

INNOCARE OPTOELECTRONICS CORPORATION

2024 Annual Shareholders' Meeting Minutes

Method for Convening the Meeting: Hybrid Shareholders' Meeting

Time: 09:00 am, May 24, 2024

Venue: 1F, The Performance Hall, Southern Taiwan Science Park Administration Building
No. 22, Nanke 3rd Rd., Xinshi Dist., Tainan City

Video conferencing Platform: "eMeeting" by Taiwan Depository & Clearing Corporation
(<https://stockservices.tdcc.com.tw>)

Countermeasures for postponing or reconvening the meeting if the Platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events: Please refer to the meeting notice for details; NA.

Total shares represented by shareholders present in person or by proxy: 27,038,417 shares (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting), accounting for 67.14% of total outstanding shares 40,267,000 shares.

Directors present: Chu-Hsiang Yang, Chairman

Jyh-Chau Wang, Director

Tien-Jen Lin, Director

Hung-Chi Li, Independent Director, Convener of the Audit Committee and Remuneration Committee

Yi-Hung Chou, Independent Director, Member of the Audit Committee and Remuneration Committee

Non-voting delegates: Chih-Sheng Lee, President

Chou-Shan Yeh, Attorney

Ya-Ling Wong, Certified Public Accountant of Deloitte & Touche

Chairman: Chu-Hsiang Yang

Recorder: Chia-Chen Lin

Commencement: The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

Chairman Remarks: (Ommitted)

Reporting Items:

1. 2023 Business Report (ommitted)
2. Audit Committee Review Report (ommitted)
3. Report on Allocation of 2023 Remuneration to Board of Directors and Employees (ommitted)

Adopting Items:

(Proposed by the Board of Directors)

Proposal 1: Recognition of 2023 Business Report and Financial Statements

Explanatory note:

- a. 2023 Financial Statements of the Company had been duly audited by CPA Wong Ya-Ling and CPA Shao Chih-Ming of Deloitte & Touche.

b. 2023 Business Report and Financial Statements are attached hereto as Attachment 1 & 3.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 27,038,417 shares were represented at the time of voting (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in favor	27,005,967	99.87%
Votes against	3,260	0.01%
Invalid votes	0	0.00%
Votes abstained / Not voted	29,190	0.10%

(Proposed by the Board of Directors)

Proposal 2: Recognition of 2023 Earnings Distribution Table

Explanatory note:

- a. Please refer to Attachment 4 for 2023 Earnings Distribution Table.
- b. Proposed cash dividend distributed to shareholders is NT\$44,293,700 (NT\$ 1.1 per share). The distribution of cash dividends shall be accounted by dollars and rounded off to the integer. Fractional dividend amounts that are less than NT\$1 are aggregated and recorded as other income of the Company.
- c. In the event that there is change in capital of the Company affecting the outstanding shares of the Company, causing the distribution ratio shall be changed and adjusted, it is proposed that the Chairman be authorized to handle this situation.
- d. It is proposed that the Chairman be authorized to decide the record date, the distribution date, and other related matters after this proposal is resolved by the shareholders meeting.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 27,038,417 shares were represented at the time of voting (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in favor	27,005,595	99.87%
Votes against	6,662	0.02%
Invalid votes	0	0.00%
Votes abstained / Not voted	26,160	0.09%

Discussion and Election Items:

(Proposed by the Board of Directors)

Proposal 1: Amendments to the Articles of Incorporation

Explanatory note:

- a. The current business categories include R&D, design, production, and distribution of “Thin Film Transistor Photodiode (TFT-PD) panels,” “X-Ray Panel Image Detectors,” “X-Ray Sensor DR modules,” “X-Ray Detection Equipment,” and “International Trade involving the above-mentioned products”. In response to the operation needs, it is planned to increase “Other Related Technical Activities involving the above-mentioned products.
- b. The comparative table of the amendment is attached hereto as Attachment 5.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 27,038,417 shares were represented at the time of voting (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in favor	27,009,260	99.89%
Votes against	3,398	0.01%
Invalid votes	0	0.00%
Votes abstained / Not voted	25,759	0.09%

(Proposed by the Board of Directors)

Proposal 2: Amendments to the Rules of Shareholders’ Meeting

Explanatory note:

- a. In conformity with the amendments of laws & regulations and the needed for operation of the Company, it is proposed to amend “Rules of Shareholders’ Meeting” of the Company.
- b. The comparative table of the amended provisions is attached hereto as Attachment 6.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 27,038,417 shares were represented at the time of voting (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in favor	27,009,966	99.89%
Votes against	3,398	0.01%
Invalid votes	0	0.00%
Votes abstained / Not voted	25,053	0.09%

(Proposed by the Board of Directors)

Proposal 3: Overall Re-election of Directors

Explanatory note:

- a. The term of office of the 3rd directors of the Company will be expired on November 4, 2024, it is proposed to re-relect all directors in advance at 2024 Annual Shareholders’ Meeting.

- b. Seven directors (including three independent directors) shall be elected this time; the term of office is from June 1, 2024 to May 31, 2027, for a term of three years.
- c. According to the Articles of Incorporation, directors shall be elected by adopting candidate nomination system and nomination. Shareholders shall elect seven directors (including three independent directors) from the nominated candidates. The educational background and major experience and relevant information of the nominated candidates are attached hereto as Attachment 7.
- d. It is proposed to submit for election.

Election Results: List of newly elected Directors is as below:

Title	Name	Voting Rights
Director	Innolux Corporation Representative: Chu-Hsiang Yang	27,225,698
	Innolux Corporation Representative: Tien-Jen Lin	26,929,162
	Jyh-Chau Wang	26,907,893
	Chao-Hua Lee	26,727,367
Independent Director	Hung-Chi Li	27,068,673
	Chi-Tsung Huang	26,966,532
	Yi-Hung Chou	26,797,999

(Proposed by the Board of Directors)

Proposal 4: Exemption of Non-competition Restrictions on the Directors and its Representatives of the Company

Explanatory note:

- a. According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the Company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- b. The director candidates of the Company may be engaged in competitive conduct, under the condition that such conduct will not damage to the Company, it is proposed to exempt the non-competition restrictions on the directors, for the lifted items, please refer to as Attachment 8.

Resolution: RESOLVED, that the above proposal be and hereby was approved as proposed.

Voting Results: 27,038,417 shares were represented at the time of voting (including 22,762,578 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in favor	26,978,704	99.77%
Votes against	28,582	0.10%
Invalid votes	0	0.00%
Votes abstained / Not voted	31,131	0.11%

Extemporary Motions: None.

Adjournment: The meeting was adjourned at 09:14 am

There was no attendaning shareholder raised questions in this annual shareholders' meeting.

<The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video recording.>

InnoCare Optoelectronics Corporation

2023 Business Report

Report on the Company's operating results for 2023 as follows.

I. Report on Operating Results for 2023

The world is still in a turbulent period, with continuing and intense changes in fields of economy, geopolitics and ecology, etc. Over the past two years, subject to the influence of supply chain imbalance and Russo-Ukrainian War, inflation continued to be in a high level, so the Federal Reserve System and the European Central Bank (ECB) have taken urgent measures of increasing interest rate for over one consecutive year since the first half of 2022, so as to cope with the constantly increasing price of commodities, however, the inflation began to be relieved only when it came to the 4th quarter of 2023. The strong increase of interest rate caused capital crunch, had impact on operating cost of enterprises, and also caused compression pressure on consumption and employment, adding variables to economic conditions.

On the other hand, in order to boost the economy, Japan and China did not follow the measure of increasing interest rate as did by the United States and Europe, instead, they continued to release market liquidity; while for the remaining Asian countries, they chose to take a relatively moderate mode of increasing interest rate based on export competition. This made the USD against the major currencies of Asian countries have a sharp appreciation in the short term, while the market's expectation of interest rate rises and falls often caused sharp exchange rate fluctuations, thus increasing the difficulty of business operations.

The main X-ray flat panel detector series products of the Company are mainly used in medical examination and non-destructive testing field for industrial purpose. Despite the increased global economic uncertainty, the medical industry maintained stable on the whole. Over the past several years, the Company continued to be engaged in research and development of new technology and layout of new products, where, its products such as IGZO and soft substrates, etc. have been recognized and adopted by multiple customers, and for the new products entrusted by the customers at present, over a half of them belong to the category of new technology, and the shipment proportion also increases gradually, enabling the sales volume to maintain a growth trend. Besides, in the field of non-destructive testing, the Company continued to be optimistic about the fact that intelligent manufacturing will promote the demand for related products, and over two years of market exploration, it has achieved preliminary results, and is expected to be able to maintain a rapid growth in 2024.

The product and technology development of the Company continued to win external recognition, and this year, the Company's "Ridge X-Ray Flat Panel Detector" won excellent works of "2023 SDIA Award" later, it won the honor of "2024 Taiwan Excellence Award" by

virtue of “Snow Mountain Dynamic X-ray Flat Panel Detector”. Winning awards for consecutive years is a demonstration of the Company’s development energy. Such awards not only is a recognition of the achievements made by efforts of the R&D personnel, but also can improve the product and technology image and visibility of the Company, benefiting sales of the products a lot.

To fulfill social responsibilities of the enterprise, and give play to the enterprise’ active value to environment and population, we continued to participate in social welfare activities, for example, in February, we participated in “Chiayi Aogu Wetland × Parent-child Environmental Education Activity”, and in March, together with InnoLux Corporation, we held Children’s Day activities for rural primary school in Chiayi County, and jointly contributed 10,000 pieces of COVID-19 rapid-screening reagents to them, and in November, we participated in the public welfare activity “Beimen Shuangchun Beach Cleaning Activity” that made teaching through lively activities. Furthermore, the “Southwest Coast Ten Thousands People Action X-ray Early Lung Cancer Screening Project” initiated by use together with National Cheng Kung University School of Medicine also continues to this year, which will use the dual-energy X-ray flat panel sensor module manufactured by the Company together with the mobile X-ray vehicle, to assist with early screening of lung cancer in various townships, towns, cities and regions, so as to continue to make contribution of promoting health of the mass.

The Company was listed on the stock market on March 27, 2023. The increased listed cash capital has improved the Company’s financial structure, and also increased the Company's market visibility and stock liquidity, making it more convenient for future fund raising of the Company; the stocks being listed on stock exchanges also enhanced the customers’ confidence in the Company’s being able to make long-term and stable supply, thus laying a good foundation for subsequent expansion and development.

II. Results of Business Plan Implementation

For 2023, net operating revenue of the Company was NT\$1,837,116 thousand, with a decrease of 2.6% compared with the previous year. The main cause was that the unit price of amorphous silicon component products fell due to market competition, as well as some customers made delayed marketing of new products and adjustment of the product portfolio, while the proportion of the Company’s module products and system products for industrial testing purpose increased, which has reduced impact of price competition. For 2023, the net profit attributable to shareholders of the Company was NT\$116,658 thousand, with a decrease of 41.3% compared with the previous year, and the earnings per share was NT\$3.00.

III. Budget Execution

The Company recorded net operating revenue of NT\$1,837,116 thousand in 2023, an achievement rate of 91.6% compared to the original operating plan of NT\$2,006,000 thousand. The total shipments of flat panel sensor components and modules totaled 54,003 pieces, an achievement rate of 85.3% compared with the original plan of 63,295 pieces.

IV. Analysis of Financial Income and Expenditure and Profitability

Item		2023
Financial structure	Debts to assets ratio (%)	43.36
Solvency	Current ratio (%)	218.89
	Quick ratio (%)	151.00
Profitability	Return on assets (%)	5.74
	Return on shareholder equity (%)	11.10
	Operating income as a percentage of paid-in capital (%)	7.75
	Net income before tax as a percentage of paid-in capital (%)	30.55
	Profit margin (%)	6.35
	Earnings per share (NTD)	3.00

V. Status of Research and Development

With development and design of thin-film transistor-photodiode (TFT-PD) structure, detector module and X-ray testing imaging analysis as the core technology, the Company mainly develops X-ray flat panel detector related products based on this core technology, with the product categories covering components, modules, testing system and other different types, and they are mainly used for digital X-ray testing system in testing fields such as medical treatment and industrial manufacturing, etc. Since this type of testing system requires high precision, high reliability and durability, the product development and design verification often lasts for several years, so the product life cycle is generally over 5 to 7 years, and some even cost more than 10 years.

Since X-ray has different penetration capacities for objects with different thickness and materials, by analyzing the difference of X-ray energy at different wavelengths after penetrating the measured object, the internal structure of the human body and the object can be visualized and interpreted, so it is irreplaceable in the field of testing. In recent years, with development of AI technology, there has been rapid growth in both imaging analysis speed and accuracy, and it can be expected that with advance in AI assisted imaging analysis technology, the application fields and types X-ray detecting will continue to expand in the future. In addition, for the X-ray flat panel detector using thin film transistor-photodiode (TFT-PD) technology, due to its advantage of easy to large size, therefore, together with a new generation of high-frame-rate technological upgrading, it will make the large-size dynamic testing more cost-efficient than before, and the market size of such part is increasing rapidly, which is estimated to be the key factor that drives growth of the Company in the recent years.

In order to continuously build competitiveness of both technologies and products, the Company is now devoted to R&D of new generation of high-frame-rate pixel structure and process, component design of high-pixel fill factor, new generation of scintillator process, as well as increasing and updating product lines of X-ray detector module. In addition, the Company also

increases investment in research and development of equipment for non-destructive industrial testing. In the field of AI imaging analysis technology, the Company accelerates its development by making independent development and cooperating with external partners. In addition, in order to master the operating platform and cost competitiveness of the module, the company self developed the related operating system Xresta and is expected to be officially launched in 2024, which is expected to continue to enhance competitiveness.

The expenses for research and development was NT\$228,278 thousand in 2023, accounting for 12.4% of net income from operations. In 2023, the Company had total 51 new domestic and foreign patients that were either approved or under application, showing the development achievements of the R&D team. In the future, we will continue to invest R&D resources, launch high-quality and high-value-added products, as well as improve customer adhesion and market competitiveness. In the meantime, the Company will also regularly review the patent portfolio that it holds and patient application status of the competitors, so as to guarantee maximum benefit as much as possible in terms of patent layout and related expenditures.

Chairman:

Managerial Officer:

Chief Accountant:

Attachment 2

Audit Committee Review Report

The Board of Directors has duly submitted the 2023 business report, financial statements, and the proposal of earnings distribution. The financial statements has been duly reviewed and approved by CPAs of Deloitte Taiwan with the issuance of Independent Auditor's Report.

The Audit Committee of the Company, have completed the audit and review, and had found nothing inconsistent with any of the above business report, financial statements, and the proposal of earnings distribution. Therefore, I issue this audit report for acknowledgment in accordance with the Securities and Exchange Act and the Company Act.

To

Annual Shareholders' Meeting of the Company in 2024

Convener of the Audit Committee
Li, Hung-Chi
Date: April 11, 2024

Independent Auditors' Report and Financial Statements

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
InnoCare Optoelectronics Corporation

Opinion

We have audited the accompanying consolidated financial statements of InnoCare Optoelectronics Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and 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 material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional 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.

The key audit matter of the consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Cutoff of Operating Revenue Recognition

The Group is mainly engaged in the manufacturing and sale of X-ray flat panel detectors. On the basis of the shipping terms agreed between customers and the Group, the Group recognizes operating revenue when satisfying the performance obligation by transferring control of a promised good or service to the customer. The operating revenue might not be recorded in the correct accounting period due to various shipping terms. Therefore, the cutoff of operating revenue recognition was considered a key audit matter. The main audit procedure we performed in response to the key audit matter described above included understanding and testing the design and implementation as well as the operating effectiveness of the internal controls relevant to the cutoff of operating revenue recognition, sampling from a specific period of journals of sales close to the balance sheet date, examining the delivery notices and external shipping documents, and confirmed operating revenue was recognized in the appropriate period.

Other Matter

We have also audited the parent company only financial statements of InnoCare Optoelectronics Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 671,658	30	\$ 577,373	29
Notes receivable (Notes 9 and 20)	25,100	1	-	-
Accounts receivable (Notes 9 and 20)	598,814	26	585,754	30
Accounts receivable from related parties (Notes 20 and 28)	1,530	-	23,853	1
Other receivables (Note 9)	30,167	1	15,379	1
Other receivables from related parties (Note 28)	241	-	4,944	-
Current tax assets (Note 22)	9,025	1	3,812	-
Inventories (Note 10)	597,380	26	503,173	25
Other current assets (Note 28)	<u>21,722</u>	<u>1</u>	<u>15,879</u>	<u>1</u>
Total current assets	<u>1,955,637</u>	<u>86</u>	<u>1,730,167</u>	<u>87</u>
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	476	-	272	-
Financial assets at fair value through other comprehensive income (Note 8)	34,000	1	-	-
Property, plant and equipment (Notes 12 and 28)	195,807	9	186,695	9
Right-of-use assets (Notes 13 and 28)	20,440	1	34,301	2
Intangible assets (Note 28)	13,843	1	1,789	-
Deferred tax assets (Note 22)	25,468	1	15,466	1
Prepayments for equipment (Note 12)	18,049	1	25,352	1
Other non-current assets (Note 28)	<u>4,740</u>	<u>-</u>	<u>5,899</u>	<u>-</u>
Total non-current assets	<u>312,823</u>	<u>14</u>	<u>269,774</u>	<u>13</u>
TOTAL	<u>\$ 2,268,460</u>	<u>100</u>	<u>\$ 1,999,941</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 14)	\$ 170,000	7	\$ 425,000	21
Contract liabilities (Note 20)	10,421	-	13,353	1
Accounts payable (Note 15)	249,833	11	178,430	9
Accounts payable to related parties (Note 28)	187,597	8	170,238	8
Other payables (Notes 12 and 16)	184,600	8	203,073	10
Other payables to related parties (Note 28)	18,337	1	18,014	1
Current tax liabilities (Note 22)	24,446	1	40,304	2
Provisions (Note 17)	16,812	1	16,398	1
Lease liabilities (Notes 13 and 28)	15,695	1	15,466	1
Other current liabilities (Note 16)	<u>15,709</u>	<u>1</u>	<u>10,884</u>	<u>-</u>
Total current liabilities	<u>893,450</u>	<u>39</u>	<u>1,091,160</u>	<u>54</u>
NON-CURRENT LIABILITIES				
Lease liabilities (Notes 13 and 28)	4,960	-	19,027	1
Net defined benefit liabilities (Note 18)	491	-	140	-
Guarantee deposits received	<u>84,810</u>	<u>4</u>	<u>72,992</u>	<u>4</u>
Total non-current liabilities	<u>90,261</u>	<u>4</u>	<u>92,159</u>	<u>5</u>
Total liabilities	<u>983,711</u>	<u>43</u>	<u>1,183,319</u>	<u>59</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 19, 22 and 24)				
Common stock	<u>402,285</u>	<u>18</u>	<u>357,815</u>	<u>18</u>
Capital collected in advance	<u>104</u>	<u>-</u>	<u>50</u>	<u>-</u>
Capital surplus	<u>448,127</u>	<u>20</u>	<u>77,070</u>	<u>4</u>
Retained earnings				
Legal reserve	54,451	2	34,823	2
Special reserve	14,339	1	17,647	1
Unappropriated earnings	<u>391,059</u>	<u>17</u>	<u>343,556</u>	<u>17</u>
Total retained earnings	<u>459,849</u>	<u>20</u>	<u>396,026</u>	<u>20</u>
Other equity	<u>(25,616)</u>	<u>(1)</u>	<u>(14,339)</u>	<u>(1)</u>
Total equity	<u>1,284,749</u>	<u>57</u>	<u>816,622</u>	<u>41</u>
TOTAL	<u>\$ 2,268,460</u>	<u>100</u>	<u>\$ 1,999,941</u>	<u>100</u>

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

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	\$ 1,837,116	100	\$ 1,886,619	100
OPERATING COSTS (Notes 10, 21 and 28)	<u>1,334,447</u>	<u>72</u>	<u>1,303,407</u>	<u>69</u>
GROSS PROFIT	<u>502,669</u>	<u>28</u>	<u>583,212</u>	<u>31</u>
OPERATING EXPENSES (Notes 21 and 28)				
Selling and marketing expenses	133,509	7	131,911	7
General and administrative expenses	109,713	6	116,583	6
Research and development expenses	<u>228,278</u>	<u>13</u>	<u>248,437</u>	<u>13</u>
Total operating expenses	<u>471,500</u>	<u>26</u>	<u>496,931</u>	<u>26</u>
OPERATING INCOME	<u>31,169</u>	<u>2</u>	<u>86,281</u>	<u>5</u>
NON-OPERATING INCOME AND EXPENSES (Notes 21, 25 and 28)				
Interest income	21,897	1	5,422	-
Other income	84,344	4	125,408	7
Other gains and losses	(7,179)	-	30,156	1
Finance cost	<u>(7,337)</u>	<u>-</u>	<u>(5,284)</u>	<u>-</u>
Total non-operating income and expenses	<u>91,725</u>	<u>5</u>	<u>155,702</u>	<u>8</u>
INCOME BEFORE INCOME TAX	122,894	7	241,983	13
INCOME TAX EXPENSE (Note 22)	<u>6,236</u>	<u>1</u>	<u>43,266</u>	<u>2</u>
NET INCOME	<u>116,658</u>	<u>6</u>	<u>198,717</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 18 and 22)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	(309)	-	-	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(2,000)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,247)</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	\$ (9,277)	-	\$ 3,308	-
Other comprehensive income (loss), net of income tax	(11,524)	-	3,308	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 105,134</u>	<u>6</u>	<u>\$ 202,025</u>	<u>11</u>
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 116,658	6	\$ 198,717	11
Non-controlling interests	-	-	-	-
	<u>\$ 116,658</u>	<u>6</u>	<u>\$ 198,717</u>	<u>11</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 105,134	6	\$ 202,025	11
Non-controlling interests	-	-	-	-
	<u>\$ 105,134</u>	<u>6</u>	<u>\$ 202,025</u>	<u>11</u>
EARNINGS PER SHARE (Note 23)				
Basic	<u>\$ 3.00</u>		<u>\$ 5.62</u>	
Diluted	<u>\$ 2.84</u>		<u>\$ 5.22</u>	

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

(Concluded)

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Capital			Retained Earnings			Other Equity		Total Equity
	Common Stock	Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 349,845	\$ -	\$ 66,257	\$ 17,527	\$ -	\$ 220,700	\$ (17,647)	\$ -	\$ 636,682
Appropriation of 2021 earning									
Legal reserve	-	-	-	17,296	-	(17,296)	-	-	-
Special reserve	-	-	-	-	17,647	(17,647)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(38,483)	-	-	(38,483)
Net income for the year ended December 31, 2022	-	-	-	-	-	198,717	-	-	198,717
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	3,308	-	3,308
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	198,717	3,308	-	202,025
Employee share options	7,970	50	3,587	-	-	-	-	-	11,607
Share-based payments	-	-	7,226	-	-	(2,435)	-	-	4,791
BALANCE AT DECEMBER 31, 2022	357,815	50	77,070	34,823	17,647	343,556	(14,339)	-	816,622
Appropriation of 2022 earnings									
Legal reserve	-	-	-	19,628	-	(19,628)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(51,204)	-	-	(51,204)
Reversal of special reserve	-	-	-	-	(3,308)	3,308	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	116,658	-	-	116,658
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(247)	(9,277)	(2,000)	(11,524)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	116,411	(9,277)	(2,000)	105,134
Employee share options	8,470	54	3,811	-	-	-	-	-	12,335
Share-based payments	-	-	22,947	-	-	(1,384)	-	-	21,563
Issuance of ordinary shares for cash	36,000	-	344,299	-	-	-	-	-	380,299
BALANCE AT DECEMBER 31, 2023	\$ 402,285	\$ 104	\$ 448,127	\$ 54,451	\$ 14,339	\$ 391,059	\$ (23,616)	\$ (2,000)	\$ 1,284,749

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

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 122,894	\$ 241,983
Adjustments for:		
Depreciation	77,648	69,236
Amortization	2,759	545
Net gain on fair value changes of financial assets at fair value through profit or loss	(11)	(2)
Finance costs	7,337	5,284
Interest income	(21,897)	(5,422)
Share-based payments	21,563	4,791
Write-down of inventories	23,933	29,028
Unrealized loss on foreign exchange	1,017	15,657
Net changes in operating assets and liabilities		
Notes receivable	(25,619)	9,337
Accounts receivable	(7,046)	(232,447)
Accounts receivable from related parties	26,722	6,044
Other receivables	(15,637)	15,314
Other receivables from related parties	3,795	(1,988)
Inventories	(118,064)	(67,491)
Other current assets	(6,693)	6,333
Contract liabilities	(2,932)	11,310
Accounts payable	63,745	57,636
Accounts payable to related parties	21,329	(396,869)
Other payables	(35,010)	27,075
Other payables to related parties	252	(5,292)
Provisions	414	2,391
Other current liabilities	4,960	(11,074)
Net defined benefit liabilities	42	45
Cash generated from (used in) operations	145,501	(218,576)
Income tax refunded	-	7,789
Income tax paid	(36,304)	(42,463)
Net cash generated from (used in) operating activities	<u>109,197</u>	<u>(253,250)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(36,000)	-
Proceeds from sale of financial assets at amortized cost	-	34,810
Purchase of financial assets at fair value through profit or loss	(202)	(186)
Payments for property, plant, equipment	(46,982)	(61,850)
Proceeds from disposal of property, plant and equipment	1,034	-
Payments for intangible assets	(14,813)	(811)
Increase in other non-current assets	-	(636)

(Continued)

INNOCARE OPTOELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Decrease in other non-current assets	\$ 988	\$ -
Interest received	<u>21,457</u>	<u>5,422</u>
Net cash used in investing activities	<u>(74,518)</u>	<u>(23,251)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	425,000
Decrease in short-term borrowings	(255,000)	-
Increase in guarantee deposits received	14,133	13,574
Repayment of the principal portion of lease liabilities	(15,837)	(14,862)
Cash dividends paid	(51,204)	(38,483)
Proceeds from issuance of ordinary shares	379,635	-
Exercise of employee share options	12,335	11,607
Interest paid	<u>(7,198)</u>	<u>(5,284)</u>
Net cash generated from financing activities	<u>76,864</u>	<u>391,552</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE	<u>(17,258)</u>	<u>2,871</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	94,285	117,922
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>577,373</u>	<u>459,451</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 671,658</u>	<u>\$ 577,373</u>

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

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
InnoCare Optoelectronics Corporation

Opinion

We have audited the accompanying financial statements of InnoCare Optoelectronics Corporation (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the financial statements for the year ended December 31, 2023 is stated as follows:

Cutoff of Operating Revenue Recognition

The Company is mainly engaged in the manufacturing and sale of X-ray flat panel detectors. On the basis of the shipping terms agreed between customers and the Company, the Company recognizes operating revenue when satisfying the performance obligation by transferring control of a promised good or service to the customer. The operating revenue might not be recorded in the correct accounting period due to various shipping terms. Therefore, the cutoff of operating revenue recognition was considered a key audit matter. The main audit procedure we performed in response to the key audit matter described above included understanding and testing the design and implementation as well as the operating effectiveness of the internal controls relevant to the cutoff of operating revenue recognition, sampling from a specific period of journals of sales close to the balance sheet date, examining the delivery notices and external shipping documents, and confirmed operating revenue was recognized in the appropriate period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Ya-Ling Wong and Chih-Ming Shao.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 20, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INNOCARE OPTOELECTRONICS CORPORATION

BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	\$ 342,838	17	\$ 399,972	22
Accounts receivable (Notes 8 and 19)	61,135	3	61,672	3
Accounts receivable from related parties (Notes 19 and 27)	490,058	24	371,855	21
Other receivables (Note 8)	16,349	1	4,537	-
Other receivables from related parties (Note 27)	18,970	1	20,008	1
Inventories (Note 9)	543,722	26	449,352	25
Other current assets	<u>7,822</u>	-	<u>762</u>	-
Total current assets	<u>1,480,894</u>	<u>72</u>	<u>1,308,158</u>	<u>72</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 7)	34,000	2	-	-
Investments accounted for using the equity method (Note 10)	277,628	13	246,004	14
Property, plant and equipment (Notes 11 and 27)	192,206	9	175,264	10
Right-of-use assets (Notes 12 and 27)	18,724	1	30,262	2
Intangible assets (Note 27)	13,843	1	1,789	-
Deferred tax assets (Note 21)	25,468	1	15,466	1
Prepayments for equipment (Note 11)	18,049	1	25,352	1
Other non-current assets (Note 27)	<u>2,115</u>	-	<u>3,102</u>	-
Total non-current assets	<u>582,033</u>	<u>28</u>	<u>497,239</u>	<u>28</u>
TOTAL	<u>\$ 2,062,927</u>	<u>100</u>	<u>\$ 1,805,397</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13)	\$ 170,000	8	\$ 425,000	23
Contract liabilities (Note 19)	2,859	-	-	-
Accounts payable (Note 14)	131,838	6	73,581	4
Accounts payable to related parties (Note 27)	217,040	10	197,252	11
Other payables (Notes 11 and 15)	158,589	8	179,887	10
Other payable to related parties (Note 27)	21,559	1	19,625	1
Current tax liabilities (Note 21)	19,140	1	29,290	2
Provision (Note 16)	16,812	1	16,398	1
Lease liabilities (Notes 12 and 27)	14,135	1	13,463	1
Other current liabilities (Note 15)	<u>14,404</u>	<u>1</u>	<u>7,545</u>	-
Total current liabilities	<u>766,376</u>	<u>37</u>	<u>962,041</u>	<u>53</u>
NON-CURRENT LIABILITIES				
Lease liabilities (Notes 12 and 27)	4,960	-	17,171	1
Net defined benefit liabilities (Note 17)	491	-	140	-
Guarantee deposits received	<u>6,351</u>	<u>1</u>	<u>9,423</u>	<u>1</u>
Total non-current liabilities	<u>11,802</u>	<u>1</u>	<u>26,734</u>	<u>2</u>
Total liabilities	<u>778,178</u>	<u>38</u>	<u>988,775</u>	<u>55</u>
EQUITY (Notes 18, 21 and 23)				
Common stock	<u>402,285</u>	<u>19</u>	<u>357,815</u>	<u>20</u>
Capital collected in advance	<u>104</u>	-	<u>50</u>	-
Capital surplus	<u>448,127</u>	<u>22</u>	<u>77,070</u>	<u>4</u>
Retained earnings				
Legal reserve	54,451	2	34,823	2
Special reserve	14,339	1	17,647	1
Unappropriated earnings	<u>391,059</u>	<u>19</u>	<u>343,556</u>	<u>19</u>
Total retained earnings	<u>459,849</u>	<u>22</u>	<u>396,026</u>	<u>22</u>
Other equity	<u>(25,616)</u>	<u>(1)</u>	<u>(14,339)</u>	<u>(1)</u>
Total equity	<u>1,284,749</u>	<u>62</u>	<u>816,622</u>	<u>45</u>
TOTAL	<u>\$ 2,062,927</u>	<u>100</u>	<u>\$ 1,805,397</u>	<u>100</u>

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

INNOCARE OPTOELECTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 19 and 27)	\$ 1,648,608	100	\$ 1,658,714	100
OPERATING COSTS (Notes 9, 20 and 27)	<u>1,281,674</u>	<u>78</u>	<u>1,219,070</u>	<u>73</u>
GROSS PROFIT	366,934	22	439,644	27
UNREALIZED GAIN ON SALES	(11,229)	(1)	(5,710)	-
REALIZED GAIN ON SALES	<u>5,710</u>	<u>1</u>	<u>8,020</u>	<u>-</u>
NET GROSS PROFIT	<u>361,415</u>	<u>22</u>	<u>441,954</u>	<u>27</u>
OPERATING EXPENSES (Notes 20 and 27)				
Selling and marketing expenses	50,192	3	46,321	3
General and administrative expenses	98,695	6	106,647	6
Research and development expenses	<u>222,506</u>	<u>14</u>	<u>240,092</u>	<u>15</u>
Total operating expenses	<u>371,393</u>	<u>23</u>	<u>393,060</u>	<u>24</u>
OPERATING INCOME	<u>(9,978)</u>	<u>(1)</u>	<u>48,894</u>	<u>3</u>
NON-OPERATING INCOME AND EXPENSES (Notes 20, 24 and 27)				
Interest income	19,922	1	4,086	-
Other income	77,280	5	112,992	7
Other gains and losses	(5,910)	-	33,713	2
Financial cost	(7,276)	(1)	(5,255)	-
Share of profit of subsidiaries accounted for using the equity method	<u>46,420</u>	<u>3</u>	<u>34,442</u>	<u>2</u>
Total non-operating income and expenses	<u>130,436</u>	<u>8</u>	<u>179,978</u>	<u>11</u>
INCOME BEFORE INCOME TAX	120,458	7	228,872	14
INCOME TAX EXPENSE (Note 21)	<u>3,800</u>	<u>-</u>	<u>30,155</u>	<u>2</u>
NET INCOME	<u>116,658</u>	<u>7</u>	<u>198,717</u>	<u>12</u>

(Continued)

INNOCARE OPTOELECTRONICS CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
(Notes 17 and 21)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	\$ (309)	-	\$ -	-
Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income	(2,000)	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>62</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(2,247)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>(9,277)</u>	<u>(1)</u>	<u>3,308</u>	<u>-</u>
Other comprehensive income (loss), net of income tax	<u>(11,524)</u>	<u>(1)</u>	<u>3,308</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 105,134</u>	<u>6</u>	<u>\$ 202,025</u>	<u>12</u>
EARNINGS PER SHARE (Note 22)				
Basic	<u>\$ 3.00</u>		<u>\$ 5.62</u>	
Diluted	<u>\$ 2.84</u>		<u>\$ 5.22</u>	

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

(Concluded)

INNOCARE OPTOELECTRONICS CORPORATION

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Capital			Retained Earnings			Other Equity		Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain/(Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE AT JANUARY 1, 2022	\$ 349,845	\$ -	\$ 66,257	\$ 17,527	\$ -	\$ 220,700	\$ (17,647)	\$ -	\$ 636,682
Appropriation of the 2021 earnings									
Legal reserve	-	-	-	17,296	-	(17,296)	-	-	-
Special reserve	-	-	-	-	17,647	(17,647)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(38,483)	-	-	(38,483)
Net income for the year ended December 31, 2022	-	-	-	-	-	198,717	-	-	198,717
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	3,308	-	3,308
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	198,717	3,308	-	202,025
Employee share options	7,970	50	3,587	-	-	-	-	-	11,607
Share-based payments	-	-	7,226	-	-	(2,435)	-	-	4,791
BALANCE AT DECEMBER 31, 2022	357,815	50	77,070	34,823	17,647	343,556	(14,339)	-	816,622
Appropriation of the 2022 earnings									
Legal reserve	-	-	-	19,628	-	(19,628)	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(51,204)	-	-	(51,204)
Reversal of special reserve	-	-	-	-	(3,308)	3,308	-	-	-
Net income for the year ended December 31, 2023	-	-	-	-	-	116,658	-	-	116,658
Other comprehensive loss for the year ended December 31, 2023	-	-	-	-	-	(247)	(9,277)	(2,000)	(11,524)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	116,411	(9,277)	(2,000)	105,134
Employee share options	8,470	54	3,811	-	-	-	-	-	12,335
Share-based payments	-	-	22,947	-	-	(1,384)	-	-	21,563
Issuance of ordinary shares for cash	36,000	-	344,299	-	-	-	-	-	380,299
BALANCE AT DECEMBER 31, 2023	\$ 402,285	\$ 104	\$ 448,127	\$ 54,451	\$ 14,339	\$ 391,059	\$ (23,616)	\$ (2,000)	\$ 1,284,749

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

INNOCARE OPTOELECTRONICS CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 120,458	\$ 228,872
Adjustments for:		
Depreciation	73,451	63,167
Amortization	2,759	545
Finance costs	7,276	5,255
Interest income	(19,922)	(4,086)
Share-based payments	21,563	4,791
Share of profits of subsidiaries accounted for using the equity method	(46,420)	(34,442)
Write-down of inventories	26,956	23,405
Unrealized gain on sales	11,229	5,710
Realized gain on sales	(5,710)	(8,020)
Unrealized loss on foreign exchange	10,467	5,558
Net changes in operating assets and liabilities		
Accounts receivable	(1,120)	(31,656)
Accounts receivable from related parties	(132,095)	92,113
Other receivables	(11,801)	14,018
Other receivables from related parties	156	(752)
Inventories	(121,326)	(69,188)
Other current assets	(7,348)	358
Contract liabilities	2,859	(1,654)
Accounts payable	59,865	(33,112)
Accounts payable to related parties	24,488	(375,137)
Other payables	(39,131)	17,992
Other payables to related parties	2,003	(9,534)
Provisions	414	2,391
Other current liabilities	6,859	(13,318)
Net defined benefit liabilities	42	45
Cash used in operating activities	(14,028)	(116,679)
Income tax paid	(23,226)	(39,229)
Net cash used in operating activities	<u>(37,254)</u>	<u>(155,908)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(36,000)	-
Proceeds from sale of financial assets at amortized cost	-	34,810
Payments for property, plant, equipment	(51,577)	(61,773)
Payments for intangible assets	(14,813)	(811)
Increase in other non-current assets	-	(465)
Decrease in other non-current assets	987	-
Interest received	19,482	4,086
Net cash used in investing activities	<u>(81,921)</u>	<u>(24,153)</u>

(Continued)

INNOCARE OPTOELECTRONICS CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ -	\$ 425,000
Decrease in short-term borrowings	(255,000)	-
Increase in guarantee deposits received	-	6,566
Decrease in guarantee deposits received	(2,836)	-
Repayment of the principal portion of lease liabilities	(13,745)	(12,694)
Cash dividends paid	(51,204)	(38,483)
Proceeds from issuance of ordinary shares	379,635	-
Exercise of employee share options	12,335	11,607
Interest paid	<u>(7,144)</u>	<u>(5,255)</u>
Net cash generated from financing activities	<u>62,041</u>	<u>386,741</u>
NET (DECREASE) INCREASE IN CASH	(57,134)	206,680
CASH AT BEGINNING OF THE YEAR	<u>399,972</u>	<u>193,292</u>
CASH AT END OF THE YEAR	<u>\$ 342,838</u>	<u>\$ 399,972</u>

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

(Concluded)

Attachment 4**InnoCare Optoelectronics Corporation
2023 Earnings Distribution Table**

Unit: NT\$

Item	Amount	Remark
Unappropriated retained earnings of previous years	276,032,130	
Add : Net income after tax of 2023	<u>116,657,760</u>	
Deduct : Actuarial losses of defined benefit plans	(247,525)	
Deduct : Share-based payment	(1,383,309)	
Deduct : Legal reserve	(11,502,692)	
Add : Special reserve (Note 1)	(11,277,229)	
Unappropriated retained earnings as of December 31, 2023	368,279,135	
Distribution item (Note 2)		
Cash dividends of common stock	(44,293,700)	NT\$1.1 per share
Unappropriated retained earnings	323,985,435	

Note 1: The Company shall set aside a special reserve from the net deduction from shareholders' equity (including exchange differences from the translation of financial statements of foreign operations and Unrealized gain/(loss) on investments in equity instruments at fair value through other comprehensive income) for the current fiscal year.

Note 2: The retained earnings of 2023 are distributed first, in accordance with the Articles of Incorporation of the Company and the resolution of shareholders meeting.

Chairman:

Managerial Officer:

Chief Accountant:

Attachment 5

Comparative table for Amendment to Articles of Incorporation

Article No.	The Current Article	The Amended Article	Reasons for Amendment
Article 2	<p>The scope of business of the Company shall be as follows:</p> <p>(1) CC01080 Electronics Components Manufacturing.</p> <p>(2) CE01030 Optical Instruments Manufacturing.</p> <p>(3) CE01990 Other Optics and Precision Instrument Manufacturing.</p> <p>(4) CF01011 Medical Devices Manufacturing</p> <p>(5) F401010 International Trade.</p> <p>(6) F108031 Wholesale of Medical Devices.</p> <p>(7) F208031 Retail Sale of Medical Apparatus.</p> <p>(8) I501010 Product Designing.</p> <p>(9) CE01010 General Instrument Manufacturing</p> <p>(10) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p> <p>(R&D, design, production, and distribution of “Thin Film Transistor Photodiode (TFT-PD) panels,” “X-Ray Panel Image Detectors,” “X-Ray Sensor DR modules,” “X-Ray Detection Equipment,” and “International Trade involving the above-mentioned products.”)</p>	<p>The scope of business of the Company shall be as follows:</p> <p>(1) CC01080 Electronics Components Manufacturing.</p> <p>(2) CE01030 Optical Instruments Manufacturing.</p> <p>(3) CE01990 Other Optics and Precision Instrument Manufacturing.</p> <p>(4) CF01011 Medical Devices Manufacturing</p> <p>(5) F401010 International Trade.</p> <p>(6) F108031 Wholesale of Medical Devices.</p> <p>(7) F208031 Retail Sale of Medical Apparatus.</p> <p>(8) I501010 Product Designing.</p> <p>(9) CE01010 General Instrument Manufacturing</p> <p>(10)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p> <p>(R&D, design, production, and distribution of “Thin Film Transistor Photodiode (TFT-PD) panels,” “X-Ray Panel Image Detectors,” “X-Ray Sensor DR modules,” “X-Ray Detection Equipment,” and “International Trade involving the above-mentioned products” <u>and “Other Related Technical Activities involving the above-mentioned products”.</u>)</p>	<p>In accordance with the Company's operation plan.</p>
Article 36	<p>This Articles of Incorporation was prepared on March 20, 2019. The first amendment was on September 1, 2019. The second amendment was on September 12, 2019. The third amendment was on July 7, 2020. The fourth amendment was on January 29, 2021. The fifth amendment was on May 12, 2021. The sixth amendment was on November 5, 2021. The seventh amendment was on May 24, 2022. The eighth amendment was on May 24, 2023.</p>	<p>This Articles of Incorporation was prepared on March 20, 2019. The first amendment was on September 1, 2019. The second amendment was on September 12, 2019. The third amendment was on July 7, 2020. The fourth amendment was on January 29, 2021. The fifth amendment was on May 12, 2021. The sixth amendment was on November 5, 2021. The seventh amendment was on May 24, 2022. The eighth amendment was on May 24, 2023. <u>The ninth amendment was on May 24, 2024.</u></p>	<p>Clarify the Articles of Incorporation revision history.</p>

Attachment 6

Comparative table for Amendments to Rules of Shareholders' Meeting

Article No.	The Current Article	The Amended Article	Reasons for Amendment
Article 3	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.</p> <p>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, the Company has the paid-in capital of NT\$40 billion or more as of the last day of the most recent fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting. In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and</p>	<p>(Convening shareholders meetings and shareholders meeting notices)</p> <p>Unless otherwise provided by law or regulation, the shareholders' meetings of the Company shall be convened by the board of directors.</p> <p><u>Unless otherwise provided in the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company that will convene a shareholders' meeting with video conferencing shall expressly provide for such meetings in the Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the board of directors attended by at least two-thirds of the total number of directors.</u></p> <p>Changes to how the Company convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.</p> <p>The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders' meeting or before 15 days before the date of a special shareholders' meeting. The Company shall prepare electronic versions of the shareholders' meeting agenda and supplemental meeting materials and upload them to the MOPS before 21 days before the date of the regular shareholders' meeting or before 15 days before the date of the special shareholders' meeting. If, however, the</p>	To comply with the amendment of the regulations.

Article No.	The Current Article	The Amended Article	Reasons for Amendment
	<p>supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <ol style="list-style-type: none"> 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities 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.</p>	<p>Company has the paid-in capital of NT\$2 billion or more as of the last day of the most recent fiscal year, or total shareholding of foreign shareholders and PRC shareholders reaches 30% or more as recorded in the register of shareholders of the shareholders meeting held in the immediately preceding year, transmission of these electronic files shall be made by 30 days before the regular shareholders meeting.</p> <p>In addition, before 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting agenda and supplemental meeting materials and made them available for review by shareholders at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional shareholder services agent designated thereby.</p> <p>The Company shall make the meeting agenda and supplemental meeting materials in the preceding paragraph available to shareholders for review in the following manner on the date of the shareholders meeting:</p> <ol style="list-style-type: none"> 1. For physical shareholders meetings, to be distributed on-site at the meeting. 2. For hybrid shareholders meetings, to be distributed on-site at the meeting and shared on the virtual meeting platform. 3. For virtual-only shareholders meetings, electronic files shall be shared on the virtual meeting platform. <p>The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.</p> <p>Election or dismissal of directors, amendments to the Articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the Company by</p>	

Article No.	The Current Article	The Amended Article	Reasons for Amendment
	<p>None of the above matters may be raised by an extemporary motion.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent (1%) or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>A shareholder may propose a recommendation for urging the Company to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a regular shareholders' meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days.</p> <p>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</p>	<p>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 Company, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities 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.</p> <p>None of the above matters may be raised by an extemporary motion.</p> <p>Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.</p> <p>A shareholder holding one percent (1%) or more of the total number of issued shares may submit to the Company a proposal for discussion at a regular shareholders' meeting. The number of items so proposed is limited to one only, and no proposal containing more than one item will be included in the meeting agenda. When the circumstances of any subparagraph of Article 172-1, paragraph 4 of the Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.</p> <p>A shareholder may propose a recommendation for urging the corporation to promote public interests or fulfill its social responsibilities, provided procedurally the number of items so proposed is limited only to one in accordance with Article 172-1 of the Company Act, and no proposal containing more than one item will be included in the meeting agenda.</p> <p>Prior to the book closure date before a regular shareholders' meeting is held, the</p>	

Article No.	The Current Article	The Amended Article	Reasons for Amendment
	<p>part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	<p>Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission; the period for submission of shareholder proposals may not be less than 10 days. Shareholder-submitted proposals are limited to 300 words, and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the regular shareholders meeting and take part in discussion of the proposal. Prior to the date for issuance of notice of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the shareholders meeting the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.</p>	

Attachment 7

List of Director (including Independent Director) Candidates

Title	Name	Educational background and Major experience	Shareholdings* (shares)
Director	Innolux Corporation Representative: Yang, Chu-Hsiang (楊柱祥)	M.S., Chemical Engineering, National Central University Chairman, InnoCare Optoelectronics Corporation Director, KA Imaging Inc. Director, Yuan Chi investment co., Ltd Director, CarUX Technology Taiwan INC. Director, Epileds Technologies, Inc. Director, GIO Optoelectronics CORP. Director, InnoJoy Investment Corp. Director and President, Innolux Corporation Director, FI Medical Device Manufacturing Co., Ltd. Director, Ningbo CarUX Technology Ltd. Vice President, Innolux Corporation Associate VP, Chi Mei Optoelectronics Corporation	20,200,000
Director	Innolux Corporation Representative: Lin, Tien-Jen (林添仁)	M.S., Electronics Engineering, National Taiwan University Director, InnoCare Optoelectronics Corporation Director, CarUX Technology Europe B.V. Director, CarUX Technology Germany GmbH Associate VP, Innolux Corporation Director of Product Development Division Group, Chi Mei Optoelectronics Corporation Consultant of President Office, Unity Opto Technology Co., Ltd.	20,200,000
Director	Wang, Jyh-Chou (王志超)	M.S., Materials Engineering, National Tsing-Hua University Director, InnoCare Optoelectronics Corporation Director, Innolux Corporation Chairman, Innolux Education Foundation Chairman and CEO, eLux Inc. Chairman and CEO, Innolux Corporation Vice President, Chi Mei Optoelectronics Corporation Vice President, Chi Lin Technology Co., Ltd. Deputy Plant Director, Unipac Optoelectronics Corp. Associate Researcher, Material Research laboratories, Industrial Technology Research Institute	58,838
Director	Lee, Chao-Hua (李兆華)	Executive Master of Business Administration (EMBA), Finance Institute, College of Management, National Taiwan University Department of Public Communications, College of Journalism and Communications, Shih-Hsin University Director of EBC, Eastern Broadcasting Co., Ltd. Director, Sherpa Holdings Co., Ltd. Co Founder, Metacore System Inc.	1,000
Independent Director	Li, Hung-Chi (李鴻基)	MBA, George Washington University, USA Independent Director, Convener of Audit Committee and Remuneration Committee, InnoCare Optoelectronics Corporation CEO, Quantum International Corp.	0

Title	Name	Educational background and Major experience	Shareholdings* (shares)
		President, Yuanta Securities Co., Ltd. Managing Director, Deutsche Securities Asia, Taipei Branch, Hong Kong Managing Director, Credit Suisse Securities Limited, Taipei Branch, Switzerland Managing Director, Barclays Securities Limited, Taipei Branch, United Kingdom	
Independent Director	Huang, Chi-Tsung (黃啟宗)	Department of Mechanical Engineering, Tatung University Independent Director, Member of Audit Committee and Remuneration Committee, InnoCare Optoelectronics Corporation Chairman and President of Apex Health Care Mfg., Inc. Chairman of Road Social Enterprise Co., Ltd. Member of the Enterprise Advisory Committee of Yunlin-Chiayi-Tainan Area, Executive Yuan Advisor of Taiwan Bio-medical Care Association President, Taiwan Medical and Biotech Industry Association Advisory Committee Member, Engineering Technology Promotion Center, Ministry of Science and Technology	0
Independent Director	Chou, Yi-Hung (周宜宏)	School of Medicine, Taipei Medical University Independent Director, Member of Audit Committee and Remuneration Committee, InnoCare Optoelectronics Corporation Special Physician, Department of Radiology, Taipei Veterans General Hospital Adjunct Professor, National Yang Ming Chiao Tung University Academic Vice President, Yuanpei University of Medical Technology Chair Professor, Yuanpei University of Medical Technology	0

* Shareholdings as of March 26, 2024.

Attachment 8

List of Lifting Non-competition Restrictions for Director Candidates

Title	Name	Currently essential positions in other companies
Director	Innolux Corporation Representative: Yang, Chu-Hsiang (楊柱祥)	Director, KA Imaging Inc. Director, Epileds Technologies, Inc.
Director	Wang, Jyh-Chou (王志超)	Chairman and CEO, eLux Inc.
Independent Director	Huang, Chi-Tsung (黃啟宗)	Chairman, Apex Health Care Mfg., Inc.