

VIZIONFOCUS INC. and
subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report
2024 and 2023

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Statement of Consolidated Financial Statements of Affiliated Enterprises

For the fiscal year 2024 (January 1, 2024, to December 31, 2024), the companies that are required to be included in the consolidated financial statements of related companies under the "Guidelines for the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Related Reports of Affiliated Companies" are the same as those required under IFRS 10 to be included in the parent-subsiidiary consolidated financial statements. Since the required information for the consolidated financial statements of related companies is already disclosed in the aforementioned parent-subsiidiary consolidated financial statements, there is no need to prepare separate consolidated financial statements for related companies.

We hereby declare

Company Name: VIZIONFOCUS INC.

Responsible person: Shiou-Chuang Huang

March 10, 2025

Independent Auditor's Report

To VIZIONFOCUS INC.:

Audit Opinions

The consolidated balance sheets of Vizionfocus Inc. (the "Company") and its subsidiaries as of December 31, 2024 and December 31, 2023, and the consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the years ended December 31, 2024 and 2023, have been audited by our firm.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Vizionfocus Inc. and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations, and interpretative bulletins endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements by CPAs and the Standards on Auditing. Our responsibilities under these standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section. We are independent of VIZIONFOCUS INC. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the regulations. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statement of VIZIONFOCUS INC. and its subsidiaries for the year ended December 31, 2024. These matters are addressed in our audit of the consolidated financial statements and in the formation of our opinion. The CPAs do not express an independent opinion on these matters.

Key audit matters for the consolidated financial statements of VIZIONFOCUS INC. and its subsidiaries for the year ended December 31, 2024 are stated as follows:

Revenue Recognition for Specific Customers

The management may face pressure to meet expected targets and market expectations, potentially using sales revenue to achieve these objectives. Transactions with specific customers involve overseas consignment warehouse arrangements, whereby sales revenue is recognized when customers actually withdraw goods from these warehouses. Therefore, we have identified the authenticity of sales revenue from customers with the aforementioned transaction types as a key audit matter.

For the accounting policy disclosure information related to sales revenue, please refer to Note 4 of the consolidated financial statement. Our audit procedures for the key audit matters referred to above are as follows:

- I. Understand and test the effectiveness of the design and implementation of the internal control over the sales cycle.
- II. We selected appropriate samples of specific customers from the sales details and examined customer orders, customer bills of lading, shipping documentation, and proof of payment collection. We also verified whether the payment recipients matched the transaction counterparties.
- III. Inventory audits are conducted at the consignment warehouse to sample check and ensure that the inventory quantities recorded in the warehouse match those recorded in the accounts.
- IV. We obtained details of annual sales returns and allowances, including those occurring after the reporting period, and examined whether there were any significant abnormal returns or allowances to confirm the authenticity of sales transactions recognized before the balance sheet date.

Other matters

We have prepared the parent company only financial statements for 2024 and 2023, for which we have issued an unqualified opinion for reference.

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

The responsibility of management is to prepare the consolidated financial statements in accordance with the Financial Reporting Standards for Securities Issuers, endorsed and issued by the Financial Supervisory Commission, along with the applicable International Financial Reporting Standards, International Accounting Standards, and interpretations. Management must also maintain the necessary internal controls related to the preparation of the consolidated financial statements to ensure that they are free from material misstatements, whether due to fraud or error.

In the preparation of the consolidated financial statements, the responsibility of management also includes assessing the ability of VIZIONFOCUS INC. and its subsidiaries to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting, unless management intends to liquidate VIZIONFOCUS INC. and its subsidiaries or to cease operations, or there is no viable alternative but to do so.

The governance unit of VIZIONFOCUS INC. and its subsidiaries (including the Audit Committee) are responsible for supervising the financial reporting process.

The responsibility of an accountant in auditing consolidated financial statements

The purpose of our auditor's audit of the consolidated financial statements is 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 audit report. Reasonable assurance is a high level of assurance, but is not a guarantee that the audit work carried out in accordance with the Standards on Auditing will always detect material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, the misstatement is considered material.

We exercise professional judgment and professional skepticism during an audit in accordance with the Standard on Auditing. We also perform the following tasks:

- I. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Due to the possibility of fraud involving collusion, forgery, intentional omission, false statements, or bypassing internal controls, the risk of material misstatement due to fraud is considered higher than the risk due to error.
- II. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances; the purpose is not to express an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
- III. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
- IV. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management's adoption of the accounting basis for continuing operations, and whether there is significant uncertainty in the events or conditions that may cause significant

doubts about the ability of VIZIONFOCUS INC. and its subsidiaries to continue to operate. If our auditor considers that there is a significant uncertainty associated with events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, they must draw attention in the audit report to the related disclosures in the consolidated financial statements, or modify the audit opinion in case the disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

- V. 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.
- VI. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and implementation of the audit case, and is responsible for forming the audit opinions of VIZIONFOCUS INC. and its subsidiaries.

The matters communicated by our auditor to the governance unit include the planned scope and timing of the audit and significant audit findings (including significant deficiencies in internal control identified during the audit process).

Our auditor also provided the governance unit with a declaration from personnel at the auditor's firm who are subject to independence requirements, stating compliance with the ethical requirements regarding independence in the Code of Ethics for Professional Accountants. Furthermore, the auditor communicated with the governance unit about all relationships and other matters (including related safeguards) that could be perceived to affect the auditor's independence.

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 Falcon Company and its subsidiaries for the year ended December 31, 2024 and which are therefore the key audit matters. Our auditor states such matters in the audit report, unless the law prohibits the public disclosure of specific information, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably foreseeable that the adverse consequences of such communication would outweigh the public interest served.

The engagement partners on the audits resulting in this independent auditors' report are Hsiu-Wen Chen and Yao-Lin Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 10, 2025

Notice to Readers

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

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

VIZIONFOCUS INC. and subsidiaries
Consolidated Balance Sheet
December 31, 2024 and 2023

Unit: NTD Thousand

Code	Assets	December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	\$ 1,180,126	20	\$ 800,156	18
1150	Notes receivable (Notes 4 and 7)	8,514	-	8,265	-
1170	Accounts receivable (Notes 4 and 7)	632,907	11	612,906	14
1200	Other receivables	1,700	-	4,213	-
1220	Current income tax assets (Note 4 and 20)	6,172	-	9,629	-
130X	Inventories (Notes 4, 5, and 8)	288,598	5	257,015	6
1410	Prepayments (Note 28)	59,448	1	64,377	1
1476	Other financial assets – current (Note 6)	253,800	4	-	-
1479	Other current assets	215	-	68	-
11XX	Total current assets	<u>2,431,480</u>	<u>41</u>	<u>1,756,629</u>	<u>39</u>
	Non-current assets				
1600	Property, plant and equipment (Notes 4, 10, 28, and 29)	2,995,474	51	2,334,146	53
1755	Right-of-use assets (Note 4, 11 and 28)	353,720	6	198,463	4
1780	Intangible assets (Notes 4 and 12)	112,676	2	80,703	2
1840	Deferred income tax assets (Note 4 and 20)	9,407	-	23,070	1
1915	Prepayment for equipment (Note 28)	24,466	-	63,189	1
1920	Refundable deposits (Note 28)	12,424	-	6,079	-
1990	Other non-current assets	64	-	319	-
15XX	Total non-current assets	<u>3,508,231</u>	<u>59</u>	<u>2,705,969</u>	<u>61</u>
1XXX	Total assets	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 4,462,598</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 13)	\$ -	-	\$ 150,000	3
2130	Contract liabilities - Current (Notes 4 and 18)	4,384	-	6,279	-
2170	Accounts payable (Note 14)	194,453	3	182,227	4
2200	Other payables (Notes 15 and 28)	336,152	6	347,099	7
2230	Current income tax liabilities (Note 4 and 20)	66,412	1	53,568	1
2280	Lease liabilities - current (Notes 4, 11, and 28)	48,588	1	30,040	1
2313	Deferred revenue (Notes 13 and 23)	4,107	-	6,391	-
2322	Long-term borrowings due within one year (Notes 13, 28, and 29)	156,078	3	173,169	4
2399	Other current liabilities	434	-	5,014	-
21XX	Total current liabilities	<u>810,608</u>	<u>14</u>	<u>953,787</u>	<u>20</u>
	Non-current liabilities				
2540	Long-term borrowings (Notes 13, 28, and 29)	819,457	14	1,198,760	26
2570	Deferred income tax liabilities (Notes 4 and 20)	138,820	2	85,849	2
2580	Lease liabilities - non-current (Notes 4, 11 and 28)	311,051	5	177,570	5
2630	Long-term deferred income (Notes 13 and 23)	8,463	-	9,993	-
2640	Net defined benefit liability (Notes 4 and 16)	1,478	-	735	-
2670	Other non-current liabilities	237	-	229	-
25XX	Total non-current liabilities	<u>1,279,506</u>	<u>21</u>	<u>1,473,136</u>	<u>33</u>
2XXX	Total liabilities	<u>2,090,114</u>	<u>35</u>	<u>2,426,923</u>	<u>53</u>
	Equity attributable to owners of the Company (Note 17)				
	Capital stock				
3110	Common stock capital	579,247	10	524,547	12
3140	Advance Receipts for Share Capital	5,498	-	-	-
3100	Total Share Capital	<u>584,745</u>	<u>10</u>	<u>524,547</u>	<u>12</u>
3200	Capital reserve	<u>1,828,095</u>	<u>31</u>	<u>653,674</u>	<u>15</u>
	Retained earnings				
3310	Statutory Reserve	82,650	1	55,501	1
3320	Special reserves	9,499	-	-	-
3350	Undistributed earnings	<u>1,008,471</u>	<u>18</u>	<u>562,965</u>	<u>13</u>
3300	Total retained earnings	<u>1,100,620</u>	<u>19</u>	<u>618,466</u>	<u>14</u>
3400	Other equity				
3410	Foreign Currency Translation Adjustment	<u>19,275</u>	<u>-</u>	<u>(9,499)</u>	<u>-</u>
31XX	Total owners' equity of the Company	<u>3,532,735</u>	<u>60</u>	<u>1,787,188</u>	<u>41</u>
36XX	Non-controlling interests (Notes 9 and 17)	<u>316,862</u>	<u>5</u>	<u>248,487</u>	<u>6</u>
3XXX	Total equity	<u>3,849,597</u>	<u>65</u>	<u>2,035,675</u>	<u>47</u>
3X2X	Total liabilities and equity	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 4,462,598</u>	<u>100</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2024 and 2023

Unit: NTD thousand
except earnings per share expressed in NTD

Code		2024		2023	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4 and 18)	\$3,002,007	100	\$2,572,202	100
5000	Operating costs (Notes 8, 19, and 28)	<u>1,823,088</u>	<u>61</u>	<u>1,546,863</u>	<u>60</u>
5900	Gross operating profit	<u>1,178,919</u>	<u>39</u>	<u>1,025,339</u>	<u>40</u>
	Operating expenses (Notes 7 and 19)				
6100	Sales promotion expenses	52,177	1	49,600	2
6200	Administrative expenses	109,408	4	115,872	5
6300	R&D expenses	145,179	5	127,225	5
6450	Expected credit reversal gain	<u>(15,721)</u>	<u>(1)</u>	<u>(99,374)</u>	<u>(4)</u>
6000	Total operating expenses	<u>291,043</u>	<u>9</u>	<u>193,323</u>	<u>8</u>
6900	Net operating profit	<u>887,876</u>	<u>30</u>	<u>832,016</u>	<u>32</u>
	Non-operating income and expenses (Notes 19 and 28)				
7100	Interest revenue	18,473	1	10,140	-
7010	Other income	13,628	-	14,697	1
7020	Other gains and losses	29,169	1	(2,382)	-
7050	Finance Costs	<u>(28,836)</u>	<u>(1)</u>	<u>(19,969)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>32,434</u>	<u>1</u>	<u>2,486</u>	<u>-</u>
7900	Net income before tax	920,310	31	834,502	32
7950	Income tax expense (Notes 4 and 20)	<u>191,337</u>	<u>7</u>	<u>178,772</u>	<u>7</u>
8200	Net income for the year	728,973	24	655,730	25

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Code		2024		2023	
		Amount	%	Amount	%
8300	Other comprehensive income (Notes 16, 17, and 20)				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	\$ (215)	-	\$ (600)	-
8349	Income tax related to items not subject to reclassification	43	-	120	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	44,958	1	(22,418)	(1)
8399	Income tax related to items that may be reclassified	<u>(7,193)</u>	<u>-</u>	<u>3,300</u>	<u>-</u>
8300	Other comprehensive income (net amount after tax) for the year	<u>37,593</u>	<u>1</u>	<u>(19,598)</u>	<u>(1)</u>
8500	Total comprehensive income for the year	<u>\$ 766,566</u>	<u>25</u>	<u>\$ 636,132</u>	<u>24</u>
	Net profit attributable to				
8610	Owners of the Company	\$ 669,589	22	\$ 562,282	22
8620	Non-controlling interests	<u>59,384</u>	<u>2</u>	<u>93,448</u>	<u>3</u>
8600		<u>\$ 728,973</u>	<u>24</u>	<u>\$ 655,730</u>	<u>25</u>
	Total comprehensive income attributable to				
8710	Owners of the Company	\$ 698,191	23	\$ 549,068	21
8720	Non-controlling interests	<u>68,375</u>	<u>2</u>	<u>87,064</u>	<u>3</u>
8700		<u>\$ 766,566</u>	<u>25</u>	<u>\$ 636,132</u>	<u>24</u>
	Earnings per share (Note 21)				
9710	Basic	<u>\$ 11.81</u>		<u>\$ 10.77</u>	
9810	Diluted	<u>\$ 11.61</u>		<u>\$ 10.49</u>	

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2024 and 2023

Unit: NTD Thousand

		Equity attributable to owners of the Company							Other equity				
Code		Capital stock			Capital reserve	Retained earnings			Foreign Currency Translation Adjustment	Total	Non-controlling interests	Total equity	
		Common stock capital	Advance Receipts for Share Capital	Total		Statutory Reserve	Special reserves	Undistributed earnings					Total
A1	Balance on January 1, 2023	\$ 520,077	\$ -	\$ 520,077	\$ 638,030	\$ 26,856	\$ 473	\$ 449,671	\$ 477,000	\$ 3,235	\$ 1,638,342	\$ 383,833	\$ 2,022,175
	Appropriation of 2022 earnings (Note 17)												
B1	Statutory Reserve	-	-	-	-	28,645	-	(28,645)	-	-	-	-	-
B17	Reversal of special reserves	-	-	-	-	-	(473)	473	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(130,019)	(130,019)	-	(130,019)	-	(130,019)
D1	2023 net income	-	-	-	-	-	-	562,282	562,282	-	562,282	93,448	655,730
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	-	(480)	(480)	(12,734)	(13,214)	(6,384)	(19,598)
D5	Total comprehensive income in 2023	-	-	-	-	-	-	561,802	561,802	(12,734)	549,068	87,064	636,132
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 24)	-	-	-	-	-	-	(290,317)	(290,317)	-	(290,317)	(222,410)	(512,727)
N1	Share-based payment transactions (Notes 17 and 22)	4,470	-	4,470	15,644	-	-	-	-	-	20,114	-	20,114
Z1	Balance as of December 31, 2023	524,547	-	524,547	653,674	55,501	-	562,965	618,466	(9,499)	1,787,188	248,487	2,035,675
	Appropriation of 2023 earnings (Note 17)												
B1	Statutory Reserve	-	-	-	-	27,149	-	(27,149)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	9,499	(9,499)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(187,263)	(187,263)	-	(187,263)	-	(187,263)
D1	2024 net income	-	-	-	-	-	-	669,589	669,589	-	669,589	59,384	728,973
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	(172)	(172)	28,774	28,602	8,991	37,593
D5	Total comprehensive income in 2024	-	-	-	-	-	-	669,417	669,417	28,774	698,191	68,375	766,566
E1	Capital increase in cash (Note 17)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263	-	1,195,263
N1	Share-based payment transactions (Notes 17 and 22)	4,130	5,498	9,628	32,728	-	-	-	-	-	42,356	-	42,356
T1	Cost of share issuance (Note 17)	-	-	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Z1	Balance on December 31, 2024	\$ 579,247	\$ 5,498	\$ 584,745	\$ 1,828,095	\$ 82,650	\$ 9,499	\$ 1,008,471	\$ 1,100,620	\$ 19,275	\$ 3,532,735	\$ 316,862	\$ 3,849,597

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

VIZIONFOCUS INC. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

Unit: NTD Thousand

Code		2024	2023
	Cash flow from operating activities		
A10000	Net income before tax for the current year	\$ 920,310	\$ 834,502
A20010	Income and expenses		
A20100	Depreciation expense	340,697	265,870
A20200	Amortization expense	14,656	12,958
A20300	Expected credit reversal gain	(15,721)	(99,374)
A20900	Finance Costs	28,836	19,969
A21200	Interest revenue	(18,473)	(10,140)
A21900	Share-based payment for remuneration	24,897	6,704
A22500	Disposal of property, plant and equipment losses (gains)	(21)	202
A23700	Impairment loss of non-financial assets	7,527	29,525
A29900	Inventory Write-off Loss	2,960	4,099
A29900	Amortization of deferred income	(6,855)	(6,098)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(249)	(3,810)
A31150	Accounts receivable	(4,614)	(101,072)
A31180	Other receivables	1,405	(1,605)
A31200	Inventories	(42,307)	(70,849)
A31230	Prepayments	4,929	(44,415)
A31240	Other current assets	(147)	208
A31990	Other non-current assets	255	255
A32125	Contract liabilities	(1,895)	(10,912)
A32150	Accounts payable	12,226	78,636
A32180	Other payables	(1,203)	98,974
A32230	Other current liabilities	(4,580)	4,541
A32240	Net defined benefit liabilities	528	135
A32990	Other non-current liabilities	8	(2,339)
A33000	Cash inflow from operations	1,263,169	1,005,964
A33100	Interest received	19,581	8,196
A33300	Interest paid	(22,065)	(13,590)
A33500	Income tax paid	(116,870)	(41,917)
AAAA	Net cash inflow from operating activities	<u>1,143,815</u>	<u>958,653</u>

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Code		2024	2023
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$ (900,225)	\$(1,355,191)
B02800	Proceeds from the disposal of property, plant and equipment	21	96
B03700	Decrease (increase) in refundable deposits	(6,345)	2
B04500	Acquisition of intangible assets	(46,183)	(38,663)
B06500	Increase of other financial assets	<u>(253,800)</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>(1,206,532)</u>	<u>(1,393,756)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	40,100	265,782
C00200	Decrease in short-term borrowings	(190,100)	(115,782)
C01600	Borrowing of long-term loans	319,977	1,629,850
C01700	Repayment of long-term borrowings	(720,185)	(778,508)
C04020	Lease principal repayment	(46,068)	(29,346)
C04500	Distribution of cash dividends	(187,259)	(130,019)
C04600	Capital increase in cash	1,195,263	-
C04800	Exercise of employee stock options	17,459	13,410
C05400	Acquisition of shares of subsidiaries	-	(530,139)
C09900	Share issuance cost	<u>(3,000)</u>	<u>-</u>
CCCC	Net cash inflow from financing activities	<u>426,187</u>	<u>325,248</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>16,500</u>	<u>(8,490)</u>
EEEE	Net increase (decrease) in cash and cash equivalents	379,970	(118,345)
E00100	Opening balance of cash and cash equivalents	<u>800,156</u>	<u>918,501</u>
E00200	Closing balance of cash and cash equivalents	<u>\$1,180,126</u>	<u>\$ 800,156</u>

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

(Please refer to Deloitte Taiwan's audit report dated March 10, 2025)

VIZIONFOCUS INC. and subsidiaries
Notes to the consolidated financial statements
For the years ended December 31, 2024 and 2023
(expressed in NTD1,000 unless otherwise specified)

I. Company history

The Company was established in May 2012, mainly engaged in the manufacturing of medical equipment, machinery and equipment, optical instruments, precision instruments and international trading, and other consulting services.

In November 2021, our company was approved by the Taiwan Over-the-Counter Securities Exchange to trade on its Emerging Stock Board. Further, in December 2023, the Taiwan Stock Exchange approved our company’s listing application, and the listing will take place in March 2024.

The consolidated financial statements are presented in the Company’s functional currency, NTD.

II. Date and procedure for adopting financial statements

This consolidated financial statement was released after being approved by the Board of Directors on March 10, 2025.

III. Application of new and amended standards and interpretations

- (I) The initial application of International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations (IFRIC), and interpretation announcements (SIC) approved and issued by the Financial Supervisory Commission (referred to as ‘IFRS accounting standards’).

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the Company’s and its subsidiaries’ accounting policies.

- (II) IFRS accounting standards approved by the FSC applicable in 2025

New/amended/revised standards and interpretations	International Accounting Standards Board Effective date announced by IASB
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 1)
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” regarding revisions to application guidance on financial asset classification	January 1, 2026 (Note 2)

Note 1: Applicable to annual reporting periods beginning on or after January 1, 2025. When initially applying the amendments, entities should not restate prior periods. Instead, they should record any cumulative effect in the opening balances of retained earnings or the translation reserve (as appropriate) as well as in the carrying amounts of relevant assets and liabilities at the date of initial application.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2026; entities may also elect early adoption on January 1, 2025. Upon initial application of these amendments, retrospective application is required without restatement of comparative periods, with the cumulative effect recognized at the date of initial application. However, if an entity can restate comparative periods without the use of hindsight, it may elect to do so.

As of the publication date of this consolidated financial statement after approval by the Board of Directors, the Company and its subsidiaries assess other standards and the amendments to interpretations will not have a material impact on the financial position and financial performance.

(III) IFRS accounting standards issued by the IASB but not yet endorsed and issued into effect by the FSC

New/amended/revised standards and interpretations	Effective date announced by IASB (Note)
“Annual Improvements to IFRS Standards – Volume 11”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” regarding revisions to application guidance on financial liability derecognition	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts with Nature-Dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosures of Financial Statements”	January 1, 2027
IFRS 19 “Subsidiary without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosures of Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements.” The main changes include:

- The income statement should classify revenue and expense items into operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and taxes, as well as subtotals and totals of profit or loss.
- Providing guidance to strengthen aggregation and disaggregation requirements: The Company and its subsidiaries must identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items of dissimilar nature should be presented separately in the primary financial statements and notes. The Company and its subsidiaries shall label items as "other" only when they cannot find more informative labels.
- Enhanced disclosure of management-defined performance measures: When the Company and its subsidiaries communicate publicly outside the financial statements and communicate management's view of a particular aspect of the overall financial performance to users of financial statements, they should disclose information related to management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciling items.

Apart from the aforementioned impacts, as of the approval date of these consolidated financial statements by the Board of Directors, the Company and its subsidiaries are still evaluating the impact of amendments to other standards and interpretations on their financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

IV. Summary of significant accounting policies

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS accounting standard endorsed and issued into effect by the FSC.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized based on the present value of the defined benefit obligation less the fair value of plan assets, this consolidated financial statement has been prepared on the basis of historical cost.

The fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.
2. Level 2 inputs: Inputs, other than quoted prices in Level 1, that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices) for the asset or liability.
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities are classified as current when the entity does not have an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

This consolidated financial statement contains the financial statements of the Company and the entities (subsidiaries) controlled by the Company.

The financial statements of the subsidiaries have been properly adjusted to make their accounting policies consistent with the Company's accounting policies. In preparing the consolidated financial statements, all intra-group transactions, account balances, income, and expenses have been eliminated. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and non-controlling interests.

Changes in the Company's and its subsidiaries' equity in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The book value of the Company's and its subsidiaries' and non-controlling interests have been adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

For details on subsidiaries, ownership percentages, and business activities, refer to Note 9, and Tables 3 and 4.

(V) Foreign currency

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rates prevailing at the end of each reporting period. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the year in which they occur.

Foreign currency non-monetary items measured at fair value are translated using the exchange rate on the date the fair value is determined. Exchange differences arising are recognized in profit or loss for the year; however, if the fair value changes are recognized in other comprehensive income, then the exchange differences are also recognized in other comprehensive income.

Non-monetary items in foreign currency measured at historical cost are translated at the exchange rate on the transaction date and will not be retranslated.

During the preparation of the consolidated financial statements, the assets and liabilities of the company and its overseas subsidiaries (including subsidiaries operating in countries or using currencies different from the parent company) are translated into New Taiwan Dollars at the exchange rate on each balance sheet date. Revenue and expense items are translated at the average exchange rate for the year. Exchange differences are recognized in other comprehensive income and are attributed to the owners of the parent and non-controlling interests.

(VI) Inventory

Inventories include raw materials, supplies, work-in-progress, semi-finished goods, and finished goods. Inventories are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items. The net realizable value refers to the balance of the estimated selling price under normal circumstances, less the estimated cost of completion and the estimated cost of sales. The cost of inventories is calculated using the weighted average method.

(VII) Property, plant and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Construction in progress for property, plant, and equipment is recognized at cost, which includes professional service fees and interest costs that meet the criteria for capitalization. Products produced during the testing of these assets, before they are ready for their intended use, are measured at the lower of cost and net realizable value. The sales proceeds and costs of these products are recognized in the profit and loss statement. Such assets are classified into the appropriate category of property, plant and equipment upon completion and reaching the status of intended use and the depreciation begins.

Except for self-owned land, which is not depreciated, the remaining property, plant and equipment are depreciated on a straight-line basis over their useful lives, and each significant part is depreciated separately. The Company and its subsidiaries review the estimated useful life, residual value and

depreciation method at the end of each year, at least, and apply the effects of changes in accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net proceeds of disposal and the carrying amount of the asset is recognized in profit or loss for the year.

(VIII) Intangible assets

1. Acquired separately

Intangible assets with limited useful life acquired separately are initially measured at cost, and subsequently measured at cost less accumulated amortization. Intangible assets are amortized on a straight-line basis over their useful lives. At least annually at the year-end, the estimated useful lives, residual values, and amortization methods are reviewed, with any changes in accounting estimates applied prospectively.

2. Internally generated - research and development expenses

Research expenses are recognized as expenses when incurred.

The Company and its subsidiaries begin to recognize intangible assets in the development stage of internal plans when all of the following conditions are met:

- (1) Completion of the technical feasibility of the intangible asset and making the intangible asset available for use or sale;
- (2) Intend to complete the intangible asset and use or sell it;
- (3) The ability to use or sell the intangible asset;
- (4) It is probable that future economic benefits will be generated from the intangible assets;
- (5) with sufficient technical, financial and other resources to complete the development and use or sell the intangible assets; and
- (6) The expenditure attributed to the development stage of the intangible asset can be measured reliably.

The cost of internally generated intangible assets is recognized as the sum of the expenses incurred from the date when the above conditions are met for the first time, and the subsequent measurement is the same as that of the separately acquired intangible assets.

3. Decommissioned

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the year.

(IX) Impairment of property, plant and equipment, right-of-use assets and intangible assets

The Company and its subsidiaries assess whether there is any indication that the property, plant and equipment, right-of-use assets and intangible assets may have been impaired at each balance sheet date. If there is any sign of impairment, the recoverable amount of the asset is estimated. If it is impossible to estimate the recoverable amount of an individual asset, the Company and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs, and the pool of assets is amortized to each cash-generating unit on a reasonable and consistent basis.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

When an impairment loss is reversed in subsequent periods, the carrying amount of the asset or the cash-generating unit is adjusted to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized for the asset or cash-generating unit in prior years. Reversal of impairment loss is recognized in profit or loss.

(X) Financial instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheet when the Company and its subsidiaries become a party to the contractual provisions of the instrument.

Upon initial recognition of financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus directly attributable transaction costs involved in the acquisition or issuance of the financial assets or financial

liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

Financial assets held by the Company and its subsidiaries are classified as financial assets at amortized cost.

Financial assets measured at amortized cost

If the investment financial assets of the Company and subsidiaries meet the following two conditions at the same time, they are classified as financial assets measured at after-amortization cost:

- A. Held within a business model where the objective is to hold financial assets in order to collect contractual cash flows; and
- B. The terms of the contract give rise to cash flows on a specific date, which are solely for the payment of the principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets-current, and refundable deposits) are measured at amortized cost, determined using the effective interest method as the gross carrying amount less any impairment loss, after initial recognition. Any foreign currency exchange gains or losses are recognized in profit or loss.

Except for the following two situations, interest income is calculated by multiplying the effective interest rate by the total carrying amount of a financial asset:

- A. For purchased or originated credit-impaired financial assets, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
- B. For financial assets that are not credit-impaired at acquisition but subsequently become credit-impaired, interest income should be recognized from the period after the impairment, calculated using

the effective interest rate on the amortized cost of the financial asset.

Financial assets with credit impairment are those for which there is evidence that the issuer or debtor is experiencing significant financial difficulty, is in default, is likely to enter bankruptcy or other financial reorganization, or where financial difficulties have caused the active market for that financial asset to disappear.

Cash equivalents include highly liquid investments such as fixed-term deposits, commercial paper, and repurchase agreements that are convertible to a known amount of cash and subject to an insignificant risk of changes in value, which are acquired with a maturity of three months or less from the date of acquisition and are used to meet short-term cash commitments.

(2) Impairment of financial assets

The Company and its subsidiaries assess the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on the expected credit loss at each balance sheet date.

The loss allowance for accounts receivable is based on the lifetime expected credit losses. Other financial assets are first assessed to determine whether there has been a significant increase in credit risk since initial recognition. If there has not been a significant increase, credit losses are recognized based on the expected credit losses over the next 12 months. If there has been a significant increase, losses are recognized based on the expected credit losses over the entire expected duration of the asset.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. A 12-month expected credit loss represents the expected credit loss on financial instruments that might default within 12 months following the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments over their expected life, covering all possible default events during that period.

For the purpose of internal credit risk management, the Company and its subsidiaries, without considering the collateral held, determine that the following situations represent a default on a financial asset:

- A. Internal or external information indicates that it is impossible for the debtor to pay off the debt.
- B. Overdue for more than 360 days, unless there is reasonable and corroborative information showing that the delayed default standard is more appropriate.

The impairment loss of all financial assets is based on the reduction of the book value of the allowance account.

(3) Derecognition of financial assets

The Company and its subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred and substantially all the risks and rewards of ownership of the asset are transferred to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss.

2. Equity instrument

Equity instruments issued by the Company and its subsidiaries are recognized at the acquisition price net of direct issue costs.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities held by the Company and its subsidiaries are measured at amortized cost using the effective interest method.

(2) Removal of financial liabilities

When derecognizing a financial liability, the difference between the book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XI) Revenue recognition

After the Company and its subsidiaries identify the performance obligation in the customer contract, the transaction price is allocated to each performance obligation, and revenue is recognized when each performance obligation is satisfied.

Merchandise sales are recognized as revenue when the Company and its subsidiaries transfer the promised goods to the customer and the performance obligation is met. Advance receipts from sales of goods are recognized as contract liabilities before the Company and its subsidiaries meet their performance obligations.

Revenue from sales is measured at the fair value of the consideration agreed upon with customers by the company and its subsidiaries, taking into account commercial and volume discounts. Any payments received that are expected to be refunded to customers due to discounts or other allowances are recognized as refund liabilities. For a contract for which the time interval between the transfer of the product and the receipt of the consideration is less than one year, the transaction price of the significant financial component will not be adjusted.

(XII) Leases

The Company and its subsidiaries assess whether the contract is (or contains) a lease on the contract date.

The Company and subsidiaries are lessees

Lease payments for leases of low-value assets and short-term leases where recognition exemptions apply are recognized as an expense on a straight-line basis over the lease term. For other leases, right-of-use assets and lease liabilities are recognized at the commencement of the lease.

The right-of-use assets are initially measured at cost (including the originally measured amount of the lease liability) and subsequently measured at the cost less accumulated depreciation and adjusted for the remeasurement of the lease liability. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease start date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of the lease payments (fixed payments). If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If changes in indices or rates used to determine lease payments lead to changes in future lease payments, the company and its subsidiaries will remeasure its lease liabilities and adjust the corresponding right-of-use assets accordingly. However, if the carrying amount of the right-of-use asset has been reduced to zero, any remaining remeasurement amounts are recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(XIII) Government grants

Government subsidies are recognized only when it is reasonably certain that the Company and its subsidiaries will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies related to income are recognized in other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company and its subsidiaries.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred, or to provide immediate financial support to the Company and its subsidiaries and have no future related costs.

The difference between the loan amount received and the fair value of the loan calculated based on the market interest rate when the Company and its subsidiaries obtained government subsidies and preferential loans with a lower than market interest rate is recognized as a government subsidy.

(XIV) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For the pension of the defined contribution plan, the amount of the pension to be contributed is recognized as the current year's expenses during the service period of the employees.

The defined benefit cost of the defined benefit pension plan (including service cost, net interest, and remeasurements) is calculated using the projected unit credit method. The service cost (including the current year's service cost and net interest on the defined benefit liability) is recognized as employee benefit expense when incurred. Remeasurements (including actuarial gains and losses and the return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings, with no subsequent reclassification to profit or loss.

The net defined benefit liability is the appropriation deficit of the defined benefit pension plan.

(XV) Share-based payment agreement

Employee stock options granted by the company are measured at the fair value of the equity instruments on the date of grant and the best estimate of the number of equity instruments expected to vest. Costs are recognized on a straight-line basis over the vesting period, with a corresponding adjustment to share-based payment reserve in equity. If it is immediately vested on the grant date, the full amount is recognized as expenses on the grant date.

The Company revises the estimated number of expected vested employee share options at each balance sheet date. If the original estimate is revised, the effect is recognized in profit or loss so that the accumulated expenses reflect the revised estimate, with a corresponding adjustment to capital reserves - employee share options.

(XVI) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

The Company and its subsidiaries determine the income (loss) of the current period in accordance with the laws and regulations in each jurisdiction area for income tax filing, and calculate the income tax payable (recoverable) accordingly.

According to the Income Tax Act of R.O.C., an additional tax on undistributed earnings is recognized in the year when the shareholders' meeting is resolved.

Adjustments to income tax payable from prior years are recognized in current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, whereas deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which deductible temporary differences and carry-forward of unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date, and reductions are made to the carrying amount for those assets where it is no longer probable that sufficient taxable profit will be available to recover all or part of the asset. Deferred income tax assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and are increased in book value if it is very likely that taxable income will be available against which they can be utilized, either fully or partially.

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year when the liabilities are settled or the assets are realized. These rates are based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The

measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the entity's assets and liabilities as of the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except when they relate to items recognized in other comprehensive income or directly in equity, in which case the related current and deferred tax is also recognized in other comprehensive income or directly in equity.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When the Company and its subsidiaries adopt accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other factors that are not readily apparent from other sources. The actual results may differ from the estimates.

Major Sources of Estimation and Assumption Uncertainty

Valuation of inventories

Inventories are valued at the lower of cost or net realizable value. The Company and its subsidiaries must exercise judgment and estimation to determine the net realizable value of inventories at the end of the reporting period. The net realizable value of inventories is mainly based on future product selling prices. Therefore, there may be significant changes.

VI. Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hands	\$ 146	\$ 114
Checks and demand deposits	760,802	730,042
Cash equivalents (investment with original maturity date of less than 3 months)		
Time deposits in banks	270,000	40,000
Commercial paper	100,000	30,000
Repurchase agreements	49,178	-
	<u>\$ 1,180,126</u>	<u>\$ 800,156</u>

Other financial assets – current

As of December 31, 2024, bank time deposits with original maturities of more than three months amounted to NT\$253,800 thousand, with annual interest rates ranging from 1.445% to 2.05%.

VII. Notes and accounts receivable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable		
Total book value measured at amortized cost - due to operations	<u>\$ 8,514</u>	<u>\$ 8,265</u>
Accounts receivable		
Total book value measured at amortized cost	\$634,380	\$629,766
Less: Loss allowance	<u>1,473</u>	<u>16,860</u>
	<u>\$632,907</u>	<u>\$612,906</u>

The Company and its subsidiaries recognize the loss allowance for accounts receivable based on the lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix, which takes into account customers' past collection experience, increase in delayed payments beyond the credit period, industry economic conditions and outlook. If there is evidence indicating that a transaction party is experiencing severe financial difficulties, and the company and its subsidiaries cannot reasonably expect to recover the amounts due—for instance, if the transaction party is undergoing liquidation or the debt has become overdue—the company and its subsidiaries will proceed according to its internal policy for managing abnormal receivables. The relevant receivables are directly written off, although collection efforts will continue. Any amounts recovered through these efforts will be recognized in the profit and loss statement.

The Company and subsidiaries continuously monitor collections to ensure that appropriate actions are taken for the recovery of overdue amounts. Additionally, on the balance sheet date, each receivable's recoverable amount is reviewed to ensure that adequate allowances for doubtful accounts have been provided for receivables that cannot be recovered.

The allowance for losses of accounts receivable measured by the Company and its subsidiaries based on the allowance matrix is as follows:

December 31, 2024

	<u>Not past due</u>	<u>Overdue 1 to 30 days</u>	<u>Overdue 31 to 120 days</u>	<u>Overdue 121 to 360 days</u>	<u>Overdue over 360 days</u>	<u>Counterparty shows signs of default</u>	<u>Total</u>
Expected credit loss rate (%)	-	4	4-5	4-5	100	100	
Gross carrying amount	\$ 638,552	\$ 2,678	\$ -	\$ -	\$ -	\$ 1,664	\$ 642,894
Allowance for losses (lifetime expected credit losses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,473)</u>	<u>(1,473)</u>
Amortized cost	<u>\$ 638,552</u>	<u>\$ 2,678</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191</u>	<u>\$ 641,421</u>

December 31, 2023

	<u>Not past due</u>	<u>Overdue 1 to 30 days</u>	<u>Overdue 31 to 120 days</u>	<u>Overdue 121 to 360 days</u>	<u>Overdue over 360 days</u>	<u>Counterparty shows signs of default</u>	<u>Total</u>
Expected credit loss rate (%)	-	4-7	4-10	4-14	100	4-100	
Gross carrying amount	\$ 618,081	\$ 3,070	\$ -	\$ -	\$ -	\$ 16,880	\$ 638,031
Allowance for losses (lifetime expected credit losses)	-	(206)	-	-	-	(16,654)	(16,860)
Amortized cost	<u>\$ 618,081</u>	<u>\$ 2,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226</u>	<u>\$ 621,171</u>

Information on changes in loss allowance of accounts receivable is as follows:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 16,860	\$125,509
Reversal for the current year	(15,721)	(99,374)
Elimination of current period	-	(8,775)
Exchange rate effect	<u>334</u>	<u>(500)</u>
Closing balance	<u>\$ 1,473</u>	<u>\$ 16,860</u>

VIII. Inventories

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Work in process	\$ 51,967	\$ 24,530
Materials	34,379	26,708
Raw materials	51,084	35,014
Semi-finished product	8,618	3,354
Finished goods	<u>142,550</u>	<u>167,409</u>
	<u>\$288,598</u>	<u>\$257,015</u>

The components of the operating cost are as follows:

	<u>2024</u>	<u>2023</u>
Cost of goods sold	\$1,820,393	\$1,521,312
Loss on inventory valuation and obsolescence	7,527	28,416
Inventory Write-off Loss	2,960	4,099
Income from sale of scraps and scraps	(7,792)	(8,073)
Impairment loss of property, plant and equipment	-	1,109
	<u>\$1,823,088</u>	<u>\$1,546,863</u>

IX. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held		Description
			December 31, 2024	December 31, 2023	
The Company	Green Wealth Investments Limited (Green Wealth)	International investment	100	100	
The Company	Star Focus Inc. (Star Focus)	Medical device sales	100	-	Note 1
Green Wealth Investments Limited (Green Wealth)	Clear Precise Investments Limited (Clear Precise)	International investment	100	100	
Clear Precise Investments Limited (Clear Precise)	Jiangsu Vizionfocus Inc.	R&D, design, and production of contact lens; wholesale and import and export of similar products of the above-mentioned products	80	80	Note 2

Note 1: In response to the company's overall operational development needs, the Company resolved at the Board of Directors meeting in November 2024 to establish a 100% owned subsidiary, Star Focus Inc., and completed the registration.

Note 2: In September 2023, the subsidiary, Clear Precise, acquired the partial equity of the subsidiary, Jiangsu Vizionfocus Inc., resulting in an increase in shareholding from 59.75% to 80.00%. Please refer to Note 24 for the relevant equity transaction.

(II) Subsidiaries with significant non-controlling equity

Name of subsidiary	Shareholding and voting rights ratio held by non-controlling interests (%)	
	December 31, 2024	December 31, 2023
Jiangsu Vizionfocus Inc.	20.00	20.00

Please refer to Table 4 for information on principal places of business and countries of incorporation.

Name of subsidiary	Net profit for the year attributable to non-controlling interests		Non-controlling interests	
	2024	2023	December 31, 2024	December 31, 2023
Jiangsu Vizionfocus Inc.	<u>\$ 59,384</u>	<u>\$ 93,448</u>	<u>\$316,862</u>	<u>\$248,487</u>

The summarized financial information of Jiangsu Vizionfocus Inc. is based on the amount before writing off the intercompany transactions:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current assets	\$ 760,006	\$ 582,838
Non-current assets	1,289,337	904,634
Current liabilities	(252,681)	(187,366)
Non-current liabilities	<u>(212,352)</u>	<u>(57,673)</u>
Equity	<u>\$ 1,584,310</u>	<u>\$ 1,242,433</u>
Equity attributable to		
Owners of the		
Company	\$ 1,267,448	\$ 993,946
Non-controlling		
interests of		
Jiangsu		
Vizionfocus Inc.	<u>316,862</u>	<u>248,487</u>
	<u>\$ 1,584,310</u>	<u>\$ 1,242,433</u>
	<u>2024</u>	<u>2023</u>
Net operating revenue	<u>\$ 1,191,842</u>	<u>\$ 933,285</u>
Net income for the year	\$ 296,920	\$ 307,828
Other comprehensive		
income	-	-
Total comprehensive		
income	<u>\$ 296,920</u>	<u>\$ 307,828</u>
Net profit attributable to		
Owners of the		
Company	\$ 237,536	\$ 214,380
Non-controlling		
interests of		
Jiangsu		
Vizionfocus Inc.	<u>59,384</u>	<u>93,448</u>
	<u>\$ 296,920</u>	<u>\$ 307,828</u>
Total comprehensive		
income attributable to		
Owners of the		
Company	\$ 237,536	\$ 214,380
Non-controlling		
interests of		
Jiangsu		
Vizionfocus Inc.	<u>59,384</u>	<u>93,448</u>
	<u>\$ 296,920</u>	<u>\$ 307,828</u>

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	<u>2024</u>	<u>2023</u>
Cash flow		
Operating activities	\$ 422,646	\$ 307,870
Investment activities	(514,642)	(330,348)
Financing activities	(16,888)	(25,169)
Effect of exchange rate changes	<u>16,500</u>	<u>(8,490)</u>
Net cash outflow	<u>\$ (92,384)</u>	<u>\$ (56,137)</u>

X. Property, plant and equipment

2024

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
<u>Cost</u>									
Balance on January 1, 2024	\$ 705,898	\$ 1,704,580	\$ 101,300	\$ 7,469	\$ 22,744	\$ 288,086	\$ 22,826	\$ 226,020	\$ 3,078,923
Addition	-	289,346	14,289	125	2,849	10,613	9,962	602,100	929,284
Disposition	-	(21,195)	(5,230)	-	(678)	-	(310)	-	(27,413)
Exchange difference, net	-	25,217	1,741	36	245	4,751	138	4,186	36,314
Balance on December 31, 2024	<u>705,898</u>	<u>1,997,948</u>	<u>112,100</u>	<u>7,630</u>	<u>25,160</u>	<u>303,450</u>	<u>32,616</u>	<u>832,306</u>	<u>4,017,108</u>
<u>Accumulated depreciation</u>									
Balance on January 1, 2024	-	568,060	54,290	4,831	14,132	94,310	8,045	-	743,668
Depreciation expense	-	228,825	18,993	1,160	5,179	36,597	7,113	-	297,867
Disposition	-	(20,086)	(5,230)	-	(678)	-	(310)	-	(26,304)
Exchange difference, net	-	4,423	565	29	130	1,210	46	-	6,403
Balance on December 31, 2024	-	<u>781,222</u>	<u>68,618</u>	<u>6,020</u>	<u>18,763</u>	<u>132,117</u>	<u>14,894</u>	-	<u>1,021,634</u>
<u>Accumulated impairment</u>									
Balance on January 1, 2024	-	1,109	-	-	-	-	-	-	1,109
Disposition	-	(1,109)	-	-	-	-	-	-	(1,109)
Balance on December 31, 2024	-	-	-	-	-	-	-	-	-
Net as of December 31, 2024	<u>\$ 705,898</u>	<u>\$ 1,216,726</u>	<u>\$ 43,482</u>	<u>\$ 1,610</u>	<u>\$ 6,397</u>	<u>\$ 171,333</u>	<u>\$ 17,722</u>	<u>\$ 832,306</u>	<u>\$ 2,995,474</u>

2023

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
<u>Cost</u>									
Balance on January 1, 2023	\$ -	\$ 1,192,255	\$ 68,747	\$ 5,867	\$ 16,874	\$ 231,554	\$ 13,765	\$ 301,657	\$ 1,830,719
Addition	705,898	529,021	34,290	1,622	7,071	74,066	11,908	(73,529)	1,290,347
Disposition	-	(4,287)	(875)	-	(1,081)	(15,170)	(2,783)	-	(24,196)
Exchange difference, net	-	(12,409)	(862)	(20)	(120)	(2,364)	(64)	(2,108)	(17,947)
Balance as of December 31, 2023	<u>705,898</u>	<u>1,704,580</u>	<u>101,300</u>	<u>7,469</u>	<u>22,744</u>	<u>288,086</u>	<u>22,826</u>	<u>226,020</u>	<u>3,078,923</u>
<u>Accumulated depreciation</u>									
Balance on January 1, 2023	-	396,031	40,963	3,482	10,821	76,840	6,798	-	534,935
Depreciation expense	-	178,156	14,458	1,363	4,407	33,130	4,052	-	235,566
Disposition	-	(4,103)	(875)	-	(1,033)	(15,104)	(2,783)	-	(23,898)
Exchange difference, net	-	(2,024)	(256)	(14)	(63)	(556)	(22)	-	(2,935)
Balance as of December 31, 2023	-	<u>568,060</u>	<u>54,290</u>	<u>4,831</u>	<u>14,132</u>	<u>94,310</u>	<u>8,045</u>	-	<u>743,668</u>
<u>Accumulated impairment</u>									
Balance on January 1, 2023	-	-	-	-	-	-	-	-	-
Addition	-	1,109	-	-	-	-	-	-	1,109
Balance as of December 31, 2023	-	<u>1,109</u>	-	-	-	-	-	-	<u>1,109</u>
Net as of December 31, 2023	<u>\$ 705,898</u>	<u>\$ 1,135,411</u>	<u>\$ 47,010</u>	<u>\$ 2,638</u>	<u>\$ 8,612</u>	<u>\$ 193,776</u>	<u>\$ 14,781</u>	<u>\$ 226,020</u>	<u>\$ 2,334,146</u>

Property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

Machinery and equipment	3 to 10 years
Mold equipment	2 to 5 years
Transportation equipment	4 to 5 years
Office equipment	3 years
Leasehold improvements	3 to 14 years
Other equipment	3 to 10 years

Please refer to Note 29 for the amount of property, plant and equipment pledged by the Company and its subsidiaries to secure borrowings.

XI. Lease agreement

(I) Right-of-use assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Book value of right-of-use assets		
Land	\$ 1,931	\$ 2,311
Buildings	351,464	196,152
Machinery and equipment	<u>325</u>	<u>-</u>
	<u>\$353,720</u>	<u>\$198,463</u>
	<u>2024</u>	<u>2023</u>
Addition of right-of-use assets	<u>\$196,490</u>	<u>\$ -</u>
Depreciation expense of right-of-use assets		
Land	\$ 380	\$ 380
Buildings	42,287	29,811
Machinery and equipment	<u>163</u>	<u>113</u>
	<u>\$ 42,830</u>	<u>\$ 30,304</u>

Except for the additions and depreciation expenses recognized listed above, the Company's and subsidiaries' right-of-use assets did not have significant sublease or impairment in 2024 and 2023.

(II) Lease liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Book value of lease liabilities		
Current	<u>\$ 48,588</u>	<u>\$ 30,040</u>
Non-current	<u>\$311,051</u>	<u>\$177,570</u>

Discount rate interval (%) of lease liabilities is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	1.605	1.605
Buildings	1.164–4.75	1.333–4.75
Machinery and equipment	1.023	1.333

(III) Important lease-in activities and terms and conditions

The Company and its subsidiaries leased offices, plants, machinery and equipment, and parking spaces, and the lease periods have gradually expired before the end of December 2034. Upon termination of the lease term, the Company and its subsidiaries have no preferential right to acquire the leased right-of-use assets, and it is agreed that the Company and its subsidiaries shall not sublease or transfer the subject of the lease, in whole or in part.

(IV) Other lease information

	<u>2024</u>	<u>2023</u>
Short-term and low-value lease expenses	<u>\$ 1,910</u>	<u>\$ 1,788</u>
Total cash outflows of all lease agreements (including short-term leases)	<u>\$ 55,710</u>	<u>\$ 35,175</u>

The Company and its subsidiaries have elected to apply the recognition exemption for leases of parking spaces and staff dormitories that qualify as short-term leases and other equipment that qualifies for low-value asset leases, and do not recognize right-of-use assets and lease liabilities for these leases.

XII. Intangible assets

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Computer software	\$ 4,839	\$ 5,843
Product certificate	60,253	22,009
Intangible assets under development	<u>47,584</u>	<u>52,851</u>
	<u>\$ 112,676</u>	<u>\$ 80,703</u>

2024

	Computer software	Product certificate	Intangible assets under development	Total
<u>Cost</u>				
Balance on January 1, 2024	\$ 16,880	\$ 48,822	\$ 52,851	\$ 118,553
Addition	4,622	-	41,561	46,183
Disposition	(40)	-	-	(40)
Reclassification	-	46,828	(46,828)	-
Exchange difference, net	<u>179</u>	<u>861</u>	<u>-</u>	<u>1,040</u>
Balance on December 31, 2024	<u>21,641</u>	<u>96,511</u>	<u>47,584</u>	<u>165,736</u>
<u>Accumulated amortization</u>				
Balance on January 1, 2024	11,037	26,813	-	37,850
Amortization expense	5,654	9,002	-	14,656
Disposition	(40)	-	-	(40)
Exchange difference, net	<u>151</u>	<u>443</u>	<u>-</u>	<u>594</u>
Balance on December 31, 2024	<u>16,802</u>	<u>36,258</u>	<u>-</u>	<u>53,060</u>
Net as of December 31, 2024	<u>\$ 4,839</u>	<u>\$ 60,253</u>	<u>\$ 47,584</u>	<u>\$ 112,676</u>

2023

	Computer software	Product certificate	Intangible assets under development	Total
<u>Cost</u>				
Balance on January 1, 2023	\$ 27,261	\$ 39,036	\$ 28,358	\$ 94,655
Addition	3,981	3,753	30,929	38,663
Disposition	(14,268)	-	-	(14,268)
Reclassification	-	6,436	(6,436)	-
Exchange difference, net	<u>(94)</u>	<u>(403)</u>	<u>-</u>	<u>(497)</u>
Balance as of December 31, 2023	<u>16,880</u>	<u>48,822</u>	<u>52,851</u>	<u>118,553</u>

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<u>Accumulated amortization</u>	<u>Computer software</u>	<u>Product certificate</u>	<u>Intangible assets under development</u>	<u>Total</u>
Balance on January 1, 2023	\$ 21,090	\$ 18,359	\$ -	\$ 39,449
Amortization expense	4,295	8,663	-	12,958
Disposition	(14,268)	-	-	(14,268)
Exchange difference, net	<u>(80)</u>	<u>(209)</u>	<u>-</u>	<u>(289)</u>
Balance as of December 31, 2023	<u>11,037</u>	<u>26,813</u>	<u>-</u>	<u>37,850</u>
Net as of December 31, 2023	<u>\$ 5,843</u>	<u>\$ 22,009</u>	<u>\$ 52,851</u>	<u>\$ 80,703</u>

The above-mentioned intangible assets with finite useful lives are amortized on a straight-line basis based on the following useful lives:

Computer software	1 to 5 years
Product certificate	5 to 10 years

The amounts prepaid by the Company and its subsidiaries to apply for the relevant product certificate are recognized as intangible assets under development and will be transferred to intangible assets - product certificate when the approval certificate is duly obtained.

XIII. Borrowings

(I) Short-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Bank credit	<u>\$ -</u>	<u>\$150,000</u>
Interest rate per annum (%)	-	1.63

(II) Long-term borrowings

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Credit loans		
Matured before November 2029, the annual interest rate on December 31, 2024 and 2023 is 0.725%-1.82% and 0.6%-1.7%, respectively	\$ 988,105	\$ 1,345,485
Secured borrowings		
Maturing successively in November 2026, with an annual interest rate of 0.6% as of December 31, 2023	<u>-</u> 988,105	<u>42,828</u> 1,388,313
Less: Due within one year	156,078	173,169
Less: Recognized as deferred income - current (Note 23)	4,107	6,391
Less: Recognized as deferred income - non-current (Note 23)	<u>8,463</u>	<u>9,993</u>
	<u>\$ 819,457</u>	<u>\$ 1,198,760</u>

According to the loan agreements signed between the Company and Mega Bank, Chinatrust Bank and Taishin Bank, the relevant financial ratios and amounts of the semi-annual consolidated financial statements audited and certified by the CPA for the Company and its subsidiaries should comply with certain ratios. The aforementioned regulations are subject to review once every six months or annually, and the Company's consolidated financial statements for 2024 and 2023 did not violate the aforementioned regulations.

The company has entered into a medium to long-term loan contract with E.SUN Commercial Bank and has taken on a reverse commitment that prohibits the company from creating any pledges, mortgages, or other security interests on all or part of its land, or from transferring, selling, entrusting, or otherwise disposing of the aforementioned land. It also prohibits any action that might reduce the value of the subject property, or from making repeated or similar commitments concerning the land to other creditors or third parties.

Please refer to Notes 28 and 29 for the status of joint guarantees and collateral provided for long-term borrowings by the Company and its subsidiaries.

XIV. Accounts payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts payable	<u>\$194,453</u>	<u>\$182,227</u>

The Company and its subsidiaries have financial risk management policies to ensure that all payables are repaid within the pre-agreed credit terms.

XV. Other payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Remuneration payable to employees and directors	\$ 90,270	\$102,127
Bonus payable	66,658	58,133
Payable insurance premiums and pensions	48,693	33,915
Payables for equipment	43,745	53,417
Salary payable	39,454	37,586
Others (consumables, repairs, and miscellaneous purchases)	<u>47,332</u>	<u>61,921</u>
	<u>\$336,152</u>	<u>\$347,099</u>

XVI. Post-employment benefit plan

(I) Defined contribution plan

The Company's pension system under the "Labor Pension Act" is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries and wages.

According to the local laws and regulations, the subsidiaries in Mainland China are required to contribute a specific percentage of the salary cost to the relevant government departments.

(II) Defined benefit plan

The pension system under the Labor Standards Act applicable to some of the Company's employees is the defined benefit pension plan managed by the government. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The company allocates a fixed percentage of the total monthly salary of its employees to a retirement fund, which is deposited in a special account at Bank

of Taiwan under the name of the Labor Pension Reserve Supervision Committee. If, by the end of the year, the estimated balance in the special account is insufficient to cover the payments for employees expected to meet the retirement criteria within the next year, the difference is allocated by the end of March of the following year. This fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the company does not have the right to influence the investment management strategy.

The amount of the defined benefit plan recognized in the consolidated balance sheet is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligation	\$ 3,272	\$ 1,674
Fair value of plan assets	<u>(1,794)</u>	<u>(939)</u>
Net defined benefit liability	<u>\$ 1,478</u>	<u>\$ 735</u>

Changes in net defined benefit liabilities are as follows:

2024

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
January 1, 2024	<u>\$ 1,674</u>	<u>\$ (939)</u>	<u>\$ 735</u>
Service cost			
Current service cost	1,336	-	1,336
Interest expense (revenue)	<u>25</u>	<u>(21)</u>	<u>4</u>
Recognized in profit or loss	<u>1,361</u>	<u>(21)</u>	<u>1,340</u>
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	(22)	(22)
Actuarial gains - changes in financial assumptions	(143)	-	(143)

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
Actuarial losses - empirical adjustment	\$ 380	\$ -	\$ 380
Recognized in other comprehensive income	<u>237</u>	<u>(22)</u>	<u>215</u>
Contributions from the employer	<u>-</u>	<u>(812)</u>	<u>(812)</u>
Benefit payment	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2024	<u>\$ 3,272</u>	<u>\$ (1,794)</u>	<u>\$ 1,478</u>
<u>2023</u>			
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
January 1, 2023	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Service cost			
Current service cost	1,072	-	1,072
Interest expense (revenue)	<u>7</u>	<u>(8)</u>	<u>(1)</u>
Recognized in profit or loss	<u>1,079</u>	<u>(8)</u>	<u>1,071</u>
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	5	5
Actuarial losses - Changes in financial assumptions	72	-	72
Actuarial losses - empirical adjustment	<u>523</u>	<u>-</u>	<u>523</u>
Recognized in other comprehensive income	<u>595</u>	<u>5</u>	<u>600</u>
Contributions from the employer	<u>-</u>	<u>(936)</u>	<u>(936)</u>
Benefit payment	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2023	<u>\$ 1,674</u>	<u>\$ (939)</u>	<u>\$ 735</u>

The amounts of the defined benefit plan recognized in profit or loss are summarized by function as follows:

	<u>2024</u>	<u>2023</u>
Operating cost	\$ 1,321	\$ 1,055
R&D expenses	<u>19</u>	<u>16</u>
	<u>\$ 1,340</u>	<u>\$ 1,071</u>

Due to the pension system under the "Labor Standards Act", the Company is exposed to the following risks:

1. Investment risk

The Bureau of Labor Funds, through direct management and commissioned management, invests the labor pension funds in domestic and foreign equity securities, debt securities, and bank deposits. However, the allocated amount of the company's plan assets is calculated based on a return not lower than the local bank's two-year fixed deposit interest rate.

2. Interest rate risk

A decrease in the interest rates of government bonds and corporate bonds will increase the present value of defined benefit obligations, although the returns on debt investments of plan assets will also increase, partially offsetting the impact on the net defined benefit liability.

3. Salary risk

The calculation of the present value of the defined benefit obligation is based on the future salary of the plan members. Therefore, an increase in the salary of the plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary. The significant assumptions on the measurement date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate (%)	1.625	1.5
Expected salary increase rate (%)	4	4

If there are reasonable and possible changes to the major actuarial assumptions, and all other assumptions remain unchanged, the amount of

increase (decrease) in the present value of the defined benefit obligation will be as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Discount rate		
Increase by 0.25%	<u>\$ (268)</u>	<u>\$ (141)</u>
Decrease by 0.25%	<u>\$ 293</u>	<u>\$ 155</u>
Expected salary increase rate		
Increase by 0.25%	<u>\$ 284</u>	<u>\$ 150</u>
Decrease by 0.25%	<u>\$ (261)</u>	<u>\$ (138)</u>

Because actuarial assumptions may be interrelated, and the possibility of change in only one assumption is not high, the above sensitivity analysis may not reflect the actual change in the present value of defined benefit obligation.

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expected amount to be contributed within one year	<u>\$ 812</u>	<u>\$ 896</u>
Average period to maturity of defined benefit obligations	34.8 years	35.7 years

XVII. Equity

(I) Common stock capital

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Rated number of shares (thousand shares)	<u>80,000</u>	<u>80,000</u>
Authorized share capital	<u>\$800,000</u>	<u>\$800,000</u>
Number of issued and fully paid shares (thousand shares)	<u>57,925</u>	<u>52,455</u>
Issued share capital	<u>\$579,247</u>	<u>\$524,547</u>

On December 13, 2023, the Board of Directors resolved to issue 5,057 thousand new shares with a par value of NTD10 per share for cash capital increase. The capital increase was approved by the Securities and Futures Bureau of the Financial Supervisory Commission on January 10, 2024. The Board of Directors designated March 14, 2024 as the base date for the capital increase, and the change in capital was completed and registered on April 15, 2024.

The aforementioned cash capital increase included a public offering, competitive auction, and employee subscription. The public offering and employee subscription were issued at a premium of NTD180 per share, while the competitive auction was issued at a premium of NTD260.51 per share, which was the weighted average of the winning bid price. The total issuance amount of NTD1,195,263 thousand was fully received, and after deducting issuance costs of NTD3,000 thousand, NTD50,570 thousand was recorded as ordinary share capital and NTD1,141,693 thousand as capital surplus – share premium. Regarding the recognition of compensation costs related to the new shares reserved for employee subscription from the cash capital increase, please refer to Note 22.

In 2024, the Company issued 413 thousand shares due to employees exercising stock options, issued at a premium of NTD28.96 per share. The difference between the issuance price and par value of NTD7,831 thousand was recorded under capital surplus - additional paid-in capital from share issuance. Of these shares, the Company plans to register 8 thousand shares with the Ministry of Economic Affairs after the approval and issuance of this financial report.

In fiscal year 2023, the company issued 447 thousand shares due to employees exercising stock options, at a premium of NTD30 per share, resulting in a capital surplus from share premium of NTD8,940 thousand.

(II) Capital reserve

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
May be used to offset losses, distribute cash dividends or be capitalized (Note 1) Cash or capitalization (Note 1)		
<u>Premium from stock issuance</u>	\$ 1,814,601	\$ 640,821
From gifts and acceptances (Note 2)	1,800	1,800
Not to be used for any purpose		
<u>Employee share warrants</u>	<u>11,694</u>	<u>11,053</u>
	<u>\$ 1,828,095</u>	<u>\$ 653,674</u>

Note Such capital reserves may be used to make up for deficits, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the paid-in capital each year.

Note Assets donated by the Company as received by the Chairman.

2:

(III) Retained earnings and dividend policy

According to the Company's Articles of Incorporation, if there is a profit at the end of the year, it shall first pay taxes and make up for past losses and then distribute it as follows:

1. Set aside 10% as a legal reserve, unless the legal reserve reaches the amount of the Company's paid-in capital.
2. Provision or reversal of special reserve in accordance with the regulations of the competent authority.
3. The remainder is added to the accumulated undistributed earnings of the previous years as the earnings available for distribution, and the board of directors prepares an earnings appropriation proposal and submits it to the shareholders' meeting for resolution.

The Company pursues sustainable operations and stable management and development in line with the overall environment, industry growth characteristics, and the Company's long-term financial planning. The Company adopts a residual dividend policy where the annual fund needs are measured based on the Company's future capital budget planning. After the funds required for financing are reserved, the remaining earnings may be distributed in the form of cash dividends and stock dividends. The distribution steps are as follows:

1. Determine the optimal capital budget.
2. Determine the funds required for financing for the aforesaid capital budget.
3. Determine how much of the funds for financing are covered by retained earnings.
4. After an appropriate portion of the remaining earnings is retained depending on the operational needs, the remainder may be distributed to shareholders in the form of dividends. The amount to be distributed shall not be less than 10% of the Company's distributable earnings for the year,

provided that the cash dividend shall not be less than 10% of the total dividends to be distributed.

The legal reserve can be used to make up for losses. When the company has no losses, the portion of the legal reserve exceeding 25% of the total paid-in capital can be allocated to capital and distributed in cash.

The Company's shareholders' meetings held in May 2024 and June 2023 approved the following appropriation of earnings and dividends per share for fiscal years 2023 and 2022, respectively:

	Proposal for the distribution of earnings		Dividends per share (NTD)	
	2023	2022	2023	2022
Statutory Reserve	\$ 27,149	\$ 28,645		
Appropriation (reversal) of special reserve	9,499	(473)		
Cash dividends	187,263	130,019	\$ 3.23	\$ 2.5

The 2024 earnings appropriation proposed by the Company's Board of Directors in March 2025 is as follows:

	Proposal for the distribution of earnings	Dividends per share (NTD)
Statutory Reserve	\$ 66,942	
Reversal of special reserve	(9,499)	
Cash dividends	322,641	\$ 5.57

The proposal for 2024 earnings distribution is pending resolution at the Annual Shareholders' Meeting expected to be held in May 2025.

(IV) Other equity

Exchange differences on translation of financial statements of foreign operations:

	2024	2023
Opening balance	\$ (9,499)	\$ 3,235
Exchange differences arising from the translation of net assets of foreign operations	35,967	(16,034)
Related income tax	(7,193)	3,300
Closing balance	<u>\$ 19,275</u>	<u>\$(9,499)</u>

(V) Non-controlling interests

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 248,487	\$383,833
Net income for the year	59,384	93,448
Other comprehensive income for the year		
Foreign Currency Translation Adjustment	8,991	(6,384)
Changes in the subsidiary's net assets transferred out in proportion to shareholding	<u>-</u>	<u>(222,410)</u>
Closing balance	<u>\$ 316,862</u>	<u>\$248,487</u>

XVIII. Revenue

	<u>2024</u>	<u>2023</u>
Revenue from contracts with customers		
Merchandise sales revenue	\$2,993,619	\$2,567,908
Others	<u>8,388</u>	<u>4,294</u>
	<u>\$3,002,007</u>	<u>\$2,572,202</u>

(I) Please refer to Note 4 for details on contracts with customers.

(II) Contract balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Notes and accounts receivable	<u>\$ 641,421</u>	<u>\$ 621,171</u>	<u>\$ 416,415</u>
Contract liabilities			
Sales of goods	<u>\$ 4,384</u>	<u>\$ 6,279</u>	<u>\$ 17,191</u>

The change in contract liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer. There was no other significant change in 2024 and 2023.

The amount of contract liabilities recognized as income at the beginning of the year is as follows:

	<u>2024</u>	<u>2023</u>
Contract liabilities at the beginning of the year		
Sales of goods	<u>\$ 6,278</u>	<u>\$ 17,191</u>

(III) Breakdown of revenue from customer contracts

2024

Type of income	Reporting department		
	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	\$ 2,993,619	\$ -	\$ 2,993,619
Other operating revenue	-	8,388	8,388
	<u>\$ 2,993,619</u>	<u>\$ 8,388</u>	<u>\$ 3,002,007</u>

2023

Type of income	Reporting department		
	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	\$ 2,567,908	\$ -	\$ 2,567,908
Other operating revenue	-	4,294	4,294
	<u>\$ 2,567,908</u>	<u>\$ 4,294</u>	<u>\$ 2,572,202</u>

XIX. Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	2024	2023
Bank deposits	\$ 18,389	\$ 10,068
Others	84	72
	<u>\$ 18,473</u>	<u>\$ 10,140</u>

(II) Other income

	2024	2023
Government grant income	\$ 7,115	\$ 6,846
Others	6,513	7,851
	<u>\$ 13,628</u>	<u>\$ 14,697</u>

(III) Other gains and losses

	<u>2024</u>	<u>2023</u>
Net gain from foreign currency exchange	\$ 27,030	\$ 936
Gains (losses) on disposal of property, plant and equipment	21	(202)
Others	<u>2,118</u>	<u>(3,116)</u>
	<u>\$ 29,169</u>	<u>\$(2,382)</u>

The above net benefits from foreign currency exchange are detailed as follows:

	<u>2024</u>	<u>2023</u>
Total foreign exchange gains	\$ 38,109	\$ 25,307
Total foreign currency exchange losses	<u>(11,079)</u>	<u>(24,371)</u>
Net profit	<u>\$ 27,030</u>	<u>\$ 936</u>

(IV) Finance Costs

	<u>2024</u>	<u>2023</u>
Interest on bank borrowings	\$ 21,112	\$ 16,316
Interest on lease liabilities	<u>7,732</u>	<u>4,041</u>
Total interest expenses of financial liabilities at fair value through profit and loss	28,844	20,357
Less: Amount to be included in the cost of eligible assets	<u>8</u>	<u>388</u>
	<u>\$ 28,836</u>	<u>\$ 19,969</u>

Information on interest capitalization is as follows:

	<u>2024</u>	<u>2023</u>
Amount of capitalized interest	\$ 8	\$ 388
Interest capitalized interest rate (%)	3.95	4.8

(V) Impairment loss of non-financial assets - under operating cost

	<u>2024</u>	<u>2023</u>
Loss on inventory valuation and obsolescence	\$ 7,527	\$ 28,416
Impairment loss of property, plant and equipment	<u>-</u>	<u>1,109</u>
	<u>\$ 7,527</u>	<u>\$ 29,525</u>

(VI) Depreciation and amortization

	<u>2024</u>	<u>2023</u>
Property, plant and equipment	\$297,867	\$235,566
Right-of-use assets	42,830	30,304
Intangible assets	<u>14,656</u>	<u>12,958</u>
	<u>\$355,353</u>	<u>\$278,828</u>
Depreciation expenses by function		
Operating cost	\$325,874	\$254,060
Operating expenses	<u>14,823</u>	<u>11,810</u>
	<u>\$340,697</u>	<u>\$265,870</u>
Amortization expenses by function		
Operating cost	\$ 5,228	\$ 3,749
Operating expenses	<u>9,428</u>	<u>9,209</u>
	<u>\$ 14,656</u>	<u>\$ 12,958</u>

(VII) Employee benefit expense

	<u>2024</u>	<u>2023</u>
Short-term employee benefits		
Salary	\$588,081	\$546,071
Labor and national health insurance	49,075	39,626
Others	<u>48,452</u>	<u>37,913</u>
	685,608	623,610
Post-employment benefits		
Defined contribution plan	31,290	23,127
Defined benefit plan (Note 16)	<u>1,340</u>	<u>1,071</u>
	<u>\$718,238</u>	<u>\$647,808</u>

(To be Continued)

(Continued from previous page)

	<u>2024</u>	<u>2023</u>
Summary by function		
Operating cost	\$523,984	\$453,565
Operating expenses	<u>194,254</u>	<u>194,243</u>
	<u>\$718,238</u>	<u>\$647,808</u>

(VIII) Remuneration to employees and directors

The company allocates employee and director remunerations based on pre-tax net income before distributions to employees and directors at rates ranging from 1% to 12% and up to 1.5%, respectively. However, if the company still has accumulated losses, it must first reserve amounts to cover these losses before allocating employee and director remunerations according to the aforementioned percentages.

The estimated 2024 and 2023 employees' and directors' remuneration were distributed in cash as resolved by the board of directors in 2025 and March 2024 as follows:

<u>Amount</u>	<u>2024</u>	<u>2023</u>
Remuneration to employees	\$ 54,688	\$ 77,704
Remuneration to directors	5,633	8,547

If there is still a change in the amount of the annual consolidated financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' and directors' remuneration distributed for 2023 and 2022 and the amount recognized in the consolidated financial statements.

For information on employees' remuneration and remuneration of directors resolved by the Company's board of directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

XX. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	<u>2024</u>	<u>2023</u>
Current income tax		
Incurred in the current year	\$ 148,611	\$ 78,587
Adjustments from previous years	<u>(15,441)</u>	<u>3,501</u>
	<u>133,170</u>	<u>82,088</u>
Deferred income tax		
Incurred in the current year	58,196	103,466
Adjustments from previous years	<u>(29)</u>	<u>(6,782)</u>
	<u>58,167</u>	<u>96,684</u>
	<u>\$ 191,337</u>	<u>\$ 178,772</u>

The reconciliation of accounting expenses and income tax is as follows:

	<u>2024</u>	<u>2023</u>
Net income before tax	<u>\$ 920,310</u>	<u>\$ 834,502</u>
Income tax expense with net income before tax calculated at statutory tax rate	\$ 214,554	\$ 191,872
Permanent difference	(7,777)	(3,306)
Unrecognized deductible temporary differences	30	(6,513)
Adjustments from previous years	<u>(15,470)</u>	<u>(3,281)</u>
	<u>\$ 191,337</u>	<u>\$ 178,772</u>

(II) Income tax recognized in other comprehensive income

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deferred income tax		
Remeasurement of defined benefit plan	\$ (43)	\$ (120)
Foreign Currency Translation Adjustment	<u>7,193</u>	<u>(3,300)</u>
	<u>\$ 7,150</u>	<u>\$ (3,420)</u>

(III) Current income tax assets and liabilities

Changes in income tax assets and liabilities for the current period are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current income tax assets		
Tax refund receivable	<u>\$ 6,172</u>	<u>\$ 9,629</u>
Current income tax liabilities		
Income tax payable	<u>\$ 66,412</u>	<u>\$ 53,568</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2024

	<u>Opening balance</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Exchange difference, net</u>	<u>Closing balance</u>
<u>Deferred income tax assets</u>					
<u>Temporary difference</u>					
Loss on inventory valuation and obsolescence	\$ 6,597	\$ (2,919)	\$ -	\$ 35	\$ 3,713
Unrealized loss on bad debts	2,195	(2,023)	-	51	223
Exchange differences on the financial statements of foreign operations	2,373	-	(2,373)	-	-
Gross profit of sales declared to customs but not recognized	7,436	(2,292)	-	-	5,144
Others	<u>4,469</u>	<u>(4,187)</u>	<u>43</u>	<u>2</u>	<u>327</u>
	<u>\$ 23,070</u>	<u>\$ (11,421)</u>	<u>\$ (2,330)</u>	<u>\$ 88</u>	<u>\$ 9,407</u>
<u>Deferred income tax liabilities</u>					
<u>Temporary difference</u>					
Tax difference on depreciation	\$ 40,652	\$ (2,597)	\$ -	\$ 1,405	\$ 39,460
Share of profit of foreign subsidiaries accounted for using the equity method	45,197	47,507	-	-	92,704
Exchange differences on the financial statements of foreign operations	-	-	4,820	-	4,820
Others	<u>-</u>	<u>1,836</u>	<u>-</u>	<u>-</u>	<u>1,836</u>
	<u>\$ 85,849</u>	<u>\$ 46,746</u>	<u>\$ 4,820</u>	<u>\$ 1,405</u>	<u>\$ 138,820</u>

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference, net	Closing balance
<u>Deferred income tax assets</u>					
Temporary difference					
Loss carryforwards	\$ 19,809	\$ (19,809)	\$ -	\$ -	\$ -
Loss on inventory valuation and obsolescence	4,164	2,453	-	(20)	6,597
Unrealized loss on bad debts	18,684	(16,414)	-	(75)	2,195
Exchange differences on the financial statements of foreign operations	-	-	2,373	-	2,373
Gross profit of sales declared to customs but not recognized	2,925	4,511	-	-	7,436
Others	199	4,151	120	(1)	4,469
	<u>\$ 45,781</u>	<u>\$ (25,108)</u>	<u>\$ 2,493</u>	<u>\$ (96)</u>	<u>\$ 23,070</u>
<u>Deferred income tax liabilities</u>					
Temporary difference					
Tax difference on depreciation	\$ 11,690	\$ 29,643	\$ -	\$ (681)	\$ 40,652
Share of profit of foreign subsidiaries accounted for using the equity method	2,320	42,877	-	-	45,197
Exchange differences on the financial statements of foreign operations	927	-	(927)	-	-
Others	944	(944)	-	-	-
	<u>\$ 15,881</u>	<u>\$ 71,576</u>	<u>\$ (927)</u>	<u>\$ (681)</u>	<u>\$ 85,849</u>

(V) Authorization of income tax

The income tax returns of the Company up to 2022 have been approved by the tax authorities.

XXI. Earnings per share

The net income and the weighted average number of ordinary shares used to calculate the earnings per share are as follows:

Net income for the year

	<u>2024</u>	<u>2023</u>
Net income attributable to owners of the Company	<u>\$669,589</u>	<u>\$562,282</u>

Number of shares (unit: thousand)

	<u>2024</u>	<u>2023</u>
Weighted average number of ordinary shares for calculation of basic earnings per share	56,708	52,187
Potential dilutive ordinary shares		
Employee share warrants	573	1,033
Remuneration to employees	<u>374</u>	<u>373</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>57,655</u>	<u>53,593</u>

If the company chooses to distribute employee remunerations in either stock or cash, when calculating diluted earnings per share, it is assumed that remunerations will be paid in stock, and this potential common stock is included in the weighted average number of shares outstanding when it has a dilutive effect to compute diluted earnings per share. The dilutive effect of these potential ordinary shares will also be taken into account when calculating the diluted earnings per share before the number of shares to be distributed to employees in the following year.

XXII.Share-based payment agreement

(I) Initial public offering and underwriting

On December 13, 2023, the Company's Board of Directors resolved to conduct an initial public offering by issuing new shares for cash capital increase and reserved 632 thousand shares for employee subscription in accordance with the Company Act. If any shares reserved for employee subscription remain unsubscribed or are waived, the chairman is authorized to seek subscription from specific individuals. On the grant date, the Company recognized compensation costs and capital surplus – employee share options of NTD20,403 thousand based on an option pricing model.

The Company's employees and specific individuals subscribed for 632 thousand ordinary shares at an exercise price of NTD180 per share. The Company transferred NTD20,403 thousand from capital surplus – employee share options to capital surplus – share premium (from share options exercised).

(II) Employee stock option plan

In May 2021 and December 2022, the company's board of directors resolved to issue 1,700 thousand and 300 thousand stock options to employees, respectively. Each unit entitles the holder to subscribe for one ordinary share and

is available to employees who meet specific eligibility criteria. The warrants have a lifespan of six years. The holders can exercise a certain proportion of their subscription rights starting two years after the issue date. Following the issuance of the warrants, if there are any changes in the issuance of the company's ordinary shares, the exercise price of the warrants will be adjusted according to the specified formula.

Information on employee stock options is as follows:

Employee share warrants	2024		2023	
	Unit (Thousands)	Weighted average exercise price (NTD)	Unit (Thousands)	Weighted average exercise price (NTD)
Beginning outstanding balance	1,343		1,790	
Issued this year	-		-	
waived in the current year	(24)		-	
Implementation in the current year	<u>(413)</u>	<u>\$28.96</u>	<u>(447)</u>	<u>\$ 30</u>
Ending outstanding balance	<u>906</u>	<u>\$57.77</u>	<u>1,343</u>	<u>\$ 51.8</u>
Exercisable at the end of the year	<u>174</u>		<u>-</u>	

As of December 31, 2024, information on outstanding employee stock options is as follows:

Range of exercise price	Weighted average remaining contract term (years)
<u>\$28.96–122.18</u>	<u>3.12</u>

The Company adopts the Black-Scholes valuation model for granting stock warrants to employees, and the inputs used in the valuation model are as follows:

	2022	2021
Grant-date stock price	NTD99.72	NTD29.26
Exercise price	NTD129.4	NTD30
Expected stock price volatility (%)	40.68–41.53	39.03–39.64
Expected duration (year)	4–4.5	4–5
Expected dividend yield	-	-
Expected subscription ratio (%)	100	100
Risk-free interest rate (%)	1.12–1.13	0.26–0.28

The remuneration expenses recognized for 2024 and 2023 were NTD4,494 thousand and NTD6,704 thousand, respectively, and the same amounts were recognized as capital reserve - employee stock options.

In 2024 and 2023, the exercise of employee stock options resulted in the transfer of related capital surplus - employee stock options amounting to NTD3,853 thousand and NTD3,965 thousand respectively to capital surplus - additional paid-in capital from share issuance.

XXIII. Government grants

The company has obtained government-subsidized loans with preferential interest rates under the ‘Welcoming Taiwanese Businesses to Invest Back in Taiwan Action Plan’, which are used for capital expenditures and working capital needs. The fair value of these loans is estimated based on the interest rates under normal conditions of the company. The difference between the fair value and the amount of the loans obtained is considered a government subsidy for low-interest loans and is recognized as deferred income:

	<u>2024</u>	<u>2023</u>
Opening balance	\$ 16,384	\$ 10,767
Recognition of fair value differences for the current year	3,041	11,715
Recognized in the current year (recorded under other income)	<u>(6,855)</u>	<u>(6,098)</u>
Closing balance	<u>\$ 12,570</u>	<u>\$ 16,384</u>
<u>Book value of deferred income</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Deferred revenue	\$ 4,107	\$ 6,391
Long-term deferred revenue	<u>8,463</u>	<u>9,993</u>
	<u>\$ 12,570</u>	<u>\$ 16,384</u>

XXIV. Equity transactions with non-controlling interests

Clear Precise, a subsidiary, acquired partial equity in subsidiary Jiangsu Vizionfocus Inc. (including the equity interests acquired from the related parties Jiangsu Yuyue Medical Equipment & Supply Co., Ltd. and Jiangsu No.1 Garden Investment Co., Ltd. for NTD279,532 thousand and NTD93,683 thousand, respectively) in September 2023. As this transaction did not affect the Company's control, it was treated as an equity transaction. The relevant information is as follows:

	<u>2023</u>
Consideration for performance	\$ (512,727)
The book value of the subsidiary's net assets is used to calculate the amount to be transferred from the non-controlling interests based on the relative changes in equity.	<u>222,410</u>
Equity transaction balance	<u>\$ (290,317)</u>

The Company's adjustment to the above equity transaction difference is as follows:

	<u>2023</u>
Retained earnings	<u>\$ (290,317)</u>

XXV. Non-cash transactions

In 2024 and 2023, the Company and its subsidiaries engaged in the following non-cash transactions in investment activities:

	<u>2024</u>	<u>2023</u>
Investment activities that affect both cash and non-cash items		
Increase in property, plant and equipment	\$ 929,284	\$ 1,290,347
Decrease in equipment payables	9,672	4,925
Prepaid equipment purchase increase (decrease)	(38,723)	60,307
Capitalized interest	<u>(8)</u>	<u>(388)</u>
Amount of cash paid	<u>\$ 900,225</u>	<u>\$ 1,355,191</u>

XXVI. Capital risk management

The Company and its subsidiaries manage capital to ensure that they can optimize the balance of debt and equity to ensure the efficient use of capital and the smooth operation of the Company and subsidiaries under the premise of continuing to operate.

The company and its subsidiaries' capital structure consists of net debt and equity. The senior management regularly reviews the capital structure based on the current industry operational status and future development of the company, considering factors such as changes in the external environment. The review includes the cost of various types of capital and related risks, balancing the overall capital structure through issuing new shares, procuring new debt, and repaying existing debts.

XXVII. Financial instruments

- (I) Information on fair value - financial instruments not measured at fair value

The Company and its subsidiaries' management believe that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values.

(II) Type of financial instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Measured at amortized cost (Note 1)	\$2,089,471	\$1,431,619
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	1,506,585	2,056,209

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, notes and accounts receivable, other receivables, other financial assets – current, and refundable deposits.

Note 2: The balance includes short-term borrowings, accounts payable, other payables, refund liabilities (classified under other current liabilities), long-term borrowings (including long-term borrowings due within one year), and refundable deposits (classified under other non-current liabilities) , as well as financial liabilities measured at amortized cost.

(III) Financial risk management objectives and policies

The main financial instruments of the Company and its subsidiaries include accounts receivable, long-term and short-term loans, accounts payable and lease liabilities. The financial management department provides services for each business unit and coordinates the operation of entering the domestic financial market. Extensive analysis of risk exposure and internal risk reports; monitoring and management of financial risks related to the operations of the Company and its subsidiaries. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risks to which the Company and its subsidiaries are exposed are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

There has been no change to the Company's and subsidiaries' exposure to market risks of financial instruments and the management and measurement of such exposures.

(1) Exchange rate risk

The Company and its subsidiaries engage in activities such as sales and purchase transactions, capital expenditures, and equity investments that are denominated in non-functional currencies, resulting in exchange rate risk. To the extent permitted by the policies, the Company and its subsidiaries utilize the purchase of foreign currency deposits and the claims and liabilities in the same category of foreign currency generated from the transactions to manage and reduce risks.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Company and its subsidiaries as of the balance sheet date, please refer to Note 31.

The Company and its subsidiaries were mainly affected by fluctuations in the exchange rates of the USD and CNY. The following table details a sensitivity analysis when the functional currency of the company depreciates by 1% against the US dollar and the Chinese Yuan. The 1% sensitivity ratio is used internally by the company to report exchange rate risks to senior management and represents management's assessment of the reasonably possible range of foreign exchange rate fluctuations. The sensitivity analysis only includes monetary items in USD and RMB outstanding.

	2024	2023
<u>Impact of USD</u>		
Net income before tax	\$ 1,976	\$ 1,303
<u>Impact of RMB</u>		
Net income before tax	2,278	3,389

Note: It is mainly derived from the outstanding USD and RMB (including cash and cash equivalents, accounts receivable and

borrowings) that are still outstanding at the end of the reporting period as cash flow hedges.

Management believes that sensitivity analysis cannot represent the inherent risk of exchange rates, as the foreign currency exposure at the balance sheet date does not reflect exposures during the period, and sales denominated in USD and RMB may vary with customer orders and economic cycles.

(2) Interest rate risk

As the Company and its subsidiaries borrow funds at floating interest rates, interest rate risk exposure arises. The Company and its subsidiaries manage the interest rate risk by maintaining an appropriate portfolio of floating interest rates.

The carrying amounts of financial assets and financial liabilities of the Company and its subsidiaries with exposure to the interest rate risk on the balance sheet date are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Fair value interest rate risk		
Financial assets	\$ 643,078	\$ 161,685
Financial liabilities	359,639	207,610
Cash flow interest rate risk		
Financial assets	787,657	635,592
Financial liabilities	975,535	1,521,929

The following sensitivity analysis is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. For liabilities with floating interest rates, the analysis method is based on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period. The rate of change used by the Company and subsidiaries to report interest rates to management is increased or decreased by 1%,

which also represents management's assessment of the reasonably possible range of interest rates.

If the interest rate on financial liabilities increased/decreased by 1%, with all other variables holding constant, the pre-tax net income for fiscal years 2024 and 2023 would have decreased/increased by NTD9,755 thousand and NTD15,219 thousand, respectively.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company and its subsidiaries due to the counterparty's default on contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the Company and its subsidiaries that may cause financial losses due to the counterparty's failure to perform its obligations is the book value of financial assets recognized in the balance sheet.

All of the company and its subsidiaries' trading partners are companies with good creditworthiness. Business units grant trading credit limits based on the results of each credit assessment, and they regularly track the collection of receivables. In recent years, there have been very few actual cases of bad debts, and thus no significant credit risks are anticipated.

The company and its subsidiaries' receivables are significantly concentrated with several clients who engage in similar commercial activities and have similar economic characteristics. Consequently, their ability to fulfill contractual obligations is similarly affected by economic or other conditions, leading to a significant concentration of credit risk. The net accounts receivable of customers with significant concentration of credit risk are as follows:

<u>Customer name</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Company A	\$175,156	\$226,472
Company B	99,680	105,623

3. Liquidity risk

The Company and its subsidiaries manage and maintain sufficient cash position to support the Company's operations and mitigate the impact of cash flow fluctuations. They also monitor the use of bank financing facilities and ensure compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company and its subsidiaries. As of December 31, 2024 and 2023, the unused bank financing facilities of the Company and its subsidiaries amounted to NTD3,860,126 thousand and NTD2,001,404 thousand, respectively. Therefore, there is no liquidity risk arising from inability to raise funds to fulfill contractual obligations.

The following table shows the non-derivative financial liabilities of the Company and its subsidiaries. The analysis is based on the remaining contractual maturity of the agreed repayment period, and is prepared based on the undiscounted cash flow of the earliest possible date on which repayment may be required (including interest and principal cash flows).

The bank borrowings that the Company and its subsidiaries may be required to repay immediately are serialized within the earliest period in the following table, regardless of the possibility of the bank executing the right immediately. The maturity analysis of other non-derivative financial liabilities is based on the agreed repayment date preparation.

December 31, 2024

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Non-interest-bearing liabilities	\$ 530,605	\$ 237	\$ -	\$ 530,842
Instruments with floating interest rates	165,921	847,665	-	1,013,586
Lease liabilities	<u>58,301</u>	<u>194,765</u>	<u>154,746</u>	<u>407,812</u>
	<u>\$ 754,827</u>	<u>\$ 1,042,667</u>	<u>\$ 154,746</u>	<u>\$ 1,952,240</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	\$ 58,301	\$ 194,765	\$ 154,746	\$ -

December 31, 2023

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Non-interest-bearing liabilities	\$ 529,326	\$ 229	\$ -	\$ 529,555
Instruments with floating interest rates	337,618	1,193,984	47,203	1,578,805
Lease liabilities	<u>33,542</u>	<u>117,827</u>	<u>71,212</u>	<u>222,581</u>
	<u>\$ 900,486</u>	<u>\$ 1,312,040</u>	<u>\$ 118,415</u>	<u>\$ 2,330,941</u>

Further information on the maturity analysis of lease liabilities is as follows:

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	\$ 33,542	\$ 117,827	\$ 64,284	\$ 6,928

XXVIII. Related party transactions

(I) Names of related parties and their relationships

<u>Name of related party</u>	<u>Relationship with the Company and its subsidiaries</u>
An Shih	Key management personnel of the Company
Chang Wah Electromaterials Inc.	Serving as the Company's institutional director
Jiangsu Yuyue Medical Equipment & Supply Co., Ltd (Jiangsu Yuyue)	Substantive related party
Jiangsu No.1 Garden Investment Co., Ltd.	Substantive related party
Jiangsu Joyea Co., Ltd. (Jiangsu Joyea)	Substantive related party

(II) Closing balance

<u>Presentation account</u>	<u>Category/Name of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Prepayments	Substantive related party	<u>\$ -</u>	<u>\$ 89</u>
Prepayment for equipment	Jiangsu Joyea	<u>\$ 18,625</u>	<u>\$ -</u>
Refundable deposits	Jiangsu Yuyue	<u>\$ 6,986</u>	<u>\$ 1,082</u>
Other payables	Substantive related party	<u>\$ 448</u>	<u>\$ 2,321</u>

(III) Acquisition of property, plant and equipment

<u>Category/Name of related party</u>	<u>2024</u>	<u>2023</u>
Proceeds from acquisition		
Jiangsu Joyea	<u>\$ 15,359</u>	<u>\$ 94,277</u>

The Company and its subsidiaries have not purchased similar property, plant and equipment from non-related parties, so the transaction prices cannot be compared, and there is no significant difference in payment terms compared to general manufacturers.

(IV) Lease agreement

<u>Category/Name of related party</u>	<u>2024</u>	<u>2023</u>
Acquisition of right-of-use assets		
Jiangsu Yuyue	<u>\$184,540</u>	<u>\$ -</u>

<u>Presentation account</u>	<u>Name of related party</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Lease liabilities (including current and non-current)	Jiangsu Yuyue	<u>\$190,889</u>	<u>\$ 19,871</u>

<u>Category/Name of related party</u>	<u>2024</u>	<u>2023</u>
Interest expense		
Jiangsu Yuyue	<u>\$ 5,044</u>	<u>\$ 1,049</u>

The subsidiary has leased a plant from Jiangsu Yuyue since October 2019. The lease period expires in December 2034. The rent is calculated based on the floor area (in square feet) and fixed lease payments are paid on a quarterly basis in accordance with the lease contract.

(V) Remuneration of key management personnel

	<u>2024</u>	<u>2023</u>
Short-term employee benefits	<u>\$ 52,242</u>	<u>\$ 52,652</u>
Post-employment benefits	<u>688</u>	<u>555</u>
	<u>\$ 52,930</u>	<u>\$ 53,207</u>

(VI) Other related party transactions

1. Other expenses

Category/Name of related party	2024	2023
Jiangsu Joyea	<u>\$ 167</u>	<u>\$ 94</u>

This refers to the Company's miscellaneous repair expenses.

- Starting from March 2024, the Company's key management personnel, Shih An, has gradually cancelled their joint guarantees for some of the long-term bank borrowings of the Company and its subsidiaries.
- Please refer to Note 24 for the Company's 2023 acquisition of partial equity of the subsidiary Jiangsu Vizionfocus Inc. from a related party. The transaction price was based on the equity value evaluation report issued by the appraisal agency.

XXIX. Pledged assets

The Company and its subsidiaries provide the following assets as collateral for long-term loans:

	Book value	
	December 31, 2024	December 31, 2023
Machinery and equipment	<u>\$ -</u>	<u>\$ 35,418</u>

XXX. Significant unrecognized contractual commitment

As of December 31, 2024, the Company and its subsidiaries have signed contracts for the purchase of property, plant and equipment with a total price of approximately NTD2,119,117 thousand, of which NTD1,422,862 thousand has not yet been recognized in the accounts.

XXXI. Significant information on assets and liabilities denominated in foreign currencies

The following information is summarized and expressed in foreign currencies other than the functional currencies of the Company and each entity. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. Financial assets and liabilities denominated in foreign currencies with significant impact are as follows:

Unit: Each foreign currency in thousands

December 31, 2024	Foreign currency	Exchange rate		Carrying amount
Monetary item - foreign currency assets				
USD	\$ 6,869	32.785	(USD:NTD)	\$ 225,193
RMB	50,996	4.478	(RMB:NTD)	228,361
JPY	4,469	0.2099	(JPY:NTD)	938
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	283,045	4.478	(RMB:NTD)	1,267,474
Monetary item foreign currency liabilities				
USD	798	32.785	(USD:NTD)	26,161
USD	45	7.1884	(USD:CNY)	1,451
RMB	121	4.478	(RMB:NTD)	543
JPY	2,101	0.2099	(JPY:NTD)	441
<u>December 31, 2023</u>				
Monetary item - foreign currency assets				
USD	4,627	30.705	(USD:NTD)	142,081
RMB	78,942	4.327	(RMB:NTD)	341,583
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	229,714	4.327	(RMB:NTD)	993,971
Monetary item foreign currency liabilities				
USD	383	30.705	(USD:NTD)	11,748
RMB	621	4.327	(RMB:NTD)	2,688

The Company and its subsidiaries recorded net foreign exchange gains of NTD27,030 thousand and NTD936 thousand for the years 2024 and 2023, respectively. Due to the numerous functional currencies involved in foreign currency transactions, it is not possible to disclose exchange gains and losses by each major foreign currency.

XXXII. Disclosures in notes

- (I) Significant transactions and
- (II) Information on investees
 - 1. Loans to others: None.

2. Endorsements/guarantees provided for others: Please refer to Table 1.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and affiliates): None.
4. Purchases or sales of the same securities with the accumulated amount reaching NTD300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate at costs of at least NTD300 million or 20% of the paid-in capital: Please refer to Table 2.
6. Disposal of property at costs of at least NTD300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NTD100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NTD100 million or 20% of the paid-in capital: None.
9. Trading of derivatives: None.
10. Information on investees: Please refer to Table 3.
11. Business relationships and significant transactions between parent company and subsidiaries and among subsidiaries: Please refer to Table 5.

(III) Mainland China Investment Information

1. Details regarding the invested companies in Mainland China, including their names, main business activities, actual capital received, investment methods, capital inflow and outflow, shareholding percentages, profits and losses for the current year, recognized investment income and losses, year-end investment book value, repatriated investment income and losses, and the investment quota for Mainland China, are provided in Table 4.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
 - (1) Amount and percentage of purchases and related payables at the end of the year: None.
 - (2) Amount and percentage of sales and related receivables at the end of the year: None.
 - (3) The amount of property transactions and the amount of the resulting gain or loss: None.

- (4) The balance and purpose of endorsements/guarantees for bills:
Please refer to Table 1.
- (5) The maximum balance, ending balance, interest rate range, and total interest of the year for capital financing: None.
- (6) Other transactions that have a significant impact on the current year's profit or loss or financial position, such as the rendering or receipt of services: Please refer to Table 5.

(IV) For information on shareholders with 5% or greater shareholdings, including names, shares owned, and percentage of ownership, please refer to Table 6.

XXXIII. Department information

The information provided to the chief operating decision-maker for allocating resources and evaluating segment performance, with emphasis on each type of product or service delivered or provided. The operating segments of the Company and its subsidiaries shall be reported as follows:

- VIZIONFOCUS

The main business items are the manufacturing of medical equipment, machinery and equipment, optical instruments, precision instruments and international trading and other consulting services.

- Jiangsu Vizionfocus Inc.

The main business includes R&D, design and production of contact lenses, wholesale and import and export of similar products of the above products.

- Others - For the subsidiaries of the consolidated entity as the operating segment, please refer to the descriptions in Note 9.

(I) Segment revenues and operating results

The revenue and operating results of the Company and its subsidiaries are analyzed by reportable segment as follows:

	VIZION FOCUS	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
<u>2024</u>					
Revenue from customers other than the parent company and subsidiaries	\$1,810,166	\$1,191,841	\$ -	\$ -	\$3,002,007
Revenue from parent company and subsidiaries	<u>84,287</u>	<u>1</u>	<u>-</u>	<u>(84,288)</u>	<u>-</u>
Total revenue	<u>\$1,894,453</u>	<u>\$1,191,842</u>	<u>\$ -</u>	<u>\$ (84,288)</u>	<u>\$3,002,007</u>
Segment profit (loss)	\$ 533,281	\$ 332,239	\$ (49)	\$ 22,405	\$ 887,876
Interest revenue	12,578	5,895	-	-	18,473
Other income	31,065	4,968	-	(22,405)	13,628
Other gains and losses	26,902	2,267	-	-	29,169
Finance Costs	(23,773)	(5,063)	-	-	(28,836)
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	<u>237,487</u>	<u>-</u>	<u>475,072</u>	<u>(712,559)</u>	<u>-</u>
Net income before tax	817,540	340,306	475,023	(712,559)	920,310
Income tax expense	<u>147,951</u>	<u>43,386</u>	<u>-</u>	<u>-</u>	<u>191,337</u>
Net income for the year	<u>\$ 669,589</u>	<u>\$ 296,920</u>	<u>\$ 475,023</u>	<u>\$ (712,559)</u>	<u>\$ 728,973</u>
<u>2023</u>					
Revenue from customers other than the parent company and subsidiaries	\$1,639,680	\$ 932,522	\$ -	\$ -	\$2,572,202
Revenue from parent company and subsidiaries	<u>61,138</u>	<u>763</u>	<u>-</u>	<u>(61,901)</u>	<u>-</u>
Total revenue	<u>\$1,700,818</u>	<u>\$ 933,285</u>	<u>\$ -</u>	<u>\$ (61,901)</u>	<u>\$2,572,202</u>
Segment profit (loss)	\$ 463,924	\$ 350,635	\$ (4)	\$ 17,461	\$ 832,016
Interest revenue	6,517	3,615	8	-	10,140
Other income	26,525	5,633	-	(17,461)	14,697
Other gains and losses	(1,761)	(621)	-	-	(2,382)
Finance Costs	(18,820)	(1,149)	-	-	(19,969)
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	<u>214,384</u>	<u>-</u>	<u>428,764</u>	<u>(643,148)</u>	<u>-</u>
Net income before tax	690,769	358,113	428,768	(643,148)	834,502
Income tax expense	<u>128,487</u>	<u>50,285</u>	<u>-</u>	<u>-</u>	<u>178,772</u>
Net income for the year	<u>\$ 562,282</u>	<u>\$ 307,828</u>	<u>\$ 428,768</u>	<u>\$ (643,148)</u>	<u>\$ 655,730</u>

Departmental profit or loss refers to the profit earned by each department. This measured amount is provided to the chief operating decision-maker for allocating resources to segments and evaluating their performance.

(II) Departmental total assets and liabilities

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Segment assets</u>		
VIZIONFOCUS	\$ 5,190,286	\$ 3,993,762
Jiangsu Vizionfocus Inc.	2,049,343	1,487,472
Others	2,535,599	1,987,942
Adjustments and write-offs	<u>(3,835,517)</u>	<u>(3,006,578)</u>
Consolidated total assets	<u>\$ 5,939,711</u>	<u>\$ 4,462,598</u>
<u>Departmental liabilities</u>		
VIZIONFOCUS	\$ 1,657,551	\$ 2,206,574
Jiangsu Vizionfocus Inc.	465,033	245,039
Others	600	-
Adjustments and write-offs	<u>(33,070)</u>	<u>(24,690)</u>
Consolidated total liabilities	<u>\$ 2,090,114</u>	<u>\$ 2,426,923</u>

(III) Information of other departments

	<u>VIZION FOCUS</u>	<u>Jiangsu Vizionfocus Inc.</u>	<u>Total</u>
<u>2024</u>			
Recognized in segment profit and loss			
Depreciation and amortization	<u>\$ 229,762</u>	<u>\$ 125,591</u>	<u>\$ 355,353</u>
<u>2023</u>			
Recognized in segment profit and loss			
Depreciation and amortization	<u>\$ 195,645</u>	<u>\$ 83,183</u>	<u>\$ 278,828</u>

(IV) Main product revenue

Please refer to Note 18 for the analysis of the main products and revenues of the Company and its subsidiaries.

(V) Information by Region

The Company and its subsidiaries mainly operate in Taiwan, China, Japan and the United States.

The Company and its subsidiaries' operating revenues from external customers are classified based on the countries where the customers are located. The information on non-current assets by location of assets is as follows:

	Revenue from external customers		Non-current assets	
			December 31, 2024	December 31, 2023
	2024	2023	2024	2023
Taiwan	\$ 132,099	\$ 125,432	\$ 2,204,830	\$ 1,776,260
Asia and other countries	2,866,503	2,442,512	1,281,570	900,560
Others	<u>3,405</u>	<u>4,258</u>	-	-
	<u>\$ 3,002,007</u>	<u>\$ 2,572,202</u>	<u>\$ 3,486,400</u>	<u>\$ 2,676,820</u>

Non-current assets exclude financial instruments, deferred income tax assets and refundable deposits.

(VI) Information on major customers

Single customer contributing 10% or more of the Company's and its subsidiaries' net revenues as follows:

	2024		2023	
	Amount	%	Amount	%
Company A	\$ 585,742	20	\$ 579,603	23
Company B	456,602	15	19,059	1
Company C	321,881	11	264,610	10
Company D	<u>228,370</u>	<u>8</u>	<u>528,735</u>	<u>21</u>
	<u>\$ 1,592,595</u>	<u>54</u>	<u>\$ 1,392,007</u>	<u>55</u>

VIZIONFOCUS INC. and subsidiaries
Endorsements/guarantees for others
January 1 to December 31, 2024

Table 1

Unit: NTD Thousand
(unless otherwise stated)

Serial number	Endorsing/guaranteeing company name	Counterparty of endorsements/guarantees		Endorsement and guarantee limit for a single enterprise	The maximum balance of endorsements/guarantees in the current year	Balance of endorsements/guarantees at the end of the year	The actual amount drawn down	Endorsement/guarantee amount secured by property	Ratio of accumulated endorsement/guarantee amount to net worth as stated in the latest financial statement (%)	Maximum endorsements/guarantees	Endorsements/guarantees made by the parent company to subsidiaries	Endorsement/guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China	Notes
		Company Name	Relationship											
0	VIZIONFOCUS INC.	Jiangsu Vizionfocus Inc.	Subsidiary	\$706,547	\$199,256	\$108,191	\$ -	\$ -	3.06	\$1,766,368	Y	N	Y	

According to the Company's "Endorsement and Guarantee Management Regulations", the endorsement and guarantee limit of the Company is as follows:

- I. The total amount of endorsements/guarantees made by the Company shall not exceed 50% of the net value in the Company's most recent financial statements audited and certified or reviewed by a CPA.
- II. The Company's endorsement and guarantee limit for a single enterprise is as follows:
 - (I) The amount of endorsements/guarantees made for a single enterprise shall not exceed 20% of the Company's net worth as stated in its latest financial statement that has been audited and certified or reviewed by a CPA.
 - (II) The total amount of endorsements/guarantees for companies with business transactions shall not exceed the amount of business transactions between the parties in the most recent year or 10% of the Company's net worth.

VIZIONFOCUS INC. and subsidiaries

Acquisition of real estate at costs of at least NTD300 million or 20% of the paid-in capital

January 1 to December 31, 2024

Table 2

Unit: NTD Thousand
(unless otherwise stated)

Real estate acquiring company	Property name	Date of occurrence	Transaction amount	Status of payment	Counterparty of the transaction	Relationship with the Company	If the trading counterparty is a related party, the information of the previous transfer				References for price determination	Purpose of Acquisition and Situation of Use	Other provisions
							Owners	Relationship with the issuer	Date of transfer	Amount			
The Company	Buildings and facilities	2024.2.6	\$ 1,088,000	Paid in accordance with contract terms and progress	Fu Tai Construction Co., Ltd.	Non-related party of the Company	-	-	-	\$ -	Local commissioned construction is not applicable	For operational use	None
The Company	Buildings and facilities	2024.5.16	695,000	Paid in accordance with contract terms and progress	ACTER GROUP CORPORATION LIMITED	Non-related party of the Company	-	-	-	-	Local commissioned construction is not applicable	For operational use	None

VIZIONFOCUS INC. and subsidiaries
Information on investees
January 1 to December 31, 2024

Table 3

Unit: NTD Thousand
(unless otherwise stated)

Name of Investment Company	Name of investee	Location of the area	Main business items	Initial investment amount		Held at the end of the year			Profit or loss of investee companies for the current year (Note)	Investment gains or losses recognized for the current year (Note)	Notes
				End of current year	End of last year	Number of shares	Percentage (%)	Carrying amount			
The Company	Green Wealth Investments Limited (Samoa)	Samoa	International investment	\$ 1,097,607	\$ 1,097,607	35,692,609	100	\$ 1,267,474	\$ 237,536	\$ 237,536	
The Company	Star Focus Inc.	Taiwan	Medical device sales	100	-	10,000	100	51	(49)	(49)	
Green Wealth Investments Limited (Samoa)	Clear Precise Investments Limited (Samoa)	Samoa	International investment	1,097,607	1,097,607	35,692,609	100	1,267,474	237,536	237,536	

Note: All have been eliminated when preparing the consolidated financial statements.

VIZIONFOCUS INC. and subsidiaries
Mainland China Investment Information
January 1 to December 31, 2024

Table 4

Unit: NTD Thousand
(unless otherwise stated)

Name of investee company in Mainland China	Main business items	Paid-up capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or recovered in the current year		Accumulated investment amount remitted from Taiwan at the end of the year	Net income of investees for the year	The Company's shareholding ratio in direct or indirect investments (%)	Investment gains recognized in the current year	Book value of investments at the end of the year	Repatriated investment income by the end of the current year	Notes
					Remitted	Recovered							
Jiangsu Vizionfocus Inc.	R&D, design, and production of contact lens; wholesale and import and export of similar products of the above-mentioned products.	\$ 717,376	(2)	\$ 1,097,607	\$ -	\$ -	\$ 1,097,607	\$ 296,920	80	\$ 237,536	\$ 1,267,448	\$ -	Notes 2 and 3

Name of Investment Company	Cumulative Amount of Outward Remittance from Taiwan for Investment in the Current Year	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Limit of the Company's investment in Mainland China (Note 4)
Jiangsu Vizionfocus Inc.	\$ 1,097,607	\$ 1,184,248	\$ -

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:

- (1) Direct investment in Mainland China.
- (2) Reinvest in Mainland China through a company in a third region.
- (3) Any other means.

Note 2: All have been eliminated when preparing the consolidated financial statements.

Note 3: The recognition and disclosure are based on the financial statements audited by the Company's CPAs.

Note 4: This is in accordance with Point 3 of the "Principles for Reviewing Investments or Technical Cooperation in Mainland China," revised and issued on August 29, 2008, under Order Jing-Shen-Zi No. 09704604680. Our company has obtained a certificate from the Industrial Development Bureau of the Ministry of Economic Affairs, confirming compliance with the operational scope required for headquarters, thereby exempting it from any upper limits on investments in Mainland China.

VIZIONFOCUS INC. and subsidiaries
 Business relationships and important transactions between the parent company and its subsidiaries
 January 1 to December 31, 2024

Table 5

Unit: NTD Thousand
 (unless otherwise stated)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			As a percentage of consolidated revenue or total assets (%)
				Subject Matters	Amount	Trading terms and conditions	
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Service revenue	\$ 56,163	As stipulated in the contract	1.87
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Other operating revenue	28,124	As stipulated in the contract	0.94
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Royalty income	22,405	As stipulated in the contract	0.75
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Accounts receivable	23,861	As stipulated in the contract	0.40

Note: All have been eliminated when preparing the consolidated financial statements.

VIZIONFOCUS INC.
Information of major shareholders
December 31, 2024

Table 6

Names of Principal Shareholders	Shares of Stock	
	Number of shares held (shares)	Shareholding ratio (%)
Chang Wah Electromaterials Inc.	8,105,970	13.99
Quan Qiao Li Co., Ltd.	4,674,390	8.06
E.SUN Venture Capital Co., Ltd.	3,150,000	5.43

Note 1: This schedule of major shareholders is based on the data provided by the Taiwan Depository & Clearing Corporation regarding shareholders holding 5% or more of the Company's dematerialized and registered outstanding ordinary and special shares, calculated on the last business day of the current quarter. The share capital recorded in these consolidated financial statements may differ from the number of shares actually issued and outstanding due to differences in the basis of calculation.