

# **ST.SHINE OPTICAL CO., LTD**

## **2024 Annual General Shareholders' Meeting Meeting Agenda Handbook (Translation)**

Date: June 13, 2024

Method: Physical shareholders' meeting

Place: R2 Building, No. 196, Section 3, Da Tong Road, Xizhi District, New Taipei City  
(Conference Room of the World Trade Center)

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The translation is for reference only. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.

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**St.Shine Optical Co., Ltd.**  
**2024 Annual General Shareholders' Meeting Procedure**

Time : 9:00 a.m., June 13, 2024 (Thursday)

Method : Physical shareholders' meeting

Place : R2 Building, No. 196, Section 3, Da Tong Road, Xizhi  
District, New Taipei City  
(Conference Room of the World Trade Center)

1. Announce Representing Shares Attendance
2. Call Meeting to Order
3. Chairman's Address
4. Report Items
5. Proposals
6. Discussions
7. Elections
8. Other Proposals
9. Extemporaneous Motions
10. Meeting Adjourned

**St.Shine Optical Co., Ltd.**  
**2024 Annual General Shareholders' Meeting Agenda**

1. Chairman's Address
2. Report Items
  - ( 1 ) 2023 Business Report
  - ( 2 ) 2023 Audit Committee's Review Report
  - ( 3 ) 2023 Employee and Director Compensation Report
  - ( 4 ) 2023 Dividend and Bonus Distribute in Cash Report
3. Proposals
  - ( 1 ) 2023 Business Report and Financial Statements
  - ( 2 ) 2023 Earnings Distribution
4. Discussions
  - ( 1 ) Amendment to the "Procedures for the Acquisition or Disposal of Assets"
5. Elections  
Election of the Directors (Including Independent Directors)
6. Other Proposals  
Proposal to release non-competition restrictions on newly appointed directors and their representatives.
7. Extemporaneous Motions
8. Meeting Adjourned

## **Report Items**

### **1. 2023 Business Report.**

**Explanation :** Please refer to Attachment I.

### **2. 2023 Audit Committee's Review Report.**

**Explanation :** Please refer to Attachment II.

### **3. 2023 Employee and Director Compensation Report.**

**Explanation :**

Consideration of the 2023 business performance and employee incentives, in accordance with the Article 24 of the Company's Articles of Incorporation, according to the profit of this year it is distributed Employee Compensation NT\$64,000,000 (8.51%) and Director Compensation NT\$8,800,000 (1.17%). All compensation shall be distributed in cash.

### **4. 2023 Dividend and Bonus Distribute in Cash Report.**

**Explanation :**

1. In accordance with the Article 24-1 of Articles of Incorporation, the Company's dividends and bonuses in 2023 shall all distribute in Cash. The Board of Directors resolved to distribute NT\$7 per share, with a total NT\$352,915,612 in cash dividends. The cash dividends are distributed and rounded up to NT\$1; also, dividends for odd lots to each shareholder will be booked as non-operating income of the Company.
2. If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, it is proposed to the shareholders' meeting that the Board of Directors be authorized to make such adjustments at its full discretion.

## **Proposals**

### **Proposal 1 (Proposed by the Board of Directors)**

#### **Adoption of 2023 Business Report and Financial Statements**

- Explanation:**
1. The Company's 2023 Business Report, Financial Statements and Consolidated Financial Statements were prepared.
  2. The above Financial Statements, Consolidated Financial Statements, together with the Independent Auditors Audit Reports, were audited by CPA Sheng-wei Teng and CPA Shu-fen Yu of PwC Taiwan, along with the Business Report, have been verified by the Audit Committee and the review report was issued, accordingly.
  3. The Company's 2023 Business Report and 2023 Financial Statements and Consolidated Financial Statements are hereby submitted for adoption (please refer to Attachment I and Attachment III).

Resolutions:

### **Proposal 2 (Proposed by the Board of Directors)**

#### **Adoption of 2023 Earnings Distribution**

- Explanation:**
1. The 2023 Earnings Distribution Proposal was resolved by the Board of Directors. The Earnings Distribution Proposal is based on the earnings of 2023. If there is insufficient amount, the cumulative earnings available for distribution can be allocated in the order of last-in-first-out.
  2. Cash dividends are distributed and rounded up to NT\$1; also, dividends for odd lots to each shareholder will be booked as non-operating income of the Company.
  3. If the dividend ratio of the earnings distribution is changed and must be adjusted as a result of a change in the number of outstanding shares, it is proposed to the shareholders' meeting that the Board of Directors be authorized to make

such adjustments at its full discretion.

4. After the Earnings Distribution proposal approved by the general shareholders' meeting, the Board of Directors is authorized to determine the Dividend record date and payment date. (Please refer to Attachment IV for the 2023 Earnings Distribution Statement).

Resolutions:

## **Discussions**

### **Proposal 1 (Proposed by the Board of Directors)**

#### **Amendment to the "Procedures for the Acquisition or Disposal of Assets"**

- Explanation:** 1. The Company plans to have the " Procedures for the Acquisition or Disposal of Assets " amended in response to the operation of the company.
2. Please refer to Attachment V for the comparison table of revisions.

Resolutions:



## **Elections (Proposed by the Board of Directors)**

### **Cause of Action: Election of the Directors (Including Independent Directors)**

- Explanation:**
1. The term of the Directors will be end on July 1, 2024. Shareholder's meeting shall be held and elect directors.
  2. In accordance with the Article 17 of Articles of Incorporation, directors (including independent directors) shall be elected from the list of the nomination directors prepared by the company, and the shareholders' meeting shall elect 9 directors (including 3 independent directors), and their three-year term will start from June 13, 2024 and conclude on June 12, 2027.
  3. According to the Company's Articles of Association, Article 192-1 of the Company Act, the Securities and Exchange Act, Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and other relevant law and regulations, the candidates list approved by the Board of Directors on March 13, 2024 is provided. (Please refer to Attachment VI)
  4. Please elect.

Election Results:

## **Other Proposals (Proposed by the Board of Directors)**

**Cause of Action: Proposal to release non-competition restrictions on newly appointed directors and their representatives.**

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

2. It is proposed to the Meeting for approval to release the non-competition restrictions on new directors and their representatives. For “List of Director and Independent Director Candidates to be released from Non-Competition Restrictions”, please refer to Attachment VII.

Resolutions:

## **Extemporaneous Motions**

## **Meeting Adjourned**

## St.Shine Optical Co., Ltd.

## The 2023 Business Report

Ladies and Gentlemen:

Thank you to all shareholders for participating the General Shareholders Meeting. I would like to express our deepest gratitude to you all and would like to report the business performance of 2023.

Consolidated revenue for the year of 2023 was NT\$4,393,888 thousand, a decrease of 12.18% from the NT\$ 5,003,499 thousand of 2022. The operating results of year 2023 and the business plan for this year are as follows:

## (I) 2023 Consolidated Revenue and Loss

Unit : NT\$ thousands

Item	Amount
Operating Income	4,393,888
Gross Profit	975,246
Operating Expenses	369,547
Net Operating Income	605,699
Net Income Before Taxes	678,918
Net Income	545,954

## (II) 2023 Consolidated Financial Status and Profitability Analysis

Item	2023
Ratio of Liability to Assets (%)	20.86%
Current Ratio (%)	306.87%
Ratio of Return on Total Assets (%)	6.90%
Ratio of Return on Shareholders' Equity (%)	8.80%
Ratio to Issued Capital Stock	
Operating Income (%)	120.13%
Net Income Before Taxes (%)	134.66%
Profit Ratio (%)	12.42%
Earnings per Share (NTD)	10.83

## (III) Research and Development

1. Initiate automatic process development and improvement to upgrade quality and reduce costs.
2. Implement diversified product design and meet the needs of different customers to increase market share.
3. Master the movement of market and product development, continue to develop new products, and meet the needs of all markets.
4. Strive to outsource raw materials to increase market competitiveness.

#### (IV) Current (2024) Annual Business Plan Outline

##### 1. Operating Strategies

In the export market, to obtain licenses for new markets and to expand the international market; in the domestic market, to strengthen our cooperation with the existing customer channels and to develop the new sales channel, and launch of new functional products for increasing the market share.

##### 2. Expected Sales Quantity and Basis

Prepare the 2024 sales forecast in volume according to data compilation and analysis, including industrial environment, market supply and demand, the Company's sales and production capacity, and marketing capabilities and prospects.

Main Products	Expected Sales Volume (Thousand Boxes)
Contact Lenses	40,198

##### 3. Major Production and Marketing Policy

- (1) Master market development and provide consumers with a varied product selection.
- (2) Develop new materials, provide more comfortable products to serve customers, and increase the market competitiveness of products.
- (3) Improve the production process, increase the production, and improve the cost structure.
- (4) Strengthen the cooperation of existing customers and actively develop new customers to increase the market share.

Chairman: Ming-Hsien Chen    President: Johnson Chou    Chief Accountant: Ya-Ping Lin

St.Shine Optical Co., Ltd.

Audit Committee's Review Report

TO : 2024 Annual General Meeting

St.Shine Optical Co., Ltd.

The Board of Directors has prepared the Company's 2023 business report, financial statements (including consolidated financial statements), and proposal for distribution of earnings. The CPA firm of PricewaterhouseCoopers, Taiwan has audited the financial statements (including consolidated financial statements) and issued the audit reports. The above business report, financial statements (including consolidated financial statements), and proposal for distribution of earnings have been reviewed and determined to be correct and accurate by the Audit Committee members of St.Shine Optical Co., Ltd. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

St.Shine Optical Co., Ltd.

Convener of the Audit Committee : Chang-Chou Li

March 13, 2024

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of St. Shine Optical Co., Ltd.

### ***Opinion***

We have audited the accompanying parent company only balance sheets of St. Shine Optical Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### ***Basis for opinion***

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

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

**Key audit matter - Appropriateness of timing of sales revenue recognition**

Description

Refer to Note 4(24) for accounting policy on revenue recognition and Note 6(15) for the details of sales revenue.

The Company's revenue is primarily from export of goods. Sales revenue is recognised when the control of the products has transferred to the customers based on the information listed in the export declaration. As the procedures for the timing of revenue recognition involves the manual checking of the status of delivery and related documents, this may lead to some errors in the timing of revenue recognition near the end of the financial reporting date. Thus, we considered the appropriateness of timing of sales revenue recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of, assessed and tested management's internal control procedures on revenue recognition, and confirmed whether the related internal controls were reasonable and operating effectively.
- B. Performed cut-off test on sales revenue transactions, including checking the order terms, export declaration and delivery information in order to confirm whether the accounting treatment of revenue recognition timing was appropriate.

**Key audit matter - Assessment of allowance for inventory valuation losses**

Description

Refer to Note 4(11) for the accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for the details of allowance for inventory valuation losses.

The Company is primarily engaged in manufacturing and trading of contact lenses. As the contact lenses market is competitive, frequent releases of new products result in potential price fluctuations and product marginalization in the market. These factors may affect the estimation of the net realisable values of inventories.

The inventories of the Company are measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty. Thus, we considered the assessment of allowance for inventory valuation losses as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Based on the understanding of the Company's operations and industry characteristics, assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including inventory clearance, the reasonableness of obsolete inventory, and the consistency of accounting estimates.
- B. Tested the statements prepared by the Company to verify whether the information that the Company used to calculate inventory valuation loss was consistent with the Company's policy, sampled individual part numbers to verify whether the selling price and net realisable value were calculated correctly, and assessed the reasonableness of allowance for inventory valuation losses.
- C. Verified the appropriateness of system logic used in the Company's inventory aging reports to confirm whether the information on the reports is consistent with its policies.
- D. Selected samples of individual inventory item numbers and checked them against historical data on inventory clearance and discount, compared the samples against prior allowance for inventory valuation losses and referred to subsequent transactions in order to assess the reasonableness of the Company's allowance for inventory valuation losses.

***Responsibilities of management and those charged with governance for the parent company only financial statements***

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the



Company's financial reporting process.

***Auditors' responsibilities for the audit of the parent company only financial statements***

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

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- E. Evaluate the overall presentation, structure and content of the parent company only financial

statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Teng, Sheng-wei

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Yu, Shu-Fen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2024

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The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance parent company only with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ST. SHINE OPTICAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,052,833	26	\$ 2,265,321	27
1136	Current financial assets at amortised cost	6(2)	-	-	30,710	-
1150	Notes receivable, net	6(3)	2,052	-	4,494	-
1170	Accounts receivable, net	6(3)	680,793	9	634,001	8
1180	Accounts receivable due from related parties, net	7	1,224	-	815	-
1200	Other receivables		16,728	-	11,556	-
130X	Inventories	6(4)	1,087,297	14	1,327,345	16
1410	Prepayments		49,314	1	51,100	1
1470	Other current assets		3,569	-	930	-
11XX	<b>Total current assets</b>		<u>3,893,810</u>	<u>50</u>	<u>4,326,272</u>	<u>52</u>
<b>Non-current assets</b>						
1550	Investments accounted for using equity method	6(5)	24,263	-	30,135	-
1600	Property, plant and equipment	6(6) and 8	3,545,971	46	3,658,842	44
1755	Right-of-use assets	6(7)	59,506	1	90,916	1
1780	Intangible assets		3,946	-	2,371	-
1840	Deferred income tax assets	6(22)	48,944	1	51,930	1
1900	Other non-current assets	6(11)	178,279	2	141,558	2
15XX	<b>Total non-current assets</b>		<u>3,860,909</u>	<u>50</u>	<u>3,975,752</u>	<u>48</u>
1XXX	<b>Total assets</b>		<u>\$ 7,754,719</u>	<u>100</u>	<u>\$ 8,302,024</u>	<u>100</u>

(Continued)

ST. SHINE OPTICAL CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term borrowings	6(8)	\$ -	-	\$ 200,000	2
2130	Contract liabilities - current	6(15)	43,139	1	11,881	-
2150	Notes payable		210,380	3	185,408	2
2170	Accounts payable		53,589	1	61,484	1
2200	Other payables	6(9) and 7	679,991	9	723,424	9
2230	Current income tax liabilities		143,061	2	218,166	3
2280	Lease liabilities - current		32,170	-	43,802	1
2320	Long-term liabilities, current portion	6(10) and 8	102,883	1	102,664	1
2399	Other current liabilities		7,753	-	18,936	-
21XX	<b>Total current liabilities</b>		<u>1,272,966</u>	<u>17</u>	<u>1,565,765</u>	<u>19</u>
	<b>Non-current liabilities</b>					
2540	Long-term borrowings	6(10) and 8	289,228	4	392,094	5
2570	Deferred income tax liabilities	6(22)	28,840	-	28,618	-
2580	Lease liabilities - non-current		27,615	-	47,785	1
25XX	<b>Total non-current liabilities</b>		<u>345,683</u>	<u>4</u>	<u>468,497</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>1,618,649</u>	<u>21</u>	<u>2,034,262</u>	<u>25</u>
	<b>Equity attributable to owners of the parent</b>					
	Share capital	6(12)				
3110	Ordinary share		504,165	6	504,165	6
	Capital surplus	6(13)				
3200	Capital surplus		526,000	7	526,000	6
	Retained earnings	6(14)				
3310	Legal reserve		1,958,133	25	1,853,795	22
3320	Special reserve		-	-	9,374	-
3350	Unappropriated retained earnings		3,146,855	41	3,374,385	41
	Other equity interest					
3400	Other equity interest		917	-	43	-
3XXX	<b>Total equity</b>		<u>6,136,070</u>	<u>79</u>	<u>6,267,762</u>	<u>75</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	<b>Total liabilities and equity</b>		<u>\$ 7,754,719</u>	<u>100</u>	<u>\$ 8,302,024</u>	<u>100</u>

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

**ST. SHINE OPTICAL CO., LTD.**  
**PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

				For the years ended December 31,				
				2023		2022		
Items	Notes	Amount	%	Amount	%	Amount	%	
4000	Operating revenue	6(15) and 7	\$	4,393,717	100	\$	5,003,499	100
5000	Operating costs	6(4) (20) (21)	(	3,418,643	( 78)	(	3,529,098	( 71)
5900	Gross profit			975,074	22		1,474,401	29
5910	Unrealised profit from sales	6(5)	-	-	-	(	1)	-
5920	Realised profit from sales			1	-		-	-
5950	Gross profit			975,075	22		1,474,400	29
	Operating expenses	6 (20) (21)						
6100	Selling expenses		(	175,533	( 4)	(	199,539	( 4)
6200	General and administrative expenses		(	121,626	( 3)	(	153,073	( 3)
6300	Research and development expenses		(	69,910	( 1)	(	48,825	( 1)
6450	Expected credit impairment gain	12(2)		4,956	-		4,096	-
6000	Total operating expenses		(	362,113	( 8)	(	397,341	( 8)
6900	Operating profit			612,962	14		1,077,059	21
	Non-operating income and expenses							
7100	Interest income	6(2) (16)		37,796	1		11,294	-
7010	Other income	6(17)		12,743	-		11,079	-
7020	Other gains and losses	6(7) (18)		32,575	-		198,037	4
7050	Finance costs	6(7) (19)	(	10,233	-	(	9,790)	-
7070	Share of loss of associates and joint ventures accounted for using equity method	6(5)	(	6,975	-	(	6,628)	-
7000	Total non-operating income and expenses			65,906	1		203,992	4
7900	<b>Profit before income tax</b>			678,868	15		1,281,051	25
7950	Income tax expense	6(22)	(	132,914	( 3)	(	261,997	( 5)
8200	<b>Profit for the year</b>		\$	545,954	12	\$	1,019,054	20
	<b>Other comprehensive income, net</b>							
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>							
8311	Gain on remeasurement of defined benefit plans	6(11)	\$	2,629	-	\$	30,414	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(	526	-	(	6,082)	-
	<b>Components of other comprehensive income that will be subsequently reclassified to profit or loss</b>							
8361	Exchange differences on translation of foreign financial statements			1,103	-		9,417	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	(	229	-	(	-	-
8300	<b>Other comprehensive income, net</b>		\$	2,977	-	\$	33,749	1
8500	<b>Total comprehensive income for the year</b>		\$	548,931	12	\$	1,052,803	21
	Basic earnings per share							
9750	Profit for the year	6(23)	\$	10.83		\$	20.21	
	Diluted earnings per share							
9850	Profit for the year	6(23)	\$	10.74		\$	20.05	

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

ST. SHINE OPTICAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Notes	Ordinary share	Capital surplus - share premium	Retained earnings			Other equity interest	Total equity	
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements		
<u>For the year ended December 31, 2022</u>								
	Balance at January 1, 2022	\$ 504,165	\$ 526,000	\$ 1,758,420	\$ 5,853	\$ 3,186,143	(\$ 9,374)	\$ 5,971,207
	Profit for the year	-	-	-	-	1,019,054	-	1,019,054
	Other comprehensive income for the year	-	-	-	-	24,332	9,417	33,749
	Total comprehensive income for the year	-	-	-	-	1,043,386	9,417	1,052,803
	Appropriations and distribution of 2021 earnings			6(14)				
	Legal reserve	-	-	95,375	-	( 95,375)	-	-
	Special reserve	-	-	-	3,521	( 3,521)	-	-
	Cash dividends	-	-	-	-	( 756,248)	-	( 756,248)
	Balance at December 31, 2022	\$ 504,165	\$ 526,000	\$ 1,853,795	\$ 9,374	\$ 3,374,385	\$ 43	\$ 6,267,762
<u>For the year ended December 31, 2023</u>								
	Balance at January 1, 2023	\$ 504,165	\$ 526,000	\$ 1,853,795	\$ 9,374	\$ 3,374,385	\$ 43	\$ 6,267,762
	Profit for the year	-	-	-	-	545,954	-	545,954
	Other comprehensive income for the year	-	-	-	-	2,103	874	2,977
	Total comprehensive income for the year	-	-	-	-	548,057	874	548,931
	Appropriations and distribution of 2022 earnings			6(14)				
	Legal reserve	-	-	104,338	-	( 104,338)	-	-
	Reversal of special reserve	-	-	-	( 9,374)	9,374	-	-
	Cash dividends	-	-	-	-	( 680,623)	-	( 680,623)
	Balance at December 31, 2023	\$ 504,165	\$ 526,000	\$ 1,958,133	\$ -	\$ 3,146,855	\$ 917	\$ 6,136,070

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

ST. SHINE OPTICAL CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31,	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		\$ 678,868	\$ 1,281,051
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges	6(6) (7) (20)	307,864	315,438
Amortisation charges	6(20)	14,140	13,020
Expected credit impairment gain	12(2)	( 4,956 )	( 4,096 )
Interest expense	6(19)	10,233	9,790
Interest income	6(16)	( 37,796 )	( 11,294 )
Loss on investments accounted for using equity method	6(5)	6,975	6,628
Unrealised profit from sales	6(5)	-	1
Realised profit from sales		( 1 )	-
Property, plant and equipment transferred to expenses	6(6)	954	-
Gain on disposal of investment	6(18)	-	( 4,369 )
Loss (gain) on disposals of property, plant and equipment	6(18)	92	( 105 )
(Gain) loss on lease modifications	6(7) (18)	( 30 )	26
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable		2,442	( 511 )
Accounts receivable		( 42,072 )	269,449
Accounts receivable due from related parties		( 409 )	1,462
Other receivables		2,959	4,112
Inventories		240,048	( 151,434 )
Prepayments		( 8,485 )	( 15,826 )
Other current assets		( 2,639 )	( 558 )
Changes in liabilities relating to operating activities			
Contract liabilities		31,258	( 9,284 )
Notes payable		24,972	( 33,299 )
Accounts payable		( 7,895 )	( 46,969 )
Other payables		( 46,762 )	( 92,937 )
Other current liabilities		( 11,183 )	1,978
Cash inflow generated from operations		1,158,577	1,532,273
Receipt of interest		37,923	10,234
Payment of interest		( 10,269 )	( 9,838 )
Payment of income tax		( 213,588 )	( 241,526 )
Net cash provided by operating activities		972,643	1,291,143
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in financial assets at amortized cost - current	6(2)	30,710	( 30,710 )
Acquisition of investments accounted for using equity method	6(5)	-	( 13,995 )
Cash received from liquidation of subsidiaries		-	106,933
Acquisition of property, plant and equipment	6(24)	( 146,412 )	( 134,953 )
Proceeds from disposal of property, plant and equipment		2	179
Acquisition of intangible assets		( 5,440 )	( 1,186 )
Increase in other non-current assets		( 34,092 )	( 12 )
Net cash used in investing activities		( 155,232 )	( 73,744 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(25)	10,000	200,000
Decrease in short-term borrowings	6(25)	( 210,000 )	( 400,000 )
Repayments of long-term borrowings	6(25)	( 102,647 )	( 191,968 )
Payments of lease liabilities	6(25)	( 46,629 )	( 44,967 )
Payment of cash dividends	6(14)	( 680,623 )	( 756,248 )
Net cash used in financing activities		( 1,029,899 )	( 1,193,183 )
(Decrease) increase in cash and cash equivalents		( 212,488 )	24,216
Cash and cash equivalents at beginning of year	6(1)	2,265,321	2,241,105
Cash and cash equivalents at end of year	6(1)	\$ 2,052,833	\$ 2,265,321

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of St. Shine Optical Co., Ltd.

### ***Opinion***

We have audited the accompanying consolidated balance sheets of St. Shine Optical Co., Ltd. and its subsidiaries (the “Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

### ***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 consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Key audit matters***

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.



Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

**Key audit matter - Appropriateness of timing of sales revenue recognition**

Description

Refer to Note 4(25) for accounting policy on revenue recognition and Note 6(15) for the details of sales revenue.

The Group's revenue is primarily from export of goods. Sales revenue is recognised when the control of the products has transferred to the customers based on the information listed in the export declaration. As the procedures for the timing of revenue recognition involves the manual checking of the status of delivery and related documents, this may lead to some errors in the timing of revenue recognition near the end of the financial reporting date. Thus, we considered the appropriateness of timing of sales revenue recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Obtained an understanding of, assessed and tested management's internal control procedures on revenue recognition, and confirmed whether the related internal controls were reasonable and operating effectively.
- B. Performed cut-off test on sales revenue transactions, including checking the order terms, export declaration and delivery information in order to confirm whether the accounting treatment of revenue recognition timing was appropriate.

**Key audit matter - Assessment of allowance for inventory valuation losses**

Description

Refer to Note 4(12) for the accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for the details of allowance for inventory valuation losses.

The Group is primarily engaged in manufacturing and trading of contact lenses. As the contact lenses market is competitive, frequent releases of new products result in potential price fluctuations and product marginalization in the market. These factors may affect the estimation of the net realisable values of inventories.

The Group's inventories are measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty. Thus, we considered the assessment of allowance for inventory valuation losses as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

- A. Based on the understanding of the Group's operations and industry characteristics, assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including inventory clearance, the reasonableness of obsolete inventory, and the consistency of accounting estimates.
- B. Tested the statements prepared by the Group to verify whether the information that the Group used to calculate inventory valuation loss was consistent with the Group's policy, sampled individual part numbers to verify whether the selling price and net realisable value were calculated correctly, and assessed the reasonableness of allowance for inventory valuation losses.
- C. Verified the appropriateness of system logic used in the Group's inventory aging reports to confirm whether the information on the reports is consistent with its policies.
- D. Selected samples of individual inventory item numbers and checked them against historical data on inventory clearance and discount, compared the samples against prior allowance for inventory valuation losses and referred to subsequent transactions in order to assess the reasonableness of the Group's allowance for inventory valuation losses.

**Other matter – Parent company only financial reports**

We have audited and expressed an unqualified opinion on the parent company only financial statements of St. Shine Optical Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

***Responsibilities of management and those charged with governance for the consolidated financial statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is

necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

### ***Auditors' responsibilities for the audit of the consolidated financial statements***

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

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

- A. 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 controls.
- B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting

estimates and related disclosures made by management.

- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- E. 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.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 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 auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Teng, Sheng-wei

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Yu, Shu-Fen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2024

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The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance consolidated with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
<b>Current assets</b>						
1100	Cash and cash equivalents	6(1)	\$ 2,063,672	26	\$ 2,283,352	27
1136	Current financial assets at amortised cost	6(2)	-	-	30,710	-
1150	Notes receivable, net	6(3)	2,052	-	4,494	-
1170	Accounts receivable, net	6(3)	681,079	9	634,001	8
1180	Accounts receivable due from related parties, net	7	825	-	815	-
1200	Other receivables		16,728	-	11,558	-
130X	Inventories	6(4)	1,087,297	14	1,327,345	16
1410	Prepayments		49,802	1	51,855	1
1470	Other current assets		3,569	-	930	-
11XX	<b>Total current assets</b>		<u>3,905,024</u>	<u>50</u>	<u>4,345,060</u>	<u>52</u>
<b>Non-current assets</b>						
1550	Investment accounted for using equity method	6(5)	12,381	-	10,818	-
1600	Property, plant and equipment	6(6) and 8	3,546,118	46	3,658,997	44
1755	Right-of-use assets	6(7)	59,506	1	90,916	1
1780	Intangible assets		3,946	-	2,371	-
1840	Deferred income tax assets	6(22)	48,944	1	51,930	1
1900	Other non-current assets	6(11)	178,333	2	141,603	2
15XX	<b>Total non-current assets</b>		<u>3,849,228</u>	<u>50</u>	<u>3,956,635</u>	<u>48</u>
1XXX	<b>Total assets</b>		<u>\$ 7,754,252</u>	<u>100</u>	<u>\$ 8,301,695</u>	<u>100</u>

(Continued)

**ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(8)	\$ -	-	\$ 200,000	2
2130	Contract liabilities - current	6(15)	43,139	1	11,881	-
2150	Notes payable		210,380	3	185,408	2
2170	Accounts payable		53,589	1	61,484	1
2200	Other payables	6(9)	679,488	9	723,106	9
2230	Current income tax liabilities		143,061	2	218,166	3
2280	Lease liabilities - current		32,170	-	43,802	1
2320	Long-term liabilities, current portion	6(10) and 8	102,883	1	102,664	1
2399	Other current liabilities		7,789	-	18,925	-
21XX	<b>Total current liabilities</b>		<u>1,272,499</u>	<u>17</u>	<u>1,565,436</u>	<u>19</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(10) and 8	289,228	4	392,094	5
2570	Deferred income tax liabilities	6(22)	28,840	-	28,618	-
2580	Lease liabilities - non-current		27,615	-	47,785	1
25XX	<b>Total non-current liabilities</b>		<u>345,683</u>	<u>4</u>	<u>468,497</u>	<u>6</u>
2XXX	<b>Total liabilities</b>		<u>1,618,182</u>	<u>21</u>	<u>2,033,933</u>	<u>25</u>
<b>Equity attributable to owners of the parent</b>						
Share capital						
3110	Ordinary share	6(12)	504,165	6	504,165	6
Capital surplus						
3200	Capital surplus	6(13)	526,000	7	526,000	6
Retained earnings						
3310	Legal reserve	6(14)	1,958,133	25	1,853,795	22
3320	Special reserve		-	-	9,374	-
3350	Unappropriated retained earnings		3,146,855	41	3,374,385	41
Other equity interest						
3400	Other equity interest		917	-	43	-
3XXX	<b>Total equity</b>		<u>6,136,070</u>	<u>79</u>	<u>6,267,762</u>	<u>75</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the balance sheet date						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 7,754,252</u>	<u>100</u>	<u>\$ 8,301,695</u>	<u>100</u>

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

**ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

				For the years ended December 31,			
				2023		2022	
Items	Notes	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(15) and 7	\$ 4,393,888	100	\$ 5,003,499	100	
5000	Operating costs	6(4) (20) (21)	( 3,418,643)	( 78)	( 3,529,098)	( 71)	
5900	Gross profit		975,245	22	1,474,401	29	
5910	Unrealised profit from sales		-	-	( 1)	-	
5920	Realised profit from sales		1	-	-	-	
5950	Gross profit		975,246	22	1,474,400	29	
	Operating expenses	6 (20) (21)					
6100	Selling expenses		( 176,456)	( 4)	( 196,898)	( 4)	
6200	General and administrative expenses		( 128,137)	( 3)	( 160,126)	( 3)	
6300	Research and development expenses		( 69,910)	( 1)	( 48,825)	( 1)	
6450	Expected credit impairment gain	12(2)	4,956	-	4,096	-	
6000	Total operating expenses		( 369,547)	( 8)	( 401,753)	( 8)	
6900	Operating profit		605,699	14	1,072,647	21	
	Non-operating income and expenses						
7100	Interest income	6(2) (16)	37,857	1	11,836	-	
7010	Other income	6(17)	12,906	-	11,259	-	
7020	Other gains and losses	6(7) (18)	32,532	-	198,337	4	
7050	Finance costs	6(7) (19)	( 10,233)	-	( 9,790)	-	
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(5)	157	-	( 3,196)	-	
7000	Total non-operating income and expenses		73,219	1	208,446	4	
7900	<b>Profit before income tax</b>		678,918	15	1,281,093	25	
7950	Income tax expense	6(22)	( 132,964)	( 3)	( 262,039)	( 5)	
8200	<b>Profit for the year</b>		\$ 545,954	12	\$ 1,019,054	20	
	<b>Other comprehensive income, net</b>						
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>						
8311	Gain on remeasurement of defined benefit plans	6(11)	\$ 2,629	-	\$ 30,414	1	
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	( 526)	-	( 6,082)	-	
	<b>Components of other comprehensive income that will be subsequently reclassified to profit or loss</b>						
8361	Exchange differences on translation of foreign financial statements		1,103	-	9,417	-	
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	( 229)	-	-	-	
8300	<b>Other comprehensive income, net</b>		\$ 2,977	-	\$ 33,749	1	
8500	<b>Total comprehensive income for the year</b>		\$ 548,931	12	\$ 1,052,803	21	
	<b>Profit attributable to:</b>						
8610	Owners of the parent		\$ 545,954	12	\$ 1,019,054	20	
	<b>Comprehensive income attributable to:</b>						
8710	Owners of the parent		\$ 548,931	12	\$ 1,052,803	21	
	Basic earnings per share						
9750	Profit for the year	6(23)	\$ 10.83		\$ 20.21		
	Diluted earnings per share						
9850	Profit for the year	6(23)	\$ 10.74		\$ 20.05		

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



ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Equity attributable to owners of the parent					Other equity interest Exchange differences on translation of foreign financial statements	Total equity
		Ordinary share	Capital surplus - share premium	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>For the year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 504,165	\$ 526,000	\$ 1,758,420	\$ 5,853	\$ 3,186,143	(\$ 9,374)	\$ 5,971,207
Profit for the year		-	-	-	-	1,019,054	-	1,019,054
Other comprehensive income for the year		-	-	-	-	24,332	9,417	33,749
Total comprehensive income for the year		-	-	-	-	1,043,386	9,417	1,052,803
Appropriations and distribution of 2021 earnings	6(14)							
Legal reserve		-	-	95,375	-	( 95,375)	-	-
Special reserve		-	-	-	3,521	( 3,521)	-	-
Cash dividends		-	-	-	-	( 756,248)	-	( 756,248)
Balance at December 31, 2022		\$ 504,165	\$ 526,000	\$ 1,853,795	\$ 9,374	\$ 3,374,385	\$ 43	\$ 6,267,762
<u>For the year ended December 31, 2023</u>								
Balance at January 1, 2023		\$ 504,165	\$ 526,000	\$ 1,853,795	\$ 9,374	\$ 3,374,385	\$ 43	\$ 6,267,762
Profit for the year		-	-	-	-	545,954	-	545,954
Other comprehensive income for the year		-	-	-	-	2,103	874	2,977
Total comprehensive income for the year		-	-	-	-	548,057	874	548,931
Appropriations and distribution of 2022 earnings	6(14)							
Legal reserve		-	-	104,338	-	( 104,338)	-	-
Reversal of special reserve		-	-	-	( 9,374)	9,374	-	-
Cash dividends		-	-	-	-	( 680,623)	-	( 680,623)
Balance at December 31, 2023		\$ 504,165	\$ 526,000	\$ 1,958,133	\$ -	\$ 3,146,855	\$ 917	\$ 6,136,070

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

**ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**

	Notes	For the years ended December 31,	
		2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before income tax		\$ 678,918	\$ 1,281,093
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges	6(6) (7) (20)	307,869	315,505
Amortisation charges	6(20)	14,174	13,039
Expected credit impairment gain	12(2)	( 4,956 )	( 4,096 )
Interest expense	6(19)	10,233	9,790
Interest income	6(16)	( 37,857 )	( 11,836 )
(Gain) loss on investments accounted for using equity method	6(5)	( 157 )	3,196
Unrealised profit from sales		-	1
Realised profit from sales		( 1 )	-
Property, plant and equipment transferred to expenses	6(6)	954	-
Gain on disposal of investment		-	( 4,949 )
Loss (gain) on disposals of property, plant and equipment	6(18)	92	( 105 )
(Gain) loss on lease modifications	6(7) (18)	( 30 )	26
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable		2,442	( 511 )
Accounts receivable		( 42,358 )	269,449
Accounts receivable due from related parties		( 10 )	1,462
Other receivables		2,960	4,112
Inventories		240,048	( 151,434 )
Prepayments		( 8,215 )	( 15,924 )
Other current assets		( 2,657 )	( 562 )
Changes in liabilities relating to operating activities			
Contract liabilities		31,258	( 9,284 )
Notes payable		24,972	( 33,299 )
Accounts payable		( 7,895 )	( 46,969 )
Other payables		( 46,915 )	( 91,797 )
Other current liabilities		( 11,183 )	1,977
Cash inflow generated from operations		1,151,686	1,528,884
Receipt of interest		37,985	10,778
Payment of interest		( 10,269 )	( 9,838 )
Payment of income tax		( 213,638 )	( 241,576 )
Net cash provided by operating activities		965,764	1,288,248
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease (increase) in financial assets at amortized cost - current	6(2)	30,710	( 30,710 )
Acquisition of investment accounted for using equity method		-	( 13,995 )
Acquisition of property, plant and equipment	6(24)	( 146,412 )	( 134,973 )
Proceeds from disposal of property, plant and equipment		2	179
Acquisition of intangible assets		( 5,440 )	( 1,186 )
Increase in other non-current assets		( 34,134 )	( 53 )
Net cash used in investing activities		( 155,274 )	( 180,738 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Increase in short-term borrowings	6(25)	10,000	200,000
Decrease in short-term borrowings	6(25)	( 210,000 )	( 400,000 )
Repayments of long-term borrowings	6(25)	( 102,647 )	( 191,968 )
Payments of lease liabilities	6(25)	( 46,629 )	( 44,967 )
Payment of cash dividends	6(14)	( 680,623 )	( 756,248 )
Net cash used in financing activities		( 1,029,899 )	( 1,193,183 )
Effect of exchange rate changes		( 271 )	14,333
Decrease in cash and cash equivalents		( 219,680 )	( 71,340 )
Cash and cash equivalents at beginning of year	6(1)	2,283,352	2,354,692
Cash and cash equivalents at end of year	6(1)	\$ 2,063,672	\$ 2,283,352

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

St.Shine Optical Co., Ltd.

2023 Earnings Distribution Statement

Unit : NT\$

Item	Amount
Unappropriated Earnings - Beginning	2,598,797,026
Add : Net Income - 2023	545,954,126
Add : 2023 Retained Earnings Adjustment Amount – Defined Benefit Plan Actuarial Profit and Loss	2,103,002
Minus: Appropriated Legal Reserve	(54,805,713)
Distributable Earnings	3,092,048,441
Appropriation:	
Shareholders Bonus – Cash (NT\$7 per Share)	(352,915,612)
Unappropriated Earnings - Ending	2,739,132,829

Chairman: Ming-Hsien Chen    President: Johnson Chou    Chief Accountant: Ya-Ping Lin

**St. Shine Optical Co., Ltd.**  
**Comparison Table of Revisions to the "Procedures for Acquisition or Disposal of Assets"**

No.	After the Revision	Before the Revision	Note
Article 9	Appraisal and Operating procedures of the acquisition and disposal of Real Property, Equipment Assessment or Right-of-use assets 1. Omitted. 2. Omitted. 3. Authorization quota and level In acquiring or disposing of real estate, equipment, or right-of-use assets, where the transaction amount under NT\$ <u>30</u> million shall submit for approval in accordance with the company's approved limits, where the transaction amount above NT\$ <u>30</u> million shall submit to the Board of Directors for approval. 4~5. Omitted.	Appraisal and Operating procedures of the acquisition and disposal of Real Property, Equipment Assessment or Right-of-use assets 1. Omitted. 2. Omitted. 3. Authorization quota and level In acquiring or disposing of real estate, equipment, or right-of-use assets, where the transaction amount under NT\$ <u>20</u> million shall submit for approval in accordance with the company's approved limits, where the transaction amount above NT\$ <u>20</u> million shall submit to the Board of Directors for approval. 4~5. Omitted.	Adjust the transaction amount authorized by the board of directors to acquire or dispose of real property, equipment or right-of-use assets with reference to current prices and the Company's operating scale, and in conjunction with practical operations.
Article 14	Appraisal and Operating procedures of conducting mergers, demergers, acquisitions or transfer of shares 1~4. Omitted. 5. The date of convene the Board of Director meeting and the Shareholders meeting (1)~(3) Omitted. (4) The information of <u>1) and 2) of the preceding subparagraph</u> , shall report in the prescribed format via the online information collection system for FSC's reference within 2 days from the date of the resolution of the Board of Directors. 6~10. Omitted.	Appraisal and Operating procedures of conducting mergers, demergers, acquisitions or transfer of shares 1~4. Omitted. 5. The date of the Board of Directors and the Shareholders' meeting (1)~(3) Omitted. (4) The information of <u>1) and 2) of the preceding subparagraph</u> , shall report in the prescribed format via the online information collection system for FSC's reference within 2 days from the date of the resolution of the Board of Directors. 6~10. Omitted.	Chinese text revision as appropriate.

**St. Shine Optical Co., Ltd.**  
**List of the candidates for Directors**

Name	Main Education	Main Experience	Current Position	Name of the Legal Entity Representation / Unified Business Number	Shareholding (Notes)
Ming-Hsien Chen	<ul style="list-style-type: none"> <li>• Honorary Ph. D in Engineering, National Kaohsiung University of Sciences and Technology</li> <li>• Postgraduate studies in Business Administration, National Chengchi University</li> <li>• Department of Electronic Engineering, National Kaohsiung University of Sciences and Technology</li> </ul>	Sales Manager of Kang De Mei Optics Co.	<ul style="list-style-type: none"> <li>• Vice President of Greater China Businesses Department of St.Shine Optical Co., Ltd.</li> <li>• Representative of corporate director of Shine Optical (Samoa) Holding Groups, Inc.</li> <li>• Director of Shine Optical HK Limited</li> <li>• Director of Poya International Co., Ltd.</li> <li>• Director of 3D Global Biotech Inc.</li> </ul>	Yun-Ming Investment Co., Ltd. / 29106827	1,751,000
Johnson Chou	Department of Electronic Engineering, Ta Hwa University of Science and Technology	Factory Manager of Kang De Mei Optics Co.	<ul style="list-style-type: none"> <li>• CEO of St.Shine Optical Co., Ltd.</li> <li>• Director of Shanghai Ticon Optical Limited</li> <li>• Representative Director of St. Shine Optical Japan Co., Ltd.</li> </ul>	N/A	1,388,612
Ying-Chieh Chu	Department of Electronics, Taipei KaiNan High School	Sales Representative of Greater China Businesses Department of St.Shine Optical Co., Ltd.		N/A	402,000
Peter Ho	Master of National Development and Mainland China Studies, Chinese Culture University	President of Keelung City Elite Conversational English Institute	Supervisor of Jingshichen Co., Ltd.	N/A	203,749

Name	Main Education	Main Experience	Current Position	Name of the Legal Entity Representation / Unified Business Number	Shareholding (Notes)
Yu Hao Chen	B.H.M.S MBA in Hospitality Management	<ul style="list-style-type: none"> <li>Assistant Marketing Manager of Sales &amp; Marketing Department of The Sherwood Taipei</li> <li>Engineering Project Management Officer of Hon Hai Precision Industry Co., Ltd.</li> </ul>	Sr. Digital Development & Product Management Specialist of Heineken Brouwerijen B.V. Taiwan Branch	Bao-Da Co., Ltd / 83223891	297,309
Audrey Tseng	<ul style="list-style-type: none"> <li>Master of Business Management, National Taiwan University and Fudan University</li> <li>Master of Commerce in Department of Accounting, National Chengchi University</li> </ul>	<ul style="list-style-type: none"> <li>Former Deputy Chairman, Assurance Leader, Chief Operating Officer and Head of the Biomedical Industry, PricewaterhouseCoopers Taiwan</li> <li>Former Synergies Leader of PricewaterhouseCoopers Greater China(CaTSH)</li> </ul>	<ul style="list-style-type: none"> <li>Advisory member, Bio Taiwan Committee</li> <li>Vice Chairman of Taiwan Bio Industry Organization</li> <li>Vice Chairman of Taiwan Digital Health Industry Development Association</li> <li>Adjunct Professor of National Yang Ming Chiao Tung University</li> </ul>	N/A	0

Note: The number of shares listed above excludes the “Shares Under Trust with Discretion Reserved”

**St. Shine Optical Co., Ltd.**

**List of the candidates for Independent Directors**

	Main Education	Main Experience	Current Position	Shareholding	Has the candidate served as an independent director for three consecutive terms? (Rationale for nomination)
Chang Chou Li	Master of Science in Accounting, University of Illinois at Urbana-Champaign	Partner of PricewaterhouseCoopers Taiwan	<ul style="list-style-type: none"> <li>• CPA of Zhi Cheng Accounting Firm</li> <li>• Independent Director of Evergreen Marine Corporation</li> <li>• Independent Director of Silicon Optronics, Inc.</li> <li>• Independent Director of Hotai Insurance Co., Ltd.</li> </ul>	0	No, only served as an independent director for one term
I-Yen Lu	Master of Mechanical Engineering, National Chiao Tung University	Vice Chairman of Digiwin Software Co., Ltd.	<ul style="list-style-type: none"> <li>• Chairman of Strait Capital Investment Group</li> <li>• Chairman of Zeyu Investment Consultant Co., Ltd.</li> <li>• Chairman of ChengTai Biotech Co., Ltd.</li> <li>• Chairman of Hong Chang Memory Technology Co., Ltd</li> <li>• Director and CEO of Sun Well Healthcare Co., Ltd.</li> <li>• Representative of Corporate Director of Hivox Biotek Inc.</li> <li>• Director of Sunwise Investment Co., Ltd.</li> <li>• Director of Strait Capital Co., Ltd.</li> <li>• Independent Director of Insyde Software Corp.</li> <li>• Chairman of Rich Ever Management Limited Company</li> <li>• Supervisor of Yixinli Investment Co., Ltd.</li> </ul>	0	No, only served as an independent director for one term
James S. J. Cheng	Division of Judicature in the Department of Law in the Law & Commerce College, National Chung Hsing University	Partner of Tsar & Tsai Law Firm	<ul style="list-style-type: none"> <li>• Partner of the Tsar &amp; Tsai Law Firm</li> <li>• Supervisor of the Board of TungNan University</li> <li>• Director of the MAPECT</li> <li>• Supervisor of the ACAMS Taiwan Chapter</li> <li>• Independent Director of Highpoint Service Network Corporation</li> <li>• Independent Director of BRIM Biotechnology, Inc.</li> <li>• Director of Chinatrust Investment Co., Ltd.</li> </ul>	0	No, only served as an independent director for one term

**St. Shine Optical Co., Ltd.**  
**List of Director and Independent Director Candidates**  
**to be released from Non-Competition Restrictions**

Candidates	Concurrent positions to be released from non-competition restrictions
<b>Representative of Corporate Director</b> Ming-Hsien Chen	Director of Poya International Co., Ltd. Director of 3D Global Biotech Inc.
<b>Director</b> Peter Ho	Supervisor of Jingshichen Co., Ltd.
<b>Representative of Corporate Director</b> Yu Hao Chen	Sr. Digital Development & Product Management Specialist of Heineken Brouwerijen B.V. Taiwan Branch
<b>Director</b> Audrey Tseng	Independent Director of Delta Electronics, Inc. Independent Director of Asustek Computer Inc Independent Director of Coretronic Corp., Independent Director of Bionime Corporation Director of BRIM Biotechnology, Inc., Representative of Corporate Director of Bonraybio Co., Ltd Representative of Corporate Director of AP Biosciences Inc. Director of HanchorBio Inc.(Cayman) Director of T-E Pharma Holding (Cayman) Independent Director of Onward Therapeutics SA.(Switzerland) Representative of Corporate Director of H2U Corporation Supervisor of Taiwan Bio-Manufacturing Corporation
<b>Independent Director</b> Chang Chou Li	CPA of Zhi Cheng Accounting Firm Independent Director of Evergreen Marine Corporation Independent Director of Silicon Optronics, Inc. Independent Director of Hotai Insurance Co., Ltd.
<b>Independent Director</b> I-Yen Lu	Chairman of Strait Capital Investment Group Chairman of Zeyu Investment Consultant Co., Ltd. Chairman of ChengTai Biotech Co., Ltd. Chairman of Hong Chang Memory Technology Co., Ltd Director and CEO of Sun Well Healthcare Co., Ltd. Representative of Corporate Director of Hivox Biotek Inc. Director of Sunwise Investment Co., Ltd. Director of Strait Capital Co., Ltd. Independent Director of Insyde Software Corp. Chairman of Rich Ever Management Limited Company Supervisor of Yixinli Investment Co., Ltd.
<b>Independent Director</b> James S. J. Cheng	Partner of the Tsar & Tsai Law Firm Independent Director of Highpoint Service Network Corporation Independent Director of BRIM Biotechnology, Inc. Director of Chinatrust Investment Co., Ltd.



**St.Shine Optical Co., Ltd.**  
**Articles of Incorporation**

**Chapter 1 General Rules**

- Article 1: The Company is named “St.Shine Optical Co., Ltd.” according to the organization stipulated in the Company Act.
- Article 2: The Company’s business operation is as follows:
- I. CF01011 Medical Equipment Manufacturing Business
  - II. F401010 International Trade
  - III. F113050 Computer and Office Machinery Equipment Wholesale Business
  - IV. F213030 Computer and Office Machinery Equipment Retail Business
  - V. F108031 Medical Equipment Wholesale Business
  - VI. F208031 Medical Equipment Retail Business
  - VII. JZ99060 Optometry Service Industry
  - VIII. ZZ99999 Except for the chartered business, including businesses not prohibited or restricted by law;
- Article 3: The Company may make guarantees externally for business needs, but guarantee related matters shall be implemented in accordance with the Company’s “Loans and Endorsement & Guarantee Operational Procedures.”
- Article 4: The Company shall not be an unlimited liability shareholder of a company or a partner of a partnership; if it is a limited liability shareholder of a company, the total investment amount is not subject to the limit of total investment as stipulated in the Company Act, only the investment in long-term equity shall be determined by the competent authority within the scope of authorization in accordance with the Company’s “Procedures for the Acquisition or Disposal of Assets.”
- Article 5: The total investment amount of the Company is not subject to the restriction of Article 13 of the Company Act.
- Article 6: The Company has a head office in New Taipei City and may establish branches domestically or internationally as necessary with the establishment, revocation, or changes implemented by the resolution of the Board of Directors.

## **Chapter 2 Shares**

Article 7: The Company's authorized capital amount is NT\$880 million, divided into 88 million shares at NT\$10 par, and the Board of Directors is authorized to have the unissued shares issued by installation.

In the previous amount of capital, 3,610,000 shares are reserved for the application of employee warrants.

Article 8: The Company's stocks are all registered, and the share certificates shall be affixed with the signatures or personal seals of the director 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 shares issued by the Company are exempted from printing stocks, as other negotiable securities, and should be registered with the centralized securities depository institutions.

Article 9: The Company's stock matters should be handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" that is announced by the competent authorities.

Article 10: The registration for share transfer shall be suspended within 60 days before the General Shareholders Meeting, within 30 days before an Extraordinary Shareholders Meeting, or within five days before the date of the Company's decision made to distribute dividends and bonuses or other benefits.

## **Chapter 3 Shareholders Meeting**

Article 11: Shareholders Meetings include General Shareholders Meeting and Extraordinary Shareholders Meeting.

1. A General Shareholders Meeting is held once a year and it shall be convened by the Board of Directors within six months after the end of each fiscal year.

2. An Extraordinary Shareholders Meeting is convened when it is necessary.

The Company's shareholders' meetings may be held by video conferencing or other means announced by the central competent authority. The shareholders participate in such a video conferencing meeting shall be deemed to have attended the meeting in person.

Article 12: The resolutions of the Shareholders Meeting, unless otherwise regulated by law and regulations, shall be reached with the attendance of the shareholders who have been issued with the majority of the shares, and with the consent of the attending shareholders who have the majority of the voting rights.

Article 13: Each shareholder of the Company has one vote for each share, except as otherwise provided by relevant laws and regulations.

Article 14: When a shareholder is unable to attend the Shareholders' Meeting for any reason, he/she may submit a proxy form which printed by the Company and specifying the scope of authorization, after signed or sealed, authorize a proxy to attend the meeting. The use of the proxy is in accordance with the "Regulations Governing the Use of Proxies for the Attendance at Shareholders Meeting of Public Companies" issued by the competent authorities.

Article 15: When a Shareholders Meeting is held, the Chairman is to chair the meeting. When the Chairman is on leave, the Chairman shall appoint one of the directors to act as Chairman. Where the Chairman does not make such a designation, the directors shall select from among themselves one person to serve as Chairman. If a Shareholders Meeting is convened by a party with the power to convene but not the Board of Directors, the convening party shall chair the Meeting, and if there are more than two conveners, one of the conveners shall chair the Shareholders Meeting.

Article 16: The resolutions of the Shareholders Meeting shall be made into a minutes of the Meeting to be signed or sealed by the Chairman of the Shareholders Meeting, and the minutes of the Meeting shall be distributed to the shareholders within 20 days after the Meeting.

The production and distribution of the minutes of the Meeting in the preceding paragraph can be made electronically.

The distribution of the minutes of the Meeting as stated in Paragraph 1 can be announced.

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

Article 17: The Company shall have five to nine directors. Directors shall be elected by the shareholders' meeting from the director candidate nomination list. The term of office for Directors shall be three years and may be re-elected.

The aforesaid Board of Directors must have at least three independent directors and no less than one-third of the total numbers of the directors.

The professional qualifications, shareholdings, part-time restrictions, nomination and election methods, and other matters to be complied with by independent directors shall comply with the relevant regulations of the securities authorities.

The total shareholding ratio of all directors of the Company shall be in accordance with the regulations of the securities authorities.

Article 17-1: The manner in which the Company accepts the nomination and election of directors is handled in accordance with the relevant laws and regulations. The election of independent directors and non-independent directors shall be held together, but the number of elected seats counted separately.

The cumulative voting method shall be used for election of the directors of the Company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. The candidates with the higher number of votes are elected.

Article 17-2: More than half of the directors of the Company having neither of the following relationships with any director:

1. Spouses.
2. A relationship within the second degree of kinship.

Article 17-3: The Company established the audit committee in accordance with Article 14-4 of Securities and Exchange Act. The audit committee shall be composed of the entire number of independent directors, and it shall not less than three persons in number, one of whom shall be convener, and at least one of whom shall have accounting or financial expertise.

The Company established the audit committee, therefore the regulations regarding supervisors in Securities and Exchange Act, the Company Act, and other laws and regulations shall apply to the audit committee.

Article 18: Directors organize the Board of Directors to exercise the powers of directors.

Article 19: The Board Meeting shall be attended by more than two-thirds of the directors, and more than half of the attending directors will give consent on the election of the Chairman. One Chairman shall be elected and the Chairman shall represent the Company externally.

Article 20: The first Board Meeting is to be convened by the director who receives the highest voting rights. Starting from the second meeting, the Board Meeting is to be convened and chaired by the Chairman. When the Chairman asks for leave or

fails to exercise his/her powers for any reason, his/her proxy shall handle matters in accordance with the provisions of Article 208 of the Company Act.

Article 20-1: The notice for the meetings of the Board of Directors shall state the reasons of the meetings, and shall be sent to each director 7 days prior to the meetings. In case of emergency, the meetings of the Board of Directors may be convened when deemed necessary.

The aforementioned meeting notice shall be notified in writing or via facsimile or e-mail to all directors.

Article 21: Unless otherwise regulated by the Company Act and Other Laws, the resolutions of the Board of Directors shall be reached with the attendance of the majority of directors and with the consent of the majority of the attending directors.

When the directors have a conflict of interest in the matters of the Meeting, they shall explain the important contents of their conflict of interest in the Board Meeting.

All Board Directors shall attend Board Meetings in person; if attendance in person is not possible, they may appoint another director to attend in their place with a written proxy stating the scope of authorization with respect to the reasons for meeting, but there is a limit of one proxy for one director only. In addition, directors attending the Board Meeting via video-conference are deemed to have attended in person.

Article 22: The Company may have one general manager and several vice general managers appointed in accordance with the resolutions of the Board of Directors and with their appointment, dismissal, and remuneration handled in accordance with the provisions of Article 29 of the Company Act.

Article 22-1: The Company shall insure liability insurance for the directors to indemnify the potential liabilities, according to the relevant laws, to be borne by the directors when perform their duties during their term so as to protect all shareholders' equities and to reduce the operating risk of the company.

Article 22-2: For the remuneration of the Chairman and directors, the Board of Directors is authorized to determine it according to their participation in and contribution to the Company's operations and by referring to the advice of the Remuneration Committee and the standards of the industry.

## Chapter 5 Accounting

Article 23: At the end of each fiscal year, the Board of Directors has the following reports prepared and presented in the Shareholders Meeting for recognition:

- I. Business Report.
- II. Financial Statements.
- III. Earnings Distribution or Loss Compensation Statement.

Article 24: If the Company makes a profit in the year, it should appropriate not less than 3% of the earnings as remuneration to employees. The Board of Directors decides the distribution of stock dividends or cash dividends. Employees of the subordinate companies who have met certain conditions are also entitled to be distributed. The Company's Board of Directors may resolve to appropriate not more than 3% of the aforementioned earnings as remuneration to directors, in cash only.

However, when the Company has accumulated losses, it should retain the amount to make up for the losses first, and then appropriate remuneration to employees and directors according to the ratio stated in the preceding paragraph.

Remuneration to employees and directors shall be reported in the Shareholders Meeting.

Article 24-1: The Company's earnings, if any, after applied to pay taxes, should make up for losses first, and then 10% of the earnings shall be appropriated as legal reserve. But when the legal reserve is equivalent to the paid-in capital, the appropriation of legal reserve can be ceased. In addition, the special reserve will be appropriated or reversed according to laws and regulations or depending on business needs. The remaining amount, if any, plus the accumulated undistributed earnings will be available for distribution according to the proposal of the Board of Directors. The issuance of new shares should be presented in the Shareholders Meeting for resolutions.

The allocation of the special reserve under the preceding paragraph, belong to the insufficiency accumulated special reserve of preceding period, shall allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

In accordance with paragraph 5, Article 240 of the Company Act, the company

authorized the board of directors which by a majority of the directors present who represent more than two-thirds of the board of directors to make a resolution to have the distributable dividends and bonuses, or regulated by the paragraph 1 Article 241 of the Company Act's legal reserve and capital reserve in whole or in part, provide in cash, and report to the shareholders' meeting.

Article 25: The Company will consider the surrounding environment and growth stage of the Company, in response to future capital needs and long-term financial planning, and meet the shareholders' demand for cash inflow, for the distribution of dividends by the Company, wherein the cash dividends shall not less than 10% of the total dividends.

## **Chapter 6 Supplementary Clauses**

Article 26: The charter and work rules of the Company are to be stipulated separately in accordance with the resolution of the Board of Directors.

Article 27: Matters not covered in the Articles of Association will be handled in accordance with the provisions of the Company Act and relevant laws and regulations.

Article 28: These Articles of Association were enacted on August 14, 1986.

The 1<sup>st</sup> amendment was made on December 5, 1986.

The 2<sup>nd</sup> amendment was made on December 20, 1991.

The 3<sup>rd</sup> amendment was made on July 20, 1994.

The 4<sup>th</sup> amendment was made on March 3, 1995.

The 5<sup>th</sup> amendment was made on October 24, 1996.

The 6<sup>th</sup> amendment was made on December 2, 1996.

The 7<sup>th</sup> amendment was made on December 24, 1998.

The 8<sup>th</sup> amendment was made on May 6, 1999.

The 9<sup>th</sup> amendment was made on December 4, 1999.

The 10<sup>th</sup> amendment was made on December 4, 1999.

The 11<sup>th</sup> amendment was made on February 15, 2000.

The 12<sup>th</sup> amendment was made on July 14, 2000.

The 13<sup>th</sup> amendment was made on June 26, 2002.

The 14<sup>th</sup> amendment was made on June 12, 2003.

The 15<sup>th</sup> amendment was made on May 25, 2004.

The 16<sup>th</sup> amendment was made on May 25, 2004.

The 17<sup>th</sup> amendment was made on June 27, 2005.

The 18<sup>th</sup> amendment was made on June 14, 2006.

The 19<sup>th</sup> amendment was made on June 13, 2007.  
The 20<sup>th</sup> amendment was made on June 15, 2010.  
The 21<sup>st</sup> amendment was made on June 12, 2012.  
The 22<sup>nd</sup> amendment was made on June 9, 2015.  
The 23<sup>rd</sup> amendment was made on June 17, 2016.  
The 24<sup>th</sup> amendment was made on July 2, 2021.  
The 25<sup>th</sup> amendment was made on June 29, 2022.



**St.Shine Optical Co., Ltd.**  
**Rules and Procedure of Shareholders' Meeting**

Article 1 To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2 The rules of procedures for the company's shareholders meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be as provided in these Rules.

Article 3 Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The Company shall prepare electronic versions of the shareholders meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders meeting or before 15 days before the date of the special shareholders meeting. If, however, the Company has the paid-in capital of NT\$10 billion or more as of the last day of the most current fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.

The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:

1. For physical shareholders meetings, to be distributed on-site at the meeting.
2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform.
3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the articles of incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger, or any matter under Article 185, paragraph 1 of Company Act, Article 26-1, 43-6 of Securities and Exchange Act, Article 56-1, 60-2 of Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

A shareholder holding one percent or more of the total number of issued shares may submit to the Company a written proposal for discussion at a regular shareholders meeting. The number of items so proposed, however, is limited to one only. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda. Shareholders may submit proposed proposals to urge the company to promote the public interest or fulfill its social responsibilities. The procedures shall be limited to one item in accordance with the relevant provisions of Article 172 of the Company Law. If there is more than one proposal, the board of directors may exclude it from the agenda.

Prior to the book closure date before a regular shareholders meeting is held, the

Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.

Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 4 For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation shall be submitted to the Company before two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

If, after a proxy form is delivered to the Company, a shareholder wishes to attend the shareholders meeting online, a written notice of proxy cancellation shall be submitted to the Company two business days before the meeting date. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

Article 5 The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full

consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

The restrictions on the place of the meeting shall not apply when the Company convenes a virtual-only shareholders meeting.

Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for shareholders, solicitors and proxies (collectively "shareholders") will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. For virtual shareholders meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person.

Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders.

Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

In the event of a virtual shareholders meeting, shareholders wishing to attend the meeting online shall register with the Company two days before the meeting date.

In the event of a virtual shareholders meeting, the Company shall upload the meeting agenda book, annual report and other meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

Article 6-1 To convene a virtual shareholders meeting, the Company shall include the following particulars in the shareholders meeting notice:

- I. How shareholders attend the virtual meeting and exercise their rights.
- II. Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
  - (I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
  - (II) Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
  - (III) In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
  - (IV) Actions to be taken if the outcome of all proposals has been announced and extraordinary motion has not been carried out.
- III. To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online shall be specified.

Article 7 If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the 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 the vice chairperson, 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.

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.

It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.

If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.

The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.

The recorded materials of the preceding paragraph shall be retained for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Where a shareholders meeting is held online, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end.

The information and audio and video recording in the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.

In case of a virtual shareholders meeting, the Company is advised to audio and video record the back-end operation interface of the virtual meeting platform.

Article 9 Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chair shall call the meeting to order at the appointed meeting time, and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chair shall declare the meeting adjourned. In the event of a virtual shareholders meeting, the Company shall also declare the meeting adjourned at the virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month. In the event of a virtual shareholders meeting, shareholders intending to attend the meeting online shall re-register to the Company in accordance with Article 6.

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

Article 10 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 set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chair 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 chair in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11 Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

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

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

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

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

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



Where a virtual shareholders meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 1 to 5 do not apply.

As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the virtual meeting platform.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by 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 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person, but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company

avoid the submission of extraordinary motions and amendments to original proposals.

A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each proposal, the chair or a person designated by the chair shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting

has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

When the Company convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

When the Company convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting online in accordance with Article 6 decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting online.

When shareholders exercise voting rights by correspondence or electronic means, unless they have withdrawn the declaration of intent and attended the shareholders meeting online, except for extraordinary motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.

Article 14 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.

Article 15 Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors. The minutes shall be retained for the duration of the existence of the Company.

Where a virtual shareholders meeting is convened, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders meeting, how the meeting is convened, the chair's and secretary's name, and actions to be taken in the event of disruption to the virtual meeting platform or participation in the meeting online due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the minutes.

When convening a virtual-only shareholder meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a virtual-only shareholders meeting online.

Article 16 On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting. In the event a virtual shareholders meeting, the Company shall upload the above meeting materials to the virtual meeting platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the meeting.

During the Company's virtual shareholders meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the virtual meeting platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taipei Exchange Market regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chair may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chair may prevent the shareholder from so doing.

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 When a meeting is in progress, the chair may announce a break based on time considerations. If a force majeure event occurs, the chair may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19 In the event of a virtual shareholders meeting, the Company shall disclose real-time results of votes and election immediately after the end of the voting session on the virtual meeting platform according to the regulations, and this disclosure shall continue at least 15 minutes after the chair has announced the meeting adjourned.

Article 20 When the Company convenes a virtual-only shareholders meeting, both the chair and secretary shall be in the same location, and the chair shall declare the address of their location when the meeting is called to order.

Article 21 In the event of a virtual shareholders meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical

issues.

In the event of a virtual shareholders meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.

For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to participate in the affected shareholders meeting online shall not attend the postponed or resumed session.

For a meeting to be postponed or resumed under the second paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postponed or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders meeting held under the second paragraph, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors.

When the Company convenes a hybrid shareholders meeting, and the virtual meeting cannot continue as described in second paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof under the second paragraph is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

When postponing or resuming a meeting according to the second paragraph, the Company shall handle the preparatory work based on the date of the original shareholders meeting in accordance with the requirements listed under Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, paragraph 3 of Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17, paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders meeting that is postponed or resumed under the second paragraph.

Article 22 When convening a virtual-only shareholders meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholders meeting online.

Article 23 These Rules shall take effect after having been approved by the shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

**St.Shine Optical Co., Ltd.**  
**Procedures for Election of Directors**

Article 1 To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.

Article 2 Except as otherwise provided by law and regulation or by the company's articles of incorporation, elections of directors shall be conducted in accordance with these procedures.

Article 3 The overall composition of the board of directors shall be taken into consideration in the selection of the company's directors. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

1. Basic requirements and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

1. The ability to make judgments about operations.
2. Accounting and financial analysis ability.
3. Business management ability.
4. Crisis management ability.
5. Knowledge of the industry.
6. An international market perspective.
7. Leadership ability.
8. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.



The board of directors of the company shall consider adjusting its composition based on the results of performance evaluation.

Article 4 The qualification and election of independent directors of the company shall comply with the regulations of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”, and shall be conducted in accordance with the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”.

Article 5 Elections of directors at the company shall be conducted in accordance with the candidate nomination system and procedures set out 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 by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in the company’s articles of incorporation, the company shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the Securities and Exchange Act, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article 6 The cumulative voting method shall be used for election of the directors at the company. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.

Article 7 The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.

Article 8 The number of directors will be as specified in the company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing 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 positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.

Article 9 Before the election begins, the chair shall appoint a number of persons of vote monitoring and counting, but the vote monitoring person shall with shareholder status, to perform every relative duty. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10 A ballot is invalid under any of the following circumstances:

1. The ballot was not prepared by a person with the right to convene.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable or has been altered.
4. The candidate whose name is entered in the ballot does not conform to the director candidate list.
5. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11 The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, and the list of persons failed to be elected as directors and the numbers of votes with which they were received, shall be announced on the site by the chair or the person which the chair appointed.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 12 The board of directors of the company shall issue notifications to the persons elected as directors.

Article 13 These procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.

**St.Shine Optical Co., Ltd.**  
**Shareholdings of Directors**

- Note: (1) The paid-in capital of the Company is NTD 504,165,160, with a total 50,416,516 outstanding shares.
- (2) As the Company has three independent directors designated, according to the laws and regulations, the number of shares held by directors has dropped to 80%. The minimum number of shares to be held by the entire directors is 4,033,321 shares.
- (3) As of the date of April 15, 2023 for suspending the share transfer for this shareholders meeting, the shareholding of each individual and entire directors stipulated in the shareholders roster is as follows:

Title	Name	Shareholding Position as at the book closure date	
		Shareholding (Notes)	Percentage of Shareholding
Chairman	Yun-Ming Investment Co., Ltd. Representative: Ming-Hsien Chen	1,751,000	3.47
Director	Johnson Chou	1,388,612	2.75
Director	Ying-Chieh Chu	402,000	0.80
Director	Peter Ho	403,749	0.80
Director	Bao-Da Co., Ltd. Representative: Yu-Hao Chen	297,309	0.59
Independent Director	Chang-Chou Li	0	0.00
Independent Director	I –Yen Lu	0	0.00
Independent Director	James S. J. Cheng	0	0.00
Total of Directors		4,242,670	8.41

Note: The number of shares listed above includes the “Shares Under Trust with Discretion Reserved”