

VIZIONFOCUS INC. and
subsidiaries

Consolidated Financial Statements and
Independent Auditors' Review Report
Q3 of 2024 and 2023

Address: 3F, No. 66, Youyi Road, Zhunan Township,
Miaoli County
Telephone: (037)582900

Independent Auditors' Review Report

To VIZIONFOCUS INC.:

Foreword

We have reviewed the accompanying consolidated balance sheets of VIZIONFOCUS INC. (the “Company”) and its subsidiaries as of September 30, 2024 and 2023, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2024 and 2023, and the consolidated statements of changes in equity and cash flows for the nine-month periods ended September 30, 2024 and 2023, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. The preparation of consolidated financial statements that present fairly the Company’s consolidated financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission is the responsibility of the Company’s management. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

Scope

We conducted our review in accordance with International Standard on Review Engagements No. 2410 “Review of Financial Statements.” The procedures performed in a review of consolidated financial statements include inquiries (primarily of persons responsible for financial and accounting matters), analytical procedures, and other review procedures. The scope of a review is substantially less than that of an audit. Consequently, the accountant may not become aware of all significant matters that might be identified in an audit, and accordingly, no audit opinion is expressed.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of VIZIONFOCUS INC. and its subsidiaries as of September 30, 2024 and 2023, their consolidated financial performance for the three-month and nine-month periods ended September 30, 2024 and 2023, and their consolidated cash flows for the nine-month periods ended September 30, 2024 and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Hsiu-Wen Chen and Chao-Chun Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

November 6, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

VIZIONFOCUS INC. and subsidiaries

Consolidated Balance Sheet

September 30, 2024, December 31, 2023 and September 30, 2023

Unit: NTD Thousand

Code	Assets	September 30, 2024		December 31, 2023		September 30, 2023	
		Amount	%	Amount	%	Amount	%
Current assets							
1100	Cash and cash equivalents (Note 6)	\$ 1,108,899	19	\$ 800,156	18	\$ 799,055	19
1150	Notes receivable (Note 7)	2,148	-	8,265	-	2,376	-
1170	Accounts receivable (Note 7)	600,502	10	612,906	14	575,350	14
1200	Other receivables	6,267	-	4,213	-	7,189	-
1220	Current income tax assets	6,235	-	9,629	-	-	-
130X	Inventories (Note 8)	276,020	5	257,015	6	245,643	6
1410	Prepayments (Note 28)	56,320	1	64,377	1	35,642	1
1476	Other financial assets – current (Note 6)	207,705	4	-	-	-	-
1479	Other current assets	153	-	68	-	476	-
11XX	Total current assets	<u>2,264,249</u>	<u>39</u>	<u>1,756,629</u>	<u>39</u>	<u>1,665,731</u>	<u>40</u>
Non-current assets							
1600	Property, plant and equipment (Notes 10, 28, and 29)	3,011,532	53	2,334,146	53	2,224,972	52
1755	Right-of-use assets (Note 11)	366,526	6	198,463	4	206,430	5
1780	Intangible assets (Note 12)	101,123	2	80,703	2	77,682	2
1840	Deferred income tax assets	5,985	-	23,070	1	20,729	-
1915	Prepayment for equipment (Note 28)	27,881	-	63,189	1	29,729	1
1920	Refundable deposits (Note 28)	12,496	-	6,079	-	6,101	-
1990	Other non-current assets	128	-	319	-	383	-
15XX	Total non-current assets	<u>3,525,671</u>	<u>61</u>	<u>2,705,969</u>	<u>61</u>	<u>2,566,026</u>	<u>60</u>
1XXX	Total assets	<u>\$ 5,789,920</u>	<u>100</u>	<u>\$ 4,462,598</u>	<u>100</u>	<u>\$ 4,231,757</u>	<u>100</u>
Liabilities and equity							
Current liabilities							
2100	Short-term borrowings (Note 13)	\$ -	-	\$ 150,000	3	\$ -	-
2130	Contract liabilities – Current (Note 18)	5,132	-	6,279	-	6,046	-
2170	Accounts payable (Note 14)	171,911	3	182,227	4	167,443	4
2200	Other payables (Notes 15 and 28)	343,733	6	347,099	7	303,173	7
2230	Current income tax liabilities	37,953	1	53,568	1	34,418	1
2280	Lease liabilities – current (Notes 11 and 28)	48,265	1	30,040	1	29,913	1
2313	Deferred revenue (Notes 13 and 23)	4,444	-	6,391	-	6,188	-
2322	Long-term borrowings due within one year (Notes 13, 28, and 29)	172,694	3	173,169	4	151,004	4
2399	Other current liabilities	466	-	5,014	-	8,868	-
21XX	Total current liabilities	<u>784,598</u>	<u>14</u>	<u>953,787</u>	<u>20</u>	<u>707,053</u>	<u>17</u>
Non-current liabilities							
2540	Long-term borrowings (Notes 13, 28, and 29)	868,339	15	1,198,760	26	1,436,593	35
2570	Deferred income tax liabilities	129,081	2	85,849	2	47,507	1
2580	Lease liabilities – non-current (Notes 11 and 28)	323,388	6	177,570	5	185,511	4
2630	Long-term deferred income (Notes 13 and 23)	9,429	-	9,993	-	7,303	-
2640	Net defined benefit liability	1,120	-	735	-	-	-
2670	Other non-current liabilities	239	-	229	-	234	-
25XX	Total non-current liabilities	<u>1,331,596</u>	<u>23</u>	<u>1,473,136</u>	<u>33</u>	<u>1,677,148</u>	<u>40</u>
2XXX	Total liabilities	<u>2,116,194</u>	<u>37</u>	<u>2,426,923</u>	<u>53</u>	<u>2,384,201</u>	<u>57</u>
Equity attributable to owners of the Company (Note 17)							
3110	Common stock capital	579,167	10	524,547	12	524,547	12
3200	Capital reserve	1,826,868	32	653,674	15	651,998	15
Retained earnings							
3310	Statutory Reserve	82,650	1	55,501	1	55,501	1
3320	Special reserves	9,499	-	-	-	-	-
3350	Undistributed earnings	839,374	14	562,965	13	378,828	10
3300	Total retained earnings	<u>931,523</u>	<u>15</u>	<u>618,466</u>	<u>14</u>	<u>434,329</u>	<u>11</u>
Other equity							
3410	Foreign Currency Translation Adjustment	29,193	1	(9,499)	-	6,394	-
31XX	Total owners' equity of the Company	<u>3,366,751</u>	<u>58</u>	<u>1,787,188</u>	<u>41</u>	<u>1,617,268</u>	<u>38</u>
36XX	Non-controlling interests (Notes 9 and 17)	306,975	5	248,487	6	230,288	5
3XXX	Total equity	<u>3,673,726</u>	<u>63</u>	<u>2,035,675</u>	<u>47</u>	<u>1,847,556</u>	<u>43</u>
3X2X	Total liabilities and equity	<u>\$ 5,789,920</u>	<u>100</u>	<u>\$ 4,462,598</u>	<u>100</u>	<u>\$ 4,231,757</u>	<u>100</u>

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

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Comprehensive Income
For the three-month periods ended September 30, 2024 and 2023
For the years ended September 30, 2024 and 2023

Unit: NTD thousand

Earnings per share in NTD

Code		July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenues (Note 18)	\$ 742,445	100	\$ 703,507	100	\$ 2,240,248	100	\$ 1,765,638	100
5000	Operating costs (Notes 8, 19, and 28)	465,488	63	415,657	59	1,368,681	61	1,090,137	62
5900	Gross operating profit	276,957	37	287,850	41	871,567	39	675,501	38
	Operating expenses (Notes 7 and 19)								
6100	Sales promotion expenses	12,453	1	15,002	2	38,310	1	34,439	2
6200	Administrative expenses	25,590	3	29,280	4	80,520	4	79,645	4
6300	R&D expenses	34,070	5	32,254	5	102,445	5	90,817	5
6450	Expected credit reversal gain	(289)	-	(32,946)	(5)	(15,696)	(1)	(76,480)	(4)
6000	Total operating expenses	71,824	9	43,590	6	205,579	9	128,421	7
6900	Net operating profit	205,133	28	244,260	35	665,988	30	547,080	31
	Non-operating income and expenses (Notes 19 and 28)								
7100	Interest revenue	3,819	-	1,578	-	13,197	1	7,739	-
7010	Other income	3,381	-	1,873	-	10,834	-	6,055	-
7020	Other gains and losses	(658)	-	17,984	3	21,072	1	15,683	1
7050	Finance Costs	(7,770)	-	(5,699)	(1)	(21,761)	(1)	(12,391)	-
7000	Total non-operating income and expenses	(1,228)	-	15,736	2	23,342	1	17,086	1
7900	Net income before tax	203,905	28	259,996	37	689,330	31	564,166	32
7950	Income tax expense (Notes 4 and 20)	46,635	7	58,256	8	142,613	7	116,237	7
8200	Net income for the period	157,270	21	201,740	29	546,717	24	447,929	25
	Other comprehensive income (Notes 17 and 20)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Foreign Currency Translation Adjustment	25,308	3	32,585	5	60,457	3	2,435	-
8399	Income tax related to items that may be reclassified	(4,050)	-	(4,380)	(1)	(9,674)	-	(675)	-
8300	Other comprehensive income for the period (net amount after tax)	21,258	3	28,205	4	50,783	3	1,760	-
8500	Total comprehensive income for the period	\$ 178,528	24	\$ 229,945	33	\$ 597,500	27	\$ 449,689	25
	Net profit attributable to								
8610	Owners of the Company	\$ 144,744	20	\$ 170,809	25	\$ 500,320	22	\$ 377,665	21
8620	Non-controlling interests	12,526	1	30,931	4	46,397	2	70,264	4
8600		\$ 157,270	21	\$ 201,740	29	\$ 546,717	24	\$ 447,929	25

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Code		July 1 to September 30, 2024		July 1 to September 30, 2023		January 1 to September 30, 2024		January 1 to September 30, 2023	
		Amount	%	Amount	%	Amount	%	Amount	%
	Total comprehensive income attributable to								
8710	Owners of the Company	\$ 160,940	22	\$ 188,317	27	\$ 539,012	24	\$ 380,824	22
8720	Non-controlling interests	<u>17,588</u>	<u>2</u>	<u>41,628</u>	<u>6</u>	<u>58,488</u>	<u>3</u>	<u>68,865</u>	<u>3</u>
8700		<u>\$ 178,528</u>	<u>24</u>	<u>\$ 229,945</u>	<u>33</u>	<u>\$ 597,500</u>	<u>27</u>	<u>\$ 449,689</u>	<u>25</u>
	Earnings per share (Note 21)								
9710	Basic	<u>\$ 2.50</u>		<u>\$ 3.28</u>		<u>\$ 8.89</u>		<u>\$ 7.25</u>	
9810	Diluted	<u>\$ 2.46</u>		<u>\$ 3.20</u>		<u>\$ 8.75</u>		<u>\$ 7.07</u>	

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

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Changes in Equity
For the years ended September 30, 2024 and 2023

Unit: NTD Thousand

		Equity attributable to owners of the Company					Other equity				
Code		Common stock capital	Capital reserve	Retained earnings			Foreign Currency Translation Adjustment	Total	Non-controlling interests	Total equity	
				Statutory Reserve	Special reserves	Undistributed earnings					Total
A1	Balance on January 1, 2024	\$ 524,547	\$ 653,674	\$ 55,501	\$ -	\$ 562,965	\$ 618,466	\$ (9,499)	\$ 1,787,188	\$ 248,487	\$ 2,035,675
	Appropriation and distribution 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)
		-	-	27,149	9,499	(223,911)	(187,263)	-	(187,263)	-	(187,263)
D1	Net income for the nine months ended September 30, 2024	-	-	-	-	500,320	500,320	-	500,320	46,397	546,717
D3	Other comprehensive income after tax from January 1 to September 30, 2024	-	-	-	-	-	-	38,692	38,692	12,091	50,783
D5	Total comprehensive income for the nine months ended September 30, 2024	-	-	-	-	500,320	500,320	38,692	539,012	58,488	597,500
E1	Capital increase in cash (Note 17)	50,570	1,144,693	-	-	-	-	-	1,195,263	-	1,195,263
N1	Share-based payment transactions (Notes 17 and 22)	4,050	31,501	-	-	-	-	-	35,551	-	35,551
T1	Cost of share issuance (Note 17)	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Z1	Balance on September 30, 2024	\$ 579,167	\$ 1,826,868	\$ 82,650	\$ 9,499	\$ 839,374	\$ 931,523	\$ 29,193	\$ 3,366,751	\$ 306,975	\$ 3,673,726
A1	Balance on January 1, 2023	\$ 520,077	\$ 638,030	\$ 26,856	\$ 473	\$ 449,671	\$ 477,000	\$ 3,235	\$ 1,638,342	\$ 383,833	\$ 2,022,175
	Appropriation and distribution 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)
		-	-	28,645	(473)	(158,191)	(130,019)	-	(130,019)	-	(130,019)
D1	Net income for the nine months ended September 30, 2023	-	-	-	-	377,665	377,665	-	377,665	70,264	447,929
D3	Other comprehensive income after tax from January 1 to September 30, 2023	-	-	-	-	-	-	3,159	3,159	(1,399)	1,760
D5	Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	377,665	377,665	3,159	380,824	68,865	449,689
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	13,968	-	-	-	-	-	18,438	-	18,438
Z1	Balance on September 30, 2023	\$ 524,547	\$ 651,998	\$ 55,501	\$ -	\$ 378,828	\$ 434,329	\$ 6,394	\$ 1,617,268	\$ 230,288	\$ 1,847,556

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

VIZIONFOCUS INC. and subsidiaries
Consolidated Statements of Cash Flows
For the years ended September 30, 2024 and 2023

Unit: NTD Thousand

Code		January 1 to September 30, 2024	January 1 to September 30, 2023
	Cash flow from operating activities		
A10000	Net income before tax for the period	\$ 689,330	\$ 564,166
A20010	Income and expenses		
A20100	Depreciation expense	252,417	193,195
A20200	Amortization expense	10,903	9,619
A20300	Expected credit reversal gain	(15,696)	(76,480)
A20900	Finance Costs	21,761	12,391
A21200	Interest revenue	(13,197)	(7,739)
A21900	Share-based payment for remuneration	23,822	5,028
A22500	Disposal of property, plant and equipment losses (gains)	(16)	30
A23700	Loss on inventory valuation and obsolescence	3,183	14,207
A29900	Inventory Write-off Loss	2,706	1,518
A29900	Amortization of deferred income	(5,552)	(4,402)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	6,117	2,079
A31150	Accounts receivable	27,776	(86,738)
A31180	Other receivables	(3,384)	(4,742)
A31200	Inventories	(25,148)	(42,827)
A31230	Prepayments	8,057	(15,680)
A31240	Other current assets	(85)	(200)
A31990	Other non-current assets	191	191
A32125	Contract liabilities	(1,147)	(11,145)
A32150	Accounts payable	(10,316)	63,852
A32180	Other payables	(48,301)	51,970
A32230	Other current liabilities	(4,548)	8,395
A32240	Net defined benefit liabilities	385	-
A32990	Other non-current liabilities	10	(2,334)
A33000	Cash inflow from operations	919,268	674,354
A33100	Interest received	14,527	5,956
A33300	Interest paid	(16,305)	(7,710)
A33500	Income tax paid	(105,866)	(29,653)
AAAA	Net cash inflow from operating activities	<u>811,624</u>	<u>642,947</u>

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Code		January 1 to September 30, 2024	January 1 to September 30, 2023
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	\$ (778,319)	\$(1,126,550)
B02800	Proceeds from the disposal of property, plant and equipment	16	26
B03700	Increase in refundable deposits	(6,417)	(20)
B04500	Acquisition of intangible assets	(30,593)	(32,087)
B06500	Increase of other financial assets	<u>(207,705)</u>	<u>-</u>
BBBB	Net cash outflow from investing activities	<u>(1,023,018)</u>	<u>(1,158,631)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	40,100	115,773
C00200	Decrease in short-term borrowings	(190,100)	(115,773)
C01600	Borrowing of long-term loans	319,971	1,158,560
C01700	Repayment of long-term borrowings	(653,378)	(94,433)
C04020	Lease principal repayment	(34,151)	(21,939)
C04500	Distribution of cash dividends	(187,259)	(130,019)
C04600	Capital increase in cash	1,195,263	-
C04800	Exercise of employee stock options	11,729	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>499,175</u>	<u>395,440</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>20,962</u>	<u>798</u>
EEEE	Net increase (decrease) in cash and cash equivalents	308,743	(119,446)
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>\$1,108,899</u>	<u>\$ 799,055</u>

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

VIZIONFOCUS INC. and subsidiaries
Notes to the consolidated financial statements
For the years ended September 30, 2024 and 2023
(expressed in thousand NTD, Unless Stated Otherwise)

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

These consolidated financial statements were approved by the Board of Directors on November 6, 2024.

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 adoption of newly issued and revised IFRS standards endorsed by the FSC is not expected to result in significant changes to the Company's and subsidiaries' accounting policies.

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

New/amended/revised standards and interpretations	Effective date announced by IASB
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note)

Note: 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.

As of the approval date of these consolidated financial statements by the Board of Directors, the Company and its subsidiaries have assessed that the amendments to various standards and interpretations will not have a significant impact on their financial position and 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”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Affiliate 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 subtotals for operating profit, profit before financing and income tax, and totals for profit or loss.

- Provide guidance to strengthen aggregation and disaggregation requirements: The Company and its subsidiaries should identify assets, liabilities, equity, income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on shared characteristics, such that each line item presented in the primary financial statements possesses at least one similar characteristic. Items of dissimilar nature should be presented separately in the primary financial statements and notes. The Company and subsidiaries only use the classification “others” when they cannot find a more informative name for an item.
- Increased disclosure of management-defined performance measures: When the Company and its subsidiaries communicate publicly, other than through the financial statements, or communicate with users of the financial statements regarding management’s view of an aspect of the Company’s and its subsidiaries’ overall financial performance, the Company and its subsidiaries should disclose, in a single note to the financial statements, information about the management-defined performance measures, including a description of the measure, how it is calculated, a reconciliation to the most directly comparable IFRS measure or total, and the tax and non-controlling interest effects of the 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

This consolidated financial statement has been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. These consolidated financial statements do not include all IFRS disclosures required for full annual consolidated financial statements.

(II) Basis of consolidation

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

(III) Other significant accounting policies

Except for the following explanations, please refer to the summary of significant accounting policies in the 2023 annual consolidated financial statements.

1. 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.

2. Retirement benefits

Interim period pension costs are calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market volatility, plan amendments, curtailments and other significant one-time events during the interim period, if any.

3. Income tax expense

Income tax expense represents the sum of current income tax and deferred income tax. Interim period income tax expense is accrued based on the estimated average annual effective tax rate applied to the pre-tax income for the interim period.

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

The significant accounting judgments, estimates and sources of estimation uncertainty applied in these consolidated financial statements are consistent with those of the 2023 annual consolidated financial statements.

VI Cash and cash equivalents

	September 30, 2024	December 31, 2023	September 30, 2023
Cash on hands	\$ 168	\$ 114	\$ 186
Checks and demand deposits	588,731	730,042	583,869
Cash equivalents			
Investments with original maturities of three months or less			
Time deposits in banks	420,000	40,000	165,000
Commercial papers	100,000	30,000	50,000
	<u>\$ 1,108,899</u>	<u>\$ 800,156</u>	<u>\$ 799,055</u>

Other financial assets – current

As of September 30, 2024, time deposits with original maturities of more than three months amounted to NTD207,705 thousand, with interest rates ranging from 1.445% to 2.05% per annum.

VII Notes and accounts receivable

	September 30, 2024	December 31, 2023	September 30, 2023
Notes receivable			
Total book value measured at amortized cost - due to operations	<u>\$ 2,148</u>	<u>\$ 8,265</u>	<u>\$ 2,376</u>
Accounts receivable			
Total book value measured at amortized cost	\$ 601,990	\$ 629,766	\$ 624,207
Less: Loss allowance	1,488	16,860	48,857
	<u>\$ 600,502</u>	<u>\$ 612,906</u>	<u>\$ 575,350</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 Company and subsidiaries measure the allowance for doubtful accounts on accounts receivable using a provision matrix, which is as follows:

September 30, 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	\$ 601,422	\$ 1,035	\$ -	\$ -	\$ -	\$ 1,681	\$ 604,138
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	(1,488)	(1,488)
Amortized cost	<u>\$ 601,422</u>	<u>\$ 1,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193</u>	<u>\$ 602,650</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>

September 30, 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	16-100	
Gross carrying amount	\$ 577,453	\$ -	\$ -	\$ -	\$ -	\$ 49,130	\$ 626,583
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	(48,857)	(48,857)
Amortized cost	<u>\$ 577,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 577,726</u>

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

	January 1 to September 30, 2024	January 1 to September 30, 2023
Opening balance	\$ 16,860	\$125,509
Reversals during the period	(15,696)	(76,480)
Exchange rate effect	324	(172)
Closing balance	<u>\$ 1,488</u>	<u>\$ 48,857</u>

VIII Inventories

	September 30, 2024	December 31, 2023	September 30, 2023
Work in process	\$ 18,257	\$ 24,530	\$ 13,078
Materials	32,227	26,708	28,850
Raw materials	49,996	35,014	43,728
Semi-finished product	6,471	3,354	2,406
Finished goods	<u>169,069</u>	<u>167,409</u>	<u>157,581</u>
	<u>\$ 276,020</u>	<u>\$ 257,015</u>	<u>\$ 245,643</u>

The components of the operating cost are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Cost of goods sold	\$ 464,479	\$ 413,118	\$ 1,368,433	\$ 1,080,115
Loss on inventory valuation and obsolescence	2,039	3,904	3,183	14,207
Inventory Write-off Loss	857	756	2,706	1,518
Income from sale of scraps and scraps	<u>(1,887)</u>	<u>(2,121)</u>	<u>(5,641)</u>	<u>(5,703)</u>
	<u>\$ 465,488</u>	<u>\$ 415,657</u>	<u>\$ 1,368,681</u>	<u>\$ 1,090,137</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			Notes
			September 30, 2024	December 31, 2023	September 30, 2023	
The Company	Green Wealth Investments Limited (Green Wealth)	International investment	100	100	100	
Green Wealth Investments Limited (Green Wealth)	Clear Precise Investments Limited (Clear Precise)	International investment	100	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	80.00	80.00	80.00	Note

Note: 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 (%)		
	September 30, 2024	December 31, 2023	September 30, 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 income for the period distributed to non-controlling interests		Non-controlling interests		
	2024	2023	September 30, 2024	December 31, 2023	September 30, 2023
	Jiangsu Vizionfocus Inc.	<u>\$ 46,397</u>	<u>\$ 70,264</u>	<u>\$ 306,975</u>	<u>\$ 248,487</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Current assets	\$ 708,509	\$ 582,838	\$ 534,197
Non-current assets	1,327,930	904,634	829,695
Current liabilities	(284,116)	(187,366)	(175,880)
Non-current liabilities	<u>(217,448)</u>	<u>(57,673)</u>	<u>(36,572)</u>
Equity	<u>\$1,534,875</u>	<u>\$1,242,433</u>	<u>\$1,151,440</u>

	September 30, 2024	December 31, 2023	September 30, 2023
Equity attributable to Owners of the Company	\$ 1,227,900	\$ 993,946	\$ 921,152
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>306,975</u>	<u>248,487</u>	<u>230,288</u>
	<u>\$ 1,534,875</u>	<u>\$ 1,242,433</u>	<u>\$ 1,151,440</u>

	January 1 to September 30, 2024	January 1 to September 30, 2023
Net operating revenue	<u>\$910,195</u>	<u>\$610,740</u>
Net income for the period	\$231,986	\$191,980
Other comprehensive income	_____ -	_____ -
Total comprehensive income	<u>\$231,986</u>	<u>\$191,980</u>
Net profit attributable to Owners of the Company	\$185,589	\$121,716
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>46,397</u> <u>\$231,986</u>	<u>70,264</u> <u>\$191,980</u>
Total comprehensive income attributable to Owners of the Company	\$185,589	\$121,716
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>46,397</u> <u>\$231,986</u>	<u>70,264</u> <u>\$191,980</u>
Cash flow		
Operating activities	\$369,640	\$245,286
Investment activities	(447,894)	(231,580)
Financing activities	(12,436)	(24,398)
Effect of exchange rate changes	<u>20,962</u>	<u>798</u>
Net cash outflow	<u>\$(69,728)</u>	<u>\$ (9,894)</u>

X Property, plant and equipment

January 1 to September 30, 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	-	86,244	4,273	125	2,306	7,976	6,694	751,036	858,654
Disposition	-	(10,044)	(5,230)	-	-	-	-	-	(15,274)
Exchange difference, net	-	32,180	2,224	47	330	6,214	212	8,766	49,973
Balance on September 30, 2024	<u>705,898</u>	<u>1,812,960</u>	<u>102,567</u>	<u>7,641</u>	<u>25,380</u>	<u>302,276</u>	<u>29,732</u>	<u>985,822</u>	<u>3,972,276</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	-	170,117	14,337	885	4,154	27,531	5,225	-	222,249
Disposition	-	(8,935)	(5,230)	-	-	-	-	-	(14,165)
Exchange difference, net	-	6,216	800	40	179	1,691	66	-	8,992
Balance on September 30, 2024	-	<u>735,458</u>	<u>64,197</u>	<u>5,756</u>	<u>18,465</u>	<u>123,532</u>	<u>13,336</u>	-	<u>960,744</u>
<u>Accumulated impairment</u>									
Balance on January 1, 2024	-	1,109	-	-	-	-	-	-	1,109
Disposition	-	(1,109)	-	-	-	-	-	-	(1,109)
Balance on September 30, 2024	-	-	-	-	-	-	-	-	-
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>
Net as of September 30, 2024	<u>\$ 705,898</u>	<u>\$ 1,077,502</u>	<u>\$ 38,370</u>	<u>\$ 1,885</u>	<u>\$ 6,915</u>	<u>\$ 178,744</u>	<u>\$ 16,396</u>	<u>\$ 985,822</u>	<u>\$ 3,011,532</u>

January 1 to September 30, 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	283,539	18,361	1,622	6,020	68,637	5,416	8,753	1,098,246
Disposition	-	(3,167)	(170)	-	(707)	(13,401)	(1,452)	-	(18,897)
Exchange difference, net	-	1,450	94	1	19	415	7	(113)	1,873
Balance on September 30, 2023	<u>705,898</u>	<u>1,474,077</u>	<u>87,032</u>	<u>7,490</u>	<u>22,206</u>	<u>287,205</u>	<u>17,736</u>	<u>310,297</u>	<u>2,911,941</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	-	128,777	10,246	1,009	3,102	24,378	2,957	-	170,469
Disposition	-	(3,158)	(170)	-	(660)	(13,401)	(1,452)	-	(18,841)
Exchange difference, net	-	275	36	2	7	85	1	-	406
Balance on September 30, 2023	-	<u>521,925</u>	<u>51,075</u>	<u>4,493</u>	<u>13,270</u>	<u>87,902</u>	<u>8,304</u>	-	<u>686,969</u>
Net as of September 30, 2023	<u>\$ 705,898</u>	<u>\$ 952,152</u>	<u>\$ 35,957</u>	<u>\$ 2,997</u>	<u>\$ 8,936</u>	<u>\$ 199,303</u>	<u>\$ 9,432</u>	<u>\$ 310,297</u>	<u>\$ 2,224,972</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 to 6 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

	September 30, 2024	December 31, 2023	September 30, 2023
Book value of right-of-use assets			
Land	\$ 2,026	\$ 2,311	\$ 2,406
Buildings	364,134	196,152	203,996
Machinery and equipment	<u>366</u>	<u>-</u>	<u>28</u>
	<u>\$ 366,526</u>	<u>\$ 198,463</u>	<u>\$ 206,430</u>
	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024
Addition of right-of-use assets			<u>\$ 194,170</u>
			<u>\$ -</u>
Depreciation expense of right-of-use assets			
Land	\$ 95	\$ 95	\$ 285
Buildings	12,514	7,446	29,761
Machinery and equipment	<u>41</u>	<u>29</u>	<u>122</u>
	<u>\$ 12,650</u>	<u>\$ 7,570</u>	<u>\$ 30,168</u>
			<u>\$ 22,726</u>

Except for the additions and recognized depreciation mentioned above, the Company and its subsidiaries did not have any material subleases or impairment of right-of-use assets for the periods from January 1 to September 30, 2024 and 2023.

(II) Lease liabilities

	September 30, 2024	December 31, 2023	September 30, 2023
Book value of lease liabilities			
Current	<u>\$ 48,265</u>	<u>\$ 30,040</u>	<u>\$ 29,913</u>
Non-current	<u>\$ 323,388</u>	<u>\$ 177,570</u>	<u>\$ 185,511</u>

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

	September 30, 2024	December 31, 2023	September 30, 2023
Land	1.605	1.605	1.605
Buildings	1.164~4.75	1.333~4.75	1.333~4.75
Machinery and equipment	1.023	1.333	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 lease the subject of the lease, in whole or in part, to sublease or transfer.

(IV) Other lease information

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term and low-value lease expenses	<u>\$ 468</u>	<u>\$ 392</u>	<u>\$ 1,405</u>	<u>\$ 1,241</u>
Total cash outflows of all lease agreements (including short-term leases)			<u>\$ 40,689</u>	<u>\$ 26,258</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

	September 30, 2024	December 31, 2023	September 30, 2023
Computer software	\$ 4,419	\$ 5,843	\$ 5,797
Product certificate	32,634	22,009	20,741
Intangible assets under development	<u>64,070</u>	<u>52,851</u>	<u>51,144</u>
	<u>\$ 101,123</u>	<u>\$ 80,703</u>	<u>\$ 77,682</u>

January 1 to September 30, 2024

	Computer software	Product certificate	Intangible assets under development	Total
Cost				
Balance on January 1, 2024	\$ 16,880	\$ 48,822	\$ 52,851	\$ 118,553
Addition	2,962	-	27,631	30,593
Disposition	(40)	-	-	(40)
Reclassification	-	16,412	(16,412)	-
Exchange difference, net	<u>242</u>	<u>1,298</u>	<u>-</u>	<u>1,540</u>
Balance on September 30, 2024	<u>20,044</u>	<u>66,532</u>	<u>64,070</u>	<u>150,646</u>

(To be Continued)

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	Computer software	Product certificate	Intangible assets under development	Total
<u>Accumulated amortization</u>				
Balance on January 1, 2024	\$ 11,037	\$ 26,813	\$ -	\$ 37,850
Amortization expense	4,428	6,475	-	10,903
Disposition	(40)	-	-	(40)
Exchange difference, net	<u>200</u>	<u>610</u>	<u>-</u>	<u>810</u>
Balance on September 30, 2024	<u>15,625</u>	<u>33,898</u>	<u>-</u>	<u>49,523</u>
Net as of December 31, 2023	<u>\$ 5,843</u>	<u>\$ 22,009</u>	<u>\$ 52,851</u>	<u>\$ 80,703</u>
Net as of September 30, 2024	<u>\$ 4,419</u>	<u>\$ 32,634</u>	<u>\$ 64,070</u>	<u>\$ 101,123</u>

January 1 to September 30, 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	2,525	3,753	25,809	32,087
Disposition	(14,268)	-	-	(14,268)
Reclassification	-	3,023	(3,023)	-
Exchange difference, net	<u>9</u>	<u>34</u>	<u>-</u>	<u>43</u>
Balance on September 30, 2023	<u>15,527</u>	<u>45,846</u>	<u>51,144</u>	<u>112,517</u>
<u>Accumulated amortization</u>				
Balance on January 1, 2023	21,090	18,359	-	39,449
Amortization expense	2,900	6,719	-	9,619
Disposition	(14,268)	-	-	(14,268)
Exchange difference, net	<u>8</u>	<u>27</u>	<u>-</u>	<u>35</u>
Balance on September 30, 2023	<u>9,730</u>	<u>25,105</u>	<u>-</u>	<u>34,835</u>
Net as of September 30, 2023	<u>\$ 5,797</u>	<u>\$ 20,741</u>	<u>\$ 51,144</u>	<u>\$ 77,682</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 4 years
Product certificate	5 to 10 years

The amount 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 - December 31, 2023 only

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

(II) Long-term borrowings

	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Credit loans			
The current portion of long-term debt has maturity dates ranging from November 2029, with annual interest rates of 0.725%–1.82%, 0.6%–1.7%, and 0.6%–1.8% as of September 30, 2024, December 31, 2023, and September 30, 2023, respectively.	\$ 1,054,906	\$ 1,345,485	\$ 1,554,589
Secured borrowings			
Maturing successively in November 2026, with interest rates of 0.6% as of December 31, 2023 and September 30, 2023.	<u>-</u>	<u>42,828</u>	<u>46,499</u>
	1,054,906	1,388,313	1,601,088
Less: Due within one year	172,694	173,169	151,004

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	September 30, 2024	December 31, 2023	September 30, 2023
Less: Recognized as deferred income - current (Note 23)	4,444	6,391	6,188
Less: Recognized as deferred income - non-current (Note 23)	<u>9,429</u>	<u>9,993</u>	<u>7,303</u>
	<u>\$ 868,339</u>	<u>\$ 1,198,760</u>	<u>\$ 1,436,593</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 reviewed semi-annually or annually. The Company's consolidated financial statements for Q2 2024 and fiscal year 2023 were in compliance with these 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

	September 30, 2024	December 31, 2023	September 30, 2023
Accounts payable	<u>\$ 171,911</u>	<u>\$ 182,227</u>	<u>\$ 167,443</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

	September 30, 2024	December 31, 2023	September 30, 2023
Payables for equipment	\$ 98,436	\$ 53,417	\$ 56,497
Remuneration payable to employees and directors	69,798	102,127	67,844
Bonus payable	52,838	58,133	46,286
Payable insurance premiums and pensions	46,816	33,915	32,407
Salary payable	30,359	37,586	35,541
Others (consumables, repairs, and miscellaneous purchases)	<u>45,486</u>	<u>61,921</u>	<u>64,598</u>
	<u>\$ 343,733</u>	<u>\$ 347,099</u>	<u>\$ 303,173</u>

XVI Post-employment benefit 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.

The pension expenses related to the defined benefit plan recognized for the periods from July 1 to September 30, 2024 and January 1 to September 30, 2024 were calculated based on the pension cost rates determined by actuarial valuation as of December 31, 2023, amounting to NTD331 thousand and NTD1,063 thousand, respectively.

XVII Equity

(I) Common stock capital

	September 30, 2024	December 31, 2023	September 30, 2023
Rated number of shares (thousand shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Authorized share capital	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of issued and fully paid shares (thousand shares)	<u>57,917</u>	<u>52,455</u>	<u>52,455</u>
Issued share capital	<u>\$ 579,167</u>	<u>\$ 524,547</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 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.

From January 1 to September 30, 2024, the Company issued 405 thousand shares due to the exercise of employee stock options at a premium of NTD28.96 per share. The difference between the issue price and par value of NTD7,679 thousand was recorded under capital surplus – additional paid-in capital. The Company plans to register these changes with the Ministry of Economic Affairs after the approval and issuance of these consolidated financial statements.

(II) Capital reserve

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Can be used to offset losses, distribute cash or capitalize on share capital (Note 1)</u>			
Premium from stock issuance	\$ 1,814,375	\$ 640,821	\$ 640,821
From gifts and acceptances (Note 2)	1,800	1,800	1,800
<u>Not to be used for any purpose</u>			
Employee share warrants	<u>10,693</u>	<u>11,053</u>	<u>9,377</u>
	<u>\$ 1,826,868</u>	<u>\$ 653,674</u>	<u>\$ 651,998</u>

Note 1: 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 2: Assets donated by the Company as received by the Chairman.

(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

(IV) Other equity

Exchange differences on translation of financial statements of foreign operations:

	January 1 to September 30, 2024	January 1 to September 30, 2023
Opening balance	\$(9,499)	\$ 3,235
Exchange differences arising from the translation of net assets of foreign operations	48,366	3,834
Related income tax	<u>(9,674)</u>	<u>(675)</u>
Closing balance	<u>\$ 29,193</u>	<u>\$ 6,394</u>

(V) Non-controlling interests

	January 1 to September 30, 2024	January 1 to September 30, 2023
Opening balance	\$ 248,487	\$ 383,833
Net income for the period	46,397	70,264
Other comprehensive income in the current period		
Foreign Currency Translation Adjustment	12,091	(1,399)
Changes in the subsidiary's net assets transferred out in proportion to shareholding	-	(222,410)
Closing balance	<u>\$ 306,975</u>	<u>\$ 230,288</u>

XVIII Revenue

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Revenue from contracts with customers				
Merchandise sales	\$ 740,606	\$ 702,444	\$ 2,234,511	\$ 1,762,861
revenue				
Others	<u>1,839</u>	<u>1,063</u>	<u>5,737</u>	<u>2,777</u>
	<u>\$ 742,445</u>	<u>\$ 703,507</u>	<u>\$ 2,240,248</u>	<u>\$ 1,765,638</u>

(I) Contract balance

	September 30, 2024	December 31, 2023	September 30, 2023	January 1, 2023
Notes and accounts receivable	<u>\$ 602,650</u>	<u>\$ 621,171</u>	<u>\$ 577,726</u>	<u>\$ 416,415</u>
Contract liabilities				
Sales of goods	<u>\$ 5,132</u>	<u>\$ 6,279</u>	<u>\$ 6,046</u>	<u>\$ 17,191</u>

The changes in contract liabilities were primarily due to timing differences between satisfying performance obligations and customer payments for the periods from January 1 to September 30, 2024 and 2023, with no other significant changes.

The amounts of revenue recognized in the current period that were included in the opening contract liability balance:

	January 1 to September 30, 2024	January 1 to September 30, 2023
<u>Contract liabilities at the beginning of the year</u>		
Sales of goods	<u>\$ 6,073</u>	<u>\$ 17,191</u>

(II) Breakdown of revenue from customer contracts

January 1 to September 30, 2024

Type of income	Reporting department		
	Contact lens - injection mold	Others	Total
Merchandise sales revenue	\$ 2,234,511	\$ -	\$ 2,234,511
Other operating revenue	<u>-</u>	<u>5,737</u>	<u>5,737</u>
	<u>\$ 2,234,511</u>	<u>\$ 5,737</u>	<u>\$ 2,240,248</u>

January 1 to September 30, 2023

<u>Type of income</u>	<u>Reporting department</u>		
	<u>Contact lens - injection mold</u>	<u>Others</u>	<u>Total</u>
Merchandise sales revenue	\$ 1,762,861	\$ -	\$ 1,762,861
Other operating revenue	<u>-</u>	<u>2,777</u>	<u>2,777</u>
	<u>\$ 1,762,861</u>	<u>\$ 2,777</u>	<u>\$ 1,765,638</u>

XIX Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Bank deposits	\$ 3,804	\$ 1,566	\$13,154	\$ 7,704
Others	<u>15</u>	<u>12</u>	<u>43</u>	<u>35</u>
	<u>\$ 3,819</u>	<u>\$ 1,578</u>	<u>\$13,197</u>	<u>\$ 7,739</u>

(II) Other income

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Government grant income	\$ 1,865	\$ 1,546	\$ 5,589	\$ 4,852
Others	<u>1,516</u>	<u>327</u>	<u>5,245</u>	<u>1,203</u>
	<u>\$ 3,381</u>	<u>\$ 1,873</u>	<u>\$10,834</u>	<u>\$ 6,055</u>

(III) Other gains and losses

	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Net foreign exchange (loss) gain	\$ (474)	\$ 18,053	\$ 18,943	\$ 15,813
Gains (losses) on disposal of property, plant and equipment	-	(9)	16	(30)
Others	<u>(184)</u>	<u>(60)</u>	<u>2,113</u>	<u>(100)</u>
	<u>\$ (658)</u>	<u>\$ 17,984</u>	<u>\$ 21,072</u>	<u>\$ 15,683</u>

The above net foreign currency exchange gains and losses are detailed as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Total foreign exchange gains	\$ 4,586	\$ 18,589	\$ 28,470	\$ 26,727
Total foreign currency exchange losses	<u>(5,060)</u>	<u>(536)</u>	<u>(9,527)</u>	<u>(10,914)</u>
Net profit (loss)	<u>\$ (474)</u>	<u>\$ 18,053</u>	<u>\$ 18,943</u>	<u>\$ 15,813</u>

(IV) Finance Costs

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Interest on bank borrowings	\$ 5,105	\$ 4,707	\$ 16,636	\$ 9,701
Interest on lease liabilities	<u>2,665</u>	<u>992</u>	<u>5,133</u>	<u>3,078</u>
Total interest expenses of financial liabilities at fair value through profit and loss	7,770	5,699	21,769	12,779
Less: Amount to be included in the cost of eligible assets	<u>-</u>	<u>-</u>	<u>8</u>	<u>388</u>
	<u>\$ 7,770</u>	<u>\$ 5,699</u>	<u>\$ 21,761</u>	<u>\$ 12,391</u>

Information on interest capitalization is as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Amount of capitalized interest	\$ -	\$ -	\$ 8	\$ 388
Interest capitalized interest rate (%)	-	-	3.95	4.8

(V) Depreciation and amortization

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Property, plant and equipment	\$ 76,006	\$ 60,790	\$ 222,249	\$ 170,469
Right-of-use assets	12,650	7,570	30,168	22,726
Other intangible assets	<u>4,058</u>	<u>2,967</u>	<u>10,903</u>	<u>9,619</u>
	<u>\$ 92,714</u>	<u>\$ 71,327</u>	<u>\$ 263,320</u>	<u>\$ 202,814</u>
Depreciation expenses by function				
Operating cost	\$ 84,764	\$ 65,469	\$ 241,812	\$ 184,513
Operating expenses	<u>3,892</u>	<u>2,891</u>	<u>10,605</u>	<u>8,682</u>
	<u>\$ 88,656</u>	<u>\$ 68,360</u>	<u>\$ 252,417</u>	<u>\$ 193,195</u>

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	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Amortization expenses by function				
Operating cost	\$ 1,437	\$ 888	\$ 4,084	\$ 2,486
Operating expenses	<u>2,621</u>	<u>2,079</u>	<u>6,819</u>	<u>7,133</u>
	<u>\$ 4,058</u>	<u>\$ 2,967</u>	<u>\$ 10,903</u>	<u>\$ 9,619</u>
 (VI) Employee benefit expense				
	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term employee benefits				
Salary	\$ 130,862	\$ 144,328	\$ 440,228	\$ 386,587
Labor and national health insurance	13,079	10,612	36,956	29,326
Others	<u>12,648</u>	<u>9,336</u>	<u>37,096</u>	<u>26,583</u>
	156,589	164,276	514,280	442,496
Post-employment benefits				
Defined contribution plan	7,998	6,867	23,543	17,607
Defined benefit plan (Note 17)	<u>331</u>	<u>-</u>	<u>1,063</u>	<u>-</u>
	<u>\$ 164,918</u>	<u>\$ 171,143</u>	<u>\$ 538,886</u>	<u>\$ 460,103</u>
Summary by function				
Operating cost	\$ 123,568	\$ 121,844	\$ 396,081	\$ 322,957
Operating expenses	<u>41,350</u>	<u>49,299</u>	<u>142,805</u>	<u>137,146</u>
	<u>\$ 164,918</u>	<u>\$ 171,143</u>	<u>\$ 538,886</u>	<u>\$ 460,103</u>

(VII) 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.

For the periods from January 1 to September 30, 2024 and 2023, the estimated amounts of employee compensation and directors' remuneration are as follows:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Remuneration to employees	\$ 4,545	\$ 24,046	\$ 37,060	\$ 52,169
Remuneration to directors	1,055	2,885	4,196	6,260

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.

In March 2024 and 2023, the Company's Board of Directors approved the following amounts of employee compensation and directors' remuneration for 2023 and 2022, respectively:

Amount	2023	2022
Remuneration to employees	\$ 77,704	\$ 41,500
Remuneration to directors	8,547	5,110

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:

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Current income tax				
Incurred in the current period	\$ 38,251	\$ 44,606	\$ 109,087	\$ 60,236
Adjustments from previous years	(28)	-	(15,441)	67
	<u>38,223</u>	<u>44,606</u>	<u>93,646</u>	<u>60,303</u>

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	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Deferred income tax				
Incurred in the current period	8,412	13,650	48,996	62,716
Adjustments from previous years	<u>-</u>	<u>-</u>	<u>(29)</u>	<u>(6,782)</u>
	<u>8,412</u>	<u>13,650</u>	<u>48,967</u>	<u>55,934</u>
	<u>\$ 46,635</u>	<u>\$ 58,256</u>	<u>\$ 142,613</u>	<u>\$ 116,237</u>

(II) Income tax recognized in other comprehensive income

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Deferred income tax				
Exchange differences on the financial statements of foreign operations	<u>\$ 4,050</u>	<u>\$ 4,380</u>	<u>\$ 9,674</u>	<u>\$ 675</u>

(III) 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 period

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Net income attributable to owners of the Company	<u>\$ 144,744</u>	<u>\$ 170,809</u>	<u>\$ 500,320</u>	<u>\$ 377,665</u>

Number of shares (unit: thousand)

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Weighted average number of ordinary shares for calculation of basic earnings per share	57,904	52,096	56,302	52,096
Potential dilutive ordinary shares				
Remuneration to employees	159	218	225	295
Employee share warrants	<u>680</u>	<u>1,015</u>	<u>680</u>	<u>1,015</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>58,743</u>	<u>53,329</u>	<u>57,207</u>	<u>53,406</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:

	<u>January 1 to September 30, 2024</u>		<u>January 1 to September 30, 2023</u>	
	Unit	Weighted average exercise price (NTD)	Unit	Weighted average exercise price (NTD)
<u>Employee share warrants</u>	<u>(Thousands)</u>		<u>(Thousands)</u>	
Shares outstanding at beginning of period	1,343		1,790	
Forfeitures during the period	(20)		-	
Grants during the period	<u>(405)</u>	<u>\$ 28.96</u>	<u>(447)</u>	<u>\$ 30</u>
Shares outstanding at end of period	<u>918</u>	<u>\$ 57.39</u>	<u>1,343</u>	<u>\$ 51.8</u>
Executable at the end of period	<u>42</u>		<u>-</u>	

As of September 30, 2024, information on outstanding employee stock options is as follows:

<u>Range of exercise price</u>	<u>Weighted average remaining contract term (years)</u>
\$28.96–122.18	3.38

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:

	<u>2022</u>	<u>2021</u>
Grant-date stock price	99.72 元	29.26 元
Exercise price	129.4 元	30 元
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

For the periods from January 1 to September 30, 2024 and 2023, the Company recognized compensation costs of NTD3,419 thousand and NTD5,028 thousand, respectively, with corresponding amounts recognized in capital surplus – employee share options.

From January 1 to September 30, 2024, the Company transferred NTD3,779 thousand from capital surplus – employee stock options to capital surplus – additional paid-in capital due to the exercise of employee stock options.

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>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Opening balance	\$ 16,384	\$ 10,767
Recognition of difference in fair value in current period	3,041	7,126
Recognized in current period (accounted for other income)	<u>(5,552)</u>	<u>(4,402)</u>
Closing balance	<u>\$ 13,873</u>	<u>\$ 13,491</u>

<u>Book value of deferred income</u>	<u>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Deferred revenue	\$ 4,444	\$ 6,391	\$ 6,188
Long-term deferred revenue	<u>9,429</u>	<u>9,993</u>	<u>7,303</u>
	<u>\$ 13,873</u>	<u>\$ 16,384</u>	<u>\$ 13,491</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>January 1 to September 30, 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>January 1 to September 30, 2023</u>
Retained earnings	<u>\$ (290,317)</u>

XXV Non-cash transactions

For the periods from January 1 to September 30, 2024 and 2023, the Company and subsidiaries had the following non-cash investing activities:

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Investment activities that affect both cash and non-cash items		
Increase in property, plant and equipment	\$ 858,654	\$ 1,098,246
(Increase) decrease in payables for equipment	(45,019)	1,845
(Decrease) increase in prepayments for equipment	(35,308)	26,847
Capitalized interest	<u>(8)</u>	<u>(388)</u>
Amount of cash paid	<u>\$ 778,319</u>	<u>\$ 1,126,550</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 1,938,017	\$ 1,431,619	\$ 1,390,071
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	1,557,126	2,056,209	2,066,528

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 at the balance sheet date, please refer to Note 32.

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.

	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
<u>Impact of USD</u>		
Net income before tax	\$ 2,121	\$ 1,358
<u>Impact of RMB</u>		
Net income before tax	1,720	2,731

Note: Mainly derived from the outstanding USD and RMB (including cash and cash equivalents, accounts receivable, accounts payable, and other payables) that are still outstanding at the end of the reporting period for cash flow hedging.

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:

	September 30, 2024	December 31, 2023	September 30, 2023
Fair value interest rate risk			
Financial assets	\$ 707,705	\$ 161,685	\$ 254,503
Financial liabilities	371,653	207,610	215,424
Cash flow interest rate risk			
Financial assets	605,704	635,592	541,624
Financial liabilities	1,041,033	1,521,929	1,587,597

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 interest rates on financial liabilities increased by 1%, with all other variables held constant, the Company's pre-tax net income for the periods from January 1 to September 30, 2024 and 2023 would have decreased by NTD7,808 thousand and NTD11,907 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Company A	\$ 148,375	\$ 226,472	\$ 225,385
Company B	105,893	105,623	75,219
Company C	84,930	2,133	792

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 September 30, 2024, December 31, 2023, and September 30, 2023, the Company and its subsidiaries had unutilized bank loan facilities of NTD1,990,742 thousand, NTD2,001,404 thousand, and

NTD1,919,320 thousand, respectively. Therefore, there was no liquidity risk arising from the 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.

September 30, 2024

	<u>Within 1 year</u>	<u>1 - 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Non-interest-bearing liabilities	\$ 515,644	\$ 239	\$ -	\$ 515,883
Instruments with floating interest rates	182,658	892,015	8,226	1,082,899
Lease liabilities	<u>58,315</u>	<u>199,849</u>	<u>164,520</u>	<u>422,684</u>
	<u>\$ 756,617</u>	<u>\$1,092,103</u>	<u>\$ 172,746</u>	<u>\$2,021,466</u>

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

	<u>Less than 1 year</u>	<u>1 - 5 years</u>	<u>5 - 10 years</u>	<u>10 - 15 years</u>
Lease liabilities	\$ 58,315	\$199,849	\$164,520	\$ -

December 31, 2023

	<u>Within 1 year</u>	<u>1 - 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:

	Less than 1 year	1 – 5 years	5 – 10 years	10 – 15 years
Lease liabilities	\$ 33,542	\$ 117,827	\$ 64,284	\$ 6,928

September 30, 2023

	Within 1 year	1 - 5 years	More than 5 years	Total
Non-interest-bearing liabilities	\$ 470,616	\$ -	\$ -	\$ 470,616
Instruments with floating interest rates	169,322	1,437,996	44,249	1,651,567
Lease liabilities	<u>33,566</u>	<u>121,367</u>	<u>76,484</u>	<u>231,417</u>
	<u>\$ 673,504</u>	<u>\$ 1,559,363</u>	<u>\$ 120,733</u>	<u>\$ 2,353,600</u>

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

	Less than 1 year	1 – 5 years	5 – 10 years	10 – 15 years
Lease liabilities	\$ 33,566	\$ 121,367	\$ 66,959	\$ 9,525

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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Prepayments	Substantive related party	<u>\$ -</u>	<u>\$ 89</u>	<u>\$ -</u>
Prepayment for equipment	Jiangsu Joyea	<u>\$21,258</u>	<u>\$ -</u>	<u>\$ -</u>
Refundable deposits	Jiangsu Yuyue	<u>\$ 7,056</u>	<u>\$ 1,082</u>	<u>\$ 1,104</u>
Other payables	Substantive related party	<u>\$ 2,181</u>	<u>\$ 2,321</u>	<u>\$ 2,352</u>

(III) Acquisition of property, plant and equipment

<u>Name of related party</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Proceeds from acquisition				
Jiangsu Joyea	<u>\$ 304</u>	<u>\$ 51,530</u>	<u>\$ 8,267</u>	<u>\$ 84,709</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>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 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>September 30, 2024</u>	<u>December 31, 2023</u>	<u>September 30, 2023</u>
Lease liabilities (including current and non-current)	Jiangsu Yuyue	<u>\$197,296</u>	<u>\$ 19,871</u>	<u>\$ 21,039</u>

<u>Name of related party</u>	<u>July 1 to September 30, 2024</u>	<u>July 1 to September 30, 2023</u>	<u>January 1 to September 30, 2024</u>	<u>January 1 to September 30, 2023</u>
Interest expense				
Jiangsu Yuyue	<u>\$ 2,002</u>	<u>\$ 256</u>	<u>\$ 3,082</u>	<u>\$ 799</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

	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Short-term employee benefits	\$ 10,429	\$ 14,711	\$ 38,169	\$ 35,533
Post-employment benefits	<u>178</u>	<u>125</u>	<u>499</u>	<u>395</u>
	<u>\$ 10,607</u>	<u>\$ 14,836</u>	<u>\$ 38,668</u>	<u>\$ 35,928</u>

(VI) Other related party transactions

1. Other expenses

Category/Name of related party	July 1 to September 30, 2024	July 1 to September 30, 2023	January 1 to September 30, 2024	January 1 to September 30, 2023
Substantive related party	<u>\$ 49</u>	<u>\$ 58</u>	<u>\$ 105</u>	<u>\$ 58</u>

This refers to the Company's miscellaneous repair expenses.

2. 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.

XXIX Pledged assets

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

	Book value		
	September 30, 2024	December 31, 2023	September 30, 2023
Machinery and equipment	<u>\$ -</u>	<u>\$ 35,418</u>	<u>\$ 38,215</u>

XXX Significant unrecognized contractual commitment

As of September 30, 2024, the Company and its subsidiaries had outstanding contracts for the purchase of property, plant and equipment amounting to approximately NTD2,225,000 thousand, of which NTD1,514,713 thousand has not yet been recognized. The Company received performance guarantee notes amounting to NTD178,300 thousand for the contracted construction of its owner-built office building. According to the relevant contractual terms, these performance guarantee notes will be fully returned upon satisfactory completion and acceptance of construction.

XXXI Material events after the reporting period

In response to overall operational development needs, the Company's Board of Directors resolved in November 2024 to establish subsidiaries in the United States and Taiwan.

XXXII 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

<u>September 30, 2024</u>	<u>Foreign currency</u>	<u>Exchange rate</u>		<u>Carrying amount</u>
<u>September 30, 2024</u>				
Monetary item - foreign currency assets				
USD	\$ 7,418	31.650	(USD:NTD)	\$ 234,784
RMB	38,148	4.523	(RMB:NTD)	172,545
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	271,485	4.523	(RMB:NTD)	1,227,926
Monetary item foreign currency liabilities				
USD	641	31.650	(USD:NTD)	20,278
USD	45	7.0074	(USD:CNY)	1,429
RMB	128	4.523	(RMB:NTD)	578
<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

(To be Continued)

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	<u>Foreign currency</u>	<u>Exchange rate</u>		<u>Carrying amount</u>
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
<u>September 30, 2023</u>				
Monetary item - foreign currency assets				
USD	4,638	32.27	(USD:NTD)	149,678
RMB	62,120	4.415	(RMB:NTD)	274,260
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	208,647	4.415	(RMB:NTD)	921,177
Monetary item foreign currency liabilities				
USD	372	32.27	(USD:NTD)	12,009
USD	60	7.1798	(USD:CNY)	1,906
RMB	258	4.415	(RMB:NTD)	1,138

The Company's foreign exchange gains and losses for July 1 to September 30, 2024 and 2023, and January 1 to September 30, 2024 and 2023 were a loss of NTD474 thousand, a gain of NTD18,053 thousand, a gain of NTD18,943 thousand, and a gain of NTD15,813 thousand respectively. Due to the variety of functional currencies involved in foreign currency transactions, it is not feasible to disclose foreign exchange gains and losses by individual significant foreign currencies.

XXXIII 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. There were no holdings of marketable securities as of the period end (excluding investments in subsidiaries and associates).

4. There were no purchases or sales of the same securities with accumulated amount reaching NTD300 million or 20% of the paid-in capital.
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. For information on invested companies in Mainland China, including company names, main businesses, paid-in capital, investment methods, inward/outward remittance of funds, shareholding percentages, profit/loss for the period, recognized investment gain/loss, carrying amount of investments as of the period end, repatriated investment income, and limits on investment in Mainland China, please refer to the attached 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) There were no purchases requiring disclosure of amounts, percentages, and ending balances of related payables.
 - (2) There were no sales requiring disclosure of amounts, percentages, and ending balances of related receivables.
 - (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) There were no financings requiring the disclosure of highest balance, ending balance, interest rate range, and total interest for the current period.
 - (6) Other transactions with significant impacts on current period income 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.

XXXIV 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:

	VIZIONFOCU \$	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
<u>January 1 to September 30, 2024</u>					
Revenue from customers other than the parent company and subsidiaries	\$ 1,330,054	\$ 910,194	\$ -	\$ -	\$ 2,240,248
Revenue from parent company and subsidiaries	<u>60,370</u>	<u>1</u>	<u>-</u>	<u>(60,371)</u>	<u>-</u>
Total revenue	<u>\$ 1,390,424</u>	<u>\$ 910,195</u>	<u>\$ -</u>	<u>\$ (60,371)</u>	<u>\$ 2,240,248</u>
Segment profit	\$ 387,265	\$ 261,595	\$ -	\$ 17,128	\$ 665,988
Interest revenue	8,511	4,686	-	-	13,197
Other income	24,479	3,483	-	(17,128)	10,834
Other gains and losses	18,766	2,306	-	-	21,072
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	185,589	-	371,178	(556,767)	-
Finance Costs	<u>(18,679)</u>	<u>(3,082)</u>	<u>-</u>	<u>-</u>	<u>(21,761)</u>
Net income before tax	605,931	268,988	371,178	(556,767)	689,330
Income tax expense	<u>105,611</u>	<u>37,002</u>	<u>-</u>	<u>-</u>	<u>142,613</u>
Net income for the period	<u>\$ 500,320</u>	<u>\$ 231,986</u>	<u>\$ 371,178</u>	<u>\$ (556,767)</u>	<u>\$ 546,717</u>
<u>January 1 to September 30, 2023</u>					
Revenue from customers other than the parent company and subsidiaries	\$ 1,155,660	\$ 609,978	\$ -	\$ -	\$ 1,765,638
Revenue from parent company and subsidiaries	<u>43,211</u>	<u>762</u>	<u>-</u>	<u>(43,973)</u>	<u>-</u>
Total revenue	<u>\$ 1,198,871</u>	<u>\$ 610,740</u>	<u>\$ -</u>	<u>\$ (43,973)</u>	<u>\$ 1,765,638</u>
Segment profit (loss)	\$ 317,471	\$ 218,176	\$ (5)	\$ 11,438	\$ 547,080
Interest revenue	4,812	2,918	9	-	7,739
Other income	17,044	449	-	(11,438)	6,055
Other gains and losses	13,702	1,981	-	-	15,683
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	121,720	-	243,436	(365,156)	-
Finance Costs	<u>(11,492)</u>	<u>(899)</u>	<u>-</u>	<u>-</u>	<u>(12,391)</u>
Net income before tax	463,257	222,625	243,440	(365,156)	564,166
Income tax expense	<u>85,592</u>	<u>30,645</u>	<u>-</u>	<u>-</u>	<u>116,237</u>
Net income for the period	<u>\$ 377,665</u>	<u>\$ 191,980</u>	<u>\$ 243,440</u>	<u>\$ (365,156)</u>	<u>\$ 447,929</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

	September 30, 2024	December 31, 2023	September 30, 2023
<u>Segment assets</u>			
VIZIONFOCUS	\$ 5,016,205	\$ 3,993,762	\$ 3,809,758
Jiangsu Vizionfocus Inc.	2,036,439	1,487,472	1,363,892
Others	2,455,852	1,987,942	1,842,354
Adjustments and write-offs	<u>(3,718,576)</u>	<u>(3,006,578)</u>	<u>(2,784,247)</u>
Consolidated total assets	<u>\$ 5,789,920</u>	<u>\$ 4,462,598</u>	<u>\$ 4,231,757</u>
<u>Departmental liabilities</u>			
VIZIONFOCUS	\$ 1,649,454	\$ 2,206,574	\$ 2,192,490
Jiangsu Vizionfocus Inc.	501,564	245,039	212,452
Others	-	-	-
Adjustments and write-offs	<u>(34,824)</u>	<u>(24,690)</u>	<u>(20,741)</u>
Consolidated total liabilities	<u>\$ 2,116,194</u>	<u>\$ 2,426,923</u>	<u>\$ 2,384,201</u>

VIZIONFOCUS INC. and subsidiaries
Endorsements/guarantees for others
January 1 to September 30, 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	Current maximum endorsement/guarantee balance	Ending balance of endorsements/guarantees	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	\$673,350	\$199,256	\$104,445	\$ -	\$ -	3.10	\$1,683,376	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 September 30, 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	113.2.6	\$ 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	113.5.16	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 September 30, 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 end of period			Net income of investees for the period (Note)	Investment gains recognized in current period (Note)	Notes
				End of current period	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	\$ 1,227,926	\$ 185,589	\$ 185,589	
Green Wealth Investments Limited (Samoa)	Clear Precise Investments Limited (Samoa)	Samoa	International investment	1,097,607	1,097,607	35,692,609	100	1,227,926	185,589	185,589	

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

VIZIONFOCUS INC. and subsidiaries
Mainland China Investment Information
January 1 to September 30, 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 current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Net income of investees for the period	The Company's shareholding ratio in direct or indirect investments (%)	Investment gains recognized in current period	Book value of investment at the end of the period	Repatriated investment income up to the current period	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.	\$ 724,585	(2)	\$ 1,097,607	\$ -	\$ -	\$ 1,097,607	\$ 231,986	80	\$ 185,589	\$ 1,227,900	-	Notes 2 and 3

Name of Investment Company	The accumulated amount remitted from Taiwan to invest in mainland China as of the end of the current period:	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: Recognized and disclosed based on the Company's audited financial statements by its certified public accountants.

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 September 30, 2024

Table 5

Unit: NTD thousand
 (unless otherwise stated)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterpart	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	\$ 42,398	As stipulated in the contract	1.89
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Other operating revenue	17,972	As stipulated in the contract	0.80
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Royalty income	17,128	As stipulated in the contract	0.76
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Accounts receivable	24,852	As stipulated in the contract	0.43

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

VIZIONFOCUS INC.
Information of major shareholders
September 30, 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	8.07
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.