Stock Code: 4771

VIZIONFOCUS INC.
and subsidiaries

Consolidated Financial Statements
and Independent Auditor's Report
2025 and 2024

Address: 3F, No. 66, Youyi Road, Zhunan Township,
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Statement of Consolidated Financial Statements of Affiliated Enterprises

For the fiscal year 2025 (January 1, 2025, to December 31, 2024), the companies that are required to be included in the consolidated financial statements of related companies under the "Guidelines for the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Related Reports of Affiliated Companies" are the same as those required under IFRS 10 to be included in the parent-subsidiary consolidated financial statements. Since the required information for the consolidated financial statements of related companies is already disclosed in the aforementioned parent-subsidiary consolidated financial statements, there is no need to prepare separate consolidated financial statements for related companies.

We hereby declare

Company Name: VIZIONFOCUS INC.

Responsible person: Shiou-Chuang Huang

March 9, 2026

Independent Auditor's Report

To VIZIONFOCUS INC.:

Audit Opinions

The consolidated balance sheets of VIZIONFOCUS INC. and its subsidiaries as of December 31 for the years 2025 and 2024, as well as the consolidated comprehensive income statements, consolidated statements of changes in equity, consolidated cash flow statements, and notes to the consolidated financial statements (including a summary of significant accounting policies) for the period from January 1 to December 31 for the years 2025 and 2024, have been audited by our accountants.

According to the opinion of our accountants, these consolidated financial statements have been prepared in all material respects in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Announcements approved and issued by the Financial Supervisory Commission. They fairly present the consolidated financial position of VIZIONFOCUS INC. and its subsidiaries as of December 31 for the years 2025 and 2024, and the consolidated financial performance and cash flows from January 1 to December 31 for the years 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 Consolidated Financial Statements" section. We are independent of VIZIONFOCUS INC. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the regulations. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most

significance in the audit of the consolidated financial statement of VIZIONFOCUS INC. and its subsidiaries for the year ended December 31, 2025. These matters are addressed in our audit of the consolidated financial statements and in the formation of our opinion. The CPAs do not express an independent opinion on these matters.

Key audit matters for the consolidated financial statements of VIZIONFOCUS INC. and its subsidiaries for the year ended December 31, 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 of the consolidated financial statement. 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.

Other matters

We have prepared the parent company only financial statements for 2025 and 2024, for which we have issued an unqualified opinion for reference.

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

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

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

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

The responsibility of an accountant in auditing consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements due to fraud or error; design and implement appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence to serve as the basis for the audit opinion. Due to the possibility of fraud involving collusion, forgery, intentional omission, false statements, or bypassing internal controls, the risk of material misstatement due to fraud is considered higher than the risk due to error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances; the purpose is not to express an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

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's adoption of the accounting basis for continuing operations, and whether there is significant uncertainty in the events or conditions that may cause significant doubts about the ability of VIZIONFOCUS INC. and its subsidiaries to continue to operate. If our auditor considers that there is a significant uncertainty associated with events or conditions that may cast significant doubt on the entity's ability to continue as a going concern, they must draw attention in the audit report to the related disclosures in the consolidated financial statements, or modify the audit opinion in case the disclosures are inappropriate. Our conclusion is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and implementation of the audit case, and is responsible for forming the audit opinions of VIZIONFOCUS INC. and its subsidiaries.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of Falcon Company and its subsidiaries for the year ended December 31, 2025 and which are therefore the key audit matters. Our auditor states such matters in the audit report, unless the law

prohibits the public disclosure of specific information, or in extremely rare circumstances, the auditor decides not to communicate specific matters in the audit report because it is reasonably foreseeable that the adverse consequences of such communication would outweigh the public interest served.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2026

Notice to Readers

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

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

VIZIONFOCUS INC. and subsidiaries

Consolidated Balance Sheet

December 31, 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)	$ 989,443	15	$ 1,180,126	20
1150	Notes receivable (Note 4 & 8)	11,965	-	8,514	-
1170	Accounts receivable (Note 4, 8, & 29)	879,873	12	632,907	11
1200	Other receivables	2,051	-	1,700	-
1220	Current income tax assets (Note 4 and 21)	14,130	-	6,172	-
130X	Inventories (Note 4, 5, & 9)	360,698	5	288,598	5
1410	Prepayments (Note 29)	98,576	1	59,448	1
1476	Other financial assets – current (Note 7 & 30)	299,728	4	253,800	4
1479	Other current assets	1,972	-	215	-
11XX	Total current assets	2,658,436	37	2,431,480	41
	Non-current assets				
1600	Property, plant and equipment (Note 4, 11, 29 & 30)	3,725,697	54	2,995,474	51
1755	Right-of-use assets (Note 4, 12 & 29)	303,888	4	353,720	6
1780	Intangible assets (Note 4 & 13)	159,686	2	112,676	2
1840	Deferred income tax assets (Note 4 and 21)	10,548	-	9,407	-
1915	Prepayment for equipment (Note 29)	189,403	3	24,466	-
1920	Refundable deposits (Note 29)	13,452	-	12,424	-
1990	Other non-current assets	-	-	64	-
15XX	Total non-current assets	4,402,674	63	3,508,231	59
1XXX	Total assets	$ 7,061,110	100	$ 5,939,711	100
Code	Liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Note 14)	$ 20,000	-	$ -	-
2130	Contract liabilities – current (Note 4 & 19)	21,318	-	4,384	-
2150	Notes payable (Note 15)	3,014	-	-	-
2170	Accounts payable (Note 15)	250,187	4	194,453	3
2200	Other payables (Note 16 & 29)	479,658	7	336,152	6
2230	Current income tax liabilities (Note 4 & 21)	76,121	1	66,412	1
2280	Lease liabilities – current (Note 4, 12 & 29)	52,301	1	48,588	1
2313	Deferred revenue (Note 14 & 24)	3,319	-	4,107	-
2322	Long-term borrowings due within one year (Note 14, 29 & 30)	136,685	2	156,078	3
2399	Other current liabilities	1,524	-	434	-
21XX	Total current liabilities	1,044,127	15	810,608	14
	Non-current liabilities				
2540	Long-term borrowings (Note 14, 29 & 30)	1,114,709	17	819,457	14
2570	Deferred income tax liabilities (Note 4 &21)	219,285	3	138,820	2
2580	Lease liabilities – non-current (Note 4, 12 & 29)	260,143	4	311,051	5
2630	Long-term deferred revenue (Note 14 & 24)	11,755	-	8,463	-
2640	Net defined benefit liabilities (Note 4 & 17)	2,550	-	1,478	-
2670	Other non-current liabilities	13	-	237	-
25XX	Total non-current liabilities	1,608,455	24	1,279,506	21
2XXX	Total liabilities	2,652,582	39	2,090,114	35
	Equity attributable to owners of the Company (Note 18)				
	Capital stock				
3110	Common stock capital	585,277	8	579,247	10
3140	Advance Receipts for Share Capital	-	-	5,498	-
3100	Total Share Capital	585,277	8	584,745	10
3200	Capital reserve	1,851,365	26	1,828,095	31
	Retained earnings				
3310	Statutory Reserve	149,592	2	82,650	1
3320	Special reserves	-	-	9,499	-
3350	Undistributed earnings	1,368,819	19	1,008,471	18
3300	Total retained earnings	1,518,411	21	1,100,620	19
3400	Other equity				
3410	Foreign Currency Translation Adjustment	29,448	-	19,275	-
31XX	Total owners' equity of the Company	3,984,501	55	3,532,735	60
36XX	Non-controlling interests (Note 10 & 18)	424,027	6	316,862	5
3XXX	Total equity	4,408,528	61	3,849,597	65
3X2X	Total liabilities and equity	$ 7,061,110	100	$ 5,939,711	100

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

VIZIONFOCUS INC. and subsidiaries

Consolidated 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 & 29)	$ 3,487,442	100	$ 3,002,007	100
5000	Operating costs (Note 9, 20 & 29)	2,061,451	59	1,823,088	61
5900	Gross operating profit	1,425,991	41	1,178,919	39
	Operating expenses (Note 8 & 20)				
6100	Sales promotion expenses	100,776	3	52,177	1
6200	Administrative expenses	146,266	4	109,408	4
6300	R&D expenses	174,413	5	145,179	5
6450	Expected credit reversal gain	(1,425)	-	(15,721)	(1)
6000	Total operating expenses	420,030	12	291,043	9
6900	Net operating profit	1,005,961	29	887,876	30
	Non-operating income and expenses (Note 20 & 29)				
7100	Interest revenue	19,366	1	18,473	1
7010	Other income	17,873	-	13,628	-
7020	Other gains and losses	(7,557)	-	29,169	1
7050	Finance Costs	(26,256)	(1)	(28,836)	(1)
7000	Total non-operating income and expenses	3,426	-	32,434	1
7900	Net income before tax	1,009,387	29	920,310	31
7950	Income tax expense (Note 4 & 21)	201,449	6	191,337	7
8200	Net income for the year	807,938	23	728,973	24

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Code		2025 Amount	2025 %	2024 Amount	2024 %
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	16,327	-	44,958	1
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	13,441	-	37,593	1
8500	Total comprehensive income for the year	$ 821,379	23	$ 766,566	25
	Net profit attributable to				
8610	Owners of the Company	$ 740,775	21	$ 669,589	22
8620	Non-controlling interests	67,163	2	59,384	2
8600		$ 807,938	23	$ 728,973	24
	Total comprehensive income attributable to				
8710	Owners of the Company	$ 750,605	21	$ 698,191	23
8720	Non-controlling interests	70,774	2	68,375	2
8700		$ 821,379	23	$ 766,566	25
	Earnings per share (Note 22)				
9710	Basic	$ 12.71		$ 11.81	
9810	Diluted	$ 12.57		$ 11.61	

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

VIZIONFOCUS INC. and subsidiaries

Consolidated Statement of Changes in Equity

For the years ended December 31, 2025 and 2024

Unit: NTD Thousand

		Equity attributable to owners of the Company											
		Capital stock				Retained earnings				Other equity			
Code		Common stock capital	Advance Receipts for Share Capital	Total	Capital reserve	Statutory Reserve	Special reserves	Undistributed earnings	Total	Foreign Currency Translation Adjustment	Total	Non-controlling interests	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	$ 248,487	$ 2,035,675
	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)	-	(187,263)
		-	-	-	-	27,149	9,499	(223,911)	(187,263)	-	(187,263)	-	(187,263)
D1	2024 net income	-	-	-	-	-	-	669,589	669,589	-	669,589	59,384	728,973
D3	Other comprehensive income after tax in 2024	-	-	-	-	-	-	(172)	(172)	28,774	28,602	8,991	37,593
D5	Total comprehensive income in 2024	-	-	-	-	-	-	669,417	669,417	28,774	698,191	68,375	766,566
E1	Capital increase in cash (Note 18)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263	-	1,195,263
N1	Share-based payment transactions (Note 18 & 23)	4,130	5,498	9,628	32,728	-	-	-	-	-	42,356	-	42,356
T1	Cost of share issuance (Note 18)	-	-	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Z1	Balance on December 31, 2024	579,247	5,498	584,745	1,828,095	82,650	9,499	1,008,471	1,100,620	19,275	3,532,735	316,862	3,849,597
	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)	-	(322,641)
		-	-	-	-	66,942	(9,499)	(380,084)	(322,641)	-	(322,641)	-	(322,641)
D1	2025 net income	-	-	-	-	-	-	740,775	740,775	-	740,775	67,163	807,938
D3	Other comprehensive income after tax in 2025	-	-	-	-	-	-	(343)	(343)	10,173	9,830	3,611	13,441
D5	Total comprehensive income in 2025	-	-	-	-	-	-	740,432	740,432	10,173	750,605	70,774	821,379
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 25)	-	-	-	29	-	-	-	-	-	29	35,571	35,600
N1	Share-based payment transactions (Note 18 & 23)	6,030	(5,498)	532	23,241	-	-	-	-	-	23,773	-	23,773
O1	Increase of non-controlling interests (Note 18)	-	-	-	-	-	-	-	-	-	-	820	820
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	$ 424,027	$ 4,408,528

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

VIZIONFOCUS INC. and subsidiaries

Consolidated Statements of Cash Flows

For the years ended 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	$ 1,009,387	$ 920,310
A20010	Income and expenses		
A20100	Depreciation expense	393,688	340,697
A20200	Amortization expense	15,637	14,656
A20300	Expected credit reversal gain	(1,425)	(15,721)
A20900	Finance Costs	26,256	28,836
A21200	Interest revenue	(19,366)	(18,473)
A21900	Share-based payment for remuneration	1,648	24,897
A22500	Disposal of property, plant and equipment losses (gains)	201	(21)
A23700	Impairment loss of non-financial assets	26,166	7,527
A29900	Others	2,082	2,960
A29900	Lease modification benefits	(24)	-
A29900	Amortization of deferred income	(4,176)	(6,855)
A30000	Net changes in operating assets and liabilities		
A31140	Notes receivable	(3,451)	(249)
A31150	Accounts receivable	(245,493)	(4,614)
A31180	Other receivables	(513)	1,405
A31200	Inventories	(100,515)	(42,307)
A31230	Prepayments	(39,128)	4,929
A31240	Other current assets	(1,757)	(147)
A31990	Other non-current assets	64	255
A32125	Contract liabilities	16,934	(1,895)
A32130	Notes payable	3,014	-
A32150	Accounts payable	55,734	12,226
A32180	Other payables	69,264	(5,670)
A32230	Other current liabilities	1,090	(4,580)
A32240	Net defined benefit liabilities	643	528
A32990	Other non-current liabilities	(224)	8
A33000	Cash inflow from operations	1,205,736	1,258,702
A33100	Interest received	19,528	19,581
A33300	Interest paid	(24,627)	(22,065)
A33500	Income tax paid	(124,127)	(116,870)
AAAA	Net cash inflow from operating activities	1,076,510	1,139,348

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Code		2025	2024
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	$ (1,151,734)	$ (900,225)
B02800	Proceeds from the disposal of property, plant and equipment	27	21
B03700	Increase in refundable deposits	(1,028)	(6,345)
B04500	Acquisition of intangible assets	(62,637)	(41,716)
B06500	Increase of other financial assets	(45,928)	(253,800)
BBBB	Net cash outflow from investing activities	(1,261,300)	(1,202,065)
	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	319,977
C01700	Repayment of long-term borrowings	(208,757)	(720,185)
C04020	Lease principal repayment	(47,926)	(46,068)
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
C05800	Changes in non-controlling interests	35,600	-
C09900	Share issuance cost	-	(3,000)
CCCC	Net cash inflow (outflow) from financing activities	(14,476)	426,187
DDDD	Effect of exchange rate changes on cash and cash equivalents	8,583	16,500
EEEE	Net increase (decrease) in cash and cash equivalents	(190,683)	379,970
E00100	Opening balance of cash and cash equivalents	1,180,126	800,156
E00200	Closing balance of cash and cash equivalents	$ 989,443	$ 1,180,126

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

VIZIONFOCUS INC. and subsidiaries

Notes to the consolidated financial statements

For the years ended 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 consolidated financial statements are presented in the Company's functional currency, NTD.

II. Date and procedure for adopting financial statements

This consolidated financial statement was released after being approved by the Board of Directors on March 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 and its subsidiaries' 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 approval date of these consolidated financial statements by the Board of Directors, the Company and its subsidiaries have assessed that the amendments to other standards will not have a significant impact on their financial position or 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 and its subsidiaries are required to assess whether they have 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 taxes, and discontinued operations categories.
- The income statement should present operating profit or loss, profit or loss before financing and taxes, as well as subtotals and totals of profit or loss.
- Providing guidance to strengthen aggregation and disaggregation requirements: The Company and its subsidiaries must identify assets, liabilities, equity,

income, expenses, and cash flows arising from individual transactions or other events, and classify and aggregate them based on common characteristics, so that each line item presented in the primary financial statements has at least one similar characteristic. Items of dissimilar nature should be presented separately in the primary financial statements and notes. The Company and its subsidiaries shall label items as "other" only when they cannot find more informative labels.

- Enhanced disclosure of management-defined performance measures: When the Company and its subsidiaries communicate publicly outside the financial statements and communicate management's view of a particular aspect of the overall financial performance to users of financial statements, they should disclose information related to management-defined performance measures in a single note to the financial statements, including a description of the measure, how it is calculated, its reconciliation with subtotals or totals specified in IFRS accounting standards, and the income tax and non-controlling interest effects of related reconciling items.

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

- When the Company and its subsidiaries 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 and its subsidiaries shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. If the Company and its subsidiaries are assessed to have specified principal business activities, they must consider the categories under which dividend income, interest income, 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 the aforementioned cash flows may be classified under only a single activity in the statement of cash flows.

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

IV. Summary of significant accounting policies

(I) Compliance Statement

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

(II) Basis of preparation

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

(IV) Basis of consolidation

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

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

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

For details on subsidiaries, ownership percentages, and business activities, refer to Note 10 and Tables 1 and 2.

(V) Foreign currency

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

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

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

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

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

(VI) Inventory

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

(VII) Property, plant and equipment

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

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

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

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

(VIII) Intangible assets

1. Acquired separately

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

2. Internally generated - research and development expenses

Research expenses are recognized as expenses when incurred.

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

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

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

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

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

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

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

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

3. Decommissioned

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

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

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

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

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

(X) Financial instruments

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

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

1. Financial assets

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

(1) Measurement type

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

Financial assets measured at amortized cost

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

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

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

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

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

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

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

Financial assets with credit impairment are those for which there is evidence that the issuer or debtor is experiencing significant financial difficulty, is in default, is likely to enter bankruptcy or other financial

reorganization, or where financial difficulties have caused the active market for that financial asset to disappear.

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

(2) Impairment of financial assets

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

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

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

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

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

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

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

(3) Derecognition of financial assets

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

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

2. Equity instrument

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) Removal of financial liabilities

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

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 and its subsidiaries.

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 derivative instruments is positive, they are classified as financial assets; when the fair value is negative, they are classified as financial liabilities.

(XI) Revenue recognition

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

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

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

The customer loyalty program of subsidiaries grants customers shopping credits redeemable against future purchases upon the purchase of goods. As such, credits provide a material right; the transaction price allocated to the shopping credits is recognized as a contract liability upon receipt and reclassified as a reduction of revenue upon redemption of the credits.

(XII) Leases

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

The Company and subsidiaries are lessees

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

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

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

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

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

(XIII) Government grants

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

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

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

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

(XIV) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

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

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

(XV) Share-based payment agreement

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

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

(XVI) Income tax

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

1. Current income tax

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

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

Major Sources of Estimation and Assumption Uncertainty

Valuation of inventories

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

VI. Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hands	$ 159	$ 146
Checks and demand deposits	719,284	760,802
Cash equivalents (investment with original maturity date of less than 3 months)		
Time deposits in banks	170,000	270,000
Commercial paper	100,000	100,000
Repurchase agreements	-	49,178
	$ 989,443	$ 1,180,126

VII. Other financial assets – current

	December 31, 2025	December 31, 2024
Time deposits with original maturity exceeding 3 months	$ 297,180	$ 253,800
Pledged time deposits (Note 30)	2,548	-
	$ 299,728	$ 253,800
Interest rate per annum (%)	1.35～1.65	1.445～2.05

VIII. Notes and accounts receivable

	December 31, 2025	December 31, 2024
Notes receivable		
Total book value measured at amortized cost - due to operations	$ 11,965	$ 8,514
Accounts receivable		
Total book value measured at amortized cost	$879,873	$634,380
Less: Loss allowance	-	1,473
	$879,873	$632,907

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

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

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

December 31, 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	$ 887,151	$ 3,186	$ 1,501	$ -	$ -	$ -	$ 891,838
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$ 887,151	$ 3,186	$ 1,501	$ -	$ -	$ -	$ 891,838

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	4～5	100	100	
Gross carrying amount	$ 638,552	$ 2,678	$ -	$ -	$ -	$ 1,664	$ 642,894
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	(1,473)	(1,473)
Amortized cost	$ 638,552	$ 2,678	$ -	$ -	$ -	$ 191	$ 641,421

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

	2025	2024
Opening balance	$ 1,473	$ 16,860
Reversal for the current year	(1,425)	(15,721)
Exchange rate effect	(48)	334
Closing balance	$ -	$ 1,473

IX. Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 62,401	$ 51,084
Materials	37,828	34,379
Work in process	56,960	51,967
Semi-finished product	4,730	8,618
Finished goods	165,240	142,550
Merchandise	33,539	-
	$360,698	$288,598

The components of the operating cost are as follows:

	2025	2024
Cost of goods sold	$2,041,941	$1,820,393
Loss on inventory valuation and obsolescence	26,166	7,527
Income from sale of scraps and scraps	(8,738)	(7,792)
Others	2,082	2,960
	$2,061,451	$1,823,088

X. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities in the consolidated financial statements are as follows:

Name of Investment Company	Name of subsidiary	Nature of business	Percentage of equity held		Description
			December 31, 2025	December 31, 2024	
The Company	Green Wealth Investments Limited (Green Wealth)	International investment	100	100	
The Company	Star Focus Inc. (Star Focus)	Medical device sales	40.67	100	Note 1
The Company	Optical Connection Technology Inc. (OCTI)	Medical device sales	98.77	-	Note 2
Green Wealth Investments Limited (Green Wealth)	Clear Precise Investments Limited (Clear Precise)	International investment	100	100	
Green Wealth Investments Limited (Green Wealth)	Vision Health Investments Limited (Vision Health)	International investment	100	100	Note 3
Clear Precise Investments Limited (Clear Precise)	Jiangsu Vizionfocus Inc.	R&D, design, and production of contact lens; wholesale and import and export of similar products of the above-mentioned products	80	80	

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

Note 2: 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.

Note 3: As of December 2025, the Company has not yet remitted investment funds and the subsidiary has no operational activities.

(II) Subsidiaries with significant non-controlling equity

	Shareholding and voting rights ratio held by non-controlling interests (%)	
Name of subsidiary	December 31, 2025	December 31, 2024
Jiangsu Vizionfocus Inc.	20.00	20.00

Please refer to Table 2 for information on principal places of business and countries of incorporation.

	Net profit for the year attributable to non-controlling interests		Non-controlling interests	
Name of subsidiary	2025	2024	December 31, 2025	December 31, 2024
Jiangsu Vizionfocus Inc.	$ 63,202	$ 59,384	$383,715	$316,862

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

	December 31, 2025	December 31, 2024
Current assets	$ 970,303	$ 760,006
Non-current assets	1,450,712	1,289,337
Current liabilities	(290,770)	(252,681)
Non-current liabilities	(211,669)	(212,352)
Equity	$1,918,576	$1,584,310
Equity attributable to		
Owners of the Company	$1,534,861	$1,267,448
Non-controlling interests of Jiangsu Vizionfocus Inc.	383,715	316,862
	$1,918,576	$1,584,310

	2025	2024
Net operating revenue	$1,313,034	$1,191,842
Net income for the year	$ 316,010	$ 296,920
Other comprehensive income	-	-
Total comprehensive income	$ 316,010	$ 296,920
Net profit attributable to		
Owners of the Company	$ 252,808	$ 237,536
Non-controlling interests of Jiangsu Vizionfocus Inc.	63,202	59,384
	$ 316,010	$ 296,920
Total comprehensive income attributable to		
Owners of the Company	$ 252,808	$ 237,536
Non-controlling interests of Jiangsu Vizionfocus Inc.	63,202	59,384
	$ 316,010	$ 296,920
Cash flow		
Operating activities	$ 438,898	$ 422,646
Investment activities	(378,996)	(514,642)
Financing activities	(16,075)	(16,888)
Effect of exchange rate changes	2,079	16,500
Net cash inflow (outflow)	$ 45,906	$ (92,384)

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	$ 1,997,948	$ 112,100	$ 7,630	$ 25,160	$ 303,450	$ 32,616	$ 832,306	$ 4,017,108
Addition	-	487,443	33,724	409	8,152	12,501	15,942	506,523	1,064,694
Disposition	-	(2,715)	-	-	(584)	-	(236)	-	(3,535)
Exchange difference, net	-	13,094	999	19	136	783	259	(389)	14,901
Balance on December 31, 2025	705,898	2,495,770	146,823	8,058	32,864	316,734	48,581	1,338,440	5,093,168
Accumulated depreciation									
Balance on January 1, 2025	-	781,222	68,618	6,020	18,763	132,117	14,894	-	1,021,634
Depreciation expense	-	268,971	23,316	851	4,844	35,770	9,449	-	343,201
Disposition	-	(2,487)	-	-	(584)	-	(236)	-	(3,307)
Exchange difference, net	-	4,329	563	6	87	913	45	-	5,943
Balance on December 31, 2025	-	1,052,035	92,497	6,877	23,110	168,800	24,152	-	1,367,471
Net as of December 31, 2025	$ 705,898	$ 1,443,735	$ 54,326	$ 1,181	$ 9,754	$ 147,934	$ 24,429	$ 1,338,440	$ 3,725,697

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

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

Machinery and equipment	3 to 10 years
Mold equipment	2 to 5 years
Transportation equipment	4 to 5 years
Office equipment	3 to 7 years
Leasehold improvements	3 to 14 years
Other equipment	2 to 10 years

Please refer to Note 30 for the amount of property, plant and equipment pledged by the Company and its subsidiaries 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	302,175	351,464
Machinery and equipment	162	325
	$303,888	$353,720

	2025	2024
Addition of right-of-use assets	$ 22,391	$196,490
Depreciation expense of right-of-use assets		
Land	$ 380	$ 380
Buildings	49,944	42,287
Machinery and equipment	163	163
	$ 50,487	$ 42,830

Except for the additions and depreciation expenses recognized listed above, the Company's and subsidiaries' right-of-use assets did not have significant sublease or impairment in 2025 and 2024.

(II) Lease liabilities

	December 31, 2025	December 31, 2024
Book value of lease liabilities		
Current	$ 52,301	$ 48,588
Non-current	$260,143	$311,051

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

	December 31, 2025	December 31, 2024
Land	1.605	1.605
Buildings	1.247～4.75	1.164～4.75
Machinery and equipment	1.023	1.023

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

The Company and its subsidiaries leased offices, plants, machinery and equipment, and parking spaces, and the lease periods have gradually expired before the end of December 2034. Upon termination of the lease term, the

Company and its subsidiaries have no preferential right to acquire the leased right-of-use assets, and it is agreed that the Company and its subsidiaries shall not sublease or transfer the subject of the lease, in whole or in part.

(IV) Other lease information

	2025	2024
Short-term and low-value lease expenses	$ 3,919	$ 1,910
Total cash outflows of all lease agreements (including short-term leases)	$ 60,986	$ 55,710

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

XIII. Intangible assets

	December 31, 2025	December 31, 2024
Computer software	$ 5,561	$ 4,839
Product certificate	78,777	60,253
Intangible assets under development	59,942	47,584
Other intangible assets (primarily consisting of customer relationships, customer lists, and trademark rights)	15,406	-
	$ 159,686	$ 112,676

2025

	Computer software	Product certificate	Intangible assets under development	Other intangible assets	Total
Cost					
Balance on January 1, 2025	$ 21,641	$ 96,511	$ 47,584	$ -	$ 165,736
Addition	4,595	-	41,430	16,321	62,346
Reclassification	-	28,699	(28,699)	-	-
Exchange difference, net	55	902	(373)	130	714
Balance on December 31, 2025	26,291	126,112	59,942	16,451	228,796
Accumulated amortization					
Balance on January 1, 2025	16,802	36,258	-	-	53,060
Amortization expense	3,886	10,715	-	1,036	15,637
Exchange difference, net	42	362	-	9	413
Balance on December 31, 2025	20,730	47,335	-	1,045	69,110
Net as of December 31, 2025	$ 5,561	$ 78,777	$ 59,942	$ 15,406	$ 159,686

2024

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

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
Other intangible assets	15 years

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

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 and its subsidiaries should comply with

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

Please refer to Note 29 and 30 for the status of joint guarantees and collateral provided for long-term borrowings by the Company and its subsidiaries.

XV. Notes payable and accounts payable

	December 31, 2025	December 31, 2024
Notes payable		
Arising from operations	$ 3,014	$ -
Accounts payable	$ 250,187	$ 194,453

The Company and its subsidiaries have financial risk management policies 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	$118,807	$ 43,745
Remuneration payable to employees and directors	100,028	90,270
Bonus payable	82,009	66,658
Payable insurance premiums and pensions	51,840	48,693
Salary payable	46,752	39,454
Others (consumables, repairs, and miscellaneous purchases)	80,222	47,332
	$479,658	$336,152

XVII. Post-employment benefit plan

(I) Defined contribution plan

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

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

(II) Defined benefit plan

The pension system under the Labor Standards Act applicable to some of the Company's employees is the defined benefit pension plan managed by the government. The payment of employee pension is based on the years of service and the average salary of the six months before the approved retirement date. The company allocates a fixed percentage of the total monthly salary of its employees to a retirement fund, which is deposited in a special account at Bank of Taiwan under the name of the Labor Pension Reserve Supervision Committee. If, by the end of the year, the estimated balance in the special account is insufficient to cover the payments for employees expected to meet the retirement criteria within the next year, the difference is allocated by the end of March of the following year. This fund is managed by the Bureau of Labor Funds, Ministry of Labor, and the company does not have the right to influence the investment management strategy.

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

	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)

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
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

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	December 31, 2025	December 31, 2024
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

(V) Non-controlling interests

	2025	2024
Opening balance	$ 316,862	$248,487
Net income for the year	67,163	59,384
Other comprehensive income for the year		
Foreign Currency Translation Adjustment	3,611	8,991
Changes in non-controlling interests due to subsidiary capital increase (Note 25)	35,571	-
Increase in non-controlling interests from acquisition of subsidiaries	820	-
Closing balance	$ 424,027	$316,862

XIX. Revenue

	2025	2024
Revenue from contracts with customers		
Merchandise sales revenue	$3,475,402	$2,993,619
Others	12,040	8,388
	$3,487,442	$3,002,007

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

(II) Contract balance

	December 31, 2025	December 31, 2024	January 1, 2024
Notes and accounts receivable	$891,838	$641,421	$621,171
Contract liabilities			
Sales of goods	$ 21,318	$ 4,384	$ 6,279

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	$ 4,383	$ 6,278

(III) Breakdown of revenue from customer contracts

2025

	Reporting department		
Type of income	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	$ 3,475,402	$ -	$ 3,475,402
Other operating revenue	-	12,040	12,040
	$ 3,475,402	$ 12,040	$ 3,487,442

2024

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

XX. Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	2025	2024
Bank deposits	$ 19,066	$ 18,389
Others	300	84
	$ 19,366	$ 18,473

(II) Other income

	2025	2024
Government grant income	$ 12,377	$ 7,115
Others	5,496	6,513
	$ 17,873	$ 13,628

(III) Other gains and losses

	2025	2024
Net gain (loss) on foreign currency exchange	$ (412)	$ 27,030
Net Loss on Financial Assets and Liabilities at Fair Value Through Profit or Loss	(4,727)	-
Gains (losses) on disposal of property, plant and equipment	(201)	21
Others	(2,217)	2,118
	$(7,557)	$ 29,169

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

	2025	2024
Foreign exchange gain	$ 52,631	$ 38,109
Total foreign currency exchange losses	(53,043)	(11,079)
Net gain (loss)	$ (412)	$ 27,030

(IV) Finance Costs

	2025	2024
Interest on bank borrowings	$ 19,946	$ 21,112
Interest on lease liabilities	9,141	7,732
Others	4	-
Total interest expenses of financial liabilities at fair value through profit and loss	29,091	28,844
Less: Amount to be included in the cost of eligible assets	2,835	8
	$ 26,256	$ 28,836

Information on interest capitalization is as follows:

	2025	2024
Amount of capitalized interest	$2,835	$ 8
Interest capitalized interest rate (%)	1.62	3.95

(V) Depreciation and amortization

	2025	2024
Property, plant and equipment	$343,201	$297,867
Right-of-use assets	50,487	42,830
Intangible assets	15,637	14,656
	$409,325	$355,353
Depreciation expenses by function		
Operating cost	$373,587	$325,874
Operating expenses	20,101	14,823
	$393,688	$340,697
Amortization expenses by function		
Operating cost	$ 3,402	$ 5,228
Operating expenses	12,235	9,428
	$ 15,637	$ 14,656

(VI) Employee benefit expense

	2025	2024
Short-term employee benefits		
Salary	$681,992	$588,081
Labor and national health insurance	54,115	49,075
Others	57,108	48,452
	793,215	685,608
Post-employment benefits		
Defined contribution plan	22,997	31,290
Defined benefit plan (Note 17)	1,492	1,340
	$817,704	$718,238
Summary by function		
Operating cost	$568,671	$523,984
Operating expenses	249,033	194,254
	$817,704	$718,238

(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, 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 consolidated financial statements after the publication date, it will be treated as a change in the accounting estimate and will be adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' and directors' remuneration distributed for 2024 and 2023 and the amount recognized in the consolidated financial statements.

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

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	$ 152,571	$ 148,611
Adjustments from previous years	(26,693)	(15,441)
	125,878	133,170
Deferred income tax		
Incurred in the current year	75,571	58,196

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	2025	2024
Adjustments from previous years	$ -	$ (29)
	75,571	58,167
	$ 201,449	$ 191,337

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

	2025	2024
Net income before tax	$1,009,387	$ 920,310
Income tax expense with net income before tax calculated at statutory tax rate	$ 235,001	$ 214,554
Permanent difference	(156)	458
Additional deductible R&D expenses	(6,703)	(8,235)
Unrecognized deductible temporary differences	-	30
Adjustments from previous years	(26,693)	(15,470)
	$ 201,449	$ 191,337

(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 assets and liabilities

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

	December 31, 2025	December 31, 2024
Current income tax assets		
Tax refund receivable	$ 14,130	$ 6,172
Current income tax liabilities		
Income tax payable	$ 76,121	$ 66,412

(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	Exchange difference, net	Closing balance
Deferred income tax assets					
Temporary difference					
Loss on inventory valuation and obsolescence	$ 3,713	$ 1,917	$ -	$ 25	$ 5,655
Unrealized loss on bad debts	223	(214)	-	(9)	-
Gross profit of sales declared to customs but not recognized	5,144	(2,984)	-	-	2,160
Others	327	2,321	86	(1)	2,733
	$ 9,407	$ 1,040	$ 86	$ 15	$ 10,548
Deferred income tax liabilities					
Temporary difference					
Tax difference on depreciation	$ 39,460	$ 30,653	$ -	$ 1,311	$ 71,424
Share of profit of foreign subsidiaries accounted for using the equity method	92,704	46,967	-	-	139,671
Exchange differences on the financial statements of foreign operations	4,820	-	2,543	-	7,363
Others	1,836	(1,009)	-	-	827
	$ 138,820	$ 76,611	$ 2,543	$ 1,311	$ 219,285

2024

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference, net	Closing balance
Deferred income tax assets					
Temporary difference					
Loss on inventory valuation and obsolescence	$ 6,597	$ (2,919)	$ -	$ 35	$ 3,713
Unrealized loss on bad debts	2,195	(2,023)	-	51	223
Exchange differences on the financial statements of foreign operations	2,373	-	(2,373)	-	-
Gross profit of sales declared to customs but not recognized	7,436	(2,292)	-	-	5,144
Others	4,469	(4,187)	43	2	327
	$ 23,070	$ (11,421)	$ (2,330)	$ 88	$ 9,407

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	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference, net	Closing balance
Deferred income tax liabilities					
Temporary difference					
Tax difference on depreciation	$ 40,652	$ (2,597)	$ -	$ 1,405	$ 39,460
Share of profit of foreign subsidiaries accounted for using the equity method	45,197	47,507	-	-	92,704
Exchange differences on the financial statements of foreign operations	-	-	4,820	-	4,820
Others	-	1,836	-	-	1,836
	$ 85,849	$ 46,746	$ 4,820	$ 1,405	$ 138,820

(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 attributable to owners of the Company	$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:

Employee share warrants	2025 Unit (Thousands)	2025 Weighted average exercise price (NTD)	2024 Unit (Thousands)	2024 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. Equity transactions with non-controlling interests - fiscal year 2025 only

In January 2025, the Company did not subscribe to subsidiary Star Focus Inc.'s cash capital increase in proportion to its shareholding, resulting in the shareholding percentage decreasing from 100% to 40.67%. Since the above transaction did not change the Company's control over the subsidiary, the Company treated it as an equity transaction. Related information is as follows:

	2025
Cash consideration received	$ 35,600
Amount of subsidiary's net asset carrying value to be transferred to non-controlling interests calculated based on relative change in equity interest	(35,571)
Equity transaction balance	$ 29

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

	2025
Capital reserve - the difference between the price of the subsidiary's equity actually acquired or disposed of and the book value	$ 29

XXVI. Non-cash transactions

In 2025 and 2024, the Company and its subsidiaries 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	$1,064,694	$ 929,284
Decrease (increase) of payables for equipment	(75,062)	9,672
Prepaid equipment purchase increase (decrease)	164,937	(38,723)
Capitalized interest	(2,835)	(8)
Amount of cash paid	$1,151,734	$ 900,225
Increase in intangible assets	$ 61,526	$ 46,183
Decrease (increase) in other payables	1,111	(4,467)
Amount of cash paid	$ 62,637	$ 41,716

XXVII. Capital risk management

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

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

XXVIII. Financial instruments

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

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

(2) Type of financial instruments

	December 31, 2025	December 31, 2024
Financial assets		
Measured at amortized cost (Note 1)	$2,196,512	$2,089,471
Financial liabilities		
Measured at amortized cost (Note 2)	2,004,266	1,506,585

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

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

(3) Financial risk management objectives and policies

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

The significant financial activities of the Company and its subsidiaries 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 and its subsidiaries do not engage in transactions involving financial instruments (including derivative instruments) for speculative purposes.

1. Market risk

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

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

(1) Exchange rate risk

The Company and its subsidiaries engage in activities such as sales and purchase transactions, capital expenditures, and equity investments that are denominated in non-functional currencies, resulting in exchange rate risk. The foreign exchange risk management of the Company and its subsidiaries manage and reduce risks by engaging in forward foreign exchange contract transactions, utilizing purchased foreign currency deposits, and foreign currency receivables and payables of the same category generated from transactions within the scope permitted by policies.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Company and its subsidiaries at the balance sheet date, please refer to Note 32.

The Company and its subsidiaries were mainly affected by fluctuations in the exchange rates of the USD and CNY. The following table details a sensitivity analysis when the functional currency of the Group 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	$ 2,359	$ 1,976
Impact of RMB		
Net income before tax	2,097	2,278

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

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

(2) Interest rate risk

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

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

	December 31, 2025	December 31, 2024
Fair value interest rate risk		
Financial assets	$ 519,828	$ 643,078
Financial liabilities	312,444	359,639
Cash flow interest rate risk		
Financial assets	766,119	787,657
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 and subsidiaries to report interest rates to management is increased or decreased by 1%, which also represents

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

If the interest rate on financial liabilities increased/decreased by 1%, with all other variables holding constant, the pre-tax net income for fiscal years 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 of financial loss to the Company and its subsidiaries due to the counterparty's default on contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the Company and its subsidiaries that may cause financial losses due to the counterparty's failure to perform its obligations is the book value of financial assets recognized in the balance sheet.

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

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

Customer name	December 31, 2025	December 31, 2024
Company A	$157,542	$175,156
Company B	138,716	26,147
Company C	112,417	53,685
Company D	65,844	99,680

3. Liquidity risk

The Company and its subsidiaries manage and maintain sufficient cash position to support the Company's operations and mitigate the impact of cash

flow fluctuations. They also monitor the use of bank financing facilities and ensure compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company and its subsidiaries. As of December 31, 2025 and 2024, the unused bank financing facilities of the Company and its subsidiaries amounted to NTD4,749,492 thousand and NTD3,860,126 thousand, respectively. Therefore, there is no liquidity risk arising from inability to raise funds to fulfill contractual obligations.

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

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

December 31, 2025

	Within 1 year	1 to 5 years	More than 5 years	Total
Non-interest-bearing liabilities	$ 732,859	$ 13	$ -	$ 732,872
Instruments with floating interest rates	173,823	893,044	288,879	1,355,746
Lease liabilities	60,482	174,575	113,497	348,554
	$ 967,164	$1,067,632	$ 402,376	$2,437,172

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	$ 60,482	$ 174,575	$ 113,497	$ -

December 31, 2024

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

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	$ 58,301	$ 194,765	$ 154,746	$ -

XXIX. Related party transactions

(I) Names of related parties and their relationships

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

(II) Operating revenue

Presentation account	Name of related party	2025	2024
Sales revenue	Jiangsu Yuyue	$ 8,860	$ -

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.

(III) Closing balance

Presentation account	Category/Name of related party	December 31, 2025	December 31, 2024
Accounts receivable	Jiangsu Yuyue	$ 10,388	$ -
Prepayment for equipment	Jiangsu Joyea	$ 44,061	$ 18,625
Refundable deposits	Jiangsu Yuyue	$ 7,014	$ 6,986
Other payables	Substantive related party	$ 1,753	$ 448

(IV) Acquisition of property, plant and equipment

Category/Name of related party	2025	2024
Proceeds from acquisition		
Jiangsu Joyea	$ 74,557	$ 15,359

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

(V) Lease agreement

Category/Name of related party	2025	2024
Acquisition of right-of-use assets		
Jiangsu Yuyue	$ -	$184,540

Presentation account	Name of related party	December 31, 2025	December 31, 2024
Lease liabilities (including current and non-current)	Jiangsu Yuyue	$157,782	$190,889

Category/Name of related party	2025	2024
Interest expense		
Jiangsu Yuyue	$ 6,696	$ 5,044

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

(VI) Remuneration of key management personnel

	2025	2024
Short-term employee benefits	$ 56,426	$ 52,242
Post-employment benefits	702	688
	$ 57,128	$ 52,930

(VII) Other related party transactions

1. Other expenses

Category/Name of related party	2025	2024
Jiangsu Joyea	$ 612	$ 167

This refers to the Company's miscellaneous repair expenses.

2. Starting from March 2024, the Company's key management personnel, Shih An, has gradually cancelled their joint guarantees for some of the long-term bank borrowings of the Company and its subsidiaries.

XXX. Pledged assets

The Company and its subsidiaries have provided the following assets as collateral for short-term and long-term credit facilities and customs guarantee facilities:

	Book value	
	December 31, 2025	December 31, 2024
Land	$ 705,898	$ -
Other financial assets	2,548	-
	$ 708,446	$ -

XXXI. Significant contingent liabilities and unrecognized contractual commitments

As of December 31, 2025, the Company and its subsidiaries had entered into contracts for the purchase of property, plant and equipment with a total contract value of approximately NT$2,515,054 thousand, of which NT$1,115,380 thousand had not yet been recognized in the financial statements.

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

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

Unit: Each foreign currency in thousands

	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
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
USD	104	7.0288	(USD:CNY)	3,296
RMB	1,459	4.496	(RMB:NTD)	6,558

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	Foreign currency	Exchange rate		Carrying amount
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	50,996	4.478	(RMB:NTD)	228,361
JPY	4,469	0.2099	(JPY:NTD)	938
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
RMB	283,045	4.478	(RMB:NTD)	1,267,474
Monetary item foreign currency liabilities				
USD	798	32.785	(USD:NTD)	26,161
USD	45	7.1884	(USD:CNY)	1,451
RMB	121	4.478	(RMB:NTD)	543
JPY	2,101	0.2099	(JPY:NTD)	441

Net foreign exchange gains and losses of the Company and its subsidiaries for the fiscal years 2025 and 2024 were a loss of NT$412 thousand and a gain of NT$27,030 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.

XXXIII. 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.

7. Business relationships and material transactions between the parent company and its subsidiaries, as well as among the subsidiaries: Please refer to Table 3.

(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 current year's profit or loss or financial position, such as the rendering or receipt of services: Please refer to Table 3.

XXXIV. Department information

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

- VIZIONFOCUS

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

- Jiangsu Vizionfocus Inc.

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

- Others - For the subsidiaries of the consolidated entity as the operating segment, please refer to the descriptions in Note 10.

(1) Segment revenues and operating results

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

	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
2025					
Revenue from customers other than the parent company and subsidiaries	$2,070,496	$1,312,467	$ 104,479	$ -	$3,487,442
Revenue from parent company and subsidiaries	155,821	567	-	(156,388)	-
Total revenue	$2,226,317	$1,313,034	$ 104,479	$(156,388)	$3,487,442
Segment profit (loss)	$ 639,048	$ 352,236	$ (9,936)	$ 24,613	$1,005,961
Interest revenue	13,304	5,372	690	-	19,366
Other income	29,787	12,671	28	(24,613)	17,873
Other gains and losses	(5,001)	(2,463)	(93)	-	(7,557)
Finance Costs	(19,489)	(6,696)	(71)	-	(26,256)
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	237,703	-	505,616	(743,319)	-
Net income before tax	895,352	361,120	496,234	(743,319)	1,009,387
Income tax expense	154,577	45,110	1,762	-	201,449
Net income for the year	$ 740,775	$ 316,010	$ 494,472	$(743,319)	$ 807,938
2024					
Revenue from customers other than the parent company and subsidiaries	$1,810,166	$1,191,841	$ -	$ -	$3,002,007
Revenue from parent company and subsidiaries	84,287	1	-	(84,288)	-
Total revenue	$1,894,453	$1,191,842	$ -	$ (84,288)	$3,002,007
Segment profit (loss)	$ 533,281	$ 332,239	$ (49)	$ 22,405	$ 887,876
Interest revenue	12,578	5,895	-	-	18,473
Other income	31,065	4,968	-	(22,405)	13,628
Other gains and losses	26,902	2,267	-	-	29,169
Finance Costs	(23,773)	(5,063)	-	-	(28,836)

(To be Continued)

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	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	$ 237,487	$ -	$ 475,072	$(712,559)	$ -
Net income before tax	817,540	340,306	475,023	(712,559)	920,310
Income tax expense	147,951	43,386	-	-	191,337
Net income for the year	$ 669,589	$ 296,920	$ 475,023	$(712,559)	$ 728,973

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

(2) Departmental total assets and liabilities

	December 31, 2025	December 31, 2024
Segment assets		
VIZIONFOCUS	$6,139,518	$5,190,286
Jiangsu Vizionfocus Inc.	2,421,015	2,049,343
Others	3,235,981	2,535,599
Adjustments and write-offs	(4,735,404)	(3,835,517)
Consolidated total assets	$7,061,110	$5,939,711
Departmental liabilities		
VIZIONFOCUS	$2,155,017	$1,657,551
Jiangsu Vizionfocus Inc.	502,439	465,033
Others	53,903	600
Adjustments and write-offs	(58,777)	(33,070)
Consolidated total liabilities	$2,652,582	$2,090,114

(3) Information of other departments

Other information that has been reviewed by the chief operating decision-maker or that is regularly provided to the chief operating decision-maker:

	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Total
2025				
Recognized in segment profit and loss				
Depreciation and amortization	$ 248,843	$ 156,688	$ 3,794	$ 409,325

(To be Continued)

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	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Total
2024				
Recognized in segment profit and loss				
Depreciation and amortization	$ 229,762	$ 125,591	$ -	$ 355,353

(4) Main product revenue

Please refer to Note 19 for the analysis of the main products and revenues of the Company and its subsidiaries.

(5) Information by Region

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

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

	Revenue from external customers		Non-current assets	
	2025	2024	December 31, 2025	December 31, 2024
Taiwan	$ 225,019	$ 132,099	$ 2,920,701	$ 2,204,830
Asian countries	3,248,784	2,866,503	1,442,471	1,281,570
Others	13,639	3,405	15,502	-
	$ 3,487,442	$ 3,002,007	$ 4,378,674	$ 3,486,400

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

(6) Information on major customers

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

	2025		2024	
	Amount	%	Amount	%
Company A	$ 1,015,312	29	$ 684,972	27
Company B	478,441	14	585,742	15
Company C	132,625	4	321,881	11
	$ 1,626,378	47	$ 1,592,595	53

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 (Note)	Investment gains (losses) recognized for the current year (Note)	Notes
				End of current year	End of last year	Number of shares	Percentage (%)	Carrying amount			
The Company	Green Wealth Investments Limited (Samoa)	Samoa	International investment	$ 1,097,607	$ 1,097,607	35,692,609	100	$ 1,534,886	$ 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	

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

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 & 3

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

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

(1) Direct investment in Mainland China.

(2) Reinvest in Mainland China through a company in a third region.

(3) Any other means.

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

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

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

VIZIONFOCUS INC. and subsidiaries

Business relationships and material transactions between the parent company and its subsidiaries

January 1 to December 31, 2025

Table 3

Unit: NTD Thousand

(unless otherwise stated)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Subject Matters	Amount (Note)	Trading terms and conditions	As a percentage of consolidated revenue or total assets (%)
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Service revenue	$ 68,079	As stipulated in the contract	1.95
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Other operating revenue	11,377	As stipulated in the contract	0.33
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Royalty income	24,613	As stipulated in the contract	0.71
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Accounts receivable	19,662	As stipulated in the contract	0.28
0	The Company	Star Focus Inc.	Subsidiary	Sales revenue	63,900	As stipulated in the contract	1.83
0	The Company	Star Focus Inc.	Subsidiary	Accounts receivable	25,507	As stipulated in the contract	0.36
0	The Company	Optical Connection Technology Inc.	Subsidiary	Sales revenue	12,335	As stipulated in the contract	0.35

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