



Stock Code  
6498

# **POWERTIP IMAGE CORP.**

## **2024 General Shareholders' Meeting**

# Meeting Handbook

Venue: Physical Shareholders' Meeting

June 14, 2024 (9:00 am)

No. 8, No. 6, Gongyequ 6th Rd., Xitun Dist., Taichung City (The Company's  
Conference Room)

*Notice to readers*

*In case of any discrepancy between the English version and the Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.*

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# POWERTIP IMAGE CORP.

## Procedure for 2024 General Meeting of Shareholders

I 、 Call the meeting to order

II 、 Chairperson takes Place

III 、 Chairperson's remarks

IV 、 Reports

V 、 Recognitions

VI 、 Discussions

VII 、 Elections

VIII 、 Extraordinary Motions

IX 、 Meeting Adjourned

## II. Meeting Agenda

The method for convening of the shareholders' meeting: Physical Shareholders' Meeting

Time: 9:00 a.m., June 14, 2024 (Friday)

Location: No. 8, No. 6, Gongyequ 6th Rd., Xitun Dist., Taichung City (The Company's Conference Room)

(I) Report on the number of shareholdings of shareholders attending the meeting

(II) Call the meeting to order

(III) Chairperson remarks

(IV) Reports

I. 2023 Business Report

II. Audit Committee's Review Report on 2023 Financial Statements

III. 2023 annual remuneration distribution report to employees and directors

IV. Report on 2023 distribution of cash dividends from earnings

V. Report on significant transactions with related parties in 2023

VI. Other reports

(V) Recognitions

I. Recognition of 2023 business report and financial statements

II. Recognition of proposal of earnings distribution of 2023

(VI) Discussions

I. Passed the motion for the original shareholders to give up the share subscription before the initial public underwriting of common shares listed on (OTC)

II. Amendment to the "Articles of Incorporation"

(VI). Elections

I. By-election of the 7th session of independent directors

(VII). Extraordinary Motions

(VIII). Meeting Adjourned

### III. Reports:

#### Proposal 1

Reason: 2023 Business Report.

Description: Please refer to page 8 of this Handbook for the business report .

#### Proposal 2

Reason: Audit Committee's Review Report on 2023 Financial Statements

Description: Please refer to page 9 of this Handbook for the review report of the Audit Committee.

#### Proposal 3

Description: 2023 annual remuneration distribution report to employees and directors.

Description: In 2023, the remuneration to employees and directors is distributed in accordance with the Articles of Incorporation. The employees' remuneration is NT\$ 23,081,831 and the directors' remuneration is NT\$ 9,892,213, which were both paid in cash.

#### Proposal 4

Reason: Report on 2023 distribution of cash dividends from earnings.

Description: In addition to setting aside the statutory surplus reserve and special surplus reserve in accordance with the company's articles of association, the company's 2023 earnings distributed to shareholders a cash dividend of NT\$2.5 per share, totaling NT\$102,404,730.

#### Proposal 5

Reason: Report on significant transactions with related parties in 2023.

Description: I. In accordance with Article 17 of the Corporate Governance Best-Practice Principles for TWSE/GTSM-Listed Companies, if there are financial business transactions or transactions between a TWSE/TPEX-listed company and its related parties or shareholders, the written specifications shall be established for relevant operations. On May 2, 2024, the Company's Board of Directors passed the resolution to amend the “Regulations Governing Financial Operations between Related Parties.”

II. Pursuant to the Regulations, the Company's purchases or sales, labor services or technical services from related parties that are expected to have an annual transaction amount of 5% of the Company's most recent consolidated total assets or except for the acquisition or disposal of assets by public companies that is governed by the regulations of the public company, or the transaction is between the Company, its subsidiaries or between subsidiaries, the transaction should be submitted to the board of directors for approval before it can be traded; Submitted to the shareholders' meeting.

III. There were no violations of the preceding Paragraph in 2023.

**Proposal 6**

Reason: Other report matters.

Description: Shareholders' proposals are accepted in accordance with Article 172-1 of the Company Act. No shareholder proposals were received at this shareholders' meeting.

## IV. Recognitions

### Proposal 1

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

Reason: Recognition of 2023 business report and financial statements

Description: I. The Company's 2023 financial statements (including the parent company only financial statements and the consolidated financial statements) have been audited by CPA Wang Yi-Wen and CPA Yu-ting Xin of KPMG Taiwan and the Audit Committee of the Company has completed the review and concluded that there are no inconsistencies.

II. Please refer to page 8 and pages 10 to 23 of this Handbook for the 2023 annual business report, auditor's audit report and the above financial statements.

Resolution:

### Proposal 2

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

Reason: Appropriation of earnings for 2023 is submitted for recognition.

Description: I. The Company's 2023 earnings distribution proposal has been reviewed and approved by the Audit Committee, and submitted to the Board of Directors for resolution in accordance with the laws. Please refer to page 24 of this Handbook for the distribution information.

II. If the number of outstanding shares is affected by changes in the Company's share capital, resulting in changes in the dividends rate to shareholders, it is proposed that the shareholders' meeting will authorize the chairperson to handle and adjust the same.

III. The ex-dividends date shall be authorized by the AGM to set the ex-dividends date.

Resolution:

## V. Discussions:

### Proposal 1

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

Reason: Passed the public underwriting of the original shareholders' relinquishment of stock subscription before the initial listing of common shares.

Description: I. In order to meet the need for public underwriting of the Company's shares before the initial public offering, it is proposed to issue new shares for capital increase in cash after the competent authority approves the listing.

II. For the cash capital increase for the issuance of new shares, except for 10%-15% of the shares to be subscribed by the Company's employees in accordance with Article 267 of the Company Act, the remaining shares are planned to be allocated in accordance with Article 28-1 of the Securities and Exchange Act for public underwriting before listing, which will not be restricted by the provisions of Paragraph 3 of Article 267 of the Company Act on the priority allocation of original shareholders. The rights and obligations of this cash capital increase and the issuance of new shares are the same as those of the originally issued shares.

III. It is proposed to authorize the Board of Directors to handle matters related to the cash capital increase with full discretion within the scope of relevant laws and regulations upon the resolution of the general shareholders' meeting of 2024.

Resolution:

### Proposal 2

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

Reason: Please kindly discuss the amendment to the "Articles of Incorporation."

Description: I. Proposal to amend the Articles of Incorporation to comply with the amendments to the laws and in response to the actual needs of the Company.

II. Please refer to page 25 of this Handbook for the Comparison Table Before and After the Amendment

Resolution:



## VI. Elections

### Proposal 1

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

Reason: By-election of the 7th session of independent directors.

Description: I. The by-election of one independent director of the 7th term of office from June 14, 2024 to June 7, 2025 by adopting the candidate nomination system.

II. List of independent director candidates and their education and working experience are as follows:

Independent director candidates	Gender	Academic background	Experience	Current position	Number of shares held
Geng-wei Chang	Male	Doctor of Management, Department of Business Administration, National Yunlin University of Science and Technology Master of Commerce, Accounting Division, Graduate Institute of Business Administration, National Changhua University of Education	CPA and Director of CHANG & LIN CERTIFIED PUBLIC ACCOUNTANTS Adjunct Assistant Professor, Department of Business Administration, National Yunlin University of Science and Technology Part-time Lecturer, Department of Accounting Information, National Taichung University of Science and Technology Tax Planning Consultant of Financial Planning Association of Taiwan (FPAT) Director, Audit Division, KPMG	CPA and Director of CHANG & LIN CERTIFIED PUBLIC ACCOUNTANTS Person in-charge of CHIEN-JUN MANAGEMENT AND CONSULTING CO., LTD. Adjunct Assistant Professor, Department of Accounting, Chaoyang University of Technology Full-time lecturer of accounting, government accounting, accounting and auditing laws and regulations of Chih Kuang Cram School Supervisor of Hong-Kuang Hi-Tech, Corp. Supervisor of Zhuyi Construction Co., Ltd.	None

Election results:

## VII. Extraordinary Motions

## VIII. Meeting Adjourned

## 2023 Business Report

### I. Business Plan Implementation Results:

#### Actual Business Performance

Unit: NT\$1,000

Item	2023	2022	Growth
Operating revenue	881,952	678,003	30.08%
Profit before tax	330,781	200,074	65.33%
Net profit after tax	251,913	147,464	70.83%
Net profit margin after tax	28.56%	21.75%	31.31%

The main reasons for the increase in the Company's operating revenue and profit after tax in 2023 are:

The Company's revenue and profit grew significantly in 2023 compared to the previous year mainly due to the increase in the demand for urgent orders in the market and the increase in new models recognized by end customers.

### II. Analysis of financial income, expenses and profitability:

#### (I) Financial income and expenditure:

In 2023, the Company's consolidated interest income was NT\$17,334 thousand, interest expense was NT\$688 thousand, foreign exchange was NT\$7,451 thousand and the total finance income was NT\$24,097 thousand.

#### (II) Profitability analysis:

Item	2023	2022
Return on Assets (%)	21.37%	14.96%
Return on Shareholders' Equity (%)	34.07%	24.33%
Net profit margin %	28.56%	21.75%
Earnings per share (NT\$)	6.17	3.64

### III. Research and development:

#### R&D expenditures in the last 2 years

Unit: NT\$1,000

Item \ Year	2023	2022
R&D expenditure	40,205	33,788
Operating revenue	881,952	678,003
Ratio (%)	4.56%	4.98%

Chairman: Shi-Yue Wang    Managerial Officer: Hsi-Hsun Cheng    Accounting Officer: Yin-Na Cheng

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

The Company's 2023 consolidated financial statements and parent company only financial statements, which the Board of Directors has commissioned CPAs Wang Yi-Wen and Xin Yu-Ting of KPMG to jointly audit and certify, together with the business report and the earnings distribution report, have been audited again by the Board of Directors upon completion of the review, and the Committee concludes that there are no discrepancies and thus make the report as above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely

POWERTIP IMAGE CORP. 2024 General Shareholders' Meeting

Chair of Audit Committee: Shao-Kue Wu  
March 12, 2024

## Independent Auditors' Report

To the Board of Directors of POWERTIP IMAGE CORP.:

### Opinions

We have audited the consolidated financial statements of POWERTIP IMAGE CORP. (“the Company”) and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and 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 Company as of 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 with the International Financial Reporting Standards (hereinafter referred to as “IFRSs”), International Accounting Standards (hereinafter referred to as “IASs”), interpretations and announcements endorsed and issued into effect 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 Company and its subsidiaries 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 of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon and we do not provide a separate opinion on these matters. Key audit matters that, in our opinion, should be communicated in the audit report are stated as follows:

#### I. Revenue recognition

For the accounting policy related to revenue recognition, please refer to Note 4(13) “Revenue Recognition” in the consolidated financial statements; for explanation of the revenue recognition, please refer to Note 6(15) “Revenue” in the consolidated financial statements.

Description of Key Audit Matters:

POWERTIP Group is an emerging stock market listed company primarily engaged in the manufacturing and sales of lens products. Its operating revenue is one of the significant items in the consolidated financial statements. The amount and changes in operating revenue may affect the understanding of users of the consolidated financial statement on the overall financial statements. Therefore, the testing of revenue recognition is one of the key audit matters when conducting our audit of the Group's financial statements.

Audit Procedures:

Our main audit procedures for the above-mentioned key audit matters include testing the control related to the sales and payment collection cycle, verifying and reconciling data from the sales system with the general ledger. We also identified and analyzed changes of the top ten sales customers in the current period and the previous year to assess whether or not there are any material abnormalities. Additionally, we selected samples from sales transactions to conduct confirmation and check relevant documents to assess the time point at which POWERTIP Group recognized the operating revenue and the recognized amount were handled in accordance with the relevant Standards.

### Other matters

The Company has prepared the parent company only financial statements of 2023 and 2022, for which we have issued an unqualified opinion.

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

## Statements

The 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 IFRS, IAS, interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission. The internal control system necessary for the preparation of the report shall ensure that the consolidated financial statements are free of material misstatement caused by fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company and its subsidiaries' 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 and its subsidiaries 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 and its subsidiaries' 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identified and assessed the risks of material misstatement arising from fraud or error within the consolidated financial statements; designed and executed countermeasures in response to said risks and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error.
2. Obtained an understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries' internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether or not a material uncertainty exists for events or conditions that may cast significant doubt over the Company and its subsidiaries' ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need 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 and its subsidiaries to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the consolidated financial statements (including relevant notes) and whether or not the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence for the financial information of entities within the Group in order 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 group audit opinion.

We communicated 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.

From the matters communicated with those charged with governance, we determined the key audit matters of the consolidated financial statements for the year 2023. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Ms. Wang Yi-Wen and Ms. Yu-ting Xin

KPMG  
Taipei, Taiwan (Republic of China)  
March 12, 2024

Notes to Readers

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

**POWERTIP IMAGE CORP. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2023 and 2022**

Unit: NT\$1,000

Assets	2023.12.31		2022.12.31			Liabilities and equity	2023.12.31		2022.12.31	
	Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>				
1100 Cash and cash equivalents (Note 6(1))	\$ 639,339	49	511,125	48	2170	Notes and accounts payable	\$ 146,108	12	74,766	7
1170 Notes and accounts receivable, net (Note 6(2))	259,409	20	128,951	12	2200	Other payables (Notes 6(8) and 7)	158,203	12	153,810	15
1310 Inventories (Note 6(3))	68,741	6	52,902	5	2230	Current tax liabilities	54,109	4	28,948	3
1479 Other current assets	4,342	-	7,679	1	2280	Lease liabilities - current (Notes 6(9) and 7)	3,735	-	2,926	-
	<u>971,831</u>	<u>75</u>	<u>700,657</u>	<u>66</u>	2322	Current portion of long-term borrowings due within one year or one operating cycle (Note 6(7))	11,944	1	17,500	2
<b>Non-current assets:</b>					2399	Other current liabilities	<u>14,477</u>	<u>1</u>	<u>24,836</u>	<u>2</u>
1600 Property, plant and equipment (Notes 6(4) and 8)	276,038	21	329,216	31		<u>388,576</u>	<u>30</u>	<u>302,786</u>	<u>29</u>	
1755 Right-of-use assets (Notes 6(5) and 8)	8,631	1	5,561	1		<b>Non-current liabilities:</b>				
1780 Intangible assets	285	-	288	-	2540	Long-term borrowings (Note 6(7))	2,500	-	14,444	1
1840 Deferred tax assets (Note 6(11))	15,127	1	18,751	2	2570	Deferred tax liabilities (Note 6(11))	88,354	7	69,596	7
1900 Other non-current assets (Note 7)	30,360	2	2,163	-	2580	Lease liabilities - Non-current (Notes 6(9) and 7)	5,023	-	2,798	-
1980 Other financial assets - Non-current (Note 8)	2,112	-	2,102	-	2670	Other non-current liabilities:	<u>7,669</u>	<u>1</u>	<u>2,446</u>	<u>-</u>
	<u>332,553</u>	<u>25</u>	<u>358,081</u>	<u>34</u>		<u>103,546</u>	<u>8</u>	<u>89,284</u>	<u>8</u>	
						<u>492,122</u>	<u>38</u>	<u>392,070</u>	<u>37</u>	
						<b>Total liabilities</b>				
						<b>Equity:</b>				
						<b>Equity attributable to owners of the parent company: (Note 6(12))</b>				
					3110	Ordinary shares	409,619	31	406,619	38
					3200	Capital surplus	7,481	1	6,226	1
					3310	Legal reserve	47,581	4	32,835	3
					3320	Special reserve	15,215	1	17,218	2
					3350	Unappropriated retained earnings	356,500	27	218,985	21
					3410	Exchange differences on translation of financial statements of foreign operations	(24,134)	(2)	(15,215)	(2)
						<b>Total equity</b>	<u>812,262</u>	<u>62</u>	<u>666,668</u>	<u>63</u>
<b>Total assets</b>	<u>\$ 1,304,384</u>	<u>100</u>	<u>1,058,738</u>	<u>100</u>		<b>Total liabilities and equity</b>	<u>\$ 1,304,384</u>	<u>100</u>	<u>1,058,738</u>	<u>100</u>

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

**POWERTIP IMAGE CORP. and Subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the Years Ended December 31, 2023 and 2022**

Unit: NT\$1,000

		<b>2023</b>		<b>2022</b>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	<b>Operating revenue, net</b> (Note 6(15))	\$ 881,952	100	678,003	100
5000	<b>Operating cost</b> (Notes 6(3), 6(10), and 12)	442,628	50	409,800	60
5900	<b>Gross profit</b>	439,324	50	268,203	40
	<b>Operating expenses</b> (Notes 6(2), 6(4), 6(5), 6(10), 6(13), 6(16), 7 and 12):				
6100	Selling expenses	33,398	4	26,388	4
6200	Administrative expenses	61,480	7	54,267	8
6300	Research and development expenses	40,205	4	33,788	5
		<u>135,083</u>	<u>15</u>	<u>114,443</u>	<u>17</u>
6900	<b>Operating income</b>	<u>304,241</u>	<u>35</u>	<u>153,760</u>	<u>23</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	17,334	2	4,175	1
7190	Other income	4,585	-	4,868	1
7510	Interest expense (Notes 6(9) and 7)	(688)	-	(690)	-
7630	Foreign exchange gains	7,451	1	38,394	5
7590	Miscellaneous expenses	(2,142)	-	(433)	-
		<u>26,540</u>	<u>3</u>	<u>46,314</u>	<u>7</u>
7900	<b>Profit before tax</b>	330,781	38	200,074	30
7950	<b>Income tax expense</b> (Note 6(11))	(78,868)	(9)	(52,610)	(8)
	<b>Net income for the period</b>	<u>251,913</u>	<u>29</u>	<u>147,464</u>	<u>22</u>
8300	<b>Other comprehensive income:</b>				
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of financial statements of foreign operations	(11,149)	(1)	2,504	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(11))	2,230	-	(501)	-
8300	<b>Other comprehensive income of current period</b>	<u>(8,919)</u>	<u>(1)</u>	<u>2,003</u>	<u>-</u>
8500	<b>Total comprehensive income for the period</b>	<u>\$ 242,994</u>	<u>28</u>	<u>149,467</u>	<u>22</u>
	<b>Earnings per share (NT\$)</b> (Note 6(14))				
9750	<b>Basic earnings per share (NT\$)</b>	<u>\$ 6.17</u>		<u>3.64</u>	
9850	<b>Diluted earnings per share (NT\$)</b>	<u>\$ 6.00</u>		<u>3.49</u>	

Chairman: Shi-Yue Wang      Managerial Officer: Hsi-Hsun Cheng      Accounting Officer: Yin-Na Cheng



**POWERTIP IMAGE CORP. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years Ended December 31, 2023 and 2022**

Unit: NT\$1,000

	Retained earnings					Total	Items of other equity interest Exchange differences on translation of financial statements of foreign operations	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
<b>Balance as of January 1, 2022</b>	\$ 336,215	4,078	18,556	19,712	184,171	222,439	(17,218)	545,514
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	14,279	-	(14,279)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(33,622)	(33,622)	-	(33,622)
Stock dividends of ordinary shares	67,243	-	-	-	(67,243)	(67,243)	-	-
Reversal of special reserve	-	-	-	(2,494)	2,494	-	-	-
	67,243	-	14,279	(2,494)	(112,650)	(100,865)	-	(33,622)
Net income for the period	-	-	-	-	147,464	147,464	-	147,464
Other comprehensive income (loss) for the period	-	-	-	-	-	-	2,003	2,003
Total comprehensive income (loss) for the period	-	-	-	-	147,464	147,464	2,003	149,467
Share-based payment transactions	3,161	2,148	-	-	-	-	-	5,309
<b>Balance as of December 31, 2022</b>	406,619	6,226	32,835	17,218	218,985	269,038	(15,215)	666,668
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	14,746	-	(14,746)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(101,655)	(101,655)	-	(101,655)
Reversal of special reserve	-	-	-	(2,003)	2,003	-	-	-
	-	-	14,746	(2,003)	(114,398)	(101,655)	-	(101,655)
Net income for the period	-	-	-	-	251,913	251,913	-	251,913
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(8,919)	(8,919)
Total comprehensive income (loss) for the period	-	-	-	-	251,913	251,913	(8,919)	242,994
Share-based payment transactions	3,000	1,255	-	-	-	-	-	4,255
<b>Balance as of December 31, 2023</b>	\$ 409,619	7,481	47,581	15,215	356,500	419,296	(24,134)	812,262

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

**POWERTIP IMAGE CORP. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

	Unit: NT\$1,000	
	2023	2022
<b>Cash flows from operating activities:</b>		
<b>Profit before tax for the period</b>	\$ 330,781	200,074
<b>Adjustments:</b>		
Income and expenses items		
Depreciation expense	66,519	69,074
Amortization expense	40	52
Expected credit impairment loss/(gain on reversal of impairment)	718	(1,346)
Interest expense	688	690
Interest income	(17,334)	(4,175)
Share-based payments for remuneration	1,255	1,713
Losses from the disposal and scrapping of property, plant and equipment	1,989	287
Total income and expenses items	53,875	66,295
Changes in operating assets and liabilities:		
Net changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(138,777)	87,217
Decrease (increase) in inventory	(15,839)	10,212
Decrease (increase) in other current assets	2,020	(936)
Total net changes in operating assets	(152,596)	96,493
Net changes in liabilities related to operating activities:		
Increase (decrease) in notes and accounts payable	71,342	(29,133)
Increase in other payables and other current liabilities	10,795	6,432
Increase of other non-current liabilities	5,223	2,446
Total net changes in operating liabilities	87,360	(20,255)
Total net changes in operating assets and liabilities	(65,236)	76,238
Total adjustments	(11,361)	142,533
<b>Cash inflow generated from operations</b>	319,420	342,607
<b>Interest received</b>	18,651	3,325
<b>Interest paid</b>	(697)	(693)
<b>Income taxes paid</b>	(29,095)	(26,093)
<b>Net cash flows from operating activities</b>	308,279	319,146
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(26,654)	(80,377)
Increase in refundable deposits	(1,297)	-
(Increase) decrease in other financial assets	(10)	898
Acquisition of prepayment for equipment and others	(26,782)	(367)
<b>Net cash flows used in investment activities</b>	(54,743)	(79,846)
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	-	20,000
Repayment of long-term borrowings	(17,500)	(10,000)
Repayment of the principal portion of lease liabilities	(3,766)	(3,072)
Cash dividends paid	(101,655)	(33,622)
Exercise of employee warrants	3,000	3,596
<b>Net cash flows used in financing activities</b>	(119,921)	(23,098)
<b>Effect of exchange rate changes</b>	(5,401)	1,099
<b>Increase in cash and cash equivalents for the period</b>	128,214	217,301
<b>Opening balance of cash and cash equivalents</b>	511,125	293,824
<b>Ending balance of cash and cash equivalents</b>	\$ 639,339	511,125

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

## Independent Auditors' Report

To the Board of Directors of POWERTIP IMAGE CORP.:

### Opinions

We have audited the financial statements of POWERTIP IMAGE CORP. (hereinafter referred to as “the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 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 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 judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters that, in our opinion, should be communicated in the audit report are stated as follows:

I. POWERTIP IMAGE CORP. and its subsidiaries accounted for under the equity method - Revenue recognition

For the accounting policy related to revenue recognition, please refer to Note 4(13) “Revenue Recognition” in the parent company only financial statements; for explanation of the revenue recognition, please refer to Note 6(14) “Revenue” in the parent company only financial statements.

Description of Key Audit Matters:

POWERTIP IMAGE CORP. and its subsidiaries accounted for using the equity method are mainly engaged in the manufacturing and sales of lens products. Operating revenue of POWERTIP IMAGE CORP. and its subsidiaries accounted for using the equity method is a one of the significant items in the parent company only financial statement. The amount and changes in the operating revenue of POWERTIP IMAGE CORP. and its subsidiaries accounted for using the equity method may affect the understanding of users of the parent company only financial statements on the overall financial statements.

Audit Procedures:

Our main audit procedures for the above-mentioned key audit matters include testing the control related to the sales and payment collection cycle, verifying and reconciling data from the sales system with the general ledger. We also identified and analyzed changes of the top ten sales customers in the current period and the previous year to assess whether or not there are any material abnormalities. Additionally, we selected samples from sales transactions to conduct confirmation and check relevant documents to assess the time point at which POWERTIP IMAGE CORP. and its subsidiaries accounted for using the equity method recognized the operating revenue and the recognized amount were handled in accordance with the relevant Standards.

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

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

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

1. Identified and assessed the risks of material misstatements arising from fraud or error within the parent company only financial statements; designed and executed countermeasures in response to said risks and obtained sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error.
2. Obtained an understanding of the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Concluded on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt over the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the financial statements (including relevant notes) and whether or not the financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

We communicated 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.

From the matters communicated with those charged with governance, we determined the key audit matters of the parent company only financial statements for the year ended December 31, 2023. We described these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditor's report are Ms. Wang Yi-Wen and Ms. Yu-ting Xin  
KPMG  
Taipei, Taiwan (Republic of China)  
March 12, 2024

Notes to Readers

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

**POWERTIP IMAGE CORP.**

**Balance Sheets**

**December 31, 2023 and 2022**

**Unit: NT\$1,000**

Assets		2023.12.31		2022.12.31		Liabilities and equity		2023.12.31		2022.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (Note 6(1))	\$ 403,583	36	364,195	42	2170	Notes and accounts payable	\$ -	-	653	-
1170	Notes and accounts receivable, net (Note 6(2))	78,932	7	42,307	5	2180	Accounts payable - related parties (Note 7)	145,874	13	44,462	5
1210	Other receivables - related parties (Note 7)	6,258	1	8,567	1	2200	Other payables (Notes 6(6) and 7)	69,314	6	72,589	9
1470	Other current assets	3,176	-	5,380	-	2230	Current tax liabilities	27,703	3	20,681	3
		<u>491,949</u>	<u>44</u>	<u>420,449</u>	<u>48</u>	2280	Lease liabilities - current (Notes 6(8) and 7)	3,682	-	2,409	-
						2322	Current portion of long-term borrowings due within one year or one operating cycle (Note 6(7))	11,944	1	17,500	2
<b>Non-current assets:</b>						2399	Other current liabilities	<u>8,863</u>	<u>1</u>	<u>17,948</u>	<u>2</u>
1550	Investment accounted for using the equity method (Note 6(3))	581,036	52	435,456	51			<u>267,380</u>	<u>24</u>	<u>176,242</u>	<u>21</u>
1600	Property, plant and equipment (Note 6(4))	1,625	-	3,446	-	<b>Non-current liabilities:</b>					
1755	Right-of-use assets (Note 6(5))	8,139	1	4,571	1	2540	Long-term borrowings (Note 6(7))	2,500	-	14,444	2
1780	Intangible assets	285	-	288	-	2570	Deferred tax liabilities (Note 6(10))	30,217	3	12,121	1
1840	Deferred tax assets (Note 6(10))	3,023	-	3,278	-	2580	Lease liabilities - non-current (Notes 6(8) and 7)	<u>4,565</u>	<u>-</u>	<u>2,278</u>	<u>-</u>
1900	Other non-current assets (Note 7)	28,755	3	2,163	-			<u>37,282</u>	<u>3</u>	<u>28,843</u>	<u>3</u>
1980	Other financial assets - Non-current (Note 8)	2,112	-	2,102	-		<b>Total liabilities</b>	<u>304,662</u>	<u>27</u>	<u>205,085</u>	<u>24</u>
		<u>624,975</u>	<u>56</u>	<u>451,304</u>	<u>52</u>		<b>Equity: (Note 6(11))</b>				
						3110	Ordinary shares	409,619	37	406,619	46
						3200	Capital surplus	7,481	1	6,226	1
						3310	Legal reserve	47,581	4	32,835	4
						3320	Special reserve	15,215	1	17,218	2
						3350	Unappropriated retained earnings	356,500	32	218,985	25
						3410	Exchange differences on translation of financial statements of foreign operations	<u>(24,134)</u>	<u>(2)</u>	<u>(15,215)</u>	<u>(2)</u>
							<b>Total equity</b>	<u>812,262</u>	<u>73</u>	<u>666,668</u>	<u>76</u>
<b>Total assets</b>		<u>\$ 1,116,924</u>	<u>100</u>	<u>871,753</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 1,116,924</u>	<u>100</u>	<u>871,753</u>	<u>100</u>

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

**POWERTIP IMAGE CORP.**

**Statements of Comprehensive Income**

**For the Years Ended December 31, 2023 and 2022**

Unit: NT\$1,000

	2023		2022	
	Amount	%	Amount	%
4000 <b>Operating revenue, net</b> (Note 6(14))	\$ 492,301	100	405,226	100
5000 <b>Operating costs</b> (Note 7)	325,374	66	308,222	76
5900 <b>Gross profit</b>	166,927	34	97,004	24
<b>Operating expenses</b> (Notes 6(2), 6(4), 6(5), 6(9), 6(12), 6(15), 7 and 12):				
6100 Selling expenses	23,006	5	16,880	5
6200 Administrative expenses	49,070	10	44,971	11
6300 Research and development expenses	29,056	6	26,210	6
	101,132	21	88,061	22
6900 <b>Operating income</b>	65,795	13	8,943	2
<b>Non-operating income and expenses:</b>				
7100 Interest income	12,573	2	2,373	1
7120 Royalty income (Note 7)	57,148	12	40,606	10
7190 Other income	1,212	-	1,498	-
7510 Interest expense (Notes 6(8) and 7)	(650)	-	(633)	-
7630 Foreign exchange gains	4,824	1	33,658	8
7775 Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	155,881	32	81,587	20
7590 Miscellaneous expenses	(17)	-	-	-
	230,971	47	159,089	39
7900 <b>Profit before tax</b>	296,766	60	168,032	41
7950 <b>Income tax expense</b> (Note 6(10))	(44,853)	(9)	(20,568)	(5)
<b>Net income for the period</b>	251,913	51	147,464	36
8300 <b>Other comprehensive income:</b>				
8360 <b>Components of other comprehensive income that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of financial statements of foreign operations	(6,908)	(1)	(3,117)	(1)
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method - components of other comprehensive income that will be reclassified to profit or loss	(3,393)	(1)	4,497	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note 6(10))	1,382	-	623	-
8300 <b>Other comprehensive income (loss) for the current period (net of tax)</b>	(8,919)	(2)	2,003	-
8500 <b>Total comprehensive income (loss) for the period</b>	\$ 242,994	49	149,467	36
<b>Earnings per share (NT\$)</b> (Note 6(13))				
9750 <b>Basic earnings per share (NT\$)</b>	\$ 6.17		3.64	
9850 <b>Diluted earnings per share (NT\$)</b>	\$ 6.00		3.49	

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

**POWERTIP IMAGE CORP.**  
**Statements of Changes in Equity**  
**For the Years Ended December 31, 2023 and 2022**

Unit: NT\$1,000

	Retained earnings					Items of other equity interest		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of financial statements of foreign operations	
<b>Balance as of January 1, 2022</b>	\$ 336,215	4,078	18,556	19,712	184,171	222,439	(17,218)	545,514
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	14,279	-	(14,279)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(33,622)	(33,622)	-	(33,622)
Stock dividends of ordinary shares	67,243	-	-	-	(67,243)	(67,243)	-	-
Reversal of special reserve	-	-	-	(2,494)	2,494	-	-	-
	<u>67,243</u>	<u>-</u>	<u>14,279</u>	<u>(2,494)</u>	<u>(112,650)</u>	<u>(100,865)</u>	<u>-</u>	<u>(33,622)</u>
Net income for the period	-	-	-	-	147,464	147,464	-	147,464
Other comprehensive income (loss) for the period	-	-	-	-	-	-	2,003	2,003
Total comprehensive income (loss) for the period	-	-	-	-	147,464	147,464	2,003	149,467
Share-based payment transactions	3,161	2,148	-	-	-	-	-	5,309
<b>Balance as of December 31, 2022</b>	<u>406,619</u>	<u>6,226</u>	<u>32,835</u>	<u>17,218</u>	<u>218,985</u>	<u>269,038</u>	<u>(15,215)</u>	<u>666,668</u>
Appropriation and distribution of earnings:								
Appropriation of legal reserve	-	-	14,746	-	(14,746)	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(101,655)	(101,655)	-	(101,655)
Reversal of special reserve	-	-	-	(2,003)	2,003	-	-	-
	<u>-</u>	<u>-</u>	<u>14,746</u>	<u>(2,003)</u>	<u>(114,398)</u>	<u>(101,655)</u>	<u>-</u>	<u>(101,655)</u>
Net income for the period	-	-	-	-	251,913	251,913	-	251,913
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(8,919)	(8,919)
Total comprehensive income (loss) for the period	-	-	-	-	251,913	251,913	(8,919)	242,994
Share-based payment transactions	3,000	1,255	-	-	-	-	-	4,255
<b>Balance as of December 31, 2023</b>	<u>\$ 409,619</u>	<u>7,481</u>	<u>47,581</u>	<u>15,215</u>	<u>356,500</u>	<u>419,296</u>	<u>(24,134)</u>	<u>812,262</u>

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng



**POWERTIP IMAGE CORP.**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2023 and 2022**

Unit: NT\$1,000

	2023	2022
<b>Cash flows from operating activities:</b>		
<b>Profit before tax for the period</b>	\$ 296,766	168,032
<b>Adjustments:</b>		
Income and expenses items		
Depreciation expense	5,194	4,959
Amortization expense	40	52
Expected credit impairment loss/(gain on reversal of impairment)	(87)	87
Interest expense	650	633
Interest income	(12,573)	(2,373)
Share-based payments for remuneration	1,255	1,713
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(155,881)	(81,587)
Total income and expenses items	(161,402)	(76,516)
Changes in operating assets/liabilities:		
Net changes in operating assets:		
(Increase) decrease in notes and accounts receivable	(44,160)	84,782
Decrease in other receivables - related parties	2,309	28,488
Decrease (increase) in other current assets	887	(246)
Total net changes in operating assets	(40,964)	113,024
Net changes in liabilities related to operating activities:		
Increase (decrease) in notes and accounts payable	100,759	(11,373)
(Decrease) Increase in other payables and other current liabilities	(4,729)	21,088
Total net changes in operating liabilities	96,030	9,715
Total net changes in operating assets and liabilities	55,066	122,739
Total adjustments	(106,336)	46,223
Cash inflow generated from operations	190,430	214,255
Interest received	13,890	1,028
Interest paid	(659)	(636)
Income taxes paid	(18,098)	(21,196)
<b>Net cash flows from operating activities</b>	185,563	193,451
<b>Cash flows from investing activities:</b>		
Acquisition of property, plant and equipment	(130)	(189)
Increase in refundable deposits	(1,297)	-
(Increase) decrease in other financial assets	(10)	898
Acquisition of prepayment for equipment and others	(25,332)	(367)
<b>Net cash flows (used in) from investing activities</b>	(26,769)	342
<b>Cash flows from financing activities:</b>		
Proceeds from long-term borrowings	-	20,000
Repayment of long-term borrowings	(17,500)	(10,000)
Repayment of the principal portion of lease liabilities	(3,251)	(2,638)
Cash dividends paid	(101,655)	(33,622)
Exercise of employee warrants	3,000	3,596
<b>Net cash flows used in financing activities</b>	(119,406)	(22,664)
<b>Increase in cash and cash equivalents for the period</b>	39,388	171,129
<b>Opening balance of cash and cash equivalents</b>	364,195	193,066
<b>Ending balance of cash and cash equivalents</b>	\$ 403,583	364,195

Chairman: Shi-Yue Wang

Managerial Officer: Hsi-Hsun Cheng

Accounting Officer: Yin-Na Cheng

**POWERTIP IMAGE CORP.**  
**Earnings Distribution Table**  
**2023**

	Unit: NT\$
Accumulated earnings at the beginning of period	104,587,242
Add (less):	
2023 after-tax net profit	<u>251,913,069</u>
Distributable earnings	356,500,311
Add (less):	
Appropriate 10% as legal reserve	(25,191,307)
Appropriation of special reserve	(8,919,242)
Distribution item:	
Dividend to shareholders - cash - NT\$2.5/share	(102,404,730)
Undistributed earnings at the end of the period	<u>219,985,032</u>

(Note) As of December 31, 2023, the number of shares outstanding and available for distribution is 40,961,892 shares.

Note:

1. Distribution of employee remuneration - cash of NT\$23,081,831
2. Distribution of directors' remuneration - cash of NT\$9,892,213

**Chairman: Shi-Yue Wang      Managerial Officer: Hsi-Hsun Cheng      Accounting Officer: Yin-Na Cheng**

**POWERTIP IMAGE CORP.**

**Comparison Table for the Amendments to the “Articles of Incorporation”**

Article	Provisions after amendment	Current provisions	Basis and reasons for amendment
Article 25-1	<p>Any earnings in the Company’s annual final accounts shall be distributed in the following order:</p> <p>I. Appropriate and pay income tax in accordance with the laws.</p> <p>II. Make up for the losses of the previous years.</p> <p>III. Allocate ten percent of such profits as a legal reserve, unless the legal reserve amounts to the Company's total capital.</p> <p>IV. The Company makes a provision for special reserve under the current earnings in accordance with the laws or relevant regulations and recognizes it in the earnings distribution after the reversal.</p> <p>After deducting the previous balances, the Board of Directors will prepare a distribution proposal for the balance and previous years' earnings. <u>When issuing new shares, it shall be submitted to the shareholders' meeting for resolution before distribution. n the case of cash, the board of directors shall be authorized to make the proposal with the attendance of at least two-thirds of the directors, and subject to the consent of more than half of the directors present at the meeting, which will be reported to the shareholders' meeting.</u></p> <p><u>When the Company issues all or part of the legal reserve and capital surplus to shareholders in proportion to their original shares in accordance with the provisions of Article 241 of the Company Act, it shall reach a resolution to distribute the shares in accordance with the method specified in the preceding Paragraph.</u></p> <p>The Company is in the growth stage. Based on capital expenditure, business expansion needs, and sound financial planning for sustainable development, the Company's dividend policy will be</p>	<p>Any earnings in the Company’s annual final accounts shall be distributed in the following order:</p> <p>I. Appropriate and pay income tax in accordance with the laws.</p> <p>II. Make up for the losses of the previous years.</p> <p>III. Allocate ten percent of such profits as a legal reserve, unless the legal reserve amounts to the Company's total capital.</p> <p>IV. The Company makes a provision for special reserve under the current earnings in accordance with the laws or relevant regulations and recognizes it in the earnings distribution after the reversal.</p> <p>V. For the surplus after deducting the aforementioned items, the Board of Directors may prepare and submit a proposal for distribution based on <del>that surplus and earnings from the previous years to the shareholders' meeting for resolution.</del></p> <p>The Company is in the growth stage. Based on capital expenditure, business expansion needs and sound financial planning for sustainable development, the Company's dividends policy will distribute stock dividends and cash dividends to shareholders according to the Company's future capital expenditure budget and capital requirements. <del>Among them, the cash dividends ratio shall be no less than 5% of the total dividends to shareholders. The actual distribution ratio shall be determined by the shareholders' meeting in accordance with Article 240 of the Company Act. In the distribution of cash</del></p>	<p>Amended in accordance with laws and regulations and the Company's actual needs.</p>

	<p>based on its future capital expenditure budget and capital needs. <u>The earnings of the current year will be allocated at least ten percent for shareholders' dividends.</u> Among them, the cash dividends ratio shall be no less than 5% of the total dividends to shareholders.</p>	<p><del>dividends, dividends and bonuses may be distributed either partially or entirely in cash, provided that a resolution is adopted by a majority of the directors present at a meeting attended by more than two-third of the whole directors, which is then reported to the shareholders' meeting.</del></p>	
Article 29	<p>The Articles of Incorporation were formulated on October 15, 2003. ..... The Articles of Incorporation was amended for the 9th time on December 22, 2020. The Articles of Incorporation was amended for the 10th time on December 22, 2020. The Articles of Incorporation were amended for the 11th time on June 8, 2022. <u>The Articles of Incorporation were amended for the 12th time on June 14, 2024.</u></p>	<p>The Articles of Incorporation were formulated on October 15, 2003. ..... The Articles of Incorporation was amended for the 9th time on December 22, 2020. The Articles of Incorporation was amended for the 10th time on December 22, 2020. The Articles of Incorporation were amended for the 11th time on June 8, 2022.</p>	<p>The amendment date of the Articles of Incorporation was added.</p>

# Articles of Incorporation of **POWERTIP IMAGE CORP.**

## **Chapter 1 General Provisions**

- Article 1: The Company shall be incorporated in accordance with the provisions of the Company Act and shall be POWERTIP IMAGE CORP.
- Article 2: The Company's business items are as follows:
- I. CC01080 Electronics Components Manufacturing
  - II. CE01030 Optical Instruments Manufacturing
  - III. CC01050 Data Storage and Processing Equipment Manufacturing
  - IV. CQ01010 Mold and Die Manufacturing
  - V. F113030 Wholesale of Precision Instruments
  - VI. F119010 Wholesale of Electronic Materials
  - VII. F206030 Retail Sale of Molds
  - VIII. F213040 Retail Sale of Precision Instruments
  - IX. F219010 Retail Sale of Electronic Materials
  - X. F401010 International Trade
  - XI. F401030 Manufacture Export
  - XII. I501010 Product Designing
  - XIII. F601010 Intellectual Property Rights
  - XIV. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company's headquarter shall be in Taichung City, and may establish branch offices and manufacturing plants domestically or overseas when necessary by resolution of the Board of Directors.
- Article 4: The Company shall make public announcements in accordance with Article 28 of the Company Act.

## **Chapter 2 Shares**

- Article 5: The total capital of the Company shall be NT\$600 million divided into 60 million shares at NT\$10 per share, of which the unissued shares are authorized to be issued by the Board of Directors in installments.
- Of the total capital in the preceding Paragraph, Two Million and Three Hundred Thousand shares shall be reserved for the issuance of employee stock options, and the Board of Directors is authorized to resolve to issue the shares in installments. The Company shall authorize the Board of Directors to repurchase its own shares according to the laws and regulations, if any.
- Article 5-1: Employees to whom the Company subscribes at the time of issuance of new shares, to whom the treasury shares are transferred, to whom the employee share warrants are transferred, and to whom the Company receives new restricted shares in accordance with the Company Act, shall include the employees of the controlling or subsidiaries of the Company meeting certain specific requirements, the certain conditions shall be stipulated by the Board of Directors.
- Article 6: The shares issued by the Company may be issued without printing a share certificate, but shall be registered or held in custody at a centralized securities depository.
- The Company's stock affairs are handled in accordance with the Company Act and the "Regulations Governing the Administration of Shareholder Services of Public Companies" and other relevant laws and regulations.
- Article 7: The transfer of name and transfer on the shareholder registry shall be suspended within 60 days prior to the convening date of a general shareholders' meeting, or within 30 days prior to the convening date of a special shareholders meeting, or within 5 days prior to the record date for the distribution of dividends and bonuses or other benefits by the Company.

## **Chapter 3 Shareholders' Meeting**

- Article 8: The Shareholders' Meeting of the Company is divided into General Shareholders' Meeting and Extraordinary Shareholders' Meeting. The General Shareholders' Meeting shall be convened at least once a year and shall be convened within six months after the end of each fiscal year. The

Extraordinary Shareholders' Meeting shall be convened when necessary.

The notice referred to in the preceding Paragraph shall specify the date and place of the meeting and the reason for convening the meeting. The notice may be given by electronic means with the consent of the shareholders. Shareholders' meetings shall be convened by the Board of Directors, unless otherwise provided in the Company Act.

- Article 9: If a shareholder is unable to attend a shareholders' meeting in person, he/she may appoint a proxy to attend the meeting by executing a proxy form issued by the Company stating the scope of the proxy's authorization signed and sealed. Except as otherwise provided by the Company Act, the attendance of shareholders by proxy shall be governed by the "Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies" promulgated by the competent authority.
- Article 10: The shareholders' meetings shall be chaired by the chairperson. In the absence of the chairperson, the chairperson shall designate a director to act as chair. When no such designation is made, the directors shall elect from among themselves.
- Article 11: Shareholders are entitled to one vote for each share held, except for non-voting shares in accordance with the Company Act.
- Article 12: Unless otherwise provided by the Company Act, resolutions at a shareholders' meeting shall be made with the presence of shareholders representing more than half of the total number of issued shares and by a majority vote of the shareholders present. According to the regulations of the competent authority, electronic communication should be listed as one of the channels for shareholders to exercise voting rights. Shareholders exercising voting rights electronically are deemed to have attended the meeting in person and all related matters should be handled in accordance with the laws and regulations.
- Article 13: The resolutions of a shareholders' meeting shall be recorded in the minutes, signed or sealed by the chairperson and distributed to the shareholders within 20 days after the meeting. The minutes shall record the year, month, day, place, name of the chair, the methods by which resolutions were adopted, the essentials of the deliberations and the results thereof shall be kept for the duration of the existence of the company.  
The preparation, distribution and preservation of the aforementioned minutes may be conducted by electronic means.

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

- Article 14: The Company has nine directors to serve a term of office of three years. The election of directors is subject to a candidate nomination system and the shareholders' meeting elects from the directors and independent director candidates list and they may be eligible for re-election.  
The Company may purchase liability insurance for directors and key personnel of the Company during their terms of service for the performance of their duties within the scope of their duties. After the company purchases or renews the liability insurance for directors, the important information such as the amount insured, coverage and insurance premiums shall be reported to the most recent board meeting.
- Article 14-1: The Company shall establish independent directors in accordance with Article 14-2 of the Securities and Exchange Act. The number of independent directors shall not be less than three and shall not be less than one-fifth of the number of directors. The professional qualifications, shareholdings, restrictions on concurrent positions held, nomination and election method, and other matters to be complied with shall be handled in accordance with the relevant regulations. For the election of Directors, each share shall have voting rights in number equal to the Directors to be elected and may be cast for a single candidate or may be allocated to a number of candidates. The ballots cast represent those with a greater number of votes to be elected as Directors. Independent directors and general directors shall be elected together and the elected seats shall be counted separately.
- Article 14-2: In accordance with Article 14-4 of the Securities and Exchange Act, the Company has an Audit Committee composed of all independent directors.  
The membership of the Audit Committee, the exercise of powers and other matters to be complied with shall be handled in accordance with the relevant laws and regulations or the Company's regulations. The organizational charter shall be separately established by the Board of Directors.
- Article 15: When the number of vacancies in the Board reaches one third of the total seats, or when all the

independent directors are dismissed, the Board of Directors shall convene an extraordinary shareholders' meeting within 60 days to hold a re-election to fill the vacancies.

Article 16: If a re-election is not made before the expiry of the term of office of any director, the term of office of such director shall be extended until the re-elected director takes office.

Article 17: The board of directors shall be organized by the directors and a chairman shall be elected from among the directors with the attendance of more than two-thirds of the directors and by a consent of a majority of the directors present to carry out all the affairs of the company in accordance with the laws and regulations, the articles of association, and the resolutions of the shareholders' meeting and the directors.

Article 18: The Company's business policy and other important matters shall be decided by the Board of Directors. Except for the first meeting of each session of the Board of Directors to be convened by the Chairman in accordance with the provisions of Article 203 of the Company Act, the other Board meetings shall be convened by the Chairman who shall serve as the chairperson. If the Chairman is unable to perform his/her duties, he/she shall designate a director to act as the proxy, or such proxy shall be elected by the directors among themselves if not being designated by the Chairman.

Article 19: The reason for convening the Board of Directors meeting shall be stated and notified to all directors seven days in advance. However, in case of emergency, the meeting may be convened at any time.

The meeting of Board of Directors may be convened in writing, by fax or by e-mails.

Unless otherwise provided by the Company Act, a Board of Directors meeting shall be attended by more than half of the directors, and shall be conducted with the consent of more than half of the directors present. If any director is unable to attend any meeting for any reason, he/she/it must issue a power of attorney specifying the scope of authorization for the reason for the convening meeting to entrust other director as proxy, but a proxy under paragraph 2 may accept the designation from one person only.

The Board meeting in a virtual manner. Any director participating in the meeting in a virtual manner shall be deemed to have attended the meeting in person.

Article 20: The proceedings of the board of directors shall be recorded in meeting minutes, which shall be signed or sealed by the chairperson, and distributed to the directors within 20 days after the meeting. The meeting minutes shall record the key points of the proceedings and the results of the meetings. The meeting minutes shall be archived in the Company together with the attendance form and the power of attorney for the proxy.

The preparation, distribution and preservation of the aforementioned minutes may be conducted by electronic means.

Article 21: (deleted)

Article 21-1: The Company shall pay salaries and allowances to directors when they carry out the Company's business, regardless of profit or loss. The Board of Directors is authorized to determine the remuneration of all directors of the Company in accordance with the level of engagement in the operation of the Company and the value of their contribution, with reference to the usual remuneration of among the industry. The travel expenses, regardless of profit or loss, shall also be reimbursed in accordance with the usual level among the industry.

## **Chapter 5 Managers**

Article 22: The Company may have several managerial officers each. The appointment, dismissal and remuneration of these managerial officers shall be handled in accordance with Article 29 of the Company Act.

## **Chapter 6 Final Accounts**

Article 23: The Company's fiscal year is from January 1 to December 31 of each year and the final accounts are prepared after the end of the year.

Article 24: At the end of each fiscal year of the Company, the following reports shall be prepared by the Board of Directors and submitted to the general shareholders' meeting in accordance with statutory procedures for recognition:

I. Business report.

II. Financial Statements

III. Earnings distribution or loss make-up proposal.

Article 25: If the Company makes any profit for any specific year, it shall appropriate 7% as remuneration to employees and no more than 3% as remuneration to directors. However, if the Company still has accumulated losses, an amount shall be reserved in advance to make up for losses.

The recipients of employee remuneration in the preceding Paragraph including stocks or cash include employees of controlling or affiliates who meet certain conditions and the specific terms and conditions are set by the Board of Directors.

Article 25-1: Any earnings in the Company's annual final accounts shall be distributed in the following order:

I. Appropriate and pay income tax in accordance with the laws.

II. Make up for the losses of the previous years.

III. Allocate ten percent of such profits as a legal reserve, unless the legal reserve amounts to the Company's total capital.

IV. The Company makes a provision for special reserve under the current earnings in accordance with the laws or relevant regulations and recognizes it in the earnings distribution after the reversal.

V. For the surplus after deducting the aforementioned items, the Board of Directors may prepare and submit a proposal for distribution based on that surplus and earnings from the previous years to the shareholders' meeting for resolution.

The Company is in the growth stage. Based on capital expenditure, business expansion needs and sound financial planning for sustainable development, the Company's dividends policy will distribute stock dividends and cash dividends to shareholders according to the Company's future capital expenditure budget and capital requirements. Among them, the cash dividends ratio shall be no less than 5% of the total dividends to shareholders. The actual distribution ratio shall be determined by the shareholders' meeting in accordance with Article 240 of the Company Act. In the distribution of cash dividends, dividends and bonuses may be distributed either partially or entirely in cash, provided that a resolution is adopted by a majority of the directors present at a meeting attended by more than two-third of the whole directors, which is then reported to the shareholders' meeting.

## Chapter 7 Miscellaneous

Article 26: When the Company becomes a shareholder of another company with limited liability, the total amount of its investment may exceed 40% of the Company's paid-in capital.

Article 27: The Company may provide guarantees to external parties due to business needs.

Article 28: Any matters not clearly specified in the Articles of Incorporation shall be handled in accordance with the Company Act and other related laws and regulations.

Article 29: The Articles of Incorporation were formulated on October 15, 2003.

The Articles of Incorporation were amended for the first time on January 16, 2004.

The Articles of Incorporation were amended for the second time on January 16, 2004.

The Articles of Incorporation were amended for the third time on June 29, 2004.

The Articles of Incorporation were amended for the fourth time on June 16, 2011.

The Articles of Incorporation were amended for the fifth time on September 30, 2014.

The Articles of Incorporation were amended for the sixth time on December 5, 2014.

The Articles of Incorporation were amended for the seventh time on June 2, 2015.

The Articles of Incorporation were amended for the eighth time on June 21, 2016.

The Articles of Incorporation were amended for the ninth time on December 22, 2020.

The Articles of Incorporation were amended for the tenth time on December 22, 2020.

The Articles of Incorporation were amended for the 11th time on June 8, 2022.



**POWERTIP IMAGE CORP.**  
**Rules and Procedures of Shareholders' Meeting**

- Article 1 Shareholders' meetings of the Company shall be governed by these Rules, unless the law provides otherwise.
- Article 2 Shareholders' meetings of the Company shall be convened by the Board of Directors, unless otherwise provided.  
The Company shall notify shareholders prior to the date of the shareholders' meeting as required by laws and regulations. If it is necessary to prepare relevant documents or make an announcement pursuant to laws, these provisions shall be followed.  
The reason or subject of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof. Election or dismissal of directors or supervisors, 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 of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, Articles 56-1 and 60-2 of the 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 and the main contents may be disclosed at the website designated by the securities competent authority or the Company, and the website link shall be specified in the notice.  
The reasons for convening the shareholders' meeting have stated the full re-election of directors and the date taking the office. After the completion of the re-election, the date taking the office may not be changed by extraordinary motion or in other ways in the same meeting.
- Article 3 Shareholders holding more than 1% of the total number of issued shares of the Company may propose to the Company only one proposal and anyone submitting more than one proposal will not be included in the agenda for discussion.  
The Board of Directors may exclude the motions proposed by shareholders that fall under the circumstances stipulated in any and all subparagraphs of Paragraph 4 of Article 172-1 of the Company Act. A shareholder may make a proposal to urge the Company to promote public interests or to fulfill its social responsibilities. Procedurally, the number of such proposal shall be limited to one in accordance with the relevant provisions of Article 172-1 of the Company Act. Not included in the agenda.  
Prior to the book closure date before a general 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 and the period for submission of shareholder proposals may not be less than ten 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 discussions 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 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.
- Article 6 The Company shall specify in its shareholders meeting notices the time during which attendance registrations for 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.  
Shareholders or their proxies (hereinafter referred to as "shareholders") shall present the attendance card, sign-in card, or other attendance documents to the shareholders' meeting for verification. The Company shall prepare an attendance form for the attending shareholders to sign in, or the attending shareholders shall hand in the sign-in certificates in lieu of signing in. The number of shares represented by shareholders attending the meeting shall be calculated based on the attendance form or sign-in certificates handed in and the number of shares exercising voting rights by written or electronic means.  
The Company shall deliver the relevant meeting materials to the shareholders attending the shareholders' meeting; if there is an election of directors, a ballot shall be attached.  
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.
- Article 7 If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairperson. When the chairperson of the board is on leave or for any reason is unable to exercise the powers of the chairperson, the vice-chairperson shall do so in place of the chairperson, or, if there is no vice-chairperson or the vice-chairperson also is on leave or for any reason is unable to act, by a managing director designated by the chairperson, or, if there is no managing director, by a director designated thereby, or, if the chairperson does not make such a designation, by a managing director or director elected by and from among themselves.  
If a shareholders' meeting is convened by any party with the 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 select the chairperson 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.
- Article 9 Voting at a shareholders' meeting shall be calculated based the number of shares.
- Article 10 The chairperson shall call the meeting to order at the appointed meeting time. However, when the attending shareholders (or proxies) do not represent a majority of the total number of issued shares, the chair may announce a postponement. The total time shall not exceed 1 hour. 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.

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 Paragraph 1 of Article 175 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

If, before conclusion of the meeting, the attending shareholders represent more than half of the total number of issued shares, the chairperson may resubmit the tentative resolution to the shareholders' meeting for a vote in accordance with Article 174 of the Company Act.

Article 11 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 chairperson 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 chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures, by agreement of a majority of the votes represented by the attending shareholders and then continue the meeting.

The chairperson 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 chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, he/she may announce the discussion closed, call for a vote and schedule sufficient time for voting.

Article 12 Before speaking, an attending shareholder shall 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 chairperson.

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 chairperson, 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 chairperson 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 chairperson and the shareholder that has the floor; the chairperson 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.

Article 13 In addition to the motions listed on the agenda, shareholders' amendments to the original motions, substitutions or other motions proposed as extraordinary motions shall be seconded by other shareholders. The same applies to changes in the agenda and motions to adjourn the meeting.

Article 14 Attendance at shareholders' meetings shall be calculated based on numbers 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 15 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. If there is no objection raised by any of the attending shareholders after the chairperson has consulted, the resolution shall be deemed passed; if there are objections, the chairperson or other designated person shall announce the number of voting rights among the shareholders present and then proceed to a vote of the shareholders. The results of the voting shall be announced on the spot and recorded.

When there is an amendment or substitute to the same proposal, the chairperson shall determine the order of voting together with the original proposal. 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 shall be appointed by the chairperson and subject to the consent of the shareholders present at the meeting, provided that all monitoring personnel shall be shareholders.

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.

Article 16 The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, 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, and the names of directors not elected and number of votes they received. 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. 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.

Article 17 The resolutions of the shareholders' meeting shall be compiled into the minutes of the meeting, which shall be signed or sealed by the chairperson, and the minutes shall be distributed to each shareholders' within 20 days after the meeting. The production and distribution of the meeting minutes may be done in electronic form.

The minutes shall contain the date and place of the meeting, the name of the chairperson, the methods by which resolutions were adopted, and a summary of the essential points of the proceedings and the results of the meeting, and shall be retained for the duration of the existence of the Company.

Article 18 The service personnel of the shareholders' meeting shall wear identification badges or armbands. The chairperson may direct the proctors (or security personnel) to maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear armbands marked "Proctor."

If any shareholder violates the rules of procedure and refuses to obey the chair's corrections and obstructs the progress of the meeting and fails to comply after being stopped, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 19 During a meeting, the chair may announce a break based on time considerations. In the event of force majeure, 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 further use before the completion of the agenda of the shareholders' meeting (including extraordinary motions), the shareholders' meeting may decide to continue the meeting at another venue.

A resolution may be adopted at a shareholders' meeting to postpone or continue the meeting within

5 days in accordance with Article 182 of the Company Act.

Article 20 Matters not provided for in these Rules shall be governed by the Articles of Incorporation of the Company, the Company Act and other applicable laws and regulations.

Article 21 These Rules, and any amendments hereto, shall be implemented after approval by the Shareholders' Meeting.

These Rules shall take effect upon approval by the Shareholders' Meeting on September 30, 2014. These Rules of Procedure are amended for the first time and come into force upon approval by the shareholders' meeting on June 2, 2015.

The second amendment to these Rules of Procedures was made upon the approval of the Shareholders' Meeting on December 22, 2020.

## POWERTIP IMAGE CORP.

### Regulations Governing the Election of Directors and Independent Directors

- Article 1 The Company follows Article 21 of the “Corporate Governance Best Practice Principles for TWSE/TPEX- Listed Companies”. Except as otherwise provided by the Company's Articles of Incorporation or by law, elections of directors shall be conducted in accordance with these Regulations.
- Article 2 The overall composition of the Board of Directors shall be considered in the election of directors. The members of the Board of Directors shall consider the diversity and formulate an appropriate diversity policy based on their own operations, business models and development needs. It should include but not limited to the following two major standards:
- I. Basic conditions and values: gender, age, nationality and cultural background, etc.
  - II. Professional knowledge and skills: professional backgrounds (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Members of the Board of Directors shall generally possess the necessary knowledge, skills, and attributes to perform their duties and shall have the following abilities as a whole:
    - I. Operating judgment.
    - II. Accounting and financial analysis ability.
    - III. Business management ability.
    - IV. Crisis management.
    - V. Industry knowledge.
    - VI. International market perspective.
    - VII. Leadership.
    - VIII. Decision-making ability.More than half of the directors shall not be a spouse or a relative within the second degree of kinship. The Board of Directors of the Company shall consider adjusting the composition of the Board members based on the results of performance evaluation.
- Article 3 The qualifications of the independent directors of the Company shall comply with Articles 2, 3 and 4 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.” The election of independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and handled based on Article 24 of “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.”
- Article 4 Elections of directors of the Company shall be conducted in accordance with the candidate nomination system and procedures provided for in Article 192-1 of the Company Act. If the number of directors is less than five after directors resign from office for any cause, the Company shall hold by-election at the most recent shareholders’ meeting. However, if the vacancy in seats of the Board of Directors reaches one-third of the number specified in the Articles of Incorporation, the Company shall convene an extraordinary shareholders’ meeting for by-election within 60 days from the date of occurrence of such fact. If the number of independent directors falls below that specified in the proviso of Paragraph 1 of Article 14-2 of the Securities and Exchange Act, a by-elections shall be held at the latest shareholders’ meeting; when all independent directors are dismissed, an extraordinary shareholders' meeting for by-election shall be convened within 60 days from the date of occurrence of such fact.
- Article 5 The cumulative voting method shall be adopted for the election of directors of the Company. Each share shall 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 6 The Board of Directors shall prepare electoral votes with the same number of directors as are to be elected, fill in the weights, and distribute them to shareholders attending the shareholders’ meeting. The names of the electors may be replaced by the attendance card number printed on the electoral votes.
- Article 7 The number of directors of the Company is determined by the Articles of Incorporation, and the voting rights of independent directors and non-independent directors are calculated separately. The candidate with the highest number of votes is elected in order, and the candidates with the same

number of votes will draw lots for to determine who shall take the seat. The chairperson will draw lots on behalf of those who do not attend.

Article 8 Before the election begins, the chairperson shall appoint the scrutineers and vote counters who are shareholders to perform the respective duties. The ballot boxes shall be prepared by the Board of Directors and publicly checked by the scrutineers before voting commences.

Article 9 A ballot is invalid if one of the following occurs:

- I. The ballot is not prepared by a person with the right to convene.
- II. A blank ballot is put into the ballot box.
- III. The writing on the ballot is unclear which cannot be identified.
- IV. The candidate whose name is filled in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 10 The ballots shall be calculated on site immediately after the end of voting, and the results of the calculation, including the list of directors elected and the number of votes they have been elected to, shall be announced by the chairperson on the site.  
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. 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.

Article 11 The Board of Directors of the Company will notify the elected directors separately.

Article 12 These Regulations, and the amendments hereto, were prepared by the Finance and Operation Management Department, passed by the Board of Directors and approved by the shareholders' meeting.

These Rules shall take effect upon approval by the Shareholders' Meeting on September 30, 2014. Amendments to these Regulations are made for the first time and take effect upon the approval of the shareholders' meeting on December 22, 2020.

## POWERTIP IMAGE CORP.

### Shareholdings of All Directors

- I. The Company's paid-in capital is NT\$409,618,920 and the number of issued shares is 40,961,892 shares.
- II. According to Article 26 of the Securities and Exchange Act, all directors shall hold at least 3,600,000 shares.
- III. As of the date of cessation of share transfer for the shareholders' meeting, the number of shares held by individual shareholders and all directors on the shareholder roster of the shareholders' meeting is shown in the table below, which has complied with Article 26 of the Securities and Exchange Act.
- IV. The Company has established the Audit Committee, so the number of shares to be held by supervisors is not applicable.

Date of suspension of transfer: April 15, 2024

Title	Account Name	Number of shares held	Remarks
Director	POWERTIP TECH. CORP. Representative: Shi-Yue Wang	9,574,855	
Director	POWERTIP TECH. CORP. Representative: Shao-Ling Liu	9,574,855	
Director	BRIGHT LED ELECTRONICS CORP Representative: Tsung-Jen Liao	7,626,764	
Director	BRIGHT LED ELECTRONICS CORP Representative: Xin-Bei Liao	7,626,764	
Director	Hsi-Hsun Cheng	587,788	
Director	Chung-Shin Chang	131,888	
Independent Director	Shao-Gui Wu	-	
Independent Director	Yuan-Hong Shen	-	
All directors total		17,921,295	