



Stock Code: 6226

# **2025 General Shareholders' Meeting Meeting Handbook (Translation)**

Mode of convening: The meeting will be held in person.

Date: June 5, 2025 (9:00 am)

Meeting Location: 11<sup>th</sup> floor, No. 8 Jiankang Road, Zhonghe District,  
New Taipei City (Company Training Room)

**PARA LIGHT ELECTRONICS CO., LTD.**  
**2025 General Meeting of Shareholders Procedure Handbook**  
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# **PARA LIGHT ELECTRONICS CO., LTD.**

## **2025 General Shareholders' Meeting Agenda**

### **I. Meeting Agenda**

Mode of convening: The meeting will be held in person.

Time: 9:00 a.m., Thursday, June 5, 2025

Meeting location: 11<sup>th</sup> Floor, No. 8 Jiankang Road, Zhonghe District, New Taipei City (Company's Education and Training Room).

#### **(I) Announcement of Meeting**

#### **(II) Chairman's Address**

#### **(III) Items for Report:**

1. 2024 Business Report.
2. Audit Committee's Review Report on 2024 Financial Statements.
3. Report on 2024 investment in Mainland China.

#### **(IV) Matters of approval:**

1. The Company's 2024 Business Report and individual and consolidated financial statements.
2. Proposal for covering the losses of fiscal year 2024.

#### **(V) Discussion Matters:**

1. Proposal to amend certain articles of the "Company's Articles of Incorporation."

#### **(VI) Extemporaneous Motions:**

#### **(VII) Adjourned**

## II. Reported matters

### Motion No. 1

**Cause of motion:**

**2024 Business Report.**

**Description:**

Please refer to Attachment 1 (Pages 5 - 7) of this handbook.

### Motion No. 2

**Cause of motion:**

**Audit Committee’s Review Report on 2024 Financial Statements.**

**Description:**

Please refer to Attachment 2 (Pages 8) of this handbook.

### Motion No. 3

**Cause of motion:**

**Report on 2024 investment in Mainland China.**

**Description:**

1. Name and Main Business Items of Invested Companies in Mainland China:

Unit: NTD thousand

Name of the Invested Company in Mainland China	Main business activities	Paid-up capital	Investment method Note 1	Investment Amount Remitted from Taiwan at the Beginning of the Period	Investment Amount Remitted or Recouped During the Period		Investment Amount Remitted from Taiwan at the End of the Period	Current Period Profit or Loss of the Invested Company	Shareholding Percentage Directly or Indirectly Held by Our Company	Investment Gains and Losses Recognized During the Period	Book Value of Investment at the End of the Period	Investment Income Repatriated to Taiwan Up to This Period
					Remittance Out	Recovery						
Para Light Nanjing Electronics Co., Ltd.	Electronic Component Manufacturing	276,014	(II)	276,014	-	-	276,014	(15,950)	100.00%	(15,278)	628,544	-
Para Light Lian Yun Gang Electronics Co., Ltd.	Electronic Component Manufacturing	445,630	(II)	326,336	-	-	326,336	1,625	100.00%	1,625	546,486	-

Note 1: The methods of investment are categorized into the following four types; simply indicate the type:

- (I) Investing in a Mainland Chinese company through third-region remittance.
- (II) Reinvestment in Mainland China companies is carried out through companies set up in third regions.
- (III) Through trans-investment in existing companies in a third region to reinvest in companies in Mainland China.
- (IV) Direct investment in Mainland China companies.

## 2. Limit of visits to Mainland China:

Unit: NTD thousand

Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	The investment amount has been approved by the Investment Commission, Ministry of Economic Affairs.	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs
602,350	695,765 (Note)	675,265

Note 1: Including capital increase from earnings for NTD 92,223 thousand (USD 2,760 thousand).

## 3. Significant transactions with investee companies in Mainland China:

For fiscal year 2024, please refer to the section “Information on Significant Transactions” for details about significant direct or indirect transactions with invested companies in Mainland China, which have been eliminated during the consolidation process in the consolidated financial statements.

## III. Matters of approval

### **Motion No. 1 [Proposed by the Board of Directors]**

#### **Cause of motion:**

**The Company’s 2024 Business Report and individual and consolidated financial statements.**

#### **Description:**

1. The individual and consolidated financial statements for fiscal year 2024 have been prepared internally by our company and audited by KPMG Taiwan with auditors MEI, YUAN-CHEN and KUO, YANG-LUN, for your review and verification.
2. The above financial statements and business report will be reviewed by the Audit Committee and submitted for approval at the annual general meeting.
3. For the business report, individual and consolidated financial statements for fiscal year 2023, and the auditor’s report, please refer to Attachment 1 (pages 5-7) and Attachment 3 (pages 9-24) of this handbook.
4. Please acknowledge and approve.

#### **Resolution:**

### **Motion No. 2 [Proposed by the Board of Directors]**

#### **Cause of motion:**

**Proposal for covering the losses of fiscal year 2024.**

#### **Description:**

1. As of the beginning of fiscal year 2024, the Company’s accumulated deficit to be offset amounted to NTD 74,578,884. This includes the change in the remeasurement of the defined benefit plan for fiscal year 2024, which is NTD 1,601,523, as well as the reversal of the legally required special surplus reserve of NT\$68,528,195. It also deducts the after-tax net loss of NTD 51,139,274 for fiscal year 2024, the disposal of equity instruments measured at fair value

through other comprehensive income amounting to NTD 7,368,379, and the change in investments in associates recognized under the equity method of NTD 848,900. The total accumulated deficit at the end of the period is NTD 63,805,719. Future profits will be used to offset these amounts.

2. The Company's appropriation table for 2024 profit and loss is as follows:

PARA LIGHT ELECTRONICS CO., LTD.  
Table of Appropriation for Covered Profits and Losses  
2024

Unit: NTD

Item	Amount
Undistributed earnings of prior years	(74,578,884)
Add: Changes in the remeasurement of the defined benefit plan in the current period	1,601,523
Change in investments in associates recognized under the equity method	68,528,195
Deduction: Net loss after taxes for the year 2024	(51,139,274)
Disposal of equity instruments at fair value through other comprehensive income	(7,368,379)
Reversal of legally required special surplus reserve	(848,900)
Balance of deficit to be compensated at the end of the period	(63,805,719)

Chairman:

Manager:

Accounting Officer

3. Due to the loss after tax in 2024, it is proposed not to distribute dividends this year.
4. Please acknowledge and approve.

**Resolution:**

## IV. Discussion Matters

### **Motion No. 1 [Proposed by the Board of Directors]**

**Cause of motion:**

**Proposal to amend certain articles of the "Company's Articles of Incorporation."**

**Description:**

1. In accordance with Article 14, Paragraph 6 of the Securities and Exchange Act, the amendment to the Articles of Incorporation has been completed. The comparison table of the amended provisions can be found in Attachment 4 (Pages 25 to 26).
2. Please acknowledge and approve.

**Resolution:**

## **V. Extemporaneous Motion**

## **VI. Adjourned**

VII. Attachment

[Attachment 1]

PARA LIGHT ELECTRONICS CO., LTD.  
Business Report

I. 2024 Business results

(I) 2024 Business Plan Implementation Outcome (Consolidated)

Unit: NTD thousand

Item	2023		2024		Increase (decrease)	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Operating revenue	759,468	100.00	655,374	100.00	(104,094)	(13.71)
Operating cost	576,319	75.88	500,067	76.30	(76,252)	(13.23)
Gross operating profit	183,149	24.12	155,307	23.70	(27,842)	(15.20)
Operating profit	(60,251)	(7.93)	(81,576)	(12.45)	(21,325)	(35.39)
Net income before tax	(72,579)	(9.56)	(43,856)	(6.69)	28,723	39.57

(II) Budget execution

For fiscal year 2024, no financial forecasts have been disclosed, thus no budget achievement status is available.

(III) Analysis of financial revenues, expenses and profitability (consolidated)

Unit: NTD thousand

Item	Analysis		2024
Financial revenues and expenses	Operating revenue		655,374
	Gross operating profit		155,307
	Net profit after tax		(54,654)
Profitability	Return on assets (%)		(1.33)
	Return on shareholders' equity (%)		(4.45)
	Percentage in paid-in capital (%)	Operating profit	(7.00)
		Net income before tax	(3.76)
	Net profit margin (%)		(8.34)
	Earnings per share (NTD )		(0.44)



#### **(IV) Research and Development Status**

The Company is committed to cultivating R&D personnel and recruiting outstanding optoelectronic/optical professionals. In addition to continuing to improve process technology, the Company is also committed to improving product quality and diversification to respond to the development of the LED industry and meet customer needs. Formulate annual R&D plans to actively develop new products. The Company's active R&D projects as follows:

- (1) IGBT power semi-conductor products: used in the markets of energy storage, automobiles and inverters.
- (2) Optical module project products: used for smart LED modules such as ODM computer cases/notebooks/high-end kitchen utensils/smart appliances/charging piles.
- (3) Automotive lighting products: Light emitting components used in the front and rear bumpers and side skirts of vehicles, external signal devices, and automotive interior, etc.

## **II. Summary of the Business Plan for the Current Year**

### **(I) Management policy**

1. In 2024, global political and economic uncertainties hindered the expected post-pandemic recovery of the LED industry. Inflation concerns weakened consumer demand, and U.S. tariff policies increased transaction costs, reducing profit margins. Despite these challenges, Para Light Electronics Co., Ltd adjusted its strategies with a market-driven approach. The company reported consolidated revenue of NT\$655.2 million for FY2024, a 13.7% decline mainly due to the downturn in China's real estate market. Excluding that segment, core LED business revenue grew by 4.8%. Gross margin remained at 24%. Net loss attributable to the parent company was NT\$51.14 million, improving by NT\$23.69 million from the previous year. EPS after tax was NT\$-0.44, compared to NT\$-0.65 last year. While performance has yet to meet expectations, the company remains committed to improvement and future profitability.
2. As a leading professional LED supplier in Taiwan, Para Light Electronics Co., Ltd has long upheld the spirit of "Quality, Professionalism, and Service." Our mission is to provide customers with high-quality LED products, supported by an efficient and dedicated sales team, and delivered with a professional and responsible service attitude. PARA is a fundamental business policy of Para Light Electronics Co., Ltd. We possess complete, independent R&D capabilities, enabling us to develop diversified, high-value-added products. We are updating our production equipment to improve processes that enhance product efficiency and quality while reducing production costs and increasing manufacturing yields.
3. To expand our operational scale and explore new applications for optoelectronic modules, Para Light Electronics Co., Ltd. is entering emerging markets and increasing our sales footprint. In addition, to provide faster supply services to customers in emerging markets across South and Southeast Asia, we have adopted a strategy of expanding our production capacity by establishing a modern LED manufacturing facility in Yangon, Myanmar. By leveraging Myanmar's demographic dividend and the advantages of a nearby production base, we are able to reduce operational risks and production costs, thereby gaining a competitive edge.

### **(II) Expected sales volume**

So far, the Company has not disclosed the financial forecast for the whole year, nor the expected sales volume, so it is not applicable.

### **(III) Important Production and Sale Policies**

1. Our company's primary business includes the manufacturing, processing, and sales of various light-emitting diodes (LEDs), LED displays, and modules. Our main sources of revenue are the sales of LED components and LED module products.
2. The Company is committed to the global business strategic layout, actively explores customers in emerging markets, extensively uses the global distribution and agency model to actively explore product sales channels, and seeks strategic cooperation opportunities with other industry players.
3. In addition to satisfying the existing needs of customers, the Company also aims to increase the proportion of high-margin and high-value-added products in marketing and to gain market share as a medium- and long-term strategic goal.

### **III. Future Business Environment and Development Strategies**

#### **(I) External competition and overall economic environment**

TrendForce estimates that by 2026, the LED market's value is expected to grow to USD 30.312 billion, with a compound annual growth rate (CAGR) of 11% from 2021 to 2026. The Company will continue to recruit outstanding talent from all walks of life, invest more actively in R&D and production, and increase the operation opportunities for diversified products. In addition, the Company can further strengthen its market competitiveness and create a greater niche for the Company.

#### **(II) Regulatory environment**

To align with the development of the industrial economy, various financial and accounting regulations are being revised gradually, impacting the presentation of financial statements and the formulation of accounting policies. In addition to working closely with the CPAs, the Company further improves the quality of the Company's accounting information. The Company establishes good relations and communication channels with employees, shareholders, customers, suppliers, and society, and actively fulfills ESG (Environmental, Social, and Governance) management responsibilities, in order to jointly pursue a sustainable and better future.

#### **(III) Future development strategies**

In terms of Blue Ocean strategy, in addition to serving existing markets and customers, our company will leverage the strengths of the newly established Yangon factory in Myanmar to explore new markets and attract new customers. In addition, in the strategy for new product domains, our company leverages years of leadership in LED packaging technology to expand into the research and development and sales of power semiconductor strategic products, not only enhancing the scope of product applications but also improving the overall business profitability.

Chairman:

General Manager:

Chief Accounting Officer:

[Attachment 2]

PARA LIGHT ELECTRONICS CO., LTD.

Audit Committee's Review Report

It is hereby to approve that

the Board of Directors has prepared the 2024 Business Report, consolidated financial reports and individual financial reports and loss appropriation of Para Light Electronics Co., Ltd., in which the individual and consolidated financial reports were audited by the CPAs – MEI, YUAN-CHEN and KUO, YANG-LUN from KPMG, and an audit report was filed for such purpose. After reviewing the aforementioned Business Report, consolidated financial report and individual financial report, and loss appropriation, the Audit Committee concludes that there is no inconsistency. In accordance with Article 14-4 of the Securities Exchange Act and Article 219 of the Company Act, a report has been prepared for your inspection.

Sincerely,

2025 Annual General Meeting of PARA LIGHT ELECTRONICS CO., LTD.

Audit Committee Convener: WU, CHUN-KUANG

**March 14, 2025**

**[Attachment 3]**

**Representation Letter**

The entities that are required to be included in the consolidated financial statements of PARA LIGHT ELECTRONICS CO., LTD. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, PARA LIGHT ELECTRONICS CO., LTD. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Company name: PARA LIGHT ELECTRONICS CO., LTD.

Chairperson: David Ma

Date: March 14, 2025

## **Independent Auditors' Report**

To the Board of Directors of PARA LIGHT ELECTRONICS CO., LTD.:

### **Opinion**

We have audited the consolidated financial statements of PARA LIGHT ELECTRONICS CO., LTD. and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2024 and 2023, the consolidated statement 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 Group as of December 31, 2024 and 2023, 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 ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Revenue recognition**

Please refer to note 4(o) "Revenue recognition" and note 6(s) "Revenue from contracts with customers" to the consolidated financial statements for accounting policies on revenue recognition and description of revenues, respectively.

Description of key audit matter:

The Group mainly engages in the manufacture, processing, and sale of various LEDs and LED displays as well as real estate development. Revenue is one of the key indicators for investors and management to measure financial or business performance; therefore, the accuracy of LED the amounts and timing of revenue recognition has significant influence on financial statements.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) Performing trend analysis on the top ten sales customers to assess whether there are any material abnormality. (iv) using system tools to sample sales transactions before and after the year end to evaluate the accuracy of the period and amount of revenue recognition.

## 2.Inventory valuation

Please refer to note 4(h) “Inventories”, note 5(a) for the uncertainty of accounting estimations and assumptions for inventory valuation and 6(d) “Inventories” to the consolidated financial statements for accounting policies on and description of inventory valuation, respectively.

Description of key audit matter:

The primary products of the Group are LEDs as well as buildings held for sale, which are measured at the lower of cost or net realizable values. As of December 31, 2024, the amount of real estate held for sale was NT\$480,835 thousand, accounting for 83% of the inventory. Buildings held for sale are profoundly impacted by factors such as business climate and supply and demand, hence the fluctuation of related demand and selling prices. Therefore, there is a risk that the cost of these inventories will exceed the net realizable values thereof.

How the matter was addressed in our audit:

Our audit procedures in this area included: (i) obtaining the inventory valuation performed by the management as of the end of the reporting period, inspecting and performing sample testing on the comparable market data such as sales prices of the transactions in the neighborhood. (ii) we also assessed whether the related information was properly disclosed in the notes to the consolidated financial statements.

## Other Matter

The Group has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Mei, Yuan-Chen and Kuo, Yang-Lun.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2025

#### **Notes to Readers**

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

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



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

**PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents(note 6(a))	\$ 341,429	15	305,289	13	2100	Short-term borrowings(note 6(l))	\$ 127,184	5	184,730	8
1110	Current financial assets at fair value through profit or loss(note 6(b))	8,702	-	-	-	2132	Advance real estate receipts(notes 6(d) and (s))	178,522	8	194,855	8
1120	Current financial assets at fair value through other comprehensive income(note 6(b))	14,481	1	17,262	1	2150	Notes payable	23	-	3,210	-
1150	Notes receivable, net(notes 6(c) and (s))	5,826	-	14,369	1	2170	Accounts payable	152,312	7	128,113	6
1170	Accounts receivable, net(notes 6(c) and (s))	198,047	9	188,025	8	2219	Construction payable(note 6(d))	13,974	1	16,498	1
1220	Current tax assets	15,036	1	14,459	1	2230	Current tax liabilities	7,591	-	5,412	-
130X	Inventories(note 6(d))	582,609	25	632,039	27	2322	Long-term borrowings, current portion(note 6(m))	34,298	1	27,293	1
1410	Prepayments	10,847	-	10,100	-	2399	Other current liabilities, others(note 6(o))	84,804	4	79,367	3
1476	Other current financial assets(notes 6(a), 7 and 8)	31,077	1	42,209	2			598,708	26	639,478	27
1479	Other current assets, others	5,732	-	5,250	-						
		1,213,786	52	1,229,002	53						
Non-current assets:						2530	Bonds payable(note 6(n))	300,000	13	300,000	13
1517	Non-current financial assets at fair value through other comprehensive income(note 6(b))	51,835	2	41,008	2	2540	Long-term borrowings(note 6(m))	183,776	8	163,844	7
1550	Investments accounted for using equity method, net(note 6(e))	203,146	9	197,506	8	2580	Non-current lease liabilities(note 6(o))	781	-	1,017	-
1600	Property, plant and equipment(notes 6(h) and 8)	532,486	23	540,283	23	2640	Net defined benefit liability, non-current(note 6(p))	7,862	-	10,967	-
1755	Right-of-use assets(notes 6(i) and 8)	39,176	2	43,655	2	2570	Deferred tax liabilities(note 6(q))	7,072	-	4,323	-
1760	Investment property, net(notes 6(j) and 8)	86,108	4	81,966	4	2645	Guarantee deposits received	715	-	911	-
1780	Intangible assets(note 6(k))	5,314	-	5,977	-			500,206	21	481,062	20
1840	Deferred tax assets(note 6(q))	33,903	1	33,073	1			1,098,914	47	1,120,540	47
1980	Other non-current financial assets(note 8)	124,066	5	124,511	5						
1990	Other non-current assets, others(note 7)	45,681	2	42,432	2						
		1,121,715	48	1,110,411	47						
Total assets		\$ 2,335,501	100	2,339,413	100						
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
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						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100
						Total liabilities and equity		\$ 2,335,501	100	2,339,413	100</

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

**PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenue</b> (notes 6(d), (s) and 14)	\$ 655,374	100	759,468	100
5000	<b>Operating costs</b> (note 6(d))	500,067	76	576,319	76
	<b>Gross profit from operations</b>	155,307	24	183,149	24
	<b>Operating expenses:</b> (notes 6(c), (t) and 12)				
6100	Total selling expenses	75,228	11	78,999	10
6200	Total administrative expenses	134,984	21	137,978	18
6300	Total research and development expenses	27,831	4	29,043	4
6450	Expected credit gain	(1,160)	-	(2,620)	-
		236,883	36	243,400	32
	<b>Net operating loss</b>	(81,576)	(12)	(60,251)	(8)
	<b>Non-operating income and expenses:</b> (notes 6(e), (g), (u) and 7)				
7010	Other income	12,981	2	18,656	2
7020	Other gains and losses	34,390	5	985	-
7050	Finance costs	(15,700)	(2)	(16,191)	(2)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	(1,133)	-	(19,405)	(2)
7100	Interest income	7,182	1	3,627	-
		37,720	6	(12,328)	(2)
	<b>Loss before tax</b>	(43,856)	(6)	(72,579)	(10)
7950	<b>Less: Income tax expenses (income)</b> (note 6(q))	10,798	2	(677)	-
	<b>Loss</b>	(54,654)	(8)	(71,902)	(10)
8300	<b>Other comprehensive income:</b> (notes 6(p) and (r))				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	1,601	-	73	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,920	-	9,181	1
		4,521	-	9,254	1
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	63,492	10	(14,614)	(2)
		63,492	10	(14,614)	(2)
8300	<b>Other comprehensive income (loss) (after tax)</b>	68,013	10	(5,360)	(1)
	<b>Total comprehensive income (loss)</b>	<b>\$ 13,359</b>	<b>2</b>	<b>(77,262)</b>	<b>(11)</b>
	<b>Profit (loss) attributable to:</b>				
	Owners of the parent	\$ (51,139)	(7)	(74,824)	(10)
	Non-controlling interests	(3,515)	(1)	2,922	-
		<b>\$ (54,654)</b>	<b>(8)</b>	<b>(71,902)</b>	<b>(10)</b>
	<b>Comprehensive income (loss) attributable to:</b>				
	Owners of the parent	\$ 16,874	3	(80,184)	(11)
	Non-controlling interests	(3,515)	(1)	2,922	-
		<b>\$ 13,359</b>	<b>2</b>	<b>(77,262)</b>	<b>(11)</b>
	<b>Basic earnings per share</b> (NT dollars)(note 6(v))	<b>\$ (0.44)</b>		<b>(0.65)</b>	
	<b>Diluted earnings per share</b> (NT dollars)(note 6(v))	<b>\$ (0.44)</b>		<b>(0.65)</b>	

See accompanying notes to consolidated financial statements.

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

PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Retained earnings						Total other equity interest						
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity attributable to owners of parent	Non-controllin g interests	Total equity
Balance at January 1, 2023	\$ 1,166,198	29,066	1,072	127,638	6,686	135,396	(99,364)	(33,938)	(133,302)	(7,936)	1,189,422	109,294	1,298,716
Loss	-	-	-	-	(74,824)	(74,824)	-	-	-	-	(74,824)	2,922	(71,902)
Other comprehensive income	-	-	-	-	73	73	(14,614)	9,181	(5,433)	-	(5,360)	-	(5,360)
Total comprehensive income	-	-	-	-	(74,751)	(74,751)	(14,614)	9,181	(5,433)	-	(80,184)	2,922	(77,262)
Appropriation and distribution of retained earnings:													
Legal reserve appropriated	-	-	668	-	(668)	-	-	-	-	-	-	-	-
Special reserve appropriated	-	-	-	5,664	(5,664)	-	-	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(182)	(182)	-	182	182	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,581)	(2,581)
Balance at December 31, 2023	1,166,198	29,066	1,740	133,302	(74,579)	60,463	(113,978)	(24,575)	(138,553)	(7,936)	1,109,238	109,635	1,218,873
Loss	-	-	-	-	(51,139)	(51,139)	-	-	-	-	(51,139)	(3,515)	(54,654)
Other comprehensive income	-	-	-	-	1,601	1,601	63,492	2,920	66,412	-	68,013	-	68,013
Total comprehensive income	-	-	-	-	(49,538)	(49,538)	63,492	2,920	66,412	-	16,874	(3,515)	13,359
Changes in ownership interests in subsidiaries	-	(227)	-	-	(849)	(849)	-	-	-	-	(1,076)	-	(1,076)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(7,368)	(7,368)	-	7,368	7,368	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	5,431	5,431
Balance at December 31, 2024	\$ 1,166,198	28,839	1,740	133,302	(132,334)	2,708	(50,486)	(14,287)	(64,773)	(7,936)	1,125,036	111,551	1,236,587

See accompanying notes to consolidated financial statements.

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

**PARA LIGHT ELECTRONICS CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	2024	2023
<b>Cash flows from (use in) operating activities:</b>		
Loss before tax	\$ (43,856)	(72,579)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	40,208	51,250
Amortization expense	895	884
Expected credit reversal	(1,160)	(2,620)
Net loss on financial assets or liabilities at fair value through profit or loss	(2,013)	-
Interest expense	15,700	16,191
Interest income	(7,182)	(3,627)
Dividend income	(1,109)	(2,175)
Share of loss of subsidiaries and associates accounted for using equity method	1,133	19,405
Loss on disposal of property, plant and equipment	129	834
Property, plan and equipment transferred to expenses (profit)	-	(171)
Gain on disposal of investment properties	(12,652)	-
Gain on disposal of investments accounted for using equity method	(2,882)	-
<b>Total adjustments to reconcile profit (loss)</b>	<b>31,067</b>	<b>79,971</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease in notes receivable	8,543	2,135
Decrease (increase) in accounts receivable	(8,862)	30,459
Decrease in inventories	19,640	158,379
Increase in prepaid expenses	(500)	(288)
Decrease (increase) in prepayments	(247)	2,558
Increase in other current assets	(482)	(877)
(Increase) decrease in other financial assets	1,161	(960)
<b>Total changes in operating assets</b>	<b>19,253</b>	<b>191,406</b>
Changes in operating liabilities:		
Decrease in contract liabilities	(16,333)	(85,655)
Increase (decrease) in notes payable	(3,187)	354
Increase in accounts payable	24,199	90
Decrease in construction payable	(2,524)	(63,241)
Increase (decrease) in other payable	127	(20,273)
Increase in other current liabilities	29,380	37,501
Decrease in net defined benefit liability	(1,504)	(1,242)
<b>Total changes in operating liabilities</b>	<b>30,158</b>	<b>(132,466)</b>
<b>Total adjustments</b>	<b>80,478</b>	<b>138,911</b>
Cash inflow generated from operations	36,622	66,332
Interest received	7,182	3,627
Dividends received	1,109	2,175
Interest paid	(16,024)	(16,412)
Income taxes paid	(3,196)	(2,226)
<b>Net cash flows from operating activities</b>	<b>25,693</b>	<b>53,496</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(260,281)	(66,544)
Proceeds from disposal of financial assets at fair value through other comprehensive income	256,790	99,852
Acquisition of financial assets at fair value through profit or loss	(63,038)	-
Proceeds from disposal of financial assets at fair value through profit or loss	55,927	-
Proceeds from disposal of investments accounted for using equity method	5,349	-
Acquisition of property, plant and equipment	(17,638)	(31,220)
Proceeds from disposal of property, plant and equipment	1,706	1,516
Proceeds from disposal of investment properties	35,402	-
(Increase) Decrease in other financial assets	10,416	(6,258)
Increase in prepayments for equipment	(14,600)	(8,846)
<b>Net cash flows (used in) investing activities</b>	<b>10,033</b>	<b>(11,500)</b>
<b>Cash flows from (used in) financing activities:</b>		
Decrease in short-term borrowings	73,369	105,307
Increase in other short-term loans	(133,856)	(120,510)
Proceeds from issuing bonds	-	300,000
Repayments of bonds	-	(300,000)
Proceeds from long-term borrowings	129,642	30,014
Repayments of long-term borrowings	(104,206)	(38,339)
Decrease in guarantee deposit received	(200)	(86)
Payment of lease liabilities	(598)	(649)
Change in non-controlling interests	5,431	(2,581)
Other financing activities	(1,076)	-
<b>Net cash flows (used in) financing activities</b>	<b>(31,494)</b>	<b>(26,844)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>31,908</b>	<b>(10,579)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>36,140</b>	<b>4,573</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>305,289</b>	<b>300,716</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 341,429</b>	<b>305,289</b>

## **Independent Auditors' Report**

To the Board of Directors of PARA LIGHT ELECTRONICS CO., LTD.:

### **Opinion**

We have audited the financial statements of PARA LIGHT ELECTRONICS CO., LTD. (“the Company”), which comprise the balance sheet as of December 31, 2024 and 2023, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **1. Revenue recognition**

Please refer to note 4(o) “Revenue recognition” and note 6(o) “Revenue from contracts with customers” to the financial statements for accounting policies on revenue recognition and description of revenues, respectively.

Description of key audit matter:

The Company mainly engages in the sale of various LEDs and LED displays as well as property development. Revenue is one of the key indicators for investors and management to measure financial or business performance; therefore, the accuracy of both the amounts and timing of revenue recognition has significant influence on financial statements.

How the matter was addressed in our audit:

Our key audit procedures included: (i) testing the relevant control over the sales and collection cycle to determine the reliability of revenue records. (ii) checking and adjusting the data of sales system and general ledger entries, and evaluating whether the conditions of sale are consistent with the recognition of accounting policies. (iii) Performing trend analysis on the top ten sales customers to assess whether there are any material abnormality. (iv) using system tools to sample sales transactions before and after the year end to evaluate the accuracy of the period and amount of revenue recognition.

## 2. Valuation of investment accounted for using the equity method

Please refer to Note 4(h) for the related accounting policy of valuation of investment, Note 4(i) “Investment in subsidiaries” for details on accounting policy about investments accounted for using the equity method ; and Note 6(e) “Investments Accounted for Using the Equity Method” for details on the related explanation.

Description of key audit matter:

The Company held the entire shares of Para Light Investments Limited at the amount of \$959,120 thousand.

Due to the significance of the investment amount, the valuation of the investment accounted for using the equity method is one of our key audit matters.

How the matter was addressed in our audit:

Our key audit procedures included: (i) understanding the accounting procedures for the investment accounted using the equity method, obtaining the details of the relevant calculation of the investment, including the investment loss and other equity investment items, for the current period using the equity method, analyzing the accuracy of the detailed statements, and assessing the profit or loss incurred from the investment in the investee company that has been recognized according to the appropriate shareholding ratio. (ii) checked the confirmations of the related parties, assessed the consistency and reasonableness of the Company’s accounting records to ensure that the unrealized gain or loss has been properly written off, as well as evaluated the investment whether there are signs of impairment. In addition, (iii)we also assessed whether the related information was properly disclosed in the notes to the parent-company-only financial statements.

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

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Mei, Yuan-Chen and Kuo, Yang-Lun.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2025

#### **Notes to Readers**

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

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



(English Translation of Parent Company Only)

PARA LIGHT ELE

Balance

December 31

(Expressed in Thousand)

		December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%
<b>Current assets:</b>					
1100	Cash and cash equivalents(note 6(a))	\$ 97,729	5	143,197	8
1120	Current financial assets at fair value through other comprehensive income(note 6(b))	-	-	14,943	1
1150	Notes receivable, net(notes 6(c) and (m))	1,641	-	2,131	-
1170	Accounts receivable, net(notes 6(c) and (m))	39,967	2	37,676	2
1181	Accounts receivable-related parties, net(note 7)	12,907	1	12,785	1
130X	Inventories(note 6(d))	35,083	2	30,058	2
1476	Other current financial assets(notes (a) and 8)	22,137	1	11,345	-
1479	Other current assets	3,759	-	2,674	-
		213,223	11	254,809	14
<b>Non-current assets:</b>					
1550	Investments accounted for using equity method(note 6(e))	1,312,624	70	1,230,866	67
1600	Property, plant and equipment(notes 6(f) and 8)	157,092	8	160,403	9
1760	Investment property, net(notes 6(g) and 8)	43,289	2	43,689	2
1840	Deferred tax assets(note 6(k))	11,820	1	12,133	-
1980	Other non-current financial assets(notes 6(a), 7 and 8)	135,055	8	143,102	8
		1,659,880	89	1,590,193	86
<b>Total assets</b>		<b>\$ 1,873,103</b>	<b>100</b>	<b>1,845,002</b>	<b>100</b>

See accompanying notes to parent company only financial statements.

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

**PARA LIGHT ELECTRONICS CO., LTD.**

**Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	Total operating revenue(notes 6(m) and 7)	\$ 263,335	100	239,127	100
	<b>Net operating revenues</b>	263,335	100	239,127	100
5000	Cost of goods sold(notes 6(d) and 7)	192,160	73	178,305	75
	<b>Gross profit</b>	71,175	27	60,822	25
5910	Less: Unrealized profit (loss) from sales	(1,364)	(1)	1,569	1
		72,539	28	59,253	24
	<b>Operating expenses</b> (notes 6(c), (f), (g), (j) and (n)):				
6100	Selling expenses	35,490	13	31,955	13
6200	Administrative expenses	57,123	22	57,781	24
6300	Research and development expenses	1,033	-	1,482	1
6450	Expected credit loss (Impairment gain)	(861)	-	1,194	-
		92,785	35	92,412	38
	<b>Operating loss</b>	(20,246)	(7)	(33,159)	(14)
	<b>Non-operating income and expenses:</b> (notes 6(e), (i), (o) and 7)				
7010	Other income	6,901	3	7,484	3
7020	Other gains and losses	4,266	2	(10)	-
7050	Finance costs	(11,048)	(4)	(9,612)	(4)
7060	Share of profit (loss) of subsidiaries accounted for using equity method	(32,358)	(12)	(43,420)	(18)
7100	Interest income	4,044	2	2,855	1
		(28,195)	(9)	(42,703)	(18)
7900	<b>Loss before tax</b>	(48,441)	(16)	(75,862)	(32)
7951	Less: Income tax expenses(income)(note (k))	2,698	1	(1,038)	-
	<b>Loss</b>	(51,139)	(17)	(74,824)	(32)
8300	<b>Other comprehensive income</b> (notes 6(j) and (l)):				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	1,601	1	73	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(5,199)	(2)	5,246	2
8330	Share of other comprehensive income of subsidiaries, associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	8,119	3	3,935	2
		4,521	2	9,254	4
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	63,492	24	(14,614)	(6)
8300	<b>Other comprehensive income (loss)</b>	68,013	26	(5,360)	(2)
	<b>Comprehensive income (loss)</b>	<b>\$ 16,874</b>	<b>9</b>	<b>(80,184)</b>	<b>(34)</b>
	<b>Basic earnings per share (NT dollars)</b> (note 6(p))	<b>\$ (0.44)</b>		<b>(0.65)</b>	
	<b>Diluted earnings per share (NT dollars)</b> (note 6(p))	<b>\$ (0.44)</b>		<b>(0.65)</b>	

See accompanying notes to parent company only financial statements.

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

**PARA LIGHT ELECTRONICS CO., LTD.**

**Statements of Changes in Equity**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings						Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total other equity interest	Treasury shares	Total equity
<b>Balance at January 1, 2023</b>	\$ 1,166,198	29,066	1,072	127,638	6,686	135,396	(99,364)	(33,938)	(133,302)	(7,936)	1,189,422
Loss	-	-	-	-	(74,824)	(74,824)	-	-	-	-	(74,824)
Other comprehensive income	-	-	-	-	73	73	(14,614)	9,181	(5,433)	-	(5,360)
Total comprehensive income	-	-	-	-	(74,751)	(74,751)	(14,614)	9,181	(5,433)	-	(80,184)
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	668	-	(668)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	5,664	(5,664)	-	-	-	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(182)	(182)	-	182	182	-	-
<b>Balance at December 31, 2023</b>	1,166,198	29,066	1,740	133,302	(74,579)	60,463	(113,978)	(24,575)	(138,553)	(7,936)	1,109,238
Loss	-	-	-	-	(51,139)	(51,139)	-	-	-	-	(51,139)
Other comprehensive income	-	-	-	-	1,601	1,601	63,492	2,920	66,412	-	68,013
Total comprehensive income	-	-	-	-	(49,538)	(49,538)	63,492	2,920	66,412	-	16,874
Changes in ownership interests in subsidiaries	-	(227)	-	-	(849)	(849)	-	-	-	-	(1,076)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(7,368)	(7,368)	-	7,368	7,368	-	-
<b>Balance at December 31, 2024</b>	<b>\$ 1,166,198</b>	<b>28,839</b>	<b>1,740</b>	<b>133,302</b>	<b>(132,334)</b>	<b>2,708</b>	<b>(50,486)</b>	<b>(14,287)</b>	<b>(64,773)</b>	<b>(7,936)</b>	<b>1,125,036</b>

See accompanying notes to parent company only financial statements.

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

**PARA LIGHT ELECTRONICS CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from (used in) operating activities:</b>		
Loss before tax	\$ (48,441)	(75,862)
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation expense	3,975	4,640
Expected credit loss (Impairment gain)	(861)	1,194
Interest expense	11,048	9,612
Interest income	(4,044)	(2,855)
Dividend income	(490)	(1,270)
Share of loss of subsidiaries and associates accounted for using equity method	32,358	43,420
Loss on disposal of property, plant and equipment	-	179
Unrealized loss (profit) from sales	(1,364)	1,569
<b>Total adjustments to reconcile profit (loss)</b>	<b>40,622</b>	<b>56,489</b>
<b>Changes in operating assets and liabilities:</b>		
Decrease in notes receivable	490	1,788
Decrease (increase) in accounts receivable	(1,430)	8,936
Decrease (increase) in accounts receivable due from related parties	(122)	2,649
Increase in inventories	(5,025)	(6,690)
Decrease in prepaid expenses	511	88
Increase in other financial assets	(10,792)	(10,033)
(Increase) decrease in other current assets	(1,209)	3,516
<b>Total changes in operating assets</b>	<b>(17,577)</b>	<b>254</b>
Increase(decrease) in notes payable	(3,183)	354
Increase in accounts payable	8,106	9,540
Increase (decrease) in accounts payable to related parties	11,169	28,431
Increase (decrease) in other payable	3,579	(724)
Decrease in other current liabilities	(242)	(384)
Decrease in net defined benefit liability	(1,504)	(1,242)
<b>Total changes in operating liabilities</b>	<b>17,925</b>	<b>35,975</b>
<b>Total changes in operating assets and liabilities</b>	<b>348</b>	<b>36,229</b>
<b>Total adjustments</b>	<b>40,970</b>	<b>92,718</b>
Cash inflow (outflow) generated from operations	(7,471)	16,856
Interest received	4,044	2,855
Dividends received	490	1,270
Interest paid	(11,060)	(9,537)
Income taxes paid	(845)	(266)
<b>Net cash flows from (used in) operating activities</b>	<b>(14,842)</b>	<b>11,178</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(183,395)	(48,296)
Proceeds from disposal of financial assets at fair value through other comprehensive income	194,013	71,592
Acquisition of investments accounted for using equity method	(43,091)	(45,210)
Acquisition of property, plant and equipment	(264)	(714)
Proceeds from disposal of property, plant and equipment	-	1,352
(Increase) decrease in guarantee deposits paid	(3,745)	(7,852)
Decrease in other financial assets	11,792	15,091
<b>Net cash flows used in investing activities</b>	<b>(24,690)</b>	<b>(14,037)</b>
<b>Cash flows (used in) from financing activities:</b>		
Increase in short-term borrowings	73,369	110,985
Decrease in other short-term loans	(110,985)	(76,953)
Proceeds from issuing bonds	-	300,000
Repayments of bonds	-	(300,000)
Proceeds from long-term borrowings	120,000	30,000
Repayments of long-term borrowings	(88,120)	(37,235)
Increase (decrease) in guarantee deposits received	(200)	6
<b>Net cash flow from (used in) financing activities</b>	<b>(5,936)</b>	<b>26,803</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(45,468)</b>	<b>23,944</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>143,197</b>	<b>119,253</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 97,729</b>	<b>143,197</b>

**[Attachment 4]**

**Comparison Table of Amendments to the Articles of Association**

Provisions after amendment	Current provisions	Description
<p>Article 21-1: If the Company generates profit in a given fiscal year (where "profit" refers to pre-tax earnings before the distribution of employee and director compensation), 8% to 12% shall be allocated as employee compensation, and no more than 3% (inclusive) shall be allocated as director compensation. However, if the Company has accumulated losses, such losses shall be offset first before any distribution.</p> <p>Of the employee compensation amount mentioned in the preceding paragraph, no less than 60% shall be allocated to grassroots employees. Employee compensation may be distributed in the form of stock or cash, and the recipients may include employees of subsidiaries who meet certain criteria. The conditions and method of distribution shall be determined by the Board of Directors. The above two items shall be resolved by the Board of Directors and reported to the shareholders' meeting.</p>	<p>Article 21-1: If the company generates profits for the fiscal year, between 8% and 12% of the profits should be allocated as employee compensation, as decided by the board of directors, to be distributed in either stocks or cash. The recipients may include employees of subsidiary companies who meet certain criteria. Furthermore, the board of directors may allocate up to 3% (including 3%) of the profits for director remuneration, which shall only be distributed in cash. However, the Company still has accumulated deficits (including the amount of adjusted undistributed earnings), which should be reserved in advance to compensate.</p>	<p>In accordance with the amendment to Article 14 of the Securities and Exchange Act.</p>

<p>Article 24:</p> <p>These Articles of Incorporation were established on September 12, 1987.</p> <p>The first amendment was made on August 9, 1991.</p> <p>The 2nd amendment was made on November 7, 1992.</p> <p>The 3rd amendment was made on July 1, 1997.</p> <p>The 4th amendment was made on June 2, 1998.</p> <p>The 5th amendment was made on October 15, 1998.</p> <p>The 6th amendment was made on September 30, 1999.</p> <p>The 7th amendment was made on May 16, 2000.</p> <p>The 8th amendment was made on December 27, 2000.</p> <p>The 9th amendment was made on March 10, 2002.</p> <p>The 10th amendment was made on May 28, 2002.</p> <p>The 11th amendment was made on May 28, 2002 (2nd amendment).</p> <p>The 12th amendment was made on October 31, 2002.</p> <p>The 13th amendment was made on October 31, 2002 (2nd amendment).</p> <p>The 14th amendment was made on June 10, 2005.</p> <p>The 15th amendment was made on June 10, 2005 (2nd amendment).</p> <p>The 16th amendment was made on November 8, 2005.</p> <p>The 17th amendment was made on June 9, 2006.</p> <p>The 18th amendment was made on June 15, 2007.</p> <p>The 19th amendment was made on June 13, 2008.</p> <p>The 20th amendment was made on June 10, 2009.</p> <p>The 21st amendment was made on</p>	<p>Article 24:</p> <p>These Articles of Incorporation were established on September 12, 1987.</p> <p>The first amendment was made on August 9, 1991.</p> <p>The 2nd amendment was made on November 7, 1992.</p> <p>The 3rd amendment was made on July 1, 1997.</p> <p>The 4th amendment was made on June 2, 1998.</p> <p>The 5th amendment was made on October 15, 1998.</p> <p>The 6th amendment was made on September 30, 1999.</p> <p>The 7th amendment was made on May 16, 2000.</p> <p>The 8th amendment was made on December 27, 2000.</p> <p>The 9th amendment was made on March 10, 2002.</p> <p>The 10th amendment was made on May 28, 2002.</p> <p>The 11th amendment was made on May 28, 2002 (2nd amendment).</p> <p>The 12th amendment was made on October 31, 2002.</p> <p>The 13th amendment was made on October 31, 2002 (2nd amendment).</p> <p>The 14th amendment was made on June 10, 2005.</p> <p>The 15th amendment was made on June 10, 2005 (2nd amendment).</p> <p>The 16th amendment was made on November 8, 2005.</p> <p>The 17th amendment was made on June 9, 2006.</p> <p>The 18th amendment was made on June 15, 2007.</p> <p>The 19th amendment was made on June 13, 2008.</p> <p>The 20th amendment was made on June 10, 2009.</p> <p>The 21st amendment was made on</p>	<p>Date of amendment added</p>
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<p>June 4, 2010.</p> <p>The 22nd amendment was made on June 10, 2011.</p> <p>The 23rd amendment was made on June 18, 2012.</p> <p>The 24th amendment was made on June 8, 2016.</p> <p>The 25th amendment was made on June 8, 2017.</p> <p>The 26th amendment was made on June 5, 2020.</p> <p>The 27th amendment was made on July 16, 2021.</p> <p>The 28th amendment was made on June 8, 2022.</p> <p>The 29th amendment was made on June 5, 2025.</p>	<p>June 4, 2010.</p> <p>The 22nd amendment was made on June 10, 2011.</p> <p>The 23rd amendment was made on June 18, 2012.</p> <p>The 24th amendment was made on June 8, 2016.</p> <p>The 25th amendment was made on June 8, 2017.</p> <p>The 26th amendment was made on June 5, 2020.</p> <p>The 27th amendment was made on July 16, 2021.</p> <p>The 28th amendment was made on June 8, 2022.</p>	
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## **VIII. Appendix**

### **[Appendix 1]**

#### **PARA LIGHT ELECTRONICS CO., LTD.**

##### **Articles of Incorporation**

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

- Article 1: The Company is incorporated in accordance with the provisions of the Company Act and named Para Light Electronics Co., Ltd.
- Article 2: The Company's business scope is as follows:
- (1) CC01020 Electric Wires and Cables Manufacturing.
  - (2) CC01040 Lighting Equipment Manufacturing.
  - (3) CC01060 Wired Communication Mechanical Equipment Manufacturing.
  - (4) CC01070 Wireless Communication Mechanical Equipment Manufacturing.
  - (5) CC01080 Electronic Components Manufacturing.
  - (6) CC01110 Computer and Peripheral Equipment Manufacturing.
  - (7) F401010 International Trade.
  - (8) IG03010 Energy Technology Services.
  - (9) F107050 Wholesale of Fertilizers
  - (10) F108040 Wholesale of Cosmetics
  - (11) F113010 Wholesale of Machinery
  - (12) F113020 Wholesale of Electrical Appliances
  - (13) F114030 Wholesale of Auto and Motorcycle Parts, Accessories
  - (14) F114040 Wholesale of Bicycles and Parts
  - (15) In addition to licensed activities, ZZ99999 may engage in businesses not prohibited or restricted by law.
- Article 3: The Company is headquartered in Zhonghe District, New Taipei City. Where necessary, the Company may establish branches domestically and internationally upon the resolution of the Board of Directors.
- Article 4: Deleted.
- Article 5: The company's investments in other businesses are not subject to the restrictions on total investment amounts as stipulated in Article 13 of the Company Act. However, the long-term equity investment shall be subject to a resolution of the board of directors.
- Article 5-1: If our company wishes to cancel its public offering of shares, this action must be approved by the board of directors and must receive the approval of more than half of the issued shares represented by shareholders present at the meeting, with more than half of the voting rights of the attendees consenting.
- Article 5-2: For business needs, the company may provide endorsements and guarantees for affiliated enterprises, which are conducted according to the company's "Endorsement and Guarantee Procedures".

###### **Chapter 2 Shares**



Article 6: The total capital of the company is NTD 2,000,000,000, divided into 200,000,000 shares, with each share valued at NTD 10. The board of directors is authorized to issue shares in stages. An additional NTD 100 million within the total capital amount is reserved for issuing employee stock options, totaling 10 million shares, with each share priced at NTD 10. These can be issued in stages as determined by the board of directors. The Company shall authorize the board of directors to repurchase its own shares according to laws and regulations, if any. Special shares may be issued within the aforementioned total amount.

Article 6-1: The company issues registered Class A preferred shares, the rights, obligations, and other significant matters of which are as follows:

- I. The dividend rate for preferred shares is set at 3% for the first three years, and 0% for the fourth year, calculated based on the issue price, with dividends paid out in cash annually; following the approval of the financial statements at the annual general meeting, the board of directors shall set the dividend record date to disburse the dividends for the previous year. Cash dividends for the fiscal year issued and the fiscal year redeemed are calculated based on the actual number of days the shares are issued, with the issue date defined as the capital increase reference date.
- II. Each fiscal year, after the company's final settlement, if there is a profit, taxes must be paid according to the law, and previous years' losses must be compensated. First, 10% of the profits should be allocated to the statutory surplus reserve. If necessary, a special surplus reserve may be provided for or reversed according to the law. Priority should be given to distributing the current year's dividends for Class A special shares and the accumulated undistributed dividends from previous years.
- III. If the annual financial statements show no profits or insufficient profits to distribute dividends on preferred shares, the undistributed or insufficiently distributed dividends shall accrue at an annual simple interest rate. These dividends will be prioritized for payment in subsequent profitable years. However, when the preferred shares are converted into common shares at maturity, the Company shall make up the full amount of the accumulated undistributed dividends.
- IV. Registered Class A preferred shares are entitled to receive preferred dividends but do not participate in the distribution of ordinary shareholder profits or capital reserves. However, if the company's annual earnings per share (calculated based on the actual number of ordinary shares in circulation at the end of the period) exceed NTD 2.0, the dividend for registered Class A preferred shares will be calculated using the applicable annual dividend interest rate (simple interest) plus an additional 2%.
- V. In the distribution of the company's remaining assets, the holders of registered type A special shares have priority over ordinary shareholders, but the distribution is limited to not exceeding their issue price.
- VI. Holders of Class A preferred registered shares have no voting rights at the general shareholders' meeting of common shareholders, nor the right to elect directors, but they do have the right to be elected as directors.
- VII. When the company issues new shares for cash, holders of registered type A special shares and ordinary shareholders have the same preemptive rights to subscribe to the new shares.
- VIII. The shareholders of registered class A preferred shares have no other rights and obligations except as provided for in the Company's Articles of Incorporation.
- IX. The issuance period of registered preferred shares A is four years. Starting from the day after three years from the issuance date until three months before the maturity date, the bonds can be converted into newly issued ordinary shares of the company at any time. From three months before the expiration date of preferred shares to the expiration date itself, if the shares have not yet been converted, the company may compel the shareholders of these preferred shares to convert all their holdings into common stock. The conversion ratio is one preferred share for one common share. However, special shares converted into ordinary shares before

the ex-dividend (rights) record date in the current year are not eligible to participate in the distribution of dividends for preferred shares of the conversion year. They are, however, eligible to participate in the distribution of ordinary share profits and capital reserves. After the conversion of special shares into ordinary shares, the rights and obligations shall be the same as those of the originally issued ordinary shares.

- Article 7: Our company's shares are registered shares and must be numbered and signed or stamped by the company's representing directors, and issued after being verified by a bank authorized to certify share issuance according to law. The shares issued by the Company may be printed without the printing of share certificates. Shares issued under the aforementioned provisions should be registered or kept with a centralized securities depository organization. They may also be reissued as high-denomination securities at the request of the depository organization, in accordance with its regulations.
- Article 8: The Company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authority.
- Article 9: Deleted.
- Article 10: Deleted.
- Article 11: Transfer of share ownership due to a change in shareholder name will be suspended from 60 days before the shareholders' meeting, 30 days before a special shareholders' meeting, or five days before the record date for dividend distribution or other benefits.

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

- Article 12: Shareholders' meetings are categorized as either regular or extraordinary. The regular meeting is held once a year within six months after the end of each fiscal year. Extemporaneous meetings shall be convened at any time when necessary.
- The shareholders' meeting may be held via video conference or other methods announced by the competent central authority.
- Notices for the regular annual general meeting of shareholders must be sent at least thirty days prior to the meeting, and notices for special general meetings must be sent at least fifteen days before the meeting. Notices must be sent to all shareholders in written or electronic form as stipulated by law, including the date, location, and purpose of the meeting. However, for shareholders with fewer than 1,000 shares, such announcement may be made.
- Article 13: Shareholders unable to attend the meeting in person may authorize a proxy by issuing a power of attorney as provided by the company, which specifies the scope of the proxy's authority. The procedure for shareholders to delegate attendance, aside from the provisions of Article 177 of the Company Law, shall be conducted in accordance with the 'Regulations on Proxy Forms for Attendance at Shareholders' Meetings of Public Companies' issued by the competent authority.
- Article 14: Except as provided under Article 179 of the Company Act and other relevant laws, each share held by a shareholder entitles the holder to one vote.
- Article 15: Unless otherwise specified by relevant laws, resolutions at the shareholders' meeting require the presence of shareholders representing more than half of the total issued shares, and the consent of a majority of the voting rights present must be obtained. At the time of voting, if there is no objection after the chair's inquiry, it is deemed to have been passed, and the effect is the same as that for a poll.
- Voting on resolutions at the shareholders' meeting may be conducted in written or electronic form, in accordance with relevant legal provisions.
- The distribution of shareholders' meeting minutes is handled in accordance with Article 183 of the Company Act.

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

Article 16: The company shall have five to nine directors, each serving a three-year term, elected from individuals with legal capacity by the shareholders' meeting. Re-election is permitted. The nomination system for candidates applies to all directors, including independent directors, with the shareholders' meeting selecting from a list of nominees. After the company's public issuance of shares, the total amount of registered shares held by all directors shall not be less than a certain percentage of the total issued shares as stipulated by the regulatory authority.

In accordance with Article 14-2 of the Securities Exchange Act, the number of directors at our company includes at least two independent directors, which must not be less than one-fifth of the total number of directors.

The professional qualifications, shareholding requirements, restrictions on holding concurrent positions, nomination and election procedures, and other compliance issues for independent directors shall be handled in accordance with the relevant regulations of the securities regulatory authority.

Directors and independent directors shall be elected together, and the elected seats shall be counted separately.

The Company has established an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act, which consists of all independent directors. The number of members of the Audit Committee, their terms, powers, and procedural rules will be governed by the regulations concerning the exercise of powers by Audit Committees of publicly traded companies, and detailed separately in the Audit Committee charter.

Article 16-1: Should a vacancy occur in the board amounting to one-third of its members or if all independent directors are dismissed, the board must call an extraordinary shareholder meeting to elect replacements within 60 days from the date of occurrence. If directors resign, reducing the number below five, or if independent directors resign, failing to meet the number stipulated by the bylaws, replacements must be elected at the next shareholder meeting. The term of the newly elected directors will expire at the end of the original term of their predecessors.

Article 17: The board of directors is composed of directors, with the chairman being elected by a two-thirds majority of the directors present, provided that more than half of the directors in attendance agree. The same procedure applies to the election of the vice-chairman. The chairman represents the company externally. Board meetings shall be convened by the Chairman, unless otherwise provided in the Company Act. The convening of the board of directors must specify the meeting's date, location, and agenda, and notify all directors at least seven days in advance. However, in urgent circumstances, a meeting can be convened at any time. Notice of a board meeting may be given by electronic means with the consent of the parties concerned. Directors' participation in the meeting through video conference shall be deemed attendance in person.

Board resolutions, unless otherwise specified by the Company Law, require the attendance of more than half of the directors, and the resolutions are adopted with the consent of more than half of the directors present.

Article 18: When the Chairman is on leave or for any reason unable to exercise his powers, his/her deputy shall handle matters in accordance with Article 208 of the Company Act. When a director is unable to attend a board meeting, he/she may appoint another director to attend the meeting on his/her behalf by issuing a proxy form stating the scope of authorization and the reasons for the meeting.

Article 19: The remuneration of all directors is determined by the board of directors authorized by the shareholders' meeting, based on their involvement in and contribution to the company's operations, and taking into account the usual levels in the industry.

All directors of the company may take out liability insurance during their term of office as needed for their business execution, to reduce and spread the risk of damage to all directors, the company, and shareholders. The board of directors is authorized to handle all matters related to the insurance

of director liability.

Article 19-1: Deleted.

### **Chapter 5 Managers**

Article 20: The company shall have a General Manager whose appointment, dismissal, and compensation shall be governed by Article 29 of the Company Act.

### **Chapter 6 Accounting**

Article 21: At the end of each fiscal year, the board of directors shall prepare (1) a business report, (2) financial statements, and (3) proposals for profit distribution or loss appropriation, etc., and submit these documents to the Audit Committee for review 30 days before the annual general meeting, and thereafter submit them to the annual general meeting for approval in accordance with the law.

Article 21-1: If the company generates profits for the fiscal year, between 8% and 12% of the profits should be allocated as employee compensation, as decided by the board of directors, to be distributed in either stocks or cash. The recipients may include employees of subsidiary companies who meet certain criteria. Furthermore, the board of directors may allocate up to 3% (including 3%) of the profits for director remuneration, which shall only be distributed in cash. However, the Company still has accumulated deficits (including the amount of adjusted undistributed earnings), which should be reserved in advance to compensate.

The aforementioned remuneration to employees and directors shall be decided by the board of directors and reported to the shareholders' meeting.

Article 22: If there is net profit after taxes for the fiscal year, the company must first compensate for accumulated losses (including adjustments to unappropriated retained earnings) and legally allocate 10% as a statutory surplus reserve. However, once the statutory surplus reserve reaches the total amount of the company's paid-in capital, no further allocation is required. The special surplus reserve shall be appropriated or reversed as required by law or as required by the competent authority, and then priority shall be used for the distribution of class-A preferred stock dividends for the current year and the undistributed dividends accumulated in previous years (including the adjustment of undistributed earnings). The Board of Directors is to formulate an earnings distribution proposal for the shareholders' meeting to resolve the distribution of dividends to shareholders.

The Company's dividend policy is based on future working capital requirements, sound financial planning and investment environment considerations, while taking into account the interests of shareholders and other factors. The amount of the earnings available for distribution each year shall not be lower than 10% (10% inclusive) of the shareholders' dividend bonuses. Bonuses may be paid in cash or shares. If the cash dividend per share is less than NTD 0.2, it may be resolved by the board of directors to be distributed as stock dividends instead; if the stock dividend per share is less than NTD 0.1, it may be resolved by the board of directors to be distributed as cash dividends instead; this must be approved by the shareholders' meeting before distribution.

Article 22-1: Deleted.

### **Chapter 7 Supplementary Provisions**

Article 23: Matters not covered by these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.

Article 24: These Articles of Incorporation were established on September 12, 1987.

The first amendment was made on August 9, 1991.

The 2<sup>nd</sup> amendment was made on November 7, 1992.

The 3<sup>rd</sup> amendment was made on July 1, 1997.

The 4<sup>th</sup> amendment was made on June 2, 1998.

The 5<sup>th</sup> amendment was made on October 15, 1998.

The 6<sup>th</sup> amendment was made on September 30, 1999.

The 7<sup>th</sup> amendment was made on May 16, 2000.

The 8<sup>th</sup> amendment was made on December 27, 2000.

The 9<sup>th</sup> amendment was made on March 10, 2002.

The 10<sup>th</sup> amendment was made on May 28, 2002.

The 11<sup>th</sup> amendment was made on May 28, 2002 (2<sup>nd</sup> amendment).

The 12<sup>th</sup> amendment was made on October 31, 2002.

The 13<sup>th</sup> amendment was made on October 31, 2002 (2<sup>nd</sup> amendment).

The 14<sup>th</sup> amendment was made on June 10, 2005.

The 15<sup>th</sup> amendment was made on June 10, 2005 (2<sup>nd</sup> amendment).

The 16<sup>th</sup> amendment was made on November 8, 2005.

The 17<sup>th</sup> amendment was made on June 9, 2006.

The 18<sup>th</sup> amendment was made on June 15, 2007.

The 19<sup>th</sup> amendment was made on June 13, 2008.

The 20<sup>th</sup> amendment was made on June 10, 2009.

The 21<sup>st</sup> amendment was made on June 4, 2010.

The 22<sup>nd</sup> amendment was made on June 10, 2011.

The 23<sup>rd</sup> amendment was made on June 18, 2012.

The 24<sup>th</sup> amendment was made on June 8, 2016.

The 25<sup>th</sup> amendment was made on June 8, 2017.

The 26<sup>th</sup> amendment was made on June 5, 2020.

The 27<sup>th</sup> amendment was made on July 16, 2021.

The 28<sup>th</sup> amendment was made on June 8, 2022.

## **[Appendix 2]**

### **PARA LIGHT ELECTRONICS CO., LTD. Rules of Procedure for Shareholders' Meetings**

Article 1: Shareholders' meetings of the Company shall be governed by these Rules, unless the law provides otherwise.

Any changes to the mode of conducting the shareholders' meeting must be resolved by the board of directors and communicated no later than when the notice of the shareholders' meeting is dispatched.

Article 2: The notice of the meeting shall specify the registration time for shareholders, proxy solicitors, and proxies (hereinafter referred to as shareholders), the location of the registration desk, and other important details.

Shareholders must check in at least thirty minutes before the meeting starts; the check-in area should be clearly marked, and sufficient and appropriate personnel should manage it. For shareholder meetings conducted via video conference, registration should be accepted on the video conference platform thirty minutes before the meeting starts. Shareholders who have completed the registration are considered to have attended the meeting in person.

Shareholders should attend the shareholders' meeting with their attendance card, sign-in card, or other proof of attendance; solicitors of proxy forms should also carry identification documents for verification.

The company shall provide a sign-in book for attending shareholders, or allow shareholders to submit sign-in cards as an alternative to signing in. The number of shares represented at the meeting is calculated based on the sign-in register, sign-in cards submitted, and shares registered on the video conference platform, plus the shares voting by written or electronic means.

The company shall provide shareholders attending the meeting with the agenda, annual report, attendance card, speech slip, voting ballot, and other meeting materials; if there is an election of directors, election ballots must also be provided.

The company shall provide shareholders with the agenda and supplemental materials for the meeting, as specified below, on the day of the shareholders' meeting.

- (I) When a physical shareholders' meeting is convened, they shall be distributed at the site of the shareholders' meeting.
- (II) When a shareholder meeting is convened via video conference, it shall be distributed at the site of the shareholders' meeting and transmitted to the video conference platform as an electronic file.
- (III) When a shareholder meeting is held by video, the electronic file shall be transmitted to the video conference platform.

For shareholders' meetings held via video conference, shareholders who wish to attend via video must register with the company two days before the meeting.

When a shareholders' meeting is convened via video conference, our company must upload the agenda, annual report, and other relevant documents to the video conference platform at least thirty minutes prior to the commencement of the meeting, and keep them available until the meeting concludes.

Article 2-1: When holding a virtual shareholders' meeting, the following details must be specified in the notice of meeting:

- I. Shareholders' participation in video conference and methods for exercising their rights.
- II. The procedures for dealing with disruptions to the video conference platform or video participation due to natural disasters, incidents, or other force majeure events must include, at

a minimum, the following items:

- (I) Details on any delays or continuations of the meeting due to insurmountable obstacles, including the dates and times for any rescheduled or continued meetings.
  - (II) Shareholders who did not register to participate in the original shareholders' meeting via video cannot participate in the postponed or continued session.
  - (III) When conducting a shareholder meeting with video conferencing support, if the video conference cannot continue, and after deducting the number of shares attended via video, the total number of shares present meets the legal quorum required for the meeting, the meeting shall proceed. The shares of the shareholders participating via video conferencing should be counted towards the total number of shares present, and for all resolutions at that shareholder meeting, their non-voting will be considered as abstention.
  - (IV) In cases where all agenda items have been announced and no new motions have been introduced, the following procedure shall be followed.
- III. When holding a video conference shareholders' meeting, it should specify appropriate alternative measures for shareholders who face difficulties participating via video.

Article 3: Each share entitles the shareholder to one vote; attendance and voting at the shareholders' meeting, except as provided under Article 179 of the Company Law where shares have no voting rights, shall be based on the number of shares. When convening a shareholders' meeting, the company may allow shareholders to exercise their voting rights either in writing or electronically; the method of exercising these rights must be specified in the notice of the meeting. Shareholders casting their votes by correspondence or electronic means shall be deemed to have attended the meeting in person. However, they shall be deemed abstaining on any impromptu motions and amendments to the original motions.

Article 4: The location for the shareholders' meeting should be either at the company's premises or at a convenient and suitable location for the shareholders to attend. The meeting should not start earlier than 9 AM or later than 3 PM.

The location of a shareholders' meeting by video conference is not limited by the preceding paragraph.

Article 5: If the Shareholder's Meeting is convened by the Board of Directors, the chairperson of the meeting is the chairman of the board. If the chairman is absent or otherwise unable to exercise authority, the vice-chairman will act as the chairperson. If there is no vice-chairman or the vice-chairman is also absent or unable to act, a managing director appointed by the chairman will act in his stead. If there are no managing directors, a director appointed by the chairman will act. If the chairman has not appointed a proxy, the managing director or the directors may appoint one among themselves to act as the chairperson.

The chair of the aforementioned item shall be a director or an acting director who has been in the position for at least six months and understands the financial and business conditions of the company. The same shall apply to a representative who is a legal person director.

Article 6: The Company's appointed lawyers, certified public accountants, or related personnel may attend the shareholders' meeting. The service personnel of the shareholders' meeting shall wear identification badges or armbands.

Article 7: The proceedings of the shareholders' meeting, including voting and vote counting, shall be continuously recorded either by audio or video without interruption.

The aforementioned audiovisual data shall be retained for at least one year. However, if a shareholder initiates litigation according to Article 189 of the Company Act, the relevant documents should be preserved until the end of the litigation.

For shareholders' meetings held via video conference, our company is responsible for recording and preserving information regarding shareholders' registration, check-in, questions, voting, and the results of the vote counting, as well as continuously recording both audio and video throughout

the entirety of the video conference.

The aforementioned data and audio-visual recordings should be properly preserved during their retention period and provided to the entrusted party handling the video conference.

Article 8: Upon the scheduled start time of the meeting, the chair should declare the meeting open. However, if there is not a majority of shares issued represented by attendees, the chair may postpone the meeting. The meeting can be postponed up to two times, with the total postponement not exceeding one hour. If, after two postponements, there still isn't a quorum but there are shareholders representing more than one-third of the issued shares present, the chair shall declare the meeting adjourned due to lack of quorum. If the shareholders' meeting is held via video conference, the company must also announce the adjournment on the shareholders' meeting video conference platform.

If a quorum is not met after two adjournments, but there are shareholders representing more than one-third of the issued shares present, a provisional resolution may be made according to Paragraph 1, Article 175 of the Company Act. Such provisional resolutions must be notified to all shareholders, and a shareholders' meeting must be reconvened within one month. If the shareholders' meeting is to be held via video conference, shareholders wishing to attend via video must re-register with the company in accordance with Article 2.

If the represented shares of the shareholders present account for more than half of the total issued shares before the conclusion of the meeting, the chair may make a provisional decision. This decision must be resubmitted for a vote at the general meeting according to Article 174 of the Company Act.

Article 9: If the shareholders' meeting is convened by the board of directors, the agenda is set by the board, and the meeting must proceed according to the scheduled agenda. The agenda cannot be changed without a resolution of the shareholders' meeting. If the shareholders' meeting is convened by a person other than the board of directors who has the authority to do so, the provisions mentioned above shall apply. Unless resolved otherwise, the chair may not adjourn the meeting until all scheduled and emergency agenda items have been addressed. After the meeting is adjourned, shareholders may not elect a chair to continue the meeting at the same venue or elsewhere. However, if the chair adjourns the meeting in violation of the procedural rules, a new chair can be elected by a majority vote of the shares represented by the shareholders present to continue the proceedings.

Article 10: Before speaking, shareholders must fill out a speech slip indicating the main points of the speech, shareholder account number (or attendance card number), and account name. The chairperson will determine the order of speaking. An attending shareholder who has submitted a speaker slip but does not speak shall be deemed to have not spoken. If there is a discrepancy between the content of a speech and its recorded summary, the actual spoken content shall prevail. When a shareholder speaks, other shareholders may not interrupt without the consent of both the chairperson and the speaking shareholder. If this rule is violated, the chairperson must intervene.

Article 11: Except with the consent of the chair, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed five minutes. If a shareholder's speech violates the aforementioned provisions or exceeds the scope of the agenda, the chair may prohibit the individual from speaking.

Article 12: When a legal person is entrusted to attend a shareholders' meeting, the legal person may only appoint one person to attend the meeting. When a corporate shareholder appoints two or more representatives to attend a shareholders' meeting, only one person may speak on the same proposal.

Article 13: After an attending shareholder has spoken, the chair may respond in person or designate relevant personnel to respond.

For shareholder meetings held via video conference, shareholders participating via video may ask questions in text form on the video conference platform from the moment the chairperson declares the meeting open until the adjournment is announced. Questions for each agenda item may not exceed two instances, with a limit of 200 characters per instance, and Articles 10 to 12 do not apply.

If a question posed does not violate the regulations or exceed the scope of the agenda, it should be



disclosed on the shareholders' meeting video conference platform for all to see.

Article 14: When the Chairman is of the opinion that the discussion of a motion has reached the procedure for voting, he may announce the end of the discussion and call for a vote.

Article 15: The appointment of scrutineers and vote counters for the resolution vote shall be designated by the chair; however, scrutineers must be shareholders. The counting of votes for resolutions or election items at the shareholders' meeting should be conducted openly within the meeting venue, and the results of the vote counting, including the tally of votes, must be announced on the spot and recorded. The preparation and distribution of the minutes of the shareholders' meeting shall be handled in accordance with Article 183 of the Company Act.

During shareholder meetings held via video conference, shareholders participating via video must vote on various agenda items and election motions through the video conference platform after the chairman declares the meeting open. Votes must be completed before the chairman announces the end of voting; failure to vote within this timeframe will be considered abstention.

For shareholders' meetings held via video conference, the chair should announce the end of voting, conduct a one-time count of the votes, and then announce the results of the votes and elections.

For video-assisted shareholders' meetings, shareholders who have registered to attend the meeting via video conference and wish to attend the meeting in person must cancel their video attendance registration in the same manner as they registered, two days before the meeting. Those who cancel after this deadline can only attend the meeting via video conference.

Shareholders who exercise their voting rights in writing or electronically, without revoking their intention, and participate in the shareholders' meeting via video conference, may not vote again on the original proposal, nor may they propose amendments or vote on amendments to the original proposal, except for motions raised on the spot.

When electing directors, including independent directors, the election must be conducted according to the nomination regulations established by the company, and the results, including the names and votes received by the elected directors (including independent directors), must be announced on the spot.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signature of the scrutineers and kept in proper custody for at least one year. However, if a shareholder initiates litigation according to Article 189 of the Company Act, the relevant documents should be preserved until the end of the litigation.

Article 16: During a meeting, the chair may announce a break based on time considerations.

If the venue scheduled for the meeting is unavailable before the conclusion of the agenda (including ad hoc motions), the shareholders' meeting may resolve to find another venue to continue the meeting.

Article 17: Voting on resolutions, unless otherwise specified by the Company Act or the company's articles of association, shall pass with the majority consent of the voting rights represented by the shareholders in attendance. During the voting process, if there are no objections from the shareholders present after consultation by the chair, the resolution shall be deemed approved, with the same effect as if determined by voting.

Article 18: When there is an amendment or substitute to the same motion, the chair, in conjunction with the original motion, shall determine the order of voting; if one proposal is adopted, the others shall be considered rejected and no further voting is necessary.

Article 19: The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. Security personnel (or guards) maintaining order at the venue must wear armbands marked "Security".

Article 20: For shareholder meetings held via video conference, our company shall immediately disclose the voting results of each agenda item and election outcomes on the shareholder meeting video conference platform after the voting ends, and continue to display them for at least fifteen minutes

after the chairman announces the adjournment of the meeting.

Article 21: When a video conference shareholders' meeting is held, the chairperson and the recording personnel should be in the same location within the country, and the chairperson must announce the address of that location at the meeting.

Article 22: For shareholders' meetings held via video conference, the company will provide shareholders with a simple connection test prior to the meeting and offer immediate assistance with technical communication issues during and before the meeting. When holding shareholder meetings via video conference, the chairperson should, when announcing the commencement of the meeting, also announce a postponement or continuation of the meeting, if not exempt under Paragraph 4, Article 44-20 of the Publicly Listed Company Share Handling Regulations. This applies if a natural disaster, incident, or other force majeure causes a disruption to the video conference platform or the video conferencing participation that lasts for over thirty minutes. A rescheduled or continued meeting date should be set within five days, notwithstanding Article 182 of the Company Law. If the meeting is postponed or continued, shareholders who did not register to participate in the original shareholders' meeting via video cannot participate in the postponed or continued session. According to the provisions mentioned in the second paragraph, if a meeting is postponed or continued, shareholders who registered for the original meeting via video conference and completed the check-in but do not participate in the postponed or continued meeting, their shares present, votes cast, and election rights from the original meeting should be counted towards the total number of shares present, voting rights, and election rights in the postponed or continued meeting. When postponing or resuming the shareholders' meeting as prescribed in the second paragraph, there is no need to rediscuss or decide again on items for which voting has been completed and results or a list of elected directors have been announced. If during a video-assisted shareholders' meeting the continuation of the video conference becomes impossible as described in the second paragraph, and if after deducting the number of shares represented via video conference the total number of shares present still meets the legal quorum required for the meeting, the shareholders' meeting shall proceed without the need to postpone or continue the meeting as stated in the second paragraph. In the event that a meeting must continue as mentioned in the previous item, shareholders participating via video conference will have their shares counted towards the total number of shares represented at the meeting. However, for all resolutions at that shareholders' meeting, their non-voting will be treated as abstentions. In accordance with the procedures outlined in Paragraph 7, Article 44-20 of the "Regulations on the Handling of Share Affairs by Publicly Issued Companies," our company will conduct the necessary preparatory actions as specified, based on the original shareholders' meeting date and the relevant provisions, if the meeting is postponed or resumed according to the second paragraph. Regarding publicly traded companies, the use of proxies in shareholder meetings shall adhere to the regulations stipulated in the latter part of Article 12 and Paragraph 3, Article 13, as well as the provisions in Paragraph 2, Article 44-5, Articles 44-15, and Paragraph 1, Article 44-17 of the Standards for Handling Stock Affairs by Public Companies. According to Paragraph 2, Article 44-17, our company shall reschedule or continue the meeting date of the shareholder meeting as required.

Article 23: When holding a video conference shareholders' meeting, the company should provide appropriate alternative measures for shareholders who have difficulty attending the meeting via video.

Article 24: These Rules and any amendments hereto shall be implemented after approval by the Shareholders' Meeting.

These rules were amended and approved by the shareholders' meeting on June 6, 2003.

These rules were amended and approved by the shareholders' meeting on June 10, 2009.

The amendments to these rules were passed at the shareholders' meeting on June 18, 2012.

These rules were amended and approved by the shareholders' meeting on June 10, 2013.

These rules were amended and approved by the shareholders' meeting on June 8, 2015.

These rules were amended and approved by the shareholders' meeting on June 5, 2020.

These rules were amended and approved by the shareholders' meeting on June 8, 2023.

**[Appendix 3]****Shareholding of Directors**

The minimum number of shares that all directors of the company must hold, and the number of shares held by individual and all directors as recorded in the shareholder register up to the transfer stop date for this shareholders' meeting:

- (I) The company has issued a total of 116,619,789 shares. According to Article 2 of the "Regulations on the Shareholding Requirements for Directors and Supervisors of Publicly Traded Companies," the total shares held in registered stock by all directors shall not be fewer than 8,000,000 shares.
- (II) As of the transfer stop date for the regular shareholders' meeting on April 7, 2025, the total shares held by all directors are as listed in the table below, which complies with the percentage standards stipulated in Article 26 of the Securities Exchange Act.

**List of Shareholdings of All Directors**

Unit: shares

Job Title	Name	Shares held as of the book closure date	Remarks
		Number of shares	
Chairman	MA, CHING-PENG	6,655,593	
Director	SUN, KEN-MING	1,974,779	
Director	MA, CHING-HSIN	2,684,901	
Director	CHOU, LUN-KUEI	452,000	
Director	LIN, MIN	1,530,142	
Independent Director	LUO, HUAI-JIA	0	
Independent Director	WU, CHUN-KUANG	0	
Independent Director	TENG, CHI-JEN	0	
Independent Director	LIN, CHIN-SUI	0	
Shares held by all directors (excluding independent directors )		13,297,415	