Stock Code: 4771

VIZIONFOCUS INC.

Parent company only Financial Statements and Independent Auditor's Report

2025 and 2024

Address: 3F, No. 66, Youyi Road, Zhunan Township, Miaoli County

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Independent Auditor's Report

To VIZIONFOCUS INC.:

Audit Opinions

VIZIONFOCUS INC. parent company only balance sheets as of December 31, 2025 and 2024, along with parent company only comprehensive income statements, changes in equity statements, cash flow statements, and notes to the financial statements (including a summary of significant accounting policies) for 2025 and 2024 from January 1 to December 31, have been audited and completed by this accountant.

In the opinion of this accountant, the aforementioned parent company only financial statements have been prepared in all material respects in accordance with the financial reporting standards for securities issuers, and they fairly present the financial position of VIZIONFOCUS INC. as of December 31, 2025 and 2024, as well as the financial performance and cash flows from January 1 to December 31 of 2025 and 2024.

Basis for the audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2025. These matters are addressed in our audit of the parent company only financial statements and in the formation of our opinion. The CPA does not express an independent opinion on these matters.

Key audit matters of VIZIONFOCUS INC.'s parent company only financial statements for the year ended December 31, 2025 are stated as follows:

Revenue Recognition for Specific Customers

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

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

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

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

The management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for maintaining the necessary internal control related to the preparation of the parent company only financial statements to ensure that there are no material misstatements due to fraud or error.

In preparing the parent company only financial statements, the management's responsibilities also include assessing the ability of VIZIONFOCUS INC. to continue to operate, disclosure of

relevant matters, and adoption of the going concern basis of accounting. or that the Company has no other viable alternative but to cease operations.

The governance unit of VIZIONFOCUS INC. (including the Audit Committee) is responsible for supervising the financial reporting process.

The responsibility of an accountant in auditing parent company only financial statements

The purpose of this accountant's audit of parent company only financial statements is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report. Reasonable assurance is a high level of assurance; however, an audit conducted in accordance with auditing standards cannot guarantee the detection of all material misstatements in the financial statements. Misstatements can arise from fraud or error. If the amount or aggregate of the misstatement could reasonably be expected to influence the economic decisions of users of the financial statements, it is considered material.

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

1. Identifying and assessing the risks of material misstatement in the parent company only financial statements due to fraud or error; designing and implementing appropriate responses to the assessed risks; and obtaining sufficient and appropriate audit evidence as the basis for the audit opinion. Due to the possibility of fraud involving collusion, forgery, intentional omission, false statements, or bypassing internal controls, the risk of material misstatement due to fraud is considered higher than the risk due to error.
2. Obtaining a necessary understanding of the internal controls relevant to the audit, in order to design audit procedures that are appropriate in the circumstances; the purpose is not to express an opinion on the effectiveness of the company's internal controls.
3. Evaluate the appropriateness of the accounting policies adopted by the management and the reasonableness of the accounting estimates and related disclosures made by the management.
4. Based on the audit evidence obtained, make a conclusion on the appropriateness of the management level's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in events or conditions that may cause significant doubts about the ability of VIZIONFOCUS INC. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on

the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause VIZIONFOCUS INC. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including related notes), and whether the parent company only financial statements adequately present related transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of individual entities of VIZIONFOCUS INC. in order to express an opinion on the parent company only financial statements. The accountant is responsible for the guidance, supervision and implementation of the audit case, and is responsible for forming the audit opinions of VIZIONFOCUS INC.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Company's standalone financial statements for the year ended December 31, 2025 and are therefore the key audit matters. Our auditor states such matters in the audit report, unless the law prohibits the public disclosure of specific information, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably foreseeable that the adverse consequences of such communication would outweigh the public interest served.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2026

Notice to Readers

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

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

VIZIONFOCUS INC.

Parent company only balance sheet

December 31, 2025 and 2024

Unit: NTD Thousand

Code	Assets	December 31, 2025 Amount	%	December 31, 2024 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4 & 6)	$ 816,872	13	$ 1,114,941	21
1170	Accounts receivable (Note 4, 8, & 28)	435,057	7	289,106	6
1200	Other receivables (Note 28)	9,201	-	6,297	-
130X	Inventories (Note 4, 5, & 9)	220,520	4	206,624	4
1410	Prepayments	90,067	1	57,174	1
1476	Other financial assets – current (Note 4 & 7)	49,900	1	29,900	1
1479	Other current assets	1,970	-	215	-
11XX	Total current assets	1,623,587	26	1,704,257	33
	Non-current assets				
1550	Investment under the equity method (Note 4 & 10)	1,595,848	26	1,267,525	24
1600	Property, plant and equipment (Note 4, 11 and 29)	2,557,676	42	1,969,271	39
1755	Right-of-use assets (Note 4 & 12)	137,092	2	160,285	3
1780	Intangible assets (Note 4 & 13)	102,346	2	71,354	1
1840	Deferred income tax assets (Note 4 and 21)	9,520	-	8,794	-
1915	Prepayment for equipment	108,187	2	3,467	-
1920	Refundable deposits	5,262	-	5,269	-
1990	Other non-current assets	-	-	64	-
15XX	Total non-current assets	4,515,931	74	3,486,029	67
1XXX	Total assets	$ 6,139,518	100	$ 5,190,286	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 14)	$ 20,000	-	$ -	-
2130	Contract liabilities – current (Note 4 & 19)	16,160	-	3	-
2170	Accounts payable (Note 15 & 28)	138,603	2	128,500	2
2200	Other payables (Note 16 and 28)	342,409	6	211,382	4
2230	Current income tax liabilities (Note 4 & 21)	74,372	1	59,747	1
2280	Lease liabilities - current (Note 4 & 12)	30,744	1	30,354	1
2313	Deferred revenue (Note 14 & 24)	3,319	-	4,107	-
2322	Long-term borrowings due within one year (Note 14, 28, and 29)	136,685	2	156,078	3
2399	Other current liabilities	1,490	-	226	-
21XX	Total current liabilities	763,782	12	590,397	11
	Non-current liabilities				
2540	Long-term borrowings (Note 14, 28, and 29)	1,114,709	19	819,457	16
2570	Deferred income tax liabilities (Note 4 &21)	147,861	2	99,360	2
2580	Lease liabilities - non-current (Note 4 & 12)	114,360	2	138,396	3
2630	Long-term deferred revenue (Note 14 & 24)	11,755	-	8,463	-
2640	Net defined benefit liabilities (Note 4 & 17)	2,550	-	1,478	-
25XX	Total non-current liabilities	1,391,235	23	1,067,154	21
2XXX	Total liabilities	2,155,017	35	1,657,551	32
	Equity (Note 18)				
	Capital stock				
3110	Common stock capital	585,277	10	579,247	11
3140	Advance Receipts for Share Capital	-	-	5,498	-
3100	Total Share Capital	585,277	10	584,745	11
3200	Capital reserve	1,851,365	30	1,828,095	35
	Retained earnings				
3310	Statutory Reserve	149,592	2	82,650	2
3320	Special reserves	-	-	9,499	-
3350	Undistributed earnings	1,368,819	23	1,008,471	20
3300	Total retained earnings	1,518,411	25	1,100,620	22
3400	Other equity				
3410	Foreign Currency Translation Adjustment	29,448	-	19,275	-
3XXX	Total equity	3,984,501	65	3,532,735	68
3X2X	Total liabilities and equity	$ 6,139,518	100	$ 5,190,286	100

The notes are an integral part of these parent company only financial statements.

VIZIONFOCUS INC.

Parent company only statement of comprehensive income

For the years ended December 31, 2025 and 2024

Unit: NTD thousand; EPS in NTD

Code		2025 Amount	2025 %	2024 Amount	2024 %
4000	Net operating revenue (Note 4, 19 & 28)	$ 2,226,317	100	$ 1,894,453	100
5000	Operating costs (Note 9, 20 & 28)	1,372,399	62	1,189,147	63
5900	Gross operating profit	853,918	38	705,306	37
5910	Unrealized sales profits	(11,032)	-	-	-
5950	Realized gross profit from operations	842,886	38	705,306	37
	Operating expenses (Note 8 & 20)				
6100	Sales promotion expenses	42,229	2	38,646	2
6200	Administrative expenses	75,306	3	66,169	3
6300	R&D expenses	86,303	4	72,980	4
6450	Expected credit reversal gain	-	-	(5,770)	-
6000	Total operating expenses	203,838	9	172,025	9
6900	Net operating profit	639,048	29	533,281	28
	Non-operating income and expenses (Note 10, 20 & 28)				
7100	Interest revenue	13,304	1	12,578	-
7010	Other income	29,787	1	31,065	2
7020	Other gains and losses	(5,001)	-	26,902	1
7050	Finance Costs	(19,489)	(1)	(23,773)	(1)
7070	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	237,703	10	237,487	13
7000	Total non-operating income and expenses	256,304	11	284,259	15
7900	Net income before tax	895,352	40	817,540	43

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Code		2025 Amount	2025 %	2024 Amount	2024 %
7950	Income tax expense (Note 4 & 21)	$ 154,577	7	$ 147,951	8
8200	Net income for the year	740,775	33	669,589	35
8300	Other comprehensive income (Note 17, 18 & 21)				
8310	Items not reclassified into profit or loss				
8311	Remeasurement of defined benefit plan	(429)	-	(215)	-
8349	Income tax related to items not subject to reclassification	86	-	43	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign Currency Translation Adjustment	12,716	1	35,967	2
8399	Income tax related to items that may be reclassified	(2,543)	-	(7,193)	-
8300	Other comprehensive income (net amount after tax) for the year	9,830	1	28,602	2
8500	Total comprehensive income for the year	$ 750,605	34	$ 698,191	37
	Earnings per share (Note 22)				
9710	Basic	$ 12.71		$ 11.81	
9810	Diluted	$ 12.57		$ 11.61	

The notes are an integral part of these parent company only financial statements.

VIZIONFOCUS INC.

Parent company only statement of changes in equity

For the years ended December 31, 2025 and 2024

Unit: NTD Thousand

Code		Capital stock				Retained earnings				Other equity	
		Common stock capital	Advance Receipts for Share Capital	Total	Capital reserve	Statutory Reserve	Special reserves	Undistributed earnings	Total	Foreign Currency Translation Adjustment	Total equity
A1	Balance on January 1, 2024	$ 524,547	$ -	$ 524,547	$ 653,674	$ 55,501	$ -	$ 562,965	$ 618,466	$ (9,499)	$ 1,787,188
	Appropriation and distribution of 2023 earnings (Note 18)										
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)
		-	-	-	-	27,149	9,499	(223,911)	(187,263)	-	(187,263)
D1	2024 net income	-	-	-	-	-	-	669,589	669,589	-	669,589
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	(172)	(172)	28,774	28,602
D5	Total comprehensive income in 2024	-	-	-	-	-	-	669,417	669,417	28,774	698,191
E1	Capital increase in cash (Note 18)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263
N1	Share-based payment transactions (Note 18 & 23)	4,130	5,498	9,628	32,728	-	-	-	-	-	42,356
T1	Cost of share issuance (Note 18)	-	-	-	(3,000)	-	-	-	-	-	(3,000)
Z1	Balance on December 31, 2024	579,247	5,498	584,745	1,828,095	82,650	9,499	1,008,471	1,100,620	19,275	3,532,735
	Appropriation and distribution of 2024 earnings (Note 18)										
B1	Statutory Reserve	-	-	-	-	66,942	-	(66,942)	-	-	-
B17	Reversal of special reserves	-	-	-	-	-	(9,499)	9,499	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(322,641)	(322,641)	-	(322,641)
		-	-	-	-	66,942	(9,499)	(380,084)	(322,641)	-	(322,641)
D1	2025 net income	-	-	-	-	-	-	740,775	740,775	-	740,775
D3	Other comprehensive income after tax in 2025	-	-	-	-	-	-	(343)	(343)	10,173	9,830
D5	Total comprehensive income in 2025	-	-	-	-	-	-	740,432	740,432	10,173	750,605
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 18)	-	-	-	29	-	-	-	-	-	29
N1	Share-based payment transactions (Note 18 & 23)	6,030	(5,498)	532	23,241	-	-	-	-	-	23,773
Z1	Balance on December 31, 2025	$ 585,277	$ -	$ 585,277	$ 1,851,365	$ 149,592	$ -	$ 1,368,819	$ 1,518,411	$ 29,448	$ 3,984,501

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

VIZIONFOCUS INC.

Parent company only statement of cash flows

For the years ended December 31, 2025 and 2024

Unit: NTD Thousand

Code		2025	2024
	Cash flow from operating activities		
A10000	Net income before tax for the current year	$ 895,352	$ 817,540
A20010	Income and expenses		
A20100	Depreciation expense	242,697	221,817
A20200	Amortization expense	6,146	7,945
A20300	Expected credit reversal gain	-	(5,770)
A20900	Finance Costs	19,489	23,773
A21200	Interest revenue	(13,304)	(12,578)
A21900	Share-based payment for remuneration	1,648	24,897
A22400	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	(237,703)	(237,487)
A22500	Gains from the disposal of property, plant and equipment	(27)	(21)
A23700	Impairment loss of non-financial assets	13,422	2,760
A23900	Unrealized sales profits	11,032	-
A29900	Others	136	99
A29900	Lease modification benefits	(24)	-
A29900	Amortization of deferred income	(4,176)	(6,855)
A30000	Net changes in operating assets and liabilities		
A31150	Accounts receivable	(145,951)	22,424
A31180	Other receivables	(2,936)	1,608
A31200	Inventories	(27,454)	(2,643)
A31230	Prepayments	(32,893)	(21,748)
A31240	Other current assets	(1,755)	(147)
A31990	Other non-current assets	64	255
A32125	Contract liabilities	16,157	(4,079)
A32150	Accounts payable	10,103	(3,259)
A32180	Other payables	30,161	(22,249)
A32230	Other current liabilities	1,264	(4,562)
A32240	Net defined benefit liabilities	643	528
A33000	Cash inflow from operations	782,091	802,248
A33100	Interest received	13,336	12,350
A33300	Interest paid	(17,860)	(16,994)
A33500	Income tax paid	(94,634)	(83,320)
AAAA	Net cash inflow from operating activities	682,933	714,284

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Code		2025	2024
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	$ (801,730)	$ (626,090)
B02800	Proceeds from the disposal of property, plant and equipment	27	21
B03800	Decrease (increase) in refundable deposits	7	(427)
B04500	Acquisition of intangible assets	(38,249)	(28,605)
B06500	Increase of other financial assets	(20,000)	(29,900)
BBBB	Net cash outflow from investing activities	(859,945)	(685,001)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	330,000	40,100
C00200	Decrease in short-term borrowings	(310,000)	(190,100)
C01600	Borrowing of long-term loans	487,120	317,750
C01700	Repayment of long-term borrowings	(208,757)	(717,958)
C04020	Lease principal repayment	(30,000)	(29,182)
C04500	Distribution of cash dividends	(322,638)	(187,259)
C04600	Capital increase in cash	-	1,195,263
C04800	Exercise of employee stock options	22,125	17,459
C05400	Acquisition of shares of subsidiaries	(88,907)	(100)
C09900	Share issuance cost	-	(3,000)
CCCC	Net cash inflow (outflow) from financing activities	(121,057)	442,973
EEEE	Net increase (decrease) in cash and cash equivalents	(298,069)	472,256
E00100	Opening balance of cash and cash equivalents	1,114,941	642,685
E00200	Closing balance of cash and cash equivalents	$ 816,872	$ 1,114,941

The notes are an integral part of these parent company only financial statements.

VIZIONFOCUS INC.

Notes to parent company only financial statements

For the years ended December 31, 2025 and 2024

(expressed in NTD1,000 unless otherwise specified)

I. Company history

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

The Company has been listed and traded on the Taiwan Stock Exchange since March 2024.

The parent company only financial statements are presented in the Company's functional currency, NTD

II. Date and procedure for adopting financial statements

The parent company only financial statements were approved and released by the Board of Directors on March 9, 2026.

III. Application of new and amended standards and interpretations

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

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

(II) IFRS accounting standards approved by the FSC applicable in 2026

New/amended/revised standards and interpretations	Effective date announced by the International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts involving Natural Power Dependencies"	January 1, 2026
"Annual Improvements to IFRS Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts" (including amendments in 2020 and 2021)	January 1, 2023

As of the date of publication of the parent company only financial statements, after approval by the Board of Directors, the Company has assessed that the amendments to other standards will not have a material impact on its financial position and financial performance.

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

New/amended/revised standards and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027 (Note 2)
IFRS 19 "Subsidiary without Public Accountability: Disclosures" (including 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The FSC announced on September 25, 2025 that Taiwan enterprises shall adopt IFRS 18 effective January 1, 2028, with the option to early adopt following FSC recognition of IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and relevant consequential amendments

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

- The Company is required to assess whether it has specified principal business activities of investing in particular types of assets and providing financing to customers, and accordingly classify income and expense items in the statement of profit or loss into the operating, investing, financing, income tax, and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and taxes, as well as subtotals and totals of profit or loss.
- Providing guidance to strengthen aggregation and disaggregation requirements: The Company must identify assets, liabilities, equity, income, expenses, and

cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items of dissimilar nature should be presented separately in the primary financial statements and notes. The Company should 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 communicates 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 overall financial performance, the Company 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.

In addition, IAS 7 “Statement of Cash Flows” has been amended with the following consequential modifications:

- When the Company prepares cash flows from operating activities using the indirect method, profit or loss from operations shall be used as the starting point for reconciliation.
- Interest and dividends received by the Company shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company is assessed to have specified principal business activities, it must consider the categories under which dividend income, interest revenue, and interest expense are presented in the statement of profit or loss to determine the classification of dividends received, interest received, and interest paid in the statement of cash flows; however, each of these cash flows may be classified under only a single activity in the statement of cash flows.

In addition to the impacts mentioned above, as of the date the parent company financial statements were approved and authorized for issue by the Board of Directors, the Company continues to evaluate the impact of standards and interpretations amendments on its financial position and financial

performance. The related impacts will be disclosed upon completion of the assessment.

IV. Summary of significant accounting policies

(I) Compliance Statement

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

When the Company prepared the parent company only financial statements, the subsidiaries were accounted for using the equity method. To ensure that the profit and loss, other comprehensive income, and equity of this year's parent company only financial statements are consistent with those attributed to the owners of the company in the consolidated financial statements, several accounting treatments differ under the individual and consolidated bases. These include adjustments for investments accounted for using the equity method, the share of profit or loss of subsidiaries accounted for using the equity method, and the share of other comprehensive income of subsidiaries accounted for using the equity method, along with related equity items.

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

Current assets include:

1. Assets held mainly for the purpose of trading;

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

Current liabilities include:

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

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

(IV) Foreign currency

When the Company prepares financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

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

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

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

When preparing the parent company only financial statements, the assets and liabilities of the company's foreign operations (including subsidiaries operating in different countries or using different currencies than the company) are translated into New Taiwan Dollars at the exchange rate on each balance sheet date. Revenue and expense items are translated at the average exchange rate for the year. Exchange differences arising from these translations are recognized in other comprehensive income.

(V) Inventory

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

(VI) Investment in subsidiaries

The Company accounts for its investment in subsidiaries under the equity method. A subsidiary is an entity controlled by the Company.

Under the equity method, an investment is initially recognized at cost, and the book value after the acquisition is increased or decreased by the Company's share of the profit or loss and other comprehensive income of the subsidiary and the profit distribution. In addition, the changes in the Company's other equity in subsidiaries are recognized in proportion to the shareholding.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the company's share of losses in a subsidiary equals or exceeds its equity interest in the subsidiary (including the book value of the subsidiary accounted for using the equity method and other long-term interests that essentially form part of the company's net investment in the subsidiary), the losses are recognized according to the shareholding percentage.

When the Company assesses the impairment, it considers the cash-generating unit as a whole and compares the recoverable amount with the book value. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss is recognized as income. However, the carrying amount of the asset after the reversal of the impairment loss must not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

Unrealized gains and losses on downstream transactions between the Company and its subsidiaries are written off in the parent company only financial statements. The gains and losses arising from the downstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are irrelevant to the Company's interests in the subsidiaries.

(VII) Property, plant and equipment

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

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

Except for self-owned land, which is not depreciated, the remaining property, plant and equipment are depreciated on a straight-line basis over their useful lives, and each significant part is depreciated separately. The Company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and applies the effects of changes in accounting estimates prospectively.

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

(VIII) Intangible assets

1. Acquired separately

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

2. Internally generated - research and development expenses

Research expenses are recognized as expenses when incurred.

The Company begins to recognize the intangible assets of the internal plan development stage when all of the following conditions are met:

(1) Completion of the technical feasibility of the intangible asset and making the intangible asset available for use or sale;

(2) Intend to complete the intangible asset and use or sell it;

(3) The ability to use or sell the intangible asset;

(4) It is probable that future economic benefits will be generated from the intangible assets;

(5) with sufficient technical, financial and other resources to complete the development and use or sell the intangible assets; and

(6) The expenditure attributed to the development stage of the intangible asset can be measured reliably.

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

3. Decommissioned

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

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

On each balance sheet date, the company assesses whether there are any indications that property, plant and equipment, right-of-use assets, and intangible assets may be impaired. If any signs of impairment are present, the recoverable amount of the assets is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs, and the pool of assets is amortized to each cash-generating unit on a reasonable and consistent basis.

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

carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit and loss.

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

(X) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

1. Financial assets

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

(1) Measurement type

The types of financial assets held by the Company are financial assets measured at after-amortization cost.

Financial assets measured at amortized cost

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

A. Held within a business model where the objective is to hold financial assets in order to collect contractual cash flows; and

B. The terms of the contract give rise to cash flows on a specific date, which are solely for the payment of the principal and interest on the principal amount outstanding.

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

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

A. For purchased or originated credit-impaired financial assets, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.

B. For financial assets that are not credit-impaired at acquisition but subsequently become credit-impaired, interest income should be recognized from the period after the impairment, calculated using the effective interest rate on the amortized cost of the financial asset.

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

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

(2) Impairment of financial assets

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

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

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

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

A. Internal or external information indicates that it is impossible for the debtor to pay off the debt.

B. Overdue for more than 360 days, unless there is reasonable and corroborative information showing that the delayed default standard is more appropriate.

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

(3) Derecognition of financial assets

The company derecognizes financial assets only when the contractual rights to the cash flows from the assets expire, or when the financial assets are transferred and substantially all the risks and rewards of ownership are transferred to another entity.

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

2. Equity instrument

The equity instruments issued by the Company are recognized at the acquisition price net of the direct issue cost.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method, except for the following:

Financial guarantee contract

Financial guarantee contracts issued by the Company that are not measured at fair value through profit or loss are measured after initial recognition at the higher of the allowance loss that reflects its expected credit losses or the after-amortization amount.

(2) Removal of financial liabilities

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

4. Derivative Instruments

The derivate instruments in which the Company enters into consist of forward foreign exchange contracts used to manage the foreign exchange risk exposure of the Company.

Derivative instruments are initially recognized at fair value on the date that the derivative contract is entered into and are subsequently remeasured at fair value at each balance sheet date. Gains or losses arising from subsequent measurement are recognized directly in profit or loss. When the fair value of a derivative instrument is positive, it is recognized as a financial asset; when negative, as a financial liability.

(XI) Revenue recognition

After identifying the performance obligation in the customer contract, the Company allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

1. Merchandise sales revenue

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

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

2. Service revenue

Labor service revenue is recognized when the labor service is provided. Since the time interval between the transfer of the labor service and the collection of consideration is less than one year, the transaction price of its significant financial components is not adjusted.

(XII) Leases

The Company assesses whether the contract belongs to (or contains) a lease on the establishment date of the contract.

The Company as the lessee

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

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

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

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

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

(XIII) Government grants

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

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

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

The difference between the loan amount received and the fair value of the loan calculated based on the market interest rate for the government subsidy loan with the interest rate lower than the market interest rate is recognized as government subsidy.

(XIV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

The defined benefit cost of the defined benefit pension plan (including service cost, net interest, and remeasurements) is calculated using the

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

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

(XV) Share-based payment agreement

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

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

(XVI) Income tax

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

1. Current income tax

The Company determines the income of the current year in accordance with the income tax laws and regulations, and calculates the income tax payable accordingly. In accordance with the Income Tax Act of R.O.C., the additional income tax on undistributed earnings is calculated in the year of resolution of the shareholders' meeting.

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

2. Deferred income tax

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

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

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

Deferred tax assets and liabilities are measured using the tax rates expected to apply in the year when the liabilities are settled or the assets are realized. These rates are based on the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the entity's assets and liabilities as of the balance sheet date.

3. Current and deferred income tax

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

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

When adopting accounting policies, the company's management must make judgments, estimates, and assumptions based on historical experience and other relevant factors for matters where information is not readily obtainable from other sources. Actual results may differ from these estimates.

Major Sources of Estimation and Assumption Uncertainty

Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. The company must use judgment and estimation to determine the net realizable value of inventories at the end of the reporting period, primarily based on future product selling prices, which could be subject to significant changes.

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hands	$ 81	$ 101
Checks and demand deposits	566,791	695,662
Cash equivalents (investment with original maturity date of less than 3 months)		
Time deposits in banks	150,000	270,000
Commercial paper	100,000	100,000
Repurchase agreements	-	49,178
	$ 816,872	$ 1,114,941

VII. Other financial assets – current

	December 31, 2025	December 31, 2024
Time deposits with original maturity exceeding 3 months	$ 49,900	$ 29,900
Interest rate per annum (%)	1.445～1.52	1.445

VIII. Accounts receivable

	December 31, 2025	December 31, 2024
Accounts receivable		
Total book value measured at amortized cost	$ 435,057	$ 289,106

The Company recognizes the loss allowance for accounts receivable based on the lifetime expected credit loss. 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 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 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 continuously monitors 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 measures the allowance for losses on accounts receivable based on the allowance matrix as follows:

December 31, 2025

	Not past due	Overdue 1 to 30 days	Overdue 31 to 120 days	Overdue 121 to 360 days	Overdue over 360 days	Counterparty shows signs of default	Total
Expected credit loss rate (%)	-	4	4	4	100	100	
Gross carrying amount	$435,057	$ -	$ -	$ -	$ -	$ -	$435,057
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$435,057	$ -	$ -	$ -	$ -	$ -	$435,057

December 31, 2024

	Not past due	Overdue 1 to 30 days	Overdue 31 to 120 days	Overdue 121 to 360 days	Overdue over 360 days	Counterparty shows signs of default	Total
Expected credit loss rate (%)	-	4	4～5	5	100	100	
Gross carrying amount	$286,428	$ 2,678	$ -	$ -	$ -	$ -	$289,106
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$286,428	$ 2,678	$ -	$ -	$ -	$ -	$289,106

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

	2025	2024
Opening balance	$ -	$ 5,770
Reversal for the current year	-	(5,770)
Closing balance	$ -	$ -

IX. Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 36,759	$ 27,391
Materials	29,270	26,605
Work in process	46,943	42,424
Semi-finished product	3,985	8,072
Finished goods	103,563	102,132
	$220,520	$206,624

The components of the operating cost are as follows:

	2025	2024
Cost of goods sold	$1,302,902	$1,140,591
Loss on inventory valuation and obsolescence	13,422	2,760
Income from sale of scraps and scraps	(8,738)	(7,792)
Cost of labor services	64,677	53,489
Others	136	99
	$1,372,399	$1,189,147

X. Investment under the equity method

The Company's investments under the equity method are investments in subsidiaries, which are detailed as follows:

	December 31, 2025	December 31, 2024
Green Wealth Investments Limited （Green Wealth）	$ 1,534,886	$ 1,267,474
Star Focus Inc. (Star Focus)	20,355	51
Optical Connection Technology Inc.（OCTI）	40,607	-
	$ 1,595,848	$ 1,267,525

The Company's ownership interest and percentage of voting rights in the subsidiaries at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Green Wealth	100%	100%
Star Focus	40.67%	100%
OCTI	98.77%	-

In response to the company's overall operational development needs, the Company resolved at the Board of Directors meeting in November 2024 to establish a 100% owned subsidiary, Star Focus Inc., and completed the registration. In January 2025, the Company did not subscribe to Star Focus Inc.'s cash capital increase in proportion to its

shareholding percentage, resulting in the shareholding percentage decreasing from 100% to 40.67%. As of December 31, 2025, the Company's management, after considering the absolute magnitude, relative size, and distribution of voting rights held compared to other shareholders, and given that all director positions of the subsidiary are held by the Company, determined that the Company possesses substantive ability to direct the relevant activities of Star Focus Inc., and therefore continues to classify it as a subsidiary.

In response to the Company's overall operational development needs, the Company resolved through Board resolution in November 2024 to establish U.S. Subsidiary OCTI. Investment capital remittances were completed in January and August 2025, resulting in a 98.77% ownership interest. The subsidiary primarily engages in medical device sales.

The share of profit or loss and other comprehensive income of the subsidiaries recognized under the equity method in 2025 and 2024 are based on the financial statements audited by the accountant for the same periods.

XI. Property, plant and equipment

2025

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
Cost									
Balance on January 1, 2025	$ 705,898	$ 1,155,749	$ 56,041	$ 6,554	$ 17,003	$ 158,353	$ 25,980	$ 586,379	$ 2,711,957
Addition	-	228,140	13,168	-	4,713	5,953	6,484	543,073	801,531
Disposition	-	(1,480)	-	-	(446)	-	(135)	-	(2,061)
Balance on December 31, 2025	705,898	1,382,409	69,209	6,554	21,270	164,306	32,329	1,129,452	3,511,427
Accumulated depreciation									
Balance on January 1, 2025	-	587,684	43,377	4,944	13,455	80,492	12,734	-	742,686
Depreciation expense	-	173,545	11,056	826	2,865	16,790	8,044	-	213,126
Disposition	-	(1,480)	-	-	(446)	-	(135)	-	(2,061)
Balance on December 31, 2025	-	759,749	54,433	5,770	15,874	97,282	20,643	-	953,751
Net as of December 31, 2025	$ 705,898	$ 622,660	$ 14,776	$ 784	$ 5,396	$ 67,024	$ 11,686	$ 1,129,452	$ 2,557,676

2024

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
Cost									
Balance on January 1, 2024	$ 705,898	$ 999,196	$ 52,178	$ 6,429	$ 15,913	$ 152,713	$ 19,366	$ 128,321	$ 2,080,014
Addition	-	177,748	9,093	125	1,768	5,640	6,924	458,058	659,356
Disposition	-	(21,195)	(5,230)	-	(678)	-	(310)	-	(27,413)
Balance on December 31, 2024	705,898	1,155,749	56,041	6,554	17,003	158,353	25,980	586,379	2,711,957
Accumulated depreciation									
Balance on January 1, 2024	-	452,722	39,648	4,029	10,696	62,501	6,864	-	576,460
Depreciation expense	-	155,048	8,959	915	3,437	17,991	6,180	-	192,530
Disposition	-	(20,086)	(5,230)	-	(678)	-	(310)	-	(26,304)
Balance on December 31, 2024	-	587,684	43,377	4,944	13,455	80,492	12,734	-	742,686
Accumulated impairment									
Balance on January 1, 2024	-	1,109	-	-	-	-	-	-	1,109
Disposition	-	(1,109)	-	-	-	-	-	-	(1,109)
Balance on December 31, 2024	-	-	-	-	-	-	-	-	-
Net as of December 31, 2024	$ 705,898	$ 568,065	$ 12,664	$ 1,610	$ 3,548	$ 77,861	$ 13,246	$ 586,379	$ 1,969,271

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

Machinery and equipment	3 to 6 years
Mold equipment	2 years
Transportation equipment	5 years
Office equipment	3 years
Leasehold improvements	3 to 14 years
Other equipment	2 to 3 years

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

XII. Lease agreement

(I) Right-of-use assets

	December 31, 2025	December 31, 2024
Book value of right-of-use assets		
Land	$ 1,551	$ 1,931
Buildings	135,379	158,029
Machinery and equipment	162	325
	$137,092	$160,285

	2025	2024
Addition of right-of-use assets	$ 10,982	$ 10,193
Depreciation expense of right-of-use assets		
Land	$ 380	$ 380
Buildings	29,028	28,744
Machinery and equipment	163	163
	$ 29,571	$ 29,287

Except for the above additions and depreciation expenses recognized, there was no significant sublease or impairment of the Company’s right-of-use assets in 2025 and 2024.

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Book value of lease liabilities		
Current	$ 30,744	$ 30,354
Non-current	$114,360	$138,396

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

	December 31, 2025	December 31, 2024
Land	1.605	1.605
Buildings	1.247～1.605	1.164～1.605
Machinery and equipment	1.023	1.023

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

The Company leased offices, plants, machinery and equipment, and parking spaces, and the lease periods have gradually expired before the end of August 2034. Upon termination of the lease term, the Company has no preferential right to acquire the right-of-use assets leased, and it is agreed that the Company shall not sublease or transfer all or part of the subject of the lease without the consent of the lessor.

(IV) Other lease information

	2025	2024
Short-term and low-value lease expenses	$ 1,023	$ 924
Total cash outflows of all lease agreements (including short-term leases)	$ 33,401	$ 32,794

The Company has elected to apply the recognition exemption for the parking space leases that qualify for short-term leases and other equipment that qualifies for low-value asset leases, and does not recognize the related right-of-use assets and lease liabilities for these leases.

XIII. Intangible assets

	December 31, 2025	December 31, 2024
Computer software	$ 3,831	$ 3,401
Product certificate	45,037	39,160
Intangible assets under development	53,478	28,793
	$ 102,346	$ 71,354

2025

	Computer software	Product certificate	Intangible assets under development	Total
Cost				
Balance on January 1, 2025	$ 15,237	$ 57,072	$ 28,793	$ 101,102
Addition	3,526	-	33,612	37,138
Reclassification	-	8,927	(8,927)	-
Balance on December 31, 2025	18,763	65,999	53,478	138,240
Accumulated amortization				
Balance on January 1, 2025	11,836	17,912	-	29,748
Amortization expense	3,096	3,050	-	6,146
Balance on December 31, 2025	14,932	20,962	-	35,894
Net as of December 31, 2025	$ 3,831	$ 45,037	$ 53,478	$ 102,346

2024

	Computer software	Product certificate	Intangible assets under development	Total
Cost				
Balance on January 1, 2024	$ 11,863	$ 26,698	$ 27,476	$ 66,037
Addition	3,414	-	31,691	35,105
Disposition	(40)	-	-	(40)
Reclassification	-	30,374	(30,374)	-
Balance on December 31, 2024	15,237	57,072	28,793	101,102
Accumulated amortization				
Balance on January 1, 2024	6,778	15,065	-	21,843
Amortization expense	5,098	2,847	-	7,945
Disposition	(40)	-	-	(40)
Balance on December 31, 2024	11,836	17,912	-	29,748
Net as of December 31, 2024	$ 3,401	$ 39,160	$ 28,793	$ 71,354

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

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

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

XIV. Borrowings

(I) Short-term borrowings

	December 31, 2025	December 31, 2024
Bank credit	$ 20,000	$ -
Interest rate per annum (%)	1.7	-

(II) Long-term borrowings

	December 31, 2025	December 31, 2024
Credit loans		
Expiring successively before March 2035	$ 846,588	$ -
Expiring successively before November 2029	-	988,105
Secured borrowings		
Expiring successively by August 2027	419,880	-
	1,266,468	988,105
Less: Due within one year	136,685	156,078
Less: Recognized as deferred income – current (Note 24)	3,319	4,107
Less: Recognized as deferred income – non-current (Note 24)	11,755	8,463
	$ 1,114,709	$ 819,457

	December 31, 2025	December 31, 2024
Interest rate range (%)		
Credit loans	0.725～1.8	0.725～1.82
Secured borrowings	1.82	-

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 should comply with certain ratios. The aforementioned regulations are subject to review once every six months or annually, and the Company's consolidated financial statements for 2025 and 2024 did not violate the aforementioned regulations.

Please refer to Note 28 and 29 for the collateral provided and the joint guarantees for the Company's long-term borrowings.

XV. Accounts payable

	December 31, 2025	December 31, 2024
Accounts payable	$138,603	$128,500

The Company has financial risk management policies in place to ensure that all payables are repaid within the pre-agreed credit terms.

XVI. Other payables

	December 31, 2025	December 31, 2024
Payables for equipment	$114,365	$ 12,679
Remuneration payable to employees and directors	78,506	73,841
Bonus payable	59,152	51,463
Salary payable	34,731	31,124
Others (consumables, repairs, and miscellaneous purchases)	55,655	42,275
	$342,409	$211,382

XVII. Post-employment benefit plan

(I) Defined contribution plan

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

(II) Defined benefit plan

The pension system under the Labor Standards Act applicable to some of the Company's employees is the defined benefit pension plan managed by the government. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The company allocates a fixed percentage of the total monthly salary of its employees to a retirement fund, which is deposited in a special account at Bank of Taiwan under the name of the Labor Pension Reserve Supervision Committee. If, by the end of the year, the estimated balance in the special account is insufficient to cover the payments for employees expected to meet the retirement criteria within the next year, the difference is allocated by the end of March of the following year.

This fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the company does not have the right to influence the investment management strategy.

The amount of the defined benefit plan recognized in the parent company only balance sheet is as follows:

	December 31, 2025	December 31, 2024
Present value of defined benefit obligation	$ 5,325	$ 3,272
Fair value of plan assets	(2,775)	(1,794)
Net defined benefit liability	$ 2,550	$ 1,478

Changes in net defined benefit liabilities are as follows:

2025

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
January 1, 2025	$ 3,272	$ (1,794)	$ 1,478
Service cost			
Current service cost	1,474	-	1,474
Interest expense (revenue)	54	(36)	18
Recognized in profit or loss	1,528	(36)	1,492
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	(96)	(96)
Actuarial losses - empirical adjustment	525	-	525
Recognized in other comprehensive income	525	(96)	429
Contributions from the employer	-	(849)	(849)
December 31, 2025	$ 5,325	$ (2,775)	$ 2,550

2024

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
January 1, 2024	$ 1,674	$ (939)	$ 735
Service cost			
Current service cost	1,336	-	1,336
Interest expense (revenue)	25	(21)	4
Recognized in profit or loss	1,361	(21)	1,340
Remeasurement			
Return on plan assets (except for the amount included in net interest)	-	(22)	(22)
Actuarial gains - changes in financial assumptions	(143)	-	(143)
Actuarial losses - empirical adjustment	380	-	380
Recognized in other comprehensive income	237	(22)	215
Contributions from the employer	-	(812)	(812)
December 31, 2024	$ 3,272	$ (1,794)	$ 1,478

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

	2025	2024
Operating cost	$ 1,465	$ 1,321
R&D expenses	27	19
	$ 1,492	$ 1,340

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

1. Investment risk

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

2. Interest rate risk

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

3. Salary risk

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

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

	December 31, 2025	December 31, 2024
Discount rate (%)	1.625	1.625
Expected salary increase rate (%)	4	4

If there are reasonable and possible changes to the major actuarial assumptions, and all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation will be as follows:

	December 31, 2025	December 31, 2024
Discount rate		
Increase by 0.25%	$ (424)	$ (268)
Decrease by 0.25%	$ 463	$ 293
Expected salary increase rate		
Increase by 0.25%	$ 448	$ 284
Decrease by 0.25%	$ (413)	$ (261)

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

	December 31, 2025	December 31, 2024
Expected amount to be contributed within one year	$ 904	$ 812
Average period to maturity of defined benefit obligations	33.6 years	34.8 years

XVIII. Equity

(I) Common stock capital

	December 31, 2025	December 31, 2024
Rated number of shares (thousand shares)	80,000	80,000
Authorized share capital	$800,000	$800,000
Number of issued and fully paid shares (thousand shares)	58,528	57,925
Issued share capital	$585,277	$579,247

On December 13, 2023, the Board of Directors resolved to issue 5,057 thousand new shares with a par value of NT$10 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 NT$180 per share, while the competitive auction was issued at a premium of NT$260.51 per share, which was the weighted average of the winning bid price. The total issuance amount of NT$1,195,263 thousand was fully received, and after deducting issuance costs of NT$3,000 thousand, NT$50,570 thousand was recorded as ordinary share capital and NT$1,141,693 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 23.

During fiscal year 2025, the Company issued 603 thousand shares due to employees exercising stock options at a weighted average price of NT$45.81 per share issued at premium. The difference between the issue price and the par value

of NT$21,593 thousand was recorded under capital surplus – premium on stock issuance.

In 2024, the Company issued 413 thousand shares due to employees exercising stock options, issued at a premium of NT$28.96 per share. The difference between the issuance price and par value of NT$7,831 thousand was recorded under capital surplus - additional paid-in capital from share issuance.

(II) Capital reserve

	December 31, 2025	December 31, 2024
Can be used to offset losses, distribute cash or capitalize on share capital (Note 1)		
Premium from stock issuance	$ 1,843,697	$ 1,814,601
Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries	29	-
From gifts and acceptances (Note 2)	1,800	1,800
Not to be used for any purpose		
Employee share warrants	5,839	11,694
	$ 1,851,365	$ 1,828,095

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 2025 and May 2024 approved the following appropriation of earnings and dividends per share for fiscal years 2024 and 2023, respectively:

	Proposal for the distribution of earnings		Dividends per share (NTD)	
	2024	2023	2024	2023
Statutory Reserve	$ 66,942	$ 27,149		
Appropriation (reversal) of special reserve	(9,499)	9,499		
Cash dividends	322,641	187,263	$ 5.57	$ 3.23

The 2025 earnings appropriation proposed by the Company's Board of Directors in March 2026 is as follows:

	Proposal for the distribution of earnings	Dividends per share (NTD)
Statutory Reserve	$ 74,043	
Cash dividends	409,694	$ 7

The proposal for 2025 earnings distribution is pending resolution at the Annual Shareholders' Meeting expected to be held in May 2026.

(IV) Other equity

Exchange differences on translation of financial statements of foreign operations:

	2025	2024
Opening balance	$ 19,275	$(9,499)
Exchange differences arising from the translation of net assets of foreign operations	12,716	35,967
Related income tax	(2,543)	(7,193)
Closing balance	$ 29,448	$ 19,275

XIX. Revenue

	2025	2024
Revenue from contracts with customers		
Merchandise sales revenue	$2,145,539	$1,809,303
Service revenue	68,079	56,163
Others	12,699	28,987
	$2,226,317	$1,894,453

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

(II) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Accounts receivable	$435,057	$289,106	$305,760
Contract liabilities			
Sales of goods	$ 16,160	$ 3	$ 4,082

The change in contract liabilities is mainly due to the difference between the point of meeting the performance obligation and the time of payment by the customer. There was no other significant change in 2025 and 2024.

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

	2025	2024
Contract liabilities at the beginning of the year		
Sales of goods	$ 1	$ 4,081

(III) Breakdown of revenue from customer contracts

2025

	Reporting department		
Type of income	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	$ 2,145,539	$ -	$ 2,145,539
Service revenue	-	68,079	68,079
Other operating revenue	-	12,699	12,699
	$ 2,145,539	$ 80,778	$ 2,226,317

2024

	Reporting department		
Type of income	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	$ 1,809,303	$ -	$ 1,809,303
Service revenue	-	56,163	56,163
Other operating revenue	-	28,987	28,987
	$ 1,809,303	$ 85,150	$ 1,894,453

XX. Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	2025	2024
Bank deposits	$ 13,215	$ 12,494
Others	89	84
	$ 13,304	$ 12,578

(II) Other income

	2025	2024
Royalty income (Note 28)	$ 24,613	$ 22,405
Government grant income	4,176	6,885
Others	998	1,775
	$ 29,787	$ 31,065

(III) Other gains and losses

	2025	2024
Net gain (loss) on foreign currency exchange	$ (326)	$ 27,142
Net Loss on Financial Assets and Liabilities at Fair Value Through Profit or Loss	(4,727)	-
Gains from the disposal of property, plant and equipment	27	21
Others	25	(261)
	$(5,001)	$ 26,902

The above net gains (losses) on foreign currency exchange are as follows:

	2025	2024
Foreign exchange gain	$ 52,608	$ 31,860
Total foreign currency exchange losses	(52,934)	(4,718)
Net gain (loss)	$ (326)	$ 27,142

(IV) Finance Costs

	2025	2024
Interest on bank borrowings	$ 19,946	$ 21,085
Interest on lease liabilities	2,378	2,688
Total interest expenses of financial liabilities at fair value through profit and loss	22,324	23,773
Less: Amount to be included in the cost of eligible assets	2,835	-
	$ 19,489	$ 23,773

Information on interest capitalization is as follows:

	2025	2024
Amount of capitalized interest	$ 2,835	$ -
Interest capitalized interest rate (%)	1.62	-

(V) Depreciation and amortization

	2025	2024
Property, plant and equipment	$213,126	$192,530
Right-of-use assets	29,571	29,287
Intangible assets	6,146	7,945
	$248,843	$229,762
Depreciation expenses by function		
Operating cost	$233,418	$213,580
Operating expenses	9,279	8,237
	$242,697	$221,817
Amortization expenses by function		
Operating cost	$ 4,362	$ 6,217
Operating expenses	1,784	1,728
	$ 6,146	$ 7,945

(VI) Employee benefit expense

	2025	2024
Short-term employee benefits		
Salary	$489,453	$438,620
Labor and national health insurance	38,760	35,484
Others	36,050	30,186
	564,263	504,290
Post-employment benefits		
Defined contribution plan	11,550	10,957
Defined benefit plan (Note 17)	1,492	1,340
	$577,305	$516,587
Summary by function		
Operating cost	$444,241	$399,678
Operating expenses	133,064	116,909
	$577,305	$516,587

(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.

Following amendments to the Securities and Exchange Act in August 2024, the Company has resolved at the 2025 shareholders' meeting to amend its articles of incorporation, stipulating that from the amount allocated for employee compensation, no less than 1% shall be allocated as compensation distributed to entry-level employees.

Employee remuneration and directors' remuneration accrued for fiscal years 2025 and 2024 were resolved by the Board of Directors in March 2026 and March 2025, respectively, to be distributed in cash as follows:

Amount	2025	2024
Remuneration to employees	$ 72,090	$ 54,688
Remuneration to directors	6,267	5,633

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

There is no difference between the actual amount of employees' and directors' remuneration distributed for 2024 and 2023 and the amount recognized in the parent company only 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.

XXI. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	2025	2024
Current income tax		
Incurred in the current year	$133,172	$105,153
Adjustments from previous years	(23,913)	(15,654)
	109,259	89,499
Deferred income tax		
Incurred in the current year	45,318	58,481
Adjustments from previous years	-	(29)
	45,318	58,452
	$154,577	$147,951

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

	2025	2024
Net income before tax	$ 895,352	$817,540
Income tax expense with net income before tax calculated at statutory tax rate	$ 179,070	$163,508
Permanent difference	(580)	96
Unrecognized deductible temporary differences	-	30
Adjustments from previous years	(23,913)	(15,683)
	$ 154,577	$147,951

(II) Income tax recognized in other comprehensive income

	2025	2024
Deferred income tax		
Remeasurement of defined benefit plan	$ (86)	$ (43)
Foreign Currency Translation Adjustment	2,543	7,193
	$ 2,457	$ 7,150

(III) Current income tax liabilities

	December 31, 2025	December 31, 2024
Current income tax liabilities		
Income tax payable	$ 74,372	$ 59,747

(IV) Deferred income tax assets and liabilities

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

2025

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary difference				
Loss on inventory valuation and obsolescence	$ 3,354	$ 1,289	$ -	$ 4,643
Gross profit of sales declared to customs but not recognized	5,144	(2,984)	-	2,160
Others	296	2,335	86	2,717
	$ 8,794	$ 640	$ 86	$ 9,520
Deferred income tax liabilities				
Temporary difference				
Share of profit of foreign subsidiaries accounted for using the equity method	$ 92,704	$ 46,967	$ -	$ 139,671

(To be Continued)

(Continued from previous page)

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Exchange differences on the financial statements of foreign operations	$ 4,820	$ -	$ 2,543	$ 7,363
Others	1,836	(1,009)	-	827
	$ 99,360	$ 45,958	$ 2,543	$ 147,861

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary difference				
Loss on inventory valuation and obsolescence	$ 5,265	$ (1,911)	$ -	$ 3,354
Exchange differences on the financial statements of foreign operations	2,373	-	(2,373)	-
Gross profit of sales declared to customs but not recognized	7,436	(2,292)	-	5,144
Others	5,159	(4,906)	43	296
	$ 20,233	$ (9,109)	$ (2,330)	$ 8,794
Deferred income tax liabilities				
Temporary difference				
Share of profit of foreign subsidiaries accounted for using the equity method	$ 45,197	$ 47,507	$ -	$ 92,704
Exchange differences on the financial statements of foreign operations	-	-	4,820	4,820
Others	-	1,836	-	1,836
	$ 45,197	$ 49,343	$ 4,820	$ 99,360

(V) Authorization of income tax

The income tax returns of the Company up to 2023 have been approved by the tax authorities.

XXII. Earnings per share

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

Net income for the year

	2025	2024
Net income for the year	$740,775	$669,589

Number of shares (unit: thousand)

	2025	2024
Weighted average number of ordinary shares for calculation of basic earnings per share	58,284	56,708
Potential dilutive ordinary shares		
Employee share warrants	165	573
Remuneration to employees	471	374
Weighted average number of ordinary shares for calculation of diluted earnings per share	58,920	57,655

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.

XXIII. 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 NT$20,403 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 NT$180 per share. The Company transferred NT$20,403 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:

	2025		2024	
Employee share warrants	Unit (Thousands)	Weighted average exercise price (NTD)	Unit (Thousands)	Weighted average exercise price (NTD)
Beginning outstanding balance	906		1,343	
waived in the current year	-		(24)	
Implementation in the current year	(603)	$45.81	(413)	$28.96
Ending outstanding balance	303	$78.75	906	$57.77
Exercisable at the end of the year	303		174	

As of December 31, 2025, information on outstanding employee stock options is as follows:

Range of exercise price	Weighted average remaining contract term (years)
$28.06～118.4	2.12

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

	2022	2021
Grant-date stock price	NT$99.72	NT$29.26
Exercise price	NT$129.4	NT$30
Expected stock price volatility (%)	40.68~41.53	39.03～39.64
Expected duration (year)	4～4.5	4～5
Expected dividend yield	-	-
Expected subscription ratio (%)	100	100
Risk-free interest rate (%)	1.12~1.13	0.26～0.28

The remuneration expenses recognized for 2025 and 2024 were NTD1,648 thousand and NTD4,494 thousand, respectively, and the same amounts were recognized as capital reserve - employee stock options.

In 2025 and 2024, the exercise of employee stock options resulted in the transfer of related capital surplus - employee stock options amounting to NTD7,503 thousand and NTD3,853 thousand respectively to capital surplus - additional paid-in capital from share issuance.

XXIV. 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:

	2025	2024
Opening balance	$ 12,570	$ 16,384
Recognition of fair value differences for the current year	6,680	3,041
Recognized in the current year (recorded under other income)	(4,176)	(6,855)
Closing balance	$ 15,074	$ 12,570

Book value of deferred income	December 31, 2025	December 31, 2024
Deferred revenue	$ 3,319	$ 4,107
Long-term deferred revenue	11,755	8,463
	$ 15,074	$ 12,570

XXV. Non-cash transactions

In 2025 and 2024, the Company engaged in the following non-cash transactions in investment activities:

	2025	2024
Investment activities that affect both cash and non-cash items		
Increase in property, plant and equipment	$ 801,531	$ 659,356
Decrease (increase) of payables for equipment	(101,686)	13,190
Prepaid equipment purchase increase (decrease)	104,720	(46,456)
Capitalized interest	(2,835)	-
Amount of cash paid	$ 801,730	$ 626,090
Increase in intangible assets	$ 37,138	$ 33,072
Decrease (increase) in other payables	1,111	(4,467)
Amount of cash paid	$ 38,249	$ 28,605

XXVI. Capital risk management

The Company conducts capital management to ensure that it can effectively use capital and ensure the smooth operation of the Company by optimizing the balance of debt and equity under the premise of continuing to operate.

The company's 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's management believes that the carrying amount of financial assets and financial liabilities not measured at fair value approximates their fair value.

(II) Type of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Measured at amortized cost (Note 1)	$1,316,292	$1,445,513
Financial liabilities		
Measured at amortized cost (Note 2)	1,752,406	1,315,417

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

Note 2: The balances include financial liabilities measured at amortized cost, including short-term borrowings, accounts payable, other payables, and long-term borrowings (including long-term borrowings due within one year).

(III) Financial risk management objectives and policies

The company's primary financial instruments include accounts receivable, short and long-term borrowings, accounts payable, and lease liabilities. The finance management department provides services to various business units, coordinating and facilitating operations in the domestic financial market. This is achieved through internal risk reports that monitor and manage the company's financial risks based on the degree and scope of exposure. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The Company's significant financial activities are conducted by the Board of Directors in accordance with relevant regulations, internal control systems, and management policies. Internal audit personnel continuously review compliance with policies and risk exposure levels. The Company does not engage in transactions involving financial instruments (including derivative instruments) for speculative purposes.

1. Market risk

The main financial risks borne by the Company's operating activities are the risk of changes in foreign currency exchange rates (see (1) below) and the risk of changes in interest rates (see (2) below).

The Company's exposure to market risks of financial instruments and the management and measurement of such exposures have not changed.

(1) Exchange rate risk

The Company engages in activities such as sales and purchase transactions, capital expenditures, and equity investment that are not denominated in non-functional currencies, resulting in exchange rate risk. The Company's foreign exchange risk management involves, within the scope permitted by policy, entering into forward exchange contracts, utilizing purchased foreign currency deposits, and netting foreign currency receivables and payables of the same currency arising from transactions, in order to manage and mitigate risk exposure.

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

The Company was 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.

	2025	2024
Impact of USD		
Net income before tax	$ 2,392	$ 1,990
Impact of RMB		
Net income before tax	2,097	2,536

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

The Company borrows funds at floating interest rates, resulting in interest rate risk. The Company manages 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 with exposure to the interest rate risk at the balance sheet date are as follows:

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial assets	$ 270,000	$ 419,178
Financial liabilities	145,104	168,750
Cash flow interest rate risk		
Financial assets	593,626	722,519
Financial liabilities	1,271,394	975,535

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 to report interest rates to key management is an increase or decrease of 1%, which also represents management's assessment of the reasonably possible range of interest rates.

If the interest rate on financial liabilities increased/decreased by 1%, with all other variables holding constant, the pre-tax net income for fiscal years 2025 and 2024 would have decreased/increased by NTD12,714 thousand and NTD9,755 thousand, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As of the balance sheet date, the company's maximum credit risk exposure to financial losses, primarily arising from counterparty non-performance and financial

guarantees provided by the company (not considering collateral or other credit enhancement mechanisms, and representing the maximum irrevocable exposure), mainly comes from:

(1) The book value of financial assets recognized in the parent company only balance sheets.

(2) The amount of contingent liabilities arising from the provision of financial guarantees by the Company.

All of the company's 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's 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:

Customer name	December 31, 2025	December 31, 2024
Company A	$138,716	$ 26,147
Company B	60,441	87,024
Company C	48,655	45,826
Company D	34,246	33,739

The maximum credit risk exposure amount of the financing guarantee provided by the Company to subsidiaries is as follows:

	Book value	Maximum credit risk exposure
December 31, 2025		
Off-balance sheet commitments and guarantees	$ -	$ -
December 31, 2024		
Off-balance sheet commitments and guarantees	$ -	$108,191

3. Liquidity risk

The Company manages and maintains sufficient cash to support its operations and mitigate the impact of cash flow fluctuations. It also monitors the use of the bank's financing facilities at all times and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company. As of December 31, 2025, and 2024, the company had unused bank financing limits of NTD4,257,180 thousand and NTD3,530,000 thousand, respectively, thus there is no liquidity risk due to inability to raise funds to fulfill contractual obligations.

The table below shows the company's non-derivative financial liabilities, analyzed by the remaining contractual maturities at the agreed repayment periods and based on the earliest date on which the company could be required to pay, prepared using the undiscounted cash flows (including both interest and principal cash flows).

Bank loans that could be demanded for immediate repayment by the company are listed in the earliest period in the following table, without considering the likelihood of the banks exercising this right immediately. Other non-derivative financial liabilities are analyzed according to their contractual repayment dates.

December 31, 2025

	Within 1 year	1 to 5 years	More than 5 years	Total
Non-interest-bearing liabilities	$ 481,012	$ -	$ -	$ 481,012
Instruments with floating interest rates	173,823	893,044	288,879	1,355,746
Lease liabilities	32,711	79,597	40,361	152,669
	$ 687,546	$ 972,641	$ 329,240	$ 1,989,427

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 32,711	$ 79,597	$ 40,361	$ -

December 31, 2024

	Within 1 year	1 to 5 years	More than 5 years	Total
Non-interest-bearing liabilities	$ 339,882	$ -	$ -	$ 339,882
Instruments with floating interest rates	165,921	847,665	-	1,013,586
Lease liabilities	32,665	93,250	52,492	178,407
Financial guarantee liabilities	108,191	-	-	108,191
	$ 646,659	$ 940,915	$ 52,492	$ 1,640,066

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 32,665	$ 93,250	$ 52,492	$ -

XXVIII. Related party transactions

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company
Jiangsu Vizionfocus Inc.	Subsidiary
Star Focus Inc. (Star Focus)	Subsidiary
Optical Connection Technology Inc. （OCTI）	Subsidiary
An Shih	Key management personnel of the Company
Chang Wah Electromaterials Inc.	Serving as the Company's institutional director

(II) Operating revenue

Presentation account	Category/Name of related party	2025	2024
Sales revenue	Subsidiary	$ 76,235	$ -
Service revenue	Jiangsu Vizionfocus Inc.	68,079	56,163
Others	Jiangsu Vizionfocus Inc.	11,377	28,124
	Subsidiary	130	-
		$ 155,821	$ 84,287

Revenue from sales of goods primarily relates to the sale of contact lenses. Transaction prices and terms do not differ materially from those with unrelated parties. Unrealized gross profit on sales arising from the Company's transactions with its subsidiaries has been eliminated.

The company primarily generates service revenue by providing its subsidiaries with technical consulting services related to the licensing, operational management, product development, and manufacturing of contact lenses.

Transaction prices are determined based on actual labor costs incurred, plus a profit margin and reimbursed out-of-pocket expenses; no comparable transactions with unrelated parties are available for reference.

Other operating revenue is mainly from the sale of contact lens raw materials for trial production of the process. There is no non-related party transaction for comparison, and the payment terms are equivalent to the payment period of a general customer.

(III) Purchase of goods

Category/Name of related party	2025	2024
Subsidiary	$ 659	$ 2

Transaction prices and terms between the Company and its subsidiaries do not differ materially from those with unrelated parties.

(IV) Closing balance

Presentation account	Category/Name of related party	December 31, 2025	December 31, 2024
Accounts receivable	Subsidiary	$ 45,647	$ 23,861
Other receivables	Jiangsu Vizionfocus Inc.	$ 8,077	$ 5,266
	Subsidiary	260	-
		$ 8,337	$ 5,266
Accounts payable	Subsidiary	$ 136	$ -
Other payables	Subsidiary	$ 4,657	$ 3,389

(V) Endorsements and guarantees

Category/Name of related party	December 31, 2025	December 31, 2024
Subsidiary		
Guarantee amount	$ -	$108,191
The actual amount drawn down	-	-

(VI) Remuneration of key management personnel

	2025	2024
Short-term employee benefits	$ 52,984	$ 48,492
Post-employment benefits	702	688
	$ 53,686	$ 49,180

(VII) Other related party transactions

1. Other income

Category/Name of related party	2025	2024
Jiangsu Vizionfocus Inc.	$ 24,613	$ 22,405

Represents royalty income from assisting subsidiaries in building plant and equipment, applying for product licenses, and providing guidance on resources.

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.

XXIX. Pledged assets

The Company provides the following assets as collateral for long-term loans:

	Book value	
	December 31, 2025	December 31, 2024
Land	$ 705,898	$ -

XXX. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2025, the company has entered into contracts to purchase property, plant, and equipment with a total contract value of approximately NTD2,073,537 thousand, with an unrecorded commitment amounting to NTD882,018 thousand.

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

The information below is summarized and expressed in foreign currencies other than the Company's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The Company's foreign currency financial assets and liabilities with significant impact are as follows:

Unit: Each foreign currency in thousands

	Foreign currency	Exchange rate		Carrying amount
December 31, 2025				
Monetary item - foreign currency assets				
USD	$ 8,233	31.430	(USD:NTD)	$ 258,753
RMB	48,095	4.496	(RMB:NTD)	216,235
JPY	7,585	0.2008	(JPY:NTD)	1,523

(To be Continued)

(Continued from previous page)

	Foreign currency	Exchange rate		Carrying amount
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
USD	$ 1,424	31.430	(USD:NTD)	$ 44,746
RMB	341,389	4.496	(RMB:NTD)	1,534,886
Monetary item foreign currency liabilities				
USD	621	31.430	(USD:NTD)	19,509
RMB	1,459	4.496	(RMB:NTD)	6,558
JPY	9,656	0.2008	(JPY:NTD)	1,939
December 31, 2024				
Monetary item - foreign currency assets				
USD	6,869	32.785	(USD:NTD)	225,193
RMB	57,501	4.478	(RMB:NTD)	257,488
JPY	4,469	0.2099	(JPY:NTD)	938
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	283,045	4.478	(RMB:NTD)	1,267,474
Monetary item foreign currency liabilities				
USD	798	32.785	(USD:NTD)	26,161
RMB	878	4.478	(RMB:NTD)	3,932
JPY	2,101	0.2099	(JPY:NTD)	441

For the fiscal years 2025 and 2024, the net foreign exchange gains and losses were a loss of NTD326 thousand and a gain of NTD27,142 thousand, respectively. Due to the variety of functional currencies involved in foreign currency transactions, it is not feasible to disclose exchange gains and losses for each significant currency.

XXXII. Disclosures in notes

(I) Significant transactions and (II) Information on investees

1. Loans to others: None.
2. Endorsements/guarantees for others: None.
3. Material holdings of marketable securities held at year-end (excluding investments in subsidiaries, associates, and joint venture interests): None.
4. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
6. Information on investees: Please refer to Table 1.

(II) Mainland China Investment Information

1. Details regarding the invested companies in Mainland China, including their names, main business activities, actual capital received, investment methods, capital inflow and outflow, shareholding percentages, profits and losses for the current year, recognized investment income and losses, carrying amount of investments at year-end, repatriated investment gains or losses, and investment ceiling for investments in Mainland China: Refer to Table 2.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   (1) Amount and percentage of purchases and related payables at the end of the year: None.
   (2) Amount and percentage of sales and related receivables at the end of the year: None.
   (3) The amount of property transactions and the amount of the resulting gain or loss: None.
   (4) Year-end balance of notes endorsed or guaranteed or collateral provided, and the purpose thereof: None.
   (5) The maximum balance, ending balance, interest rate range, and total interest of the year for capital financing: None.
   (6) Other transactions that have a significant impact on the profit or loss or financial position for the year, such as the rendering or receipt of services: Refer to Note 28.

XXXIII. Department information

The parent company only financial statements are exempted from compiling segment information.

VIZIONFOCUS INC. and subsidiaries

Information on investees

January 1 to December 31, 2025

Table 1

Unit: NTD Thousand

(unless otherwise stated)

Name of Investment Company	Name of investee	Location of the area	Main business items	Initial investment amount		Held at the end of the year			Profit (loss) of investee companies for the current year	Investment gains (losses) recognized for the current year	Notes
				End of current year	End of last year	Number of shares	Percentage (%)	Carrying amount			
The Company	Green Wealth Investments Limited (Samoa)	Samoa	International investment	$ 1,097,607	$ 1,097,607	35,692,609	100	$ 1,534,886	$ 252,808	$ 252,808	
The Company	Star Focus Inc.	Taiwan	Medical device sales	24,400	100	2,440,000	40.67	20,355	7,053	2,868	
The Company	Optical Connection Technology Inc.	USA	Medical device sales	64,607	-	2,000,000	98.77	40,607	(18,197)	(17,973)	
Green Wealth Investments Limited (Samoa)	Clear Precise Investments Limited (Samoa)	Samoa	International investment	1,097,607	1,097,607	35,692,609	100	1,534,886	252,808	252,808	

VIZIONFOCUS INC. and subsidiaries

Mainland China Investment Information

January 1 to December 31, 2025

Table 2

Unit: NTD Thousand

(unless otherwise stated)

Name of investee company in Mainland China	Main business items	Paid-up capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or recovered in the current year		Accumulated investment amount remitted from Taiwan at the end of the year	Net income of investees for the year	The Company's shareholding ratio in direct or indirect investments (%)	Investment gains recognized in the current year	Book value of investments at the end of the year	Repatriated investment income by the end of the current year	Notes
					Remitted	Recovered							
Jiangsu Vizionfocus Inc.	R&D, design, and production of contact lens; wholesale and import and export of similar products of the above-mentioned products.	$ 720,259	(2)	$1,097,607	$ -	$ -	$1,097,607	$ 316,010	80	$ 252,808	$1,534,861	$ -	Note 2

Name of Investment Company	Cumulative Amount of Outward Remittance from Taiwan for Investment in the Current Year	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Limit of the Company's investment in Mainland China (Note 3)
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: The recognition and disclosure are based on the financial statements audited by the Company's CPAs.

Note 3: This is in accordance with Point 3 of the "Principles for Reviewing Investments or Technical Cooperation in Mainland China," revised and issued by the Ministry of Economic Affairs 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.

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VIZIONFOCUS INC.

Statement of Cash and Cash Equivalents

December 31, 2025

Statement 1 Unit: NTD Thousand (unless otherwise stated)

Item	Abstract	Amount	Maturity Date	Interest rate (%)
Working capital		$ 81		
Bank deposits				
Check deposits		3,065		
Demand deposits		470,247		
Foreign currency demand deposit	RMB7,640,623.43	34,352		
	USD1,832,781.15	57,604		
	JPY7,585,873.00	1,523		
Cash equivalents (investment with original maturity date of less than 3 months)				
Time deposits in banks		150,000	January 10, 2026	1.225～1.6
Commercial paper		100,000	January 14, 2024	1.4
		$ 816,872		

Note RMB converted at the exchange rate of CNY$1 = NT$4.4960.

USD at the exchange rate of US$1 =NT$31.4300.

JPY converted at the exchange rate of JPY$1 = NT$0.2008.

VIZIONFOCUS INC.

Statement of Accounts Receivable

December 31, 2025

Statement 2 Unit: NTD Thousand

Customer name	Amount	Notes
Related party		
Jiangsu Vizionfocus Inc.	$ 19,662	Payment for services and others
Star Focus	25,507	Sales Revenue
Others (Note)	478	Sales Revenue
	45,647	
Non-related party		
Company A	138,716	Sales Revenue
Company B	60,441	Sales Revenue
Company C	48,655	Sales Revenue
Company D	34,246	Sales Revenue
Company E	31,976	Sales Revenue
Others (Note)	75,376	Sales Revenue
	389,410	
Less: Loss allowance	-	
	389,410	
	$435,057	

Note: The balance of each item did not exceed 5% of the balance of this item.

VIZIONFOCUS INC.

Statement of Inventories

December 31, 2025

Statement 3 Unit: NTD Thousand

Item	Amount	
	Book value (Note 1)	Market price (Note 2)
Raw materials	$ 36,759	$ 38,303
Materials	29,270	29,753
Work in process	46,943	66,805
Semi-finished product	3,985	3,985
Finished goods	103,563	196,290
	$220,520	$335,136

Note 1: This refers to the net amount after deducting the allowance for inventory depreciation and obsolete losses.

Note 2: The market price basis is referred to in Note 4 of the parent company's financial statements.

VIZIONFOCUS INC.

Statement of prepayments

December 31, 2025

Statement 4 Unit: NTD Thousand

Item	Amount
Input tax	$ 70,871
Prepayment for purchase	12,619
Prepaid expenses	4,545
Others (Note)	2,032
	$ 90,067

Note: The balance of each item did not exceed 5% of the balance of this item.

VIZIONFOCUS INC.

Statement of Changes in Investment Under the Equity Method

2025

Statement 5

Unit: NTD Thousand

(unless otherwise stated)

Investee	Opening balance		Investments added during the current year		Investments disposed of during the current year		Amount of increase (decrease) during the current year (Note 1)	Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	Closing balance			Net worth (Note 2)		Guarantee or pledge	Notes
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount			Number of shares	Shareholding ratio (%)	Amount	Unit price (NTD)	Total price		
Unlisted company															
Green Wealth Investments Limited	35,692,609	$1,267,474	-	$ -	-	$ -	$ 14,604	$ 252,808	35,692,609	100%	$1,534,886	$ 43.00	$1,534,886	None	
Star Focus Inc.	10,000	51	2,430,000	24,300	-	-	(6,864)	2,868	2,440,000	40.67%	20,355	11.17	27,248	None	
Optical Connection Technology Inc.	-	-	2,000,000	64,607	-	-	(6,027)	(17,973)	2,000,000	98.77%	40,607	22.37	44,746	None	
		$1,267,525		$ 88,907		$ -	$ 1,713	$ 237,703			$1,595,848		$1,606,880		

Note 1: Represents unrealized gains or losses on downstream transactions, adjustments for translation of financial statements of foreign operations recognized as increases (decreases), and the difference between the actual acquisition or disposal price of subsidiary equity interests and their carrying amounts.

Note 2: The net equity value is mainly calculated based on the shareholding ratio in the financial statements of the invested company.

VIZIONFOCUS INC.

Statement of Changes in Right-of-use Assets

2025

Statement 6 Unit: NTD Thousand

Item	Opening balance	Increase this year	Decrease this year	Closing balance
Cost				
Land	$ 3,799	$ -	$ -	$ 3,799
Buildings	304,673	10,982	(6,806)	308,849
Machinery and equipment	488	-	-	488
Total	308,960	$ 10,982	$ (6,806)	313,136
Accumulated depreciation				
Land	1,868	$ 380	$ -	2,248
Buildings	146,644	29,028	(2,202)	173,470
Machinery and equipment	163	163	-	326
Total	148,675	$ 29,571	$ (2,202)	176,044
	$ 160,285			$ 137,092

VIZIONFOCUS INC.

Statement of short-term borrowings

December 31, 2025

Statement 7

Unit: NTD Thousand

(unless otherwise stated)

Type of borrowing and creditor bank	Duration of loan	Interest rate per annum (%)	Balance	Financing limit	Collateral or Guarantees
Credit loans					
Mega Bank	2025.12.15 - 2026.01.15	1.7	$ 20,000	$ 20,000	None

VIZIONFOCUS INC.

Statement of Accounts Payable

December 31, 2025

Statement 8 Unit: NTD Thousand

Supplier name	Amount
Company A	$ 22,357
Company B	19,024
Company C	18,705
Company D	14,339
Company E	14,168
Company F	14,146
Company G	10,043
Others (Note)	25,821
	$138,603

Note: The balance of each item did not exceed 5% of the balance of this item.

VIZIONFOCUS INC.

Statement of long-term borrowings

December 31, 2025

Statement 9

Unit: NTD Thousand

(unless otherwise stated)

Type of borrowing and creditor bank	Duration of loan	Interest rate per annum (%)	Due within one year	Expires in one year	Total	Collateral or Guarantees
Credit loans						
Mega Bank	2021.02.01～2032.05.15	0.825～1.80	$ 89,910	$ 227,804	$ 317,714	None
Chang Hwa Bank	2021.02.05～2030.10.15	0.725～1.72	31,336	45,941	77,277	None
E.SUN Commercial Bank	2025.03.17～2035.03.15	1.62	121	420,749	420,870	None
Hua Nan Commercial Bank	2021.02.05～2032.06.10	0.775～1.80	18,637	6,881	25,518	None
CTBC Bank	2025.10.15～2032.10.15	1.7	-	5,209	5,209	None
			140,004	706,584	846,588	
Secured borrowings						
E.SUN Commercial Bank	2023.08.08～2027.08.08	1.82	-	419,880	419,880	Land
Less: Deferred revenue			3,319	11,755	15,074	
			$136,685	$ 1,114,709	$1,251,394	

VIZIONFOCUS INC.

Statement of Lease Liabilities

December 31, 2025

Statement 10

Unit: NTD Thousand

(unless otherwise stated)

Item	Abstract	Duration of lease contract	Discount rate (%)	Balance
Land	Rental car space	2020.02.01～2030.01.31	1.605	$ 1,625
Buildings	Lease of factory premises	2018.09.01～2034.08.31	1.247～1.605	143,315
Machinery and equipment	Telephone equipment lease	2024.01.01～2026.12.31	1.023	164
				145,104
Less: Recognized as current portion				30,744
				$ 114,360

VIZIONFOCUS INC.

Statement of Operating Revenue

2025

Statement 11 Unit: NTD Thousand

(unless otherwise stated)

Item	Quantity (KPCs)	Amount
Net sales revenue		
Contact lens - injection molded sheet	386,008	$ 2,145,539
Service revenue (Note 1)		68,079
Other operating revenue (Note 2)		12,699
		$ 2,226,317

Note 1: It represents revenue from technical services.

Note 2: Revenue from sales of packaging materials, cartons, and raw materials.

VIZIONFOCUS INC.

Statement of Operating Cost

2025

Statement 12 Unit: NTD Thousand

Item	Amount
Cost of production and sales	
Raw materials, beginning of the year	$ 27,391
Annual purchase of materials	336,251
Raw materials, year-end	(36,759)
Others	(18,588)
Consumption of raw materials	308,295
Materials at beginning of the year	26,605
Annual purchase of materials	200,392
Closing materials	(29,270)
Others	(85,071)
Consumed supplies	112,656
Direct labor	307,686
Manufacturing overhead	592,060
Manufacturing cost	1,320,697
Work in process, beginning of the year	42,424
Work in process, year-end	(46,943)
Cost of finished goods	1,316,178
Finished goods, beginning of the year	102,132
Semi-finished goods, beginning of the year	8,072
Finished goods, year-end	(103,563)
Semi-finished products, year-end	(3,985)
Others	(2,510)
	1,316,324
Income from sale of scraps and scraps	(8,738)
Cost of labor services	64,677
Others	136
Operating cost	$1,372,399

VIZIONFOCUS INC.

Statement of Operating Expenses

2025

Statement 13 Unit: NTD Thousand

	Sales promotion expenses	Administrative expenses	R&D expenses	Total
Wages and salaries	$ 21,406	$ 40,063	$ 41,911	$ 103,380
Depreciation	71	1,245	7,963	9,279
Raw materials	-	-	9,137	9,137
Remuneration to directors	-	8,888	-	8,888
Import/export expenses	7,072	-	-	7,072
Consumables expense	-	-	6,821	6,821
Employee benefits	-	6,403	114	6,517
Freight charges	2,204	-	-	2,204
Others (Note)	11,476	18,707	20,357	50,540
	$ 42,229	$ 75,306	$ 86,303	$ 203,838

Note: The balance of each item did not exceed 5% of the balance of this item.

VIZIONFOCUS INC.

Summary statement of employee benefits, depreciation and amortization expenses by function

2025 and 2024

Statement 14 Unit: NTD Thousand

(unless otherwise stated)

	2025			2024		
	Operating cost	Operating expenses	Total	Operating cost	Operating expenses	Total
Employee benefit expense						
Salary	$377,185	$103,380	$480,565	$338,900	$ 91,654	$430,554
Insurance premium	32,305	6,455	38,760	29,485	5,999	35,484
Pension	10,241	2,801	13,042	9,618	2,679	12,297
Remuneration to directors	-	8,888	8,888	-	8,066	8,066
Others	24,510	11,540	36,050	21,675	8,511	30,186
	$444,241	$133,064	$577,305	$399,678	$116,909	$516,587
Depreciation	$233,418	$ 9,279	$242,697	$213,580	$ 8,237	$221,817
Amortization	4,362	1,784	6,146	6,217	1,728	7,945

Note 1: The average number of employees in 2025 and 2024 was 524 and 503, respectively, with six directors in each year who did not serve as employees.

Note 2: In addition, the following information shall be disclosed:

1. In 2025 and 2024, the average employee welfare expenses were NTD1,097 thousand and NTD1,023 thousand, respectively.
2. In 2025 and 2024, the average remuneration expenses were NTD928 thousand and NTD866 thousand respectively.
3. The adjustment in average employee remuneration expenses was 7%.
4. The Company does not have a supervisors.
5. Company Remuneration Policies:

(1) Remuneration policy for directors:

Managed in accordance with the company's articles of incorporation and the Remuneration Committee's organizational regulations, based on recommendations from the Remuneration Committee and resolutions of the Board of Directors.

A) Director Remuneration: According to the company's articles of incorporation, if the

company is profitable, a maximum of 1.5% of profits may be allocated as director remuneration by resolution of the Board.

B) Independent Director Remuneration: Fixed monthly remuneration is provided by the company, without additional director remuneration.

C) Travel Expenses: Directors who do not receive remuneration from the company as chairman or managers are paid travel expenses for attending meetings of committees established by the Board.

(2) Manager Remuneration Policy:

Managerial remuneration is devised (and regularly reviewed) by a Remuneration Committee, composed of independent directors appointed by the Board, based on performance evaluation systems, assessment results, and the related remuneration structures. Compensation for managers is benchmarked against industry norms and listed company standards, taking into account individual performance, company operational performance, and future risk considerations.

(3) Employee remuneration policy:

The main components of employee remuneration include base salary, bonuses, and employee benefits. Salaries are determined based on job responsibilities, market salary trends, the company's financial condition, and organizational structure. Bonuses and employee benefits reflect the company's profitability for the year in the employee remuneration package and are linked to individual performance evaluations. Upon joining the Company and until reaching the grade level corresponding to their position, employees are eligible for annual salary adjustments. The timing and magnitude of these adjustments depend on business conditions, prevailing market compensation trends, and individual performance. Salary adjustment levels are highly correlated with performance outcomes.