committees

To improve the supervisory function and strengthen the management function, the board of directors may establish the audit, remuneration, nomination, risk management, or other functional committees by taking into account the scale of the Company, business nature, and the number of board members, and may establish environmental protection, corporate social responsibility, or other committees based on the philosophy of corporate social responsibility and sustainable management, and specify in the articles.

Functional committees shall be held responsible to the board of directors, and their proposals shall be submitted to the board of directors for resolution. However, this does not apply to the exercise of the powers of supervisors by the audit committee in accordance with paragraph 4, Article 14-4 of the Securities and Exchange Act.

A functional committee shall establish its regulations of organization, subject to approval by resolution at the board of directors meeting. The regulations of organization shall provide for matters including the number of the committee members, term of office, powers and authorities, rules of procedure, and resources provided by the company to facilitate its exercise of powers.

#### Article 28 Audit committee

- I. The Company has its audit committee in place. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.
- II. The exercise of the powers of the audit committee and its members who are independent directors shall comply with the Securities and Exchange Act, Regulations Governing the Exercise of Powers by Audit Committees of Public Companies, and requirements of the TWSE or TPEx.

#### Article 28-1 of the Remuneration committee

The Company has its remuneration committee in place, and over half of the members shall be independent directors. The professional qualifications and the exercise of powers of members, the establishment of the charter, and relevant matters shall be subject to the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange."

#### Article 28-2 May establish the nomination committee

The Company may establish the nomination committee and establish the charter. Over half of the members shall be Independent directors, and an independent director shall be the chairperson.

#### Article 28-3 Whistleblowing system

The Company shall establish and announce the whistleblowing channels for internal and external personnel and establish the whistleblower protection system. The acceptance department shall have independence, encrypt the documents provided by whistleblowers for protection, duly limit access, establish internal

procedures, and include them in the internal control system for control.

Article 29 Strengthen and improve the quality of financial statements

To improve the quality of financial statements, the Company has appointed a substitute for the accounting officer

The substitute of the accounting officer referred to in the preceding paragraph shall participate in continuing education each year as he/she is the accounting officer to reinforce the professional capabilities of the substitute of the accounting officer.

The accountants who prepare the financial statements shall also participate in relevant professional courses for six hours or more each year by participating in internal education and training of the Company or professional courses organized by competent continuing education institutions for accounting.

The Company shall select professional, responsible and independent CPAs to perform audits on the Company's financial position and internal control on a regular basis. The Company shall duly make examinations and improvements for anomalies or deficiencies found and disclosed by CPAs during the course of auditing in due course and the substantial improvement or anti-fraud opinions, establish the communication channels or systems between independent directors or the audit committee and CPAs, establish internal procedures, and include them in the internal control system for control.

The Company shall regularly (at least once a year) assess the independence and suitability of the appointed CPAs. If the Company has not changed its CPAs for seven consecutive years or the CPAs are subject to disciplinary action or have harmed their independence, the Company shall assess whether it is necessary to change its CPAs, and the assessment results shall be reported to the board of directors.

#### Article 30 Provide appropriate legal services to the Company

The Company has appointed professional and competent lawyers to provide appropriate legal consultation services to the Company, or assist the board of directors, independent directors and the management to improve their legal literacy, prevent the Company and related personnel from violating laws and regulations, and facilitate the operation of its corporate governance in compliance with relevant legal structures and statutory procedures.

In the event of any litigation of directors, supervisors, or management due to the execution of business and disputes with shareholders, the Company shall engage a lawyer for assistance subject to the circumstances.

The audit committee or its members who are independent directors may engage lawyers, CPAs, or other professional personnel on behalf of the Company to perform necessary audits or provide consultation for matters related to the exercise of powers, with the fees borne by the Company.

#### Article 31 Convene the board meeting

The board meeting shall be convened at least once a quarter, and it may be convened at any time in case of emergency. To convene a board meeting, set out the reason for the meeting, notify the directors and supervisors seven days before the meeting, and provide abundant meeting materials that are dispatched together with the meeting notice. If the meeting materials are insufficient, the directors are entitled to request supplementation or the review may be postponed upon the resolution of the board of directors.

The Company has established its Rules of Procedures for Board Meetings. The main agenda items, procedures, matters to be set out in the meeting minutes, announcements, and other compliance matters shall be subject to the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

#### Article 32 Directors shall maintain a high level of self-discipline

Directors shall maintain a high level of self-discipline. If a director or the corporation that it represents has any interests in any proposal at a board meeting, he/she shall explain the material content of his/her interests at the board meeting. If it may harm the Company's benefits, the director may not join the discussion and voting and shall recuse himself/herself from the discussion and voting, and may not exercise the voting rights on behalf of another director.

Matters that directors shall recuse themselves shall be specified in the Rules of Procedure for Board Meetings Article 33 Independent directors and the board of directors

I. Independent directors of the Company shall attend the board meeting in person for matters to be proposed at the board meeting according to Article 14-3 of the Securities and Exchange Act and may not engage non-independent directors as their proxies. If any independent director has an opposing or qualified opinion, it shall be set out in the minutes of the board meeting. If an independent director is unable to attend the board meeting in person to express his/her opposing or qualified opinion, he/she

- shall issue a written opinion in advance and set out in the minutes of the board meeting apart from having justifiable reasons.
- II. If any of the following circumstances occurs to the resolutions made at the board meeting, apart from setting out in the meeting minutes, announcements and filings shall be made on MOPS two hours before the trading time on the business day following the date of the board meeting:
  - (I) Any independent director has an opposing or qualified opinion with a record or written declaration.
  - (II) Matters not approved by the audit committee but approved by two-thirds of all directors.
- III. During the board meeting, managers of relevant departments who are not directors may be noticed to present at the meeting subject to the content of the proposal to report the business overview of the Company at present and answer questions raised by directors. If necessary, the Company may also invite CPAs, lawyers or other professionals to present at the meeting to help the directors understand the Company's current status and make appropriate resolutions. However, they shall excuse themselves from the discussion and voting.

#### Article 34 Minutes of board meetings

Personnel for a board meeting shall record the reports at the meeting, a summary of the deliberations, the methods by which resolutions were adopted, and the results in detail according to relevant requirements.

Minutes of a board meeting shall be signed or sealed by the meeting chairperson and the recorder and dispatched to all directors within 20 days from the meeting. The sign-in record of a board meeting forms a part of the meeting minutes and shall be included in important files of the Company and permanently preserved throughout the duration of the Company.

The meeting minutes may be produced, distributed, and preserved in electronic form.

The Company shall preserve the audio or video recording throughout the conference of a board meeting and preserve it for at least five years; it may be preserved in electronic form.

Before the expiry of the preservation period in the preceding paragraph, if any litigation occurs to resolutions of the board of directors, relevant audio or video recordings shall continue to be preserved, and the requirements in the preceding paragraph shall not apply.

If a video conference is adopted for the board meeting, the audio and video recordings of the meeting form a part of the meeting minutes, and shall be permanently preserved.

Where any resolution adopted by the board of directors violates laws and regulations, Articles, or resolutions of the shareholders' meeting and harms the Company, directors whose disagreement appears on record or is expressed in writing shall be exempted from the compensation liability.

Article 35 Matters to be proposed to the board of directors for discussion

The following matters shall be submitted to the board meeting for discussion:

- I. Business plan of the Company.
- II. Annual financial statements and interim financial statements. However, this shall not apply to interim financial statements that do not require the audit and certification of CPAs according to laws and regulations.
- III. Establishment of or amendment to the internal control system in accordance with Article 14-1 of the Securities and Exchange Act and the evaluation of the effectiveness of the internal control system.
- IV. Establish or amend procedures for the acquisition or disposal of assets, engaging in derivative transactions, loans to others, provision of endorsements or guarantees to others, and other material financial and business acts.
- V. Offering, issuance or private placement of equity-type securities.
- VI. Performance evaluation and remuneration standards for managers
- VII. Structure and system for the remuneration of directors.
- VIII. Appointment and dismissal of financial, accounting or internal audit officers.
- IX. Donations to related parties or material donations to non-related parties. However, donations for public welfare due to emergency relief made for severe natural disasters may be submitted to the following board meeting for ratification.
- X. Matters to be resolved by the shareholders' meeting or the board meeting according to Article 14-3 of the Securities and Exchange Act and other laws and regulations or Articles or material matters specified by the competent authority.

In addition to matters to be submitted to the board meeting for discussion in the preceding paragraph, during the recess of the board meeting, those who are authorized to exercise the powers of the board of

directors by the board of directors according to laws and regulations or Articles, their level of authorization, content, or matters shall be accurate, and general authorization is not allowed.

Article 36 Matters related to the resolutions of the board of directors shall be accurately assigned to appropriate execution departments or personnel

The Company shall accurately assign matters related to the resolutions of the board of directors to appropriate execution departments or personnel, require them to implement based on the planned timetable and targets, and include them in follow-up management to duly evaluate the implementation status.

The board of directors shall fully grasp the implementation progress and report at the upcoming meeting so as to implement the business decisions of the board of directors.

Article 37 Board members shall faithfully implement businesses and duly fulfill the obligation of care of a good administrator

Members of the board of directors shall faithfully conduct corporate affairs and perform the duty of care of a good administrator. In conducting the affairs of the company, they shall exercise their powers with a high level of self-discipline and prudence. Unless matters are otherwise reserved by law or in the articles of incorporation for approval in shareholders meetings, they shall ensure that all matters are handled according to the resolutions of board of directors.

The Company has established its regulations for the performance evaluation of the board and procedures. Apart from regularly carrying out the self-evaluation or peer evaluation of the board of directors, functional committees, and individual directors each year, the Company may engage a professional external institution or adopt other appropriate methods to carry out the performance evaluation. The content of the performance evaluation of the board of directors shall include the following aspects, and the appropriate evaluation indicators shall be established by taking into account the requirements of the Company:

- I. Participation in the operation of the company;
- II. Improvement of the quality of the board of directors' decision making;
- III. Composition and structure of the board of directors;
- IV. Election and continuing education of the directors;
- V. Internal control.

Performance evaluation of the board members (on themselves or peers) should cover the following aspects and is subject to appropriate adjustments with the company's needs being taken into consideration:

- I. Alignment of the goals and mission of the company;
- II. Awareness of the duties of a director;
- III. Participation in the operation of the company;
- IV. Management of internal relationship and communication;
- V. The director's professionalism and continuing education;
- VI. Internal control.

The Company shall carry out the performance evaluation of functional committees, and the evaluation content shall include the following aspects; appropriate adjustments shall be made by taking into account the requirements of the Company:

- I. Level of participation in the Company's operations.
- II. Awareness towards duties of the functional committee.
- III. Improvements to the quality of decisions made by functional committees.
- IV. Composition of the functional committee and selection of committee members.
- V. Internal control.

The Company shall report the results of the performance evaluation to the board of directors and use them as the reference for the remuneration and nomination for re-appointment of individual directors.

Article 37-1 Establish the succession plan for the management

The Company shall establish the succession plan for the management, and the board of directors shall regularly evaluate the development and implementation of the plan to ensure sustainable management.

Article 37-2 Establish an intellectual property management system

Regarding the business directions and performance of the Company's intellectual properties, the board of directors shall carry out evaluations and supervision based on the following aspects to ensure that the Company establishes its intellectual property management system based on the management cycle of "Plan, Do, Check, Act (PDCA)."

- I. Formulate intellectual property management policies, targets, and systems related to business strategie
- II. Establish, implement, and maintain the management system for the acquisition, protection, maintenance, and utilization of intellectual property based on the scale and form.
- III. Decide and provide resources that are required to effectively implement and maintain the intellectual property management system.
- IV. Monitor the internal and external risks or opportunities related to intellectual property management and adopt countermeasures.
- V. Plan for and implement a continuous improvement system to ensure that the operation and achievement of the intellectual property management system meet the Company's expectations.

Article 38 Shareholders or independent directors require the board of directors to stop the implementation of their resolutions

If a resolution at the board meeting violates laws and regulations or articles of incorporation, a shareholder who has held shares for over one year or an independent director may require the board of directors to stop the implementation of their resolutions, and members of the board of directors shall duly handle or stop the implementation of the resolution as soon as possible.

If a member of the board of directors discovers that there are risks of material damages to the Company, it shall make arrangements according to the preceding paragraph and immediately report to the audit committee or members of the audit committee who are independent directors.

Article 39 Liability insurance for directors

The Company shall purchase liabilities insurance for directors during their term of office for the compensation responsibility within the scope of business execution according to the law to reduce the disperse the risks of material damages to the Company and shareholders due to the mistakes or negligence of directors.

After the Company has purchased or renewed liability insurance for the directors, the Company shall report the amount of liability insurance, coverage and premium rate to the coming Board of Directors' meeting.

Article 40 Board members participate in continuing education programs

It is advisable that board members continue to participate in financial, risk management, business, commercial, accounting, or legal, and other continuing education courses organized by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies that cover corporate governance themes and ask employees of different levels to improve their professional and legal knowledge upon being newly appointed or during the term of office.

#### Chapter 4 Exert the Functions of Independent Directors

Article 41 Formulate election procedures for independent directors that are fair, just, and open

The Company shall formulate election procedures for independent directors that are fair, just, and open and adopt the cumulative voting system according to the Company Act to fully reflect shareholders' opinions.

The Company shall consider the overall operating requirements and establish the minimum number of independent directors according to the requirements of the Securities and Exchange Act.

The total shareholding ratio of all independent directors shall comply with laws and regulations, the transfer restriction, pledge creation and cancelation, and other changes in the shares of each independent director shall comply with relevant requirements, and the information shall be fully disclosed.

Article 42 The articles of incorporation specify that the candidate nomination system is adopted for the election of independent directors

The Company shall specify in its articles of incorporation that the candidate nomination system shall be adopted for the election of independent directors according to laws and regulations of the competent authority. For the election of independent directors, the Company shall duly evaluate whether circumstances set out in the subparagraphs of Article 30 of the Company Act occur to the nominees' qualifications, and it shall make arrangements according to Article 192-1.

Article 43 Among independent directors or between independent directors and directors, at least one of them is not a spouse or a relative within the second degree of kinship.

Unless approved by the competent authority, among independent directors or between independent directors and directors, at least one of them is not a spouse or a relative within the second degree of kinship.

The Company shall elect appropriate independent directors with reference to requirements related to independence in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies to improve the risk management of the Company and its control over finance and operations.

Independent directors shall have a domicile in Taiwan to exert the real-time supervising function.

Article 44 Independent directors shall familiarize themselves with relevant legal requirements and understand the rights, interests, obligations, and responsibilities of directors of the Company

Independent directors shall familiarize themselves with relevant legal requirements and understand the rights, interests, obligations, and responsibilities of directors of the Company, the work division between different departments, and the content of operations. They shall present at board meetings to supervise its operating status and raise their opinions in due course to grasp or discover anomalies early.

The Company shall specify the remuneration of independent directors in its articles of incorporation or by resolution of the shareholders' meeting.

Article 45 Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers

Independent directors shall supervise the execution of the Company's business and the performance of duties by directors and managers, and shall also pay attention to the implementation of the Company's internal control system, so as to reduce the financial crisis and operating risks of the Company.

In case a director transacts a sale with, borrows money from or conducts any legal act with the Company for himself/herself or others, the independent directors shall act as the representative of the Company.

Article 46 Independent directors may investigate the Company's business and financial status at any time
Independent directors may investigate the Company's business and financial status at any time. The relevant

departments of the Company shall cooperate in providing the required books and documents required for auditing, transcription, or duplication.

When independent directors perform audits of the Company's finance and business, they may engage lawyers or CPAs to perform the audit on behalf of the Company; however, the Company shall notify relevant personnel of their confidentiality obligation.

The board of directors or managers shall submit reports based on the requests of independent directors, and may not avoid, hinder or reject the inspection of independent directors.

When independent directors perform their duties, the Company shall provide necessary assistance based on their requirements, and the reasonable expenses that they require shall be borne by the Company.

Article 47 Establish communication channels between employees, shareholders, stakeholders, and independent directors

To allow independent directors to discover possible malpractices of the Company in time, the Company shall establish communication channels between employees, shareholders, stakeholders, and independent directors.

When an independent director discovers a malpractice, he/she shall adopt appropriate measures to prevent the expansion of the malpractice and report to relevant competent authorities or departments when necessary.

If the independent directors, president, financial, accounting, R&D, and internal audit officers, or CPAs resign or change, independent directors shall gain in-depth information on the reasons.

If an independent director neglects his/her duties and results in damages to the Company, he/she is responsible for compensating the Company.

Article 48 Independent directors exercise their respective supervisory powers

When independent directors exercise their respective supervisory powers, they may exchange their opinions through meetings based on the overall consideration of the Company and shareholders' rights and interests when it is considered necessary; however, this shall not hinder the independent exercise of powers of each independent director.

Article 49 Liability insurance for independent directors

The Company shall purchase liabilities insurance for independent directors during their term of office for the compensation responsibility within the scope of business execution according to the law to reduce the disperse the risks of material damages to the Company and shareholders due to the mistakes or negligence of independent directors.

After the Company has purchased or renewed liability insurance for the independent directors, the Company

shall report the amount of liability insurance, coverage and premium rate to the coming board of directors' meeting.

Article 50 Independent directors participate in continuing education courses

It is advisable that independent directors continue to participate in financial, risk management, business, commercial, accounting, or legal, and other continuing education programs organized by institutions designated in the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies that cover corporate governance themes upon being newly appointed or during the term of office.

#### Chapter 5 Respect Stakeholders' Rights and Interests

Article 51 Maintain communications with stakeholders of the Company and protect their rights and interests

The Company shall maintain unblocked communication channels with its banks and other creditors, employees, consumers, suppliers, communities, or other stakeholders, respect and protect the legal rights and interests of these stakeholders, and set up a stakeholder section on the Company's website.

In the event of acquisition by the management, the Company shall pay attention to the soundness of the Company's financial structure subsequently.

When the legal rights and interests of the stakeholders are harmed, the Company shall handle them in accordance with the principles of good faith.

Article 52 The Company shall provide sufficient information to its banks and other creditors

The Company shall provide sufficient information to its banks and other creditors, so that they can make judgments and make decisions based on the Company's operating and financial status. When their legal rights are harmed, the Company shall respond positively by adopting a responsible attitude so that creditors can be compensated through appropriate methods.

Article 53 Establish communication channels with employees

The Company has established appropriate communication channels with employees and encourages employees to communicate directly with the management and directors to appropriately reflect the opinions of employees on the Company's operating and financial status or important decisions involving employee interests.

Article 54 Social responsibility of the Company

While maintaining normal business development and maximizing shareholders' interests, the Company will focus on consumers' rights and interests, environmental protection of communities, public welfare, and other issues, and pay great attention to its corporate social responsibility.

#### Chapter 6 Improve Information Transparency

Article 55 Information disclosure and online filing system

Information transparency is an important responsibility of the Company. The Company will faithfully perform its obligations in accordance with relevant laws and regulations, and the requirements of TWSE or TPEx.

The Company shall publish and make an early official filing of the annual financial statements within two months after the end of an accounting period, and publish/file Q1, Q2 and Q3 financial statements along with monthly business performance before the required due dates.

The Company has established an online filing operating system for information disclosure, appointed dedicated personnel to be responsible for the Company's information collection and disclosure, and set up the spokesperson system to ensure the information that may affect the decisions of shareholders and stakeholders can be appropriately disclosed in time.

Article 56 Appointment of spokesperson

To improve the accuracy and timeliness of the disclosure of material information, the Company is required to appoint personnel who comprehensively understand the finance and business of the Company, are able to coordinate between departments to provide relevant information, and can solely speak to the external parties on behalf of the Company as the Company's spokesperson and deputy spokespersons.

The Company has over one deputy spokesperson, and any deputy spokesperson shall be able to speak solely to external parties on behalf of the spokesperson when the spokesperson is unable to implement its duties of speaking; however, the sequence to speak shall be confirmed to avoid confusion.

To implement the spokesperson system, the Company shall clearly define a unified spokesperson procedure and require the management and employees to keep financial and business secrets and may not distribute information at will.

If there is any change in the spokesperson or deputy spokesperson, information disclosure shall be made immediately.

#### Article 57 Establish a corporate governance website

The Company shall utilize the convenience of the Internet to establish its website and set up relevant financial and business information and corporate governance information of the Company for shareholders' and stakeholders' reference, and it shall provide financial, corporate governance, or other relevant information in English.

There shall be personnel dedicated to the maintenance of the website in the preceding paragraph; the data set out shall be true and accurate and shall have real-time updates to avoid the risk of misleading.

#### Article 58 Method of convening investor conferences

If the Company convenes an investor conference, it shall make arrangements according to the requirements of the TWSE or TPEx and preserve the audio or video recording throughout the conference. The financial and business information at the investor conference shall be uploaded to MOPS according to the requirements of TWSE or TPEx and be available for inquiries on the Company's website or through other appropriate channels

#### Article 59 Disclose corporate governance information

The Company's website shall set up a section to disclose relevant information on corporate governance and make continuous updates:

- I. Board of directors: Such as the resume of board members and their powers and responsibilities, the diversification policy of board members and its implementation status.
- II. Functional committees: Such as the resume of the members of functional committees and their powers and responsibilities.
- III. Corporate Governance-related regulations: Such as the articles of incorporation, rules of procedures for board meetings, charters of functional committees, and other corporate governance regulations.
- IV. Material information on corporate governance: Such as the appointment of the corporate governance officer.

#### **Chapter 7 Supplementary Provisions**

#### Article 60 Keep abreast of domestic and foreign development

The Company shall keep abreast of the development of domestic and international corporate governance systems so as to make examinations to improve the corporate governance system established by the Company for improving its corporate governance achievements.

#### Article 61 Implementation and amendment

These Principles are implemented after being approved by the audit committee and the board of directors, and the same shall apply to any amendment.

# [Annex 9]

# **Edison Opto Corporation**

# **Articles of Incorporation(full text before amendments)**

#### **Chapter 1 General Provisions**

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Edison Opto Corporation.
- Article 2: The business of the Company is as follows:
  - 1. CC01040 Lighting Equipment Manufacturing
  - 2. CC01080 Electronic Parts and Components Manufacturing
  - 3. E601010 Electrical Appliance Construction (Grade A)
  - 4. E601020 Electrical Appliance Installation
  - 5. E603080 Traffic Signs Installation Engineering
  - 6. E603090 Lighting Equipment Construction
  - 7. E607010 Solar Thermal Energy Equipment Installation Engineering
  - 8. EZ06010 Traffic Marking Engineering
  - 9. F119010 Wholesale of Electronic Materials
  - 10. F113110 Wholesale of Batteries
  - 11. F213090 Retail Sale of Traffic Sign Equipment and Materials
  - 12. F213110 Retail Sale of Batteries
  - 13. F219010 Retail Sale of Electronic Materials
  - 14. F401010 International Trade
  - 15. IG03010 Energy Technology Services
  - 16. ZZ99999 All business items that are not prohibited or restricted by law
- Article 3: The Company shall have its head office in New Taipei City, Taiwan, and may establish branch companies, representative offices or liaison offices in Taiwan and abroad if necessary by resolution of the Board of Directors.
- Article 4: The total amount of the Company's investment may not be limited by Article 13 of the Company Act with respect to the limit of the proportion of investment
  - The Company may endorse or guarantee external parties when necessary for its business.
- Article 4-1: The method of announcement of the Company shall be in accordance with Article 28 of the Company Act.

#### **Chapter 2 Shares**

Article 5: The total capital of the Company is set at NT\$2,000,000,000 divided into 200,000,000 shares of NT\$10 each, of which unissued shares shall be authorized to be issued by the Board of Directors in installments.NT\$200,000,000 of the aforementioned capital is

reserved for the issuance of employee stock options or the exercise of stock options by a corporate bond with warrant, with a total of 20,000,000 shares of NT\$10 each, to be issued in installments as resolved by the Board of Directors.

- Article 6: The shares of the Company shall be affixed with the signatures or seals of the directors representing the Company and shall be duly certified or authenticated by the bank, which is competent to certify shares under the laws before issuance thereof. The Company shall be exempted from printing its share certificate and shall register the issued shares with a centralized securities depository institution and follow the regulations of that institution.
- Article 7: The transfer and change of the name of the owner of the shares shall be in accordance with Article 165 of the Company Act.

After the Company's public offering, the handling of the Company's stock affairs shall be in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.

### **Chapter 3 Shareholders' Meeting**

- Article 8: There shall be two types of shareholders' meetings: regular meetings shall be held once a year, within six months after the end of each fiscal year, convened by the Board of Directors in accordance with the law, and extraordinary meetings shall be convened when necessary in accordance with the law. Unless otherwise provided in the Company Act and other relevant laws and regulations, the shareholders' meeting should be convened by the Board of Directors in accordance with the law. Shareholders shall be notified 30 days in advance of the convening of a regular shareholders' meeting and 15 days in advance of the convening of an extraordinary shareholders' meeting; But the shareholders holding less than 1,000 shares may be notified by public announcement. The notice and announcement of the shareholders' meeting should specify the causes and subjects for convening the meeting; with the consent of the corresponding party, the notice of meeting may be given in an electronic form.
- Article 8-1: If a shareholders' meeting is convened by the Board of Directors, the Chairperson of the board shall chair the meeting. When the Chairperson is on leave or for any reason unable to exercise the powers of office, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason unable to exercise the powers of office, the Chairperson shall appoint one of the directors to act as chair, where the Chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by

- someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.
- Article 8-2:Shareholders' meeting of the Company may be held by the method of visual communication or other methods announced by the competent authority. In case a shareholders' meeting is held via a visual communication network, the shareholders taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 9: If a shareholder is unable to attend a shareholders' meeting for any reason, he or she may appoint a proxy to attend the meeting with the signature or seal of the shareholder in the proxy form issued by the Company stating the scope of authority in accordance with the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" issued by the competent authority, in addition to the provisions of Articles 177, 177-1 and 177-2 of the Company Act and Article 25-1 of the Securities and Exchange Act.
- Article 9-1: When the Company convenes a shareholders' meeting, shareholders may exercise their voting rights in writing or electronically. Shareholders who exercise their voting rights in writing or electronically shall be deemed to be present in person at the shareholders' meeting, but shall be deemed to have abstained from voting on the extempore motions and amendments to the original motions of the shareholders' meeting. The declaration of intent is governed by Article 177-2 of the Company Act.
- Article 10: Each shareholder of the Company shall have one voting right per share, except in the case of shares without voting rights as provided in Article 179 of the Company Act.
- Article 11: Unless otherwise provided in the relevant laws and regulations, the resolution of the shareholders' meeting shall be made with the attendance of shareholders representing more than half of the total number of issued shares in person or by proxy, with the consent of more than half of the voting rights of the shareholders present.
- Article 11-1: Resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting.

  The minutes of the shareholders' meeting shall be signed or sealed by the chair of the shareholders' meeting, and distributed to the shareholders within 20 days after the meeting.

  The foregoing meeting minutes may be prepared and distributed electronically.
- Article 11-2: If the Company has a motion to cancel the public offering in the future, it shall be proposed as a motion to be resolved at the shareholders' meeting, and this provision shall not be changed during the period of listing on the Emerging Stock Exchange or the period of listing on the TWSE(or OTC) Market in the future..

#### **Chapter 4 Directors and Audit Committee**

Article 12: The Company shall have seven to eleven directors for a term of three years, who shall be elected by the shareholders' meeting based on the candidate nomination system from among persons who have good standing and shall be eligible for re-election. The total number of shares of registered stock held by all directors shall not be less than a certain percentage of the total number of shares required by the competent authority. The Company shall have independent directors within the above total number of directors. The number of independent directors shall not be less than two and not less than one-fifth of the total number of directors, and shall be elected by the shareholders from the list of independent director candidates. The professional qualifications, shareholdings, restrictions on concurrent employment, nominations and other matters to be followed by the independent directors shall be in accordance with the relevant regulations of the competent securities authorities.

If the Company's Audit Committee is established, the Audit Committee shall consist of all independent directors, and the number of independent directors shall not be less than three, one of whom shall be the convener and at least one of whom shall have accounting or financial expertise.

The resolution of the Audit Committee shall be made with at least one-half of all members of the Audit Committee. The first term Audit Committee shall be established on the date of the first election of the independent directors elected in accordance with the preceding Paragraph. The Audit Committee shall be responsible for carrying out the duties and responsibilities of the supervisors under the Company Act, the Securities and Exchange Act and other laws and regulations from the date the Audit Committee is established.

- Article 12-1: The Company may authorize the Board of Directors to purchase liability insurance for all directors during their term of office in respect of their liability under the law for the scope of business they perform.
  - After the Company has purchased or renewed liability insurance for the directors, the Company shall report the amount of liability insurance, coverage and premium rate to the coming Board of Directors' meeting.
- Article 12-2: The Company adopts the single registered cumulative voting system for the election of directors. Each share shall have the same number of voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates, and the persons who receive the greater number of voting rights shall be elected as directors. If there is a need to amend the method, it shall be

listed and described in the causes and subjects of the meeting, in addition to being in compliance with the provisions of Article 172 of the Company Act, etc.

- Article 13: The Board of Directors shall be organized by the directors and shall elect one person as the Chairperson of the Board of Directors from among themselves with the presence of at least two-thirds of the directors and the consent of a majority of the directors present, and may elect one person as the Vice Chairperson from among themselves in the same manner as provided in the Articles of Incorporation. The Chairperson of the Board of Directors shall represent the Company externally. If the Chairperson of the Board of Directors is absent from office or is unable to exercise his or her duties for any reason, the appointment of his or her acting person shall be in accordance with Article 208 of the Company Act.
- Article 13-1: The directors shall attend the meetings of the Board of Directors in person. When a director is unable to attend a meeting of the Board of Directors for any reason, he or she shall appoint another director to attend the meeting as his or her acting person, and shall issue a proxy form each time and state the scope of authority with respect to the causes and subjects of the meeting, but each director can only be appointed by one person. In case a meeting of the Board of Directors is proceeded via a visual communication network, then the directors taking part in such a visual communication meeting shall be deemed to have attended the meeting in person.
- Article 14: In calling a meeting of the board of directors the reasons for convening the meeting shall be stated in the notice of the meeting to directors in writing, email or fax seven days in advance. The Board of Directors' meeting may be convened at any time in case of emergency with the notice of the meeting by writing, Email or fax. Unless otherwise provided in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson of the Board of Directors, who shall serve as the meeting chair. Except as otherwise provided in the Company Act and the Articles of Incorporation, a resolution of the Board of Directors shall be made with the attendance of a majority of the directors and the approval of a majority of the directors present.
- Article 15: The remuneration of all directors is authorized to be determined by the Board of Directors based on the extent of their participation in the Company's operations and the value of their contributions, with the usual standards in the industry taken into account.

### **Chapter 5 Managerial Officer**

Article 16: The Company may have a president and several vice presidents, whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

#### **Chapter 6 Accounting**

- Article 17: At the end of each fiscal year, the Board of Directors of the Company shall prepare the reports listed here and submit them to the Audit Committee for review, and the Audit Committee shall issue a report to the shareholders' meeting for adoption at least thirty days prior to the regular shareholders' meeting.
  - 1. Business Report
  - 2. Financial Statements
  - 3. Earnings distribution or losses make-up proposal
- Article 17-1: Earnings distribution or losses make-up may be made after the end of each quarter or each semi-annual fiscal year, provided that the resolution on the earnings distribution or losses make-up for the preceding three quarter or semi-annual fiscal year shall be submitted to the Audit Committee for review and to the Board of Directors for resolution together with the business report and financial statements.

The Company when distributing surplus earnings in accordance with the provision of the preceding Paragraph, shall estimate and reserve the taxes and dues to be paid, the losses to be covered and the legal reserve to be set aside. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.

If the Company distributes earnings in accordance with the second Paragraph of this Article by issuing new shares, the Company shall comply with the provisions of Article 240 of the Company Act; if cash is to be distributed, the Board of Directors shall approve the distribution.

For a company with a public offering of shares, the earnings distribution or losses make-up in accordance with the preceding three provisions shall be made in accordance with the financial statements audited or reviewed by CPAs.

Article 18: If the Company has any surplus in the net profit for the year as concluded by the annual accounting book close, the Company shall set aside 5% to 15% of the current year's net profit as profit sharing remuneration for employees, which shall be distributed in stock or cash by resolution of the Board of Directors, and the recipients of which include the employees of the subordinate companies who meet certain criteria, where the profit sharing remuneration for managerial officers shall be based on the Company's business strategy, profitability, their performance and contributions, and other factors, and with reference to the market level of salaries, with reference to the recommendation of the Remuneration Committee and approval of the Board of Directors; the Company may set aside not more than 3% of the above-mentioned profit as profit sharing remuneration for directors by resolution of the Board of Directors. The profit sharing remuneration for employees and directors shall be reported to the shareholders' meeting.

However, if the Company has accumulated losses, the amount of losses make-up shall be reserved in advance and then the employees and directors' profit sharing remuneration shall be appropriated in accordance with the aforementioned percentages.

Article 18-1: If the Company has any surplus in the earnings as concluded by the annual accounting book close, the Company shall pay tax and make up for the accumulated losses first, and then set aside 10% as legal reserve, but if the legal reserve has reached the amount of the Company's paid-in capital, no further provision shall be made, and the remainder shall be set aside or reversed as special reserve in accordance with the Securities and Exchange Act; if there is any remaining balance, the Board of Directors shall, together with the accumulated undistributed earnings, prepare an earnings distribution proposal and submit it to the shareholders' meeting for resolution on the distribution of dividends to shareholders.

The Company's dividend policy is to distribute dividends to shareholders at a rate of not less than 60% of the available-for-distribution earnings each year, with the capital, financial structure, operating conditions, future development plans, capital requirements, domestic and international competition taken into account, as well as the interests of shareholders. If the accumulated available-for-distribution earnings are less than 20% of the paid-in capital, no earnings distribution should be made. Dividends may be distributed to shareholders in cash or in stock, with cash dividends not less than 10% of the total dividends.

Article 18-2: The Company's employee' treasury stock, employee stock options, employee profit sharing, new shares subscribed by employees, and new shares with employee restricted stock may be granted to employees of the controlling company or subordinate companies who meet certain criteria.

#### **Article 7 Supplementary Provisions**

Article 19: Matters not provided for in the Articles of Incorporation shall be governed by the provisions of the Company Act and related laws and regulations.

Article 20: The Articles of Incorporation were established on September 13, 2001.

The 1st amendment was made on November 5, 2002.

The 2nd amendment was made on September 10, 2004.

The 3rd amendment was made on May 5, 2005.

The 4th amendment was made on May 5, 2005.

The 5th amendment was made on June 27, 2006.

The 6th amendment was made on June 27, 2006.

The 7th amendment was made on June 21, 2007.

The 8th amendment was made on June 16, 2008.

The 9th amendment was made on April 27, 2010.

The 10th amendment was made on June 19, 2012.

The 11th amendment was made on June 13, 2013.

The 12th amendment was made on June 15, 2016.

The 13th amendment was made on June 22, 2017.

The 14th amendment was made on June 18, 2019.

The 15th amendment was made on July 15, 2021.

The 16th amendments were made on May 30, 2023.

**Edison Opto Corporation** 

Chairperson: Jason Wu

# Annex 10

# **Edison Opto Corporation**

# Rules of Procedure for Shareholders' Meeting

## Article 1 Basis and Purpose

In order to establish a good governance system for the shareholders' meeting, improve the supervision function and strengthen the management function, the Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

### Article 2 Scope

Unless otherwise provided by law or the Articles of Incorporation, the rules of procedure for shareholders' meeting of the company shall be governed by the Rules.

#### Article 3 Definition

The shareholders referred to in these Rules mean the shareholder, requisitioners, and authorized representatives.

#### Article 4 Convening of Notice of a Shareholders' Meeting

- I. A shareholders' meeting of the Company shall be convened by the Board of Directors unless otherwise provided by laws and regulations.
- II. Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, a company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. The vedio shareholders' meeting shall be passed by the board of directors with the attendance of more than two-thirds of the directors and the approval of more than half of the directors present..
- III. A change to the method of holding a shareholders' meeting of the Company shall be decided by the Board of Directors, and shall be made at the latest before the notice of the shareholders' meeting is sent.
- IV. The company shall make an electronic file of the notice of a shareholders' meeting, any document of power of attorney, the reason for any proposal, and the statement of information relevant to the proposals concerning the recognition, discussion, election, or removal of directors, and other items, and transmit them to the Market Observation Post system 30 days before a general shareholders' meeting or 15 days before an interim shareholders' meeting. The Company shall also make an electronic file of the Agenda Manual and supplementary meeting documents for a shareholders' meeting and transmit

them to the Market Observation Post system 21 days prior to a general shareholders' meeting or 15 days prior to an interim shareholders' meeting. However, if the paid-in capital of the Company at the end of the most recent financial year reaches NTD 10 billion or more ,or the total shareholding ratio of foreign capital and mainland capital in the Company, recorded in the Shareholders' register, reaches 30% or more when a shareholders' meeting is held in the most recent financial year ,the transmission of the foregoing electronic files shall be completed 30 days before a general shareholders' meeting. The Agenda Manual and supplementary meeting documents for a shareholders' meeting shall be prepared for the shareholders to read at any time fifteen days before the shareholders' meeting, and shall be placed in the Company and with a professional stock affairs agency appointed by the Company.

- V. The Agenda Manual and supplementary meeting documents referred to in the preceding paragraph shall be provided to shareholders for reference by the Company on the day of a shareholders' meeting in the following ways:
  - (1) When a physical shareholders' meeting is held, they shall be distributed at the shareholders' meeting.
  - (2) When a visual communication-assisted shareholders' meeting is hold, they shall be distributed at the shareholders' meeting, and meanwhile, transmitted to the visual communication meeting platform in electronic files.
  - (3) When a visual communication shareholders' meeting is held, they shall be transmitted to the visual communication meeting platform in electronic files.
- VI. The convening reasons shall be specified in the notice and announcement. The notice may be given in an electronic form.
- VII. Appointment or removal of directors, changes to the Articles of Association, capital reduction, application for suspension of a public offering, permit for directors undertaking competitive business activities, conversion of surplus to capital increase, conversion of reserves to capital increase, dissolution, merger, or splitting of the Company, or any of the items set forth in Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers and Issuing Securities, shall be listed, and their main contents shall be indicated, in the convening reason, and they shall not be proposed in a temporary motion.

- VIII. If the re-election of all the directors and the date of their taking office have been specified in the reason for convening a shareholders' meeting after the re-election at the shareholders' meeting is completed, the date of their taking office shall not be changed at the same meeting by a temporary motion or other means.
- IX. A shareholder who holds more than 1% of the total number of issued shares may submit a proposal to the Company at a general shareholders' meeting, but the number of proposals submitted by him/her is limited to one, and those with more than one proposal shall not be included in the agenda .However, if the purpose of the shareholders' proposal is to urge the Company to promoted public interests or fulfill social responsibilities, the Board of Directors may still include it in the agenda. The Board of Directors may not include a proposal submitted by a shareholder if the proposal has any of circumstances specified in Paragraph 4 of Article 172-1 of the Company Act.
- X. The Company shall declare its acceptance of the shareholders' proposals, the written or electronic acceptance method, the acceptance place, and the acceptance period before the date of suspension of stock transfer before the general shareholders' meeting, and the acceptance period shall not be less than 10 days. The proposals submitted by the shareholders shall be limited to three hundred words, and those exceeding three hundred words shall not be included in the agenda, and the proposing shareholder shall personally attend or authorize a proxy to attend the general shareholders' meeting and participate in the discussion on the proposals.
- XI. The Company shall notify the shareholders of the proposal results before the date of the notice of convening a shareholders' meeting, and list the proposals complying with the provisions of this Article in the notice of the meeting With regard to the proposals submitted by shareholders but not included in the meeting agenda, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

## Article 5 Attendance at a Shareholders' Meeting by a Proxy and Authorization

- I. A shareholder may appoint a proxy printed and issued by the Company to attend a shareholders' meeting on his or her behalf by executing a power of attorney stating therein the scope of power authorized to the proxy.
- II. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior

- to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail; unless an explicit statement to revoke the previously written proxy is made in the proxy, which comes later.
- III. After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the notice of shareholders' meeting so as to rescind the proxy at issue. Otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.
- IV. After a power of attorney is delivered to the company, if a shareholder intends to attend a shareholders' meeting by the visual communication method, he/she shall send a written notice revoking the authorization to the Company two days before the shareholders' meeting, and in case of a late revocation, the voting rights exercised by the proxy shall prevail.

#### Article 6 Principles of Place and Time for Holding a Shareholders' Meeting

- I. The place for holding a Shareholders' meeting shall be the place where the Company is located or where it is convenient for the shareholders to attend and be suitable for holding a shareholders' meeting. The starting time of the meeting shall not be earlier than 9 am or later than 3 pm. The opinions of the independent directors for the meeting time and place shall be fully considered.
- II. The Company shall not be subject to restrictions on the place of holding a shareholders' meeting by the method of visual communication referred to in the preceding paragraph.

#### Article 7 Preparation of signature books and other documents

- I. The Company shall specify the registration time and place of the shareholders and other notes in the meeting notice.
- II. The registration time of the shareholders referred to in the preceding paragraph shall be at least 30 minutes before the start of the meeting. The registration place shall be clearly indicated, and adequate and qualified personnel shall be assigned to handle the registration. The registration for a visual communication shareholders' meeting shall be handled on the visual communication meeting platform for the shareholders' meeting 30 minutes before the start of the meeting. Shareholders who have completed the registration shall be deemed as attending the shareholders' meeting in person.

- III. Shareholders shall attend a shareholders' meeting with their attendance cards, attendance registration cards, or other attendance certificates. The Company shall not arbitrarily add and require other certificates as supporting documents for shareholders attending the meeting. A requisitioner who has a power of attorney for requisition shall bring identification documents for verification.
- IV. The Company shall set up a signature book for shareholders attending the meeting to sign in, or the shareholders attending the meeting shall hand in their registration cards in lieu of signing-in.
- V. The Company shall deliver the Agenda Manual, annual report, attendance certificate, speech notes, voting papers and other meeting documents to the shareholders' meeting, and if directors require being elected, the election votes shall be attached.
- VI. When a government or juristic person is a shareholder, more than one representative can attend the shareholders' meeting. When a juristic person is authorized to attend the shareholders' meeting, only one representative may be appointed to attend the shareholders' meeting.
- VII. If the shareholders' meeting is held by the method of visual communication, and the shareholders intend to attend by the method of visual communication, they shall be registered with the Company two days before the shareholders' meeting.
- VIII. If a shareholders' meeting is held by the method of visual communication, the Company shall upload the Agenda Manual, annual report, and other relevant documents to the visual communication meeting platform for the shareholders' meeting at least 30 minutes before the start of the meeting, and continue to disclose them until the end of the meeting.
- Article 7-1 When holding a shareholders' meeting by the method of visual communication, the items shall be included in the convening notice. The Company shall specify the following items in the notice of convening a shareholders' meeting when holding a shareholders' meeting by the method of visual communicationl:
  - I. Methods for the shareholders' participating in the visual communication meeting and exercising their rights.
  - II. if due to natural disasters, incidents, or other force majeure events, there are any obstacles to the visual communication meeting platform or participation in the meeting by the method of visual communication, when the obstacles are eliminated at least the following items shall be included:
    - (1) The time of a meeting which is postponed or resumed because the

- foregoing obstacles occur successively, and cannot be eliminated, and the date of the meeting which is postponed or resumed, if necessary.
- (2) The shareholders who are registered to participate in the original shareholders' meeting by the method of visual communication shall not participate in the postponed or resumed meeting.
- (3) If the visual communication-assisted shareholders' meeting cannot be resumed, and after deducting the number of shares present at the shareholders' meeting by the method of visual communication, the total number of shares present at the shareholders' meeting reaches the statutory quota of the shareholders' meeting, the shareholders' meeting shall be continued. The number of shares held by the shareholders present at the shareholders' meeting by the method of visual communication shall be counted into the total number of shareholders' shares present, and such shareholders shall be deemed to abstain in all the proposals of the shareholders' meeting.
- (4) The handing methods in case the results for all the proposals are declared but no temporary motion is made.
- III. If a shareholders' meeting is held by the method of visual communication, appropriate alternative measures shall be specified for the shareholders who have difficulty in participating in the shareholders' meeting by the method of visual communication. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

#### Article 8 Chair and attendees at shareholders' meetings

If a shareholders' meeting is convened by the Board of Directors, the Chairperson of the board shall chair the meeting. When the Chairperson is on leave or for any reason unable to exercise the powers of office, the Vice Chairperson shall act in place of the Chairperson; if there is no Vice Chairperson or the Vice Chairperson also is on leave or for any reason unable to exercise the powers of office, the Chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the Chairperson does not make such a designation, the managing

- directors or the directors shall select from among themselves one person to serve as chair.
- II. When a managing director or a director serves as chair, as referred to in the preceding Paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic-person director that serves as chair. The same shall be true for a representative of a corporate director that serves as chair.
- III. For the shareholders' meeting convened by the Board of Directors, the Chairperson of the board should preside in person, and a majority of the directors (including at least one independent director) and at least one representative of various functional committees should attend, and the attendance should be recorded in the shareholders' meeting minutes.
- IV. If a shareholders' meeting is convened by someone with the convening right but other than the Board of Directors, the convening person shall chair the meeting and if there are more than two such persons, one of them shall be elected as the chair of the meeting.
- V. The Company may appoint lawyers, CPA, or related personnel to attend the shareholders' meeting.

Article 9 Audio Recording or Videotaping for the Whole Course of a Shareholders' Meeting.

- I. The Company shall continuously and unceasingly record and videotape the registration course of a shareholders' meeting, the course of the meeting, and the voting and vote counting course after accepting the registration of the shareholders for the shareholders' meeting, and the audio records and videotapes shall be kept for at least one year. However, if a shareholder brings an action pursuant to Article 189 of the Company Act, the audio records and videotapes shall be kept until the end of the action.
- II. If a shareholders' meeting is held by the method of visual communication, the Company shall record and keep the enrollment, registration, questions, and voting of the shareholders and the vote counting results of the Company, and continuously and unceasingly record and videotape the whole course of the visual.
- III. The Company shall properly keep the foregoing information and audio records and videotapes during its existence, and provide the audio records and videotapes to a person authorized to be engaged in the visual communication

- meeting business for keeping.
- IV. If a shareholders' meeting is held by the method of visual communication, the Company shall record and videotape the background and operation interface of the visual communication meeting platform.
- Article 10 Calculation of the Number of Shares Present at and Opening of a Shareholders'

  Meeting
  - The attendance at a shareholders' meeting shall be calculated on the basis of the number of shares present. The number of shares present shall be calculated according to the number of shares registered in the signature book or the registration cards submitted and the number of shares registered in the visual communication meeting platform, plus the number of shares exercising voting rights in written or electronic form.
  - II. At the time of opening the current meeting, the chairperson shall immediately call the meeting to order, and meanwhile declare all relevant information, such as the number of shares without voting rights and the number of shares present, etc.
  - III. Only when shareholders representing more than half of the total number of issued shares are not present may the chairperson declare the postponement of the meeting. The number of postponements is limited to twice, and the total postponement time shall not exceed one hour. If shareholders representing more than one-third of the total number of issued shares are still not present after the second postponement, the chairperson shall declare the adjournment of the meeting and if the shareholders' meeting is held as a visual communication meeting, the Company shall also announce the adjournment of the meeting on the visual communication meeting platform for the shareholders' meeting.
  - IV. If the number of shares in the preceding paragraph is still insufficient after the second postponement, but shareholders representing more than one-third of the total number of issued shares are present, they may adopt a temporary resolution pursuant to Paragraph 1 of Article 175 of the Company Act, and notify each shareholder of the temporary resolution to convene a shareholders' meeting within one month again If the shareholders' meeting is held as the visual communication meeting, and the shareholders intend to attend by visual communication, they shall be re-registered with the Company pursuant to Article 6.
  - V. Before the end of the current meeting, if the number of shares represented by

the shareholders present reaches more than half of the total number of issued shares, the chairperson may re-submit the fake resolution made to the shareholders' meeting for voting in accordance with the provisions in Article 174 of the Company Act.

#### Article 11 Motion discussion

- If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals of that meeting). The meeting should proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.
- II. If a shareholders' meeting is convened by someone with the convening right but other than the Board of Directors, the provisions of the preceding Paragraph shall apply mutatis mutandis.
- III. The chair must not declare the meeting adjourned before the conclusion of the meeting agenda of the preceding two Paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. However, if the chair violates the rules of procedure and adjourns the meeting, a majority of the shareholders present may vote to elect a chair to continue the meeting.
- IV. The chair shall give sufficient explanation and opportunity to discuss the proposals and any amendments or extempore motions proposed by the shareholders, and when he/she is of the opinion that the motion is ready to be voted on, he or she may declare that the discussion is closed, put to vote and arrange adequate time for voting.

#### Article 12 Shareholders' Speech

- I. Before speaking, an attending shareholder must specify the subject of the speech on a speaker slip, his or her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.
- II. An attending shareholder who has submitted a speaker 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 slip, the spoken content shall prevail.
- III. 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 topic, the chair may terminate the speech.
- IV. When an attending shareholder is speaking, other shareholders must not speak or interrupt unless they have sought and obtained the consent of the chair and the speaking shareholder and the chair should stop any violation.
- V. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal.
- VI. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.
- VII. If a shareholders' meeting is held as a visual communication meeting, the shareholder present by the method of visual communication may ask questions in writing on the visual communication meeting platform for the shareholders' meeting after the chairperson calls the meeting to order and before he/she declares the end of the meeting. The number of questions for each proposal shall not exceed twice, and each question shall be limited to 200 words. The provision of Paragraphs 1 to 5 shall not apply.
- VIII. If the question referred to in the preceding paragraph does not violate the provisions or does not exceed the scope of the proposals, it is advisable to disclose the question on the visual communication meeting platform for the shareholders' meeting so that it is well known.

#### Article 13: Calculation of voting shares and recusal system

- Voting in a shareholders' meeting should be calculated based on numbers of shares.
- II. With respect to resolutions of a shareholders' meeting, the number of shares held by a shareholder with no voting right shall not be calculated as part of the total number of issued shares.
- III. When a shareholder has a personal interest in relation to an agenda item that would compromise the interests of the Company, that shareholder must not vote on that item, and must not exercise voting right as a proxy for any other shareholder.
- IV. The number of shares for which voting rights are not allowed to be exercised in the preceding Paragraph shall not be calculated as part of the voting rights represented by attending shareholders.
- V. Except for a trust enterprise or a stock affairs agency approved by the competent securities authority, when one person is concurrently appointed as a proxy by two

or more shareholders, the voting rights of that proxy must not exceed 3% of the voting rights of the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

#### Article 14 Method of Voting for Proposals, Vote Scrutinizing, and Counting

- I. A shareholder shall have one voting right per share, except when the shares are restricted shares or have no voting rights under Article 179, Paragraph 2 of the Company Act.
- II. When the Company holds a shareholders' meeting, it shall allow the exercise of voting rights by electronic means or by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise should be specified in the notice of shareholders' meeting. A shareholder exercising voting rights by correspondence or electronic means shall be deemed to have attended the meeting in person. But his or her rights shall be considered abstained with respect to the extraordinary motions and amendments to original proposals of that meeting; so the Company should avoid submitting extraordinary motions and amendments to original proposals.
- III. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding Paragraph should deliver a written declaration of intent to the Company 2 days before the shareholders' meeting. In the event of duplicate declarations of intent, the one received earliest shall prevail. Except when a declaration is made to cancel the earlier declaration of intent.
- IV. After exercising their voting rights in written or electronic form, if the shareholders intend to attend the shareholders' meeting in person or by the method of visual communication, they shall revoke their intendion to exercise their voting rights as specified in the previous paragraph in the same way as exercise of their voting rights no later than two days before the shareholders' meeting, and in case of late revocation, the voting rights exercised in written or electronic form shall prevail. If the voting rights are exercised in written or electronic form, and a proxy is authorized to attend the shareholders' meeting by a power of attorney, the voting rights exercised by the proxy present shall prevail.
- V. Unless otherwise specified in the Company Act and the Articles of Association, the proposals submitted for voting shall be adopted with the consent of more than half of the voting rights of the shareholders present. Upon voting, after the chairperson or his/her designee declares the total number of voting rights of the

- shareholders present on the proposals on a case-by case basis, the shareholders shall cast their votes on a case-by-case basis, and the results of the shareholders' consent, objection, and abstention shall be entered into the Market Observation Post System on the day after the shareholders' meeting.
- VI. If there are amendment or substitution proposals for the same proposal, the chairperson shall determine the order of voting for those proposals together with the original proposal. If one of the proposals has been adopted, the other proposals will be deemed to be rejected, and there is no need to vote on them again.
- VII. The scrutineers and counters for voting on the proposals shall be appointed by the chairperson, but the scrutineers shall have a shareholder's identity.
- VIII. The vote counting for the voting or election proposals at the shareholders' meeting shall be conducted in public at the shareholders' meeting place. After the vote counting is completed, the voting results shall be declared on the spot, including the weight of statistics, and a record shall be made.
- IX. If the Company holds a shareholders' meeting by the method of visual communication, after the chairperson calls the meeting to order, the shareholders present by the method of visual communication shall vote on various proposals and election proposals through the visual communication meeting platform, and complete the voting before the chairperson declares the end of voting. If any shareholders delay voting, they shall be deemed as abstaining from their voting rights.
- X. If the shareholders' meeting is held as a visual communication meeting, all the votes shall be counted at once after the chairperson declares the end of voting, and the voting and election results shall be declared.
- XI. When the Company holds a visual communication-assisted shareholders' meeting, if the shareholders, who have been registered to attend the shareholders' meeting by the method of visual communication pursuant to Article 6, intend to attend the physical shareholders' meeting in person, they shall revoke their registration in the same way as making the registration two days before the shareholders' meeting, but if the revocation is late, they can only attend the shareholders' meeting by the method of visual communication.
- XII. If the shareholders have exercised their voting rights in written or electronic form, not withdrawn their intention, and attended the shareholders' meeting by the method of visual communication, they shall not exercise their voting rights on the

original proposals, or propose amendments to the original proposals, or exercise their voting rights on amendments to the original proposals except for temporary motions.

#### Article 15 Election

- In the event of an election of directors at a shareholders' meeting, the election results, including the list of elected directors and the number of their elected rights, should be announced on the spot in accordance with the relevant rules established by the Company.
- II. The ballots for the election mentioned in the preceding Paragraph should be properly kept for at least one year after being sealed and signed by the vote monitoring personnel. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

#### Article 16 Meeting minutes and Signing Matters

- I. 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 company within twenty (20) days after the close of the meeting. The meeting minutes may be produced and distributed in electronic form.
- II. The Company may distribute the meeting minutes in the preceding Paragraph by a public announcement through the Market Observation Post System
- III. The meeting minutes should accurately record the year, month, day, and place of the meeting, the chair's name, the methods of ratification, and a summary of the discussions and voting results (including statistics on voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The meeting minutes should be kept for the duration of the existence of the Company.
- IV. If a shareholders' meeting is held by the method of visual communication, the minutes shall, in addition to the items required to be recorded in accordance with the provisions of the preceding paragraph, include the opening and end date of the shareholders' meeting, the method of holding the meeting, the name of the chairperson and the recorder, and the handing method and situation for the obstacles to the visual communication meeting platform or participation by the method of visual communication due to natural disasters, incidents, or other

- force majeure events.
- V. If the Company intends to hold the shareholders' meeting by the method of visual communication, in addition to handling the items in compliance with the provisions of the preceding paragraph, the Company shall also indicate in the minutes the alternative measures provided to the shareholders who have difficulty in attending the shareholders' meeting by the method of visual communication.

#### Article 17: Announcement

- I. The number of shares acquired by the requisitioner, the number of shares represented by the proxy, and the number of shares held by the shareholders attending in written or electronic form shall be clearly indicated according to the statistical table compiled in the prescribed format in the shareholders' meeting place on the day of the shareholders' meeting. If the shareholders' meeting is held by the method of visual communication, the Company shall upload the above information to the visual communication meeting platform for the shareholders' meeting at least 30 minutes before the start of the meeting and continue to disclose it until the end of the meeting.
- II. If the Company intends to hold the shareholders' meeting by the method of visual communication, when calling the meeting to order, the Company shall disclose the total number of shares held by the shareholders present on the visual communication meeting platform. The same provision shall apply if the total number of shares and voting rights of the shareholders attending the meeting are separately counted during the meeting.
- III. If the items to be resolved by the shareholders' meeting are of material information as specified by laws and regulations and as specified by the Taiwan Stock Exchange Corporation (or the GreTai Securities Market), the Company shall transmit the contents to the Market Observation Post System within the time specified.

#### Article 18: Maintenance of order In the Venue

- I. The personnel administering the shareholders' meeting should wear identification cards or armbands.
- II. The chair may direct proctors or security personnel to help maintain order in the meeting place. Proctors or security officers, when helping maintain order at the scene, should wear armbands or identification cards with the word "Proctor".
- III. If the meeting place is equipped with sound amplifying equipment, the chair may

- stop any shareholders from speaking unless they are using the equipment set up by the Company.
- IV. When a shareholder violates the rules of procedure, disobeys the chair's correction, or obstructs the proceedings and refuses to follow the call to stop, the chair may direct proctors or security personnel to escort the shareholder out of the meeting.

#### Article 19: Rest and Meeting Resumption

- I. When the meeting is convened, the chairperson may declare a break at their discretion. If a force majeure event occurs, the chairperson may decide to suspend the meeting temporarily, and declare the time for resuming the meeting as the case may be.
- II. If the agenda arranged by the shareholders' meeting is not finished, but the venue for the meeting is not available at that time, the shareholders' meeting may decide to find another venue to continue the meeting.
- III. The shareholders' meeting may decide to postpone or resume the meeting within five days pursuant to Article 182 of the Company Act.

#### Article 20 Information Disclosure for Visual Communication Meetings

If a shareholders' meeting is held by the method of visual communication, the Company shall immediately disclose the voting results for the various proposals and election results on the visual communication meeting platform for the shareholders' meeting as specified after the voting is over, and shall continuously disclose them for at least 15 minutes after the chairperson declares the end of the meeting.

# Article 21 Location of the chairperson and Recorder of a Shareholders' Meeting by the Method of Visual Communication

When the Company holds a shareholders' meeting by the method of visual communication, the chairperson and recorder shall be at the same place within the country, and the chairperson shall declare the address of the place at the time of the meeting.

#### Article 22: Handling of Communication Disconnection

- I. If a shareholders' meeting is held by the method of visual communication, the Company may make a simple connection test for the shareholders before the meeting, and timely provide relevant services before and during the meeting to assist in dealing with technical problems of communication.
- II. If a shareholders' meeting is held by the method of visual communication, when calling the meeting to order, the chairperson shall separately declare that, in

addition to the situation that the meeting need not be postponed or resumed as specified in Paragraph 4 of Article 44-20 of the Rules Governing Handing of Stock Affairs of Publicly Listed Companies, before the chairperson declares the end of the meeting, if , due to natural disasters, incidents or other force majeure events, there is an obstacle to the visual communication meeting platform or participation in the meeting by the method of visual communication for more than 30continuous minutes, the meeting shall be postponed or resumed within five days, and the provisions of Article 182 of the Company Act shall not apply.

- III. If the meeting is postponed or resumed as specified in the preceding paragraph, the shareholders, who are not registered to attend the original shareholders' meeting by the method of visual communication, shall not attend the postponed or resumed meeting.
- IV. If the meeting shall be postponed or resumed as specified in the Paragraph 2, and shareholders have been registered to attend the original shareholders' meeting by the method of visual communication and have completed the registration, but have not attended the postponed or resumed meeting, the number of shares present at the original shareholders' meeting, and the voting rights and election rights exercised shall be included in the total number of shares, voting rights, and election rights of the shareholders present at the postponed or resumed meeting.
- V. When the shareholders' meeting is postponed or resumed in accordance with the provisions of Paragraph 2, if the voting and counting have been completed, and the voting results or the list of elected directors and supervisors have been declared for the proposals, they are not required to be discussed and resolved again.
- VI. When the Company holds a visual communication-assisted shareholders' meeting, and the visual communication meeting cannot be resumed as specified in Paragraph 2, if the total number of shares present at the shareholders' meeting after deducting the number of shares present at the shareholders' meeting by the method of visual communication still reaches the statutory quota for holding the shareholders' meeting, the shareholders' meeting shall be continuously held, and shall not be postponed or resumed as specified in Paragraph 2.
- VII. If the meeting referred to in the preceding paragraph shall be continuously held, the number of shares held by the shareholders attending the shareholders' meeting by the method of visual communication shall be included in the total number of shares held by the shareholders attending the meeting, but they shall

be deemed as abstaining from all the proposals of the shareholders' meeting.

- VIII. If the company intends to postpone or resume the meeting in accordance with the provisions of Paragraph 2, it shall handle the relevant preparatory operations in accordance with the provisions set forth in Paragraph 7 of Article 44-20 of the Rules Governing Handling of Stock Affairs of Publicly Listed Companies and according to the original date of the shareholders' meeting and the provisions thereof.
- IX. The Company shall decide the period as specified in the last Paragraph of Article 12 and Paragraph 3 of Article 13 of the Rules Governing Attending Shareholders' Meetings of Publicly Listed Companies by Power of Attorney, Paragraph 2 of Article 44-5, Paragraph 1 of Article 44-15, and Paragraph 1 of Article 44-17 of the Rules Governing Handling of Stock Affairs of Publicly Listed Companies according to the date of the shareholders' meeting postponed or resumed as specified in Paragraph 2.

#### Article 23 Processing of a Digital Divide

When the Company holds shareholders meeting by the method of visual communication, it shall provide appropriate alternative measures to the shareholders who have difficulty in attending the shareholders' meeting by the method of visual communication. Except in the circumstances set out in Article 44-9, paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, it shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the company and other related matters requiring attention.

#### Article 24 Implementation

The Rules shall be implemented after being approved by a shareholders' meeting, and the same shall apply to any amendments hereto.

#### Article 25 Date of Formulation and Amendments

The Rules were formulated on June 1, 2007

The first amendments were made on June 22, 2007

The second amendments were made on July 15, 2021

The third amendments were made on May 30, 2023

The fourth amendments were made on May 30, 2024

### Annex 11

#### **Edison Opto Corporation**

#### **Procedures for Election of Directors**

- Article 1: Unless otherwise provided by law or the Company's Articles of Incorporation, the election of directors of the Company shall be conducted in accordance with the provisions of the Procedures.
- Article 2: The election of directors of the Company shall be made by taking into account the overall composition of the Board of Directors. The composition of the Board of Directors shall be made by taking into consideration diversity, and appropriate diversity guidelines shall be made with respect to the Company's operation, business type and development needs, which shall include, but not be limited to, the following two major criteria:
  - I. Basic criteria and values: gender, age, nationality and culture, etc.
  - II. Professional knowledge and skills: Professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills and industry experience, etc.

Board members should generally possess the knowledge, skills and qualities necessary to perform their duties, and the overall competencies they should possess are as follows:

- I. The ability to make judgments about operations
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Industry Knowledge
- VI. An international market perspective.
- VII. Leadership
- VIII. Decision-making ability.

More than half of the directors should have neither a spouse nor relatives within the second degree of kinship in any other director.

The Company's Board of Directors should consider adjusting its composition based on the results of the performance evaluation.

Article 3: The qualifications for the Company's independent directors should be in accordance with Articles 2, 3, and 4 of the "Regulations Governing Appointment of Independent Directors

and Compliance Matters for Public Companies"

The election of the Company's independent directors should be in accordance with Articles 5, 6, 7, 8, and 9 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and should be conducted in accordance with Article 24 of the "Corporate Governance Best Practice Principles" of the Company.

Article 4: The election of directors of the Company shall be conducted in accordance with the procedures of the candidate nomination system set forth in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, the company shall hold a director by-election at the next following shareholders' meeting. When the number of directors falls short by one-third of the total number prescribed by the articles of incorporation, the company shall convene a special shareholders' meeting within 60 days of the occurrence of that fact to hold a director by-election.

If the number of independent directors is not sufficient to meet the requirements of the first proviso of Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the latest shareholders' meeting; if all the independent directors are dismissed, an extraordinary shareholders' meeting shall be held within 60 days from the date of occurrence of the fact.

- Article 5: The Company's directors are elected by the single cumulative registered voting system and each share shall have the same number of voting rights as the number of directors to be elected, which may be cast collectively for a single candidate or split among several candidates
- Article 6: The Board of Directors should prepare election ballots corresponding to the number of directors to be elected, specify the number of voting rights on the ballots and distribute the ballots to the shareholders attending the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of candidates.
- Article 7: The number of directors will be as specified in the Company's Article of incorporation, with voting rights separately calculated for independent and non-independent directors.

  Those receiving the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of directors, they shall draw lots to determine, with the chair drawing lots for those not in attendance.

Article 8: Before the election begins, the chair should appoint a number of persons with shareholder status as vote monitoring and counting personnel to perform the respective duties. The ballot boxes are prepared by the Board of Directors and are open for inspection by the vote monitors before the voting.

Article 9: A ballot is invalid if any of the following is true:

- I. Did not use ballots prepared by the Board of Directors.
- II. Put void ballots into the ballot box.
- III. The handwriting is blurred and unrecognizable or has been altered.
- IV. The names of the persons to be elected do not match the list of director candidates after verification.
- V. In addition to the number of voting rights allocated, other words are included.
- Article 10: After the voting is completed, the ballot box should be opened on the spot. The results of the voting shall be announced by the chair on the spot.

The ballots for the election mentioned in the preceding Paragraph should be properly kept for at least one year after being sealed and signed by the vote monitoring personnel. However, if a lawsuit has been instituted by any shareholder in accordance with the provisions of Article 189 of the Company Act, the minutes of the shareholders' meeting involved shall be kept by the Company until the legal proceedings of the foregoing lawsuit have been concluded.

- Article 11: Any matters not provided for in the Procedures shall be handled in accordance with the Company's Articles of Incorporation, the Company Act and relevant laws and regulations.
- Article 12: These Procedures shall be effective upon the approval of the shareholders' meeting and the same applies to amendments.

## [Annex 12]

Effect of the proposed stock dividends at the shareholders' meeting on the Company's operating results, earnings per share and shareholders' return on equity.

Unit:NT\$

Item	2025(Estimated)			
Paid-in Capital	1,436,094,350			
Distribution of	Cash dividends per shar	0.73886700		
	Cash dividends per shar	0.00000000		
dividend	Stock dividends per sha	0.00000000		
for the year	(NT\$)			
	Operating profit Percentage of increase (	Not applicable (Note)		
	same period last year			
Changes in	Net profit after tax			
operating	Percentage of increase ( the same period last year			
results	Earnings per share			
	Percentage of increase ( the same period last year			
	Annual average return c price-earing ratio)			
Proforma earnings per share and price-earning ratio	•	Proforma earnings per share (NT\$)		
	of earnings, all will be distributed in cash dividends.	Proforma annual average return on investment		
	If the capitalization of capital surplus is not carried out	Proforma earnings per share (NT\$) Proforma annual average return on investment		
	If the capitalization of capital surplus is not carried out and capitalization of earnings, cash dividends are distributed instead	Proforma earnings per share (NT\$)  Proforma annual average return on investment		

- (Note) 1. The estimated dividend distribution for 2025 is based on the resolution of the Board of Directors' meeting held on February 26, 2025, and will be processed in accordance with the relevant regulations after the approval of this year's regular shareholders' meeting.
  - 2. The financial forecast for 2025 was not published. Therefore, there is no need to disclose the estimate information.

Chairperson: Jason Wu Managerial Officer: Jason Wu Accounting Officer:Xi-Quan Hu

## [Annex 13]

# **Edison Opto Corporation Shareholdings by all directors**

- I. The number of issued shareds of the Company was 145,609,435 shares.
- II. The minimum number of shares legally required to be held by all directors is 8,736,566shares.
- III. The shareholdings by individual and all directors as of thedate of stock transfer suspension of the shareholder's meeting(March 30,2025) are as follows:

Date of stock transfer suspension: March 30,2025

Title	Name	Date elected	Term of office (Year)	Number of shares registered on the shareholder roster (shares)	Shareholding percentage (%)
Chairperson	Jason Wu	2022.6.22	3	3,819,107	2.62
Director	Representative of YOUNGTEK ELECTRONICS CORP.: June Wung	2022.6.22	3	2,549,367	1.75
Director	Weixin Investment Limited Representative: Po-Chung Wang	2022.6.22	3	4,827,428	3.32
Director	Wen-Ruei Cheng	2022.6.22	3	1,163,596	0.80
Director	Nan-Yang Wu	2022.6.22	3	0	0.00
Independent director	Wen-Chao Wang	2022.6.22	3	0	0.00
Independent director	Tung-Hsiung Hung	2022.6.22	3	0	0.00
Independent director	Yin-Fei Liu	2022.6.22	3	0	0.00
Independent director	Tsung-Nan Chou	2022.6.22	3	0	0.00
Total number directors	and percentage of share	12,359,498	8.49		

Note: The number of shares held by all directors of the Company has met the criteria of the percentage stipulated in Article 26 of the Securities and Exchange Act.

## [Annex 14] Edison Opto Corporation Other Explanations

For this regular shareholders' meeting, the following is a description of the handling of shareholders' proposals:

- I. In accordance with the provisions of Article 172-1 of the Company Act, shareholders holding more than 1% of the total number of issued shares may submit a proposal to the Company for a regular shareholders' meeting.
- II. The Company accepted applications for shareholders' proposals at this year's regular shareholders' meeting for the period from March 21, 2025 to March 31, 2025, and has made the announcement on the Market Observation Post System in accordance with the law.
- III. The Company did not receive any shareholder's proposals.

# Edison Opto Corporation

