

**VIZIONFOCUS INC.**  
**and subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Review Report  
Q2 of 2025 and 2024**

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## Independent Auditors' Review Report

To VIZIONFOCUS INC.:

### **Foreword**

We have reviewed the accompanying consolidated balance sheets of VIZIONFOCUS INC. (the "Company") and its subsidiaries as of June 30, 2025 and 2024, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2025 and 2024, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. The preparation of consolidated financial statements that present fairly the Company's consolidated financial position, financial performance, and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission is the responsibility of the Company's management. Our responsibility is to express a conclusion on these consolidated financial statements based on our review.

### **Scope**

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of VIZIONFOCUS INC. and its subsidiaries as of June 30, 2025 and 2024, their consolidated financial performance for the three-month and six-month periods ended June 30, 2025 and 2024, and their consolidated cash flows for the six-month periods ended June 30, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

August 4, 2025

Notice to Readers

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

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

VIZIONFOCUS INC. and subsidiaries  
Consolidated Balance Sheet  
June 30, 2025, December 31, 2024 and June 30, 2024

Unit: NTD Thousand  
June 30, 2024

Code	Assets	June 30, 2025		December 31, 2024		June 30, 2024	
		Amount	%	Amount	%	Amount	%
<b>Current assets</b>							
1100	Cash and cash equivalents (Note 6)	\$ 1,248,522	20	\$ 1,180,126	20	\$ 1,647,501	28
1150	Notes receivable (Note 9)	11,146	-	8,514	-	15,258	-
1170	Accounts receivable (Note 9)	671,348	11	632,907	11	608,959	10
1200	Other receivables	2,284	-	1,700	-	814	-
1220	Current income tax assets	9,303	-	6,172	-	6,127	-
130X	Inventories (Note 10)	289,946	5	288,598	5	291,237	5
1410	Prepayments (Note 30)	76,339	1	59,448	1	48,929	1
1476	Other financial assets – current (Note 8 & 31)	297,861	5	253,800	4	73,343	1
1479	Other current assets	329	-	215	-	1,366	-
11XX	Total current assets	<u>2,607,078</u>	<u>42</u>	<u>2,431,480</u>	<u>41</u>	<u>2,693,534</u>	<u>45</u>
<b>Non-current assets</b>							
1600	Property, plant and equipment (Notes 12, 30 and 31)	3,147,624	48	2,995,474	51	2,713,905	46
1755	Right-of-use assets (Note 13)	311,296	5	353,720	6	375,696	6
1780	Intangible assets (Note 14)	131,649	2	112,676	2	89,872	2
1840	Deferred income tax assets	36,906	1	9,407	-	6,445	-
1915	Prepayment for equipment (Note 30)	122,172	2	24,466	-	77,465	1
1920	Refundable deposits (Note 30)	12,409	-	12,424	-	12,351	-
1990	Other non-current assets	-	-	64	-	191	-
15XX	Total non-current assets	<u>3,762,056</u>	<u>58</u>	<u>3,508,231</u>	<u>59</u>	<u>3,275,925</u>	<u>55</u>
1XXX	Total assets	<u>\$ 6,369,134</u>	<u>100</u>	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 5,969,459</u>	<u>100</u>
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
2120	Financial Liabilities at Fair Value Through Profit or Loss						
	- Current (Notes 4 and 7)	\$ 1,378	-	\$ -	-	\$ -	-
2130	Contract liabilities - Current (Notes 20)	9,238	-	4,384	-	13,889	-
2170	Accounts payable (Note 16)	200,991	3	194,453	3	188,439	3
2216	Dividends payable (Note 19)	322,641	5	-	-	187,263	3
2200	Other payables (Notes 17 & 30)	407,305	7	336,152	6	426,751	7
2230	Current income tax liabilities	81,257	1	66,412	1	56,111	1
2280	Lease liabilities – current (Notes 13 & 30)	48,735	1	48,588	1	47,623	1
2313	Deferred revenue (Notes 15 & 25)	3,907	-	4,107	-	5,262	-
2322	Long-term borrowings due within one year (Notes 15, 30 & 31)	148,488	2	156,078	3	180,689	3
2399	Other current liabilities	382	-	434	-	1,583	-
21XX	Total current liabilities	<u>1,224,322</u>	<u>19</u>	<u>810,608</u>	<u>14</u>	<u>1,107,610</u>	<u>18</u>
<b>Non-current liabilities</b>							
2540	Long-term borrowings (Notes 15, 30 & 31)	895,312	15	819,457	14	907,887	15
2570	Deferred income tax liabilities	144,142	2	138,820	2	116,428	2
2580	Lease liabilities – non-current (Notes 13 & 30)	270,296	4	311,051	5	332,404	6
2630	Long-term deferred revenue (Notes 15 & 25)	8,728	-	8,463	-	10,475	-
2640	Net defined benefit liabilities (Notes 4 & 18)	1,810	-	1,478	-	978	-
2670	Other non-current liabilities	11	-	237	-	459	-
25XX	Total non-current liabilities	<u>1,320,299</u>	<u>21</u>	<u>1,279,506</u>	<u>21</u>	<u>1,368,631</u>	<u>23</u>
2XXX	Total liabilities	<u>2,544,621</u>	<u>40</u>	<u>2,090,114</u>	<u>35</u>	<u>2,476,241</u>	<u>41</u>
<b>Equity attributable to owners of the Company (Note 19)</b>							
<b>Capital stock</b>							
3110	Common stock capital	584,237	9	579,247	10	578,867	10
3140	Advance Receipts for Share Capital	-	-	5,498	-	-	-
3100	Total Share Capital	<u>584,237</u>	<u>9</u>	<u>584,745</u>	<u>10</u>	<u>578,867</u>	<u>10</u>
3200	Capital reserve	<u>1,848,957</u>	<u>29</u>	<u>1,828,095</u>	<u>31</u>	<u>1,825,188</u>	<u>31</u>
<b>Retained earnings</b>							
3310	Statutory Reserve	149,592	2	82,650	1	82,650	1
3320	Special reserves	-	-	9,499	-	9,499	-
3350	Undistributed earnings	<u>970,810</u>	<u>16</u>	<u>1,008,471</u>	<u>18</u>	<u>694,630</u>	<u>12</u>
3300	Total retained earnings	<u>1,120,402</u>	<u>18</u>	<u>1,100,620</u>	<u>19</u>	<u>786,779</u>	<u>13</u>
3400	Other equity						
3410	Foreign Currency Translation Adjustment	<u>(77,623)</u>	<u>(1)</u>	<u>19,275</u>	<u>-</u>	<u>12,997</u>	<u>-</u>
31XX	Total owners' equity of the Company	<u>3,475,973</u>	<u>55</u>	<u>3,532,735</u>	<u>60</u>	<u>3,203,831</u>	<u>54</u>
36XX	Non-controlling interests (Notes 11 & 19)	<u>348,540</u>	<u>5</u>	<u>316,862</u>	<u>5</u>	<u>289,387</u>	<u>5</u>
3XXX	Total equity	<u>3,824,513</u>	<u>60</u>	<u>3,849,597</u>	<u>65</u>	<u>3,493,218</u>	<u>59</u>
3X2X	Total liabilities and equity	<u>\$ 6,369,134</u>	<u>100</u>	<u>\$ 5,939,711</u>	<u>100</u>	<u>\$ 5,969,459</u>	<u>100</u>

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

**VIZIONFOCUS INC. and subsidiaries**  
**Consolidated Statement of Comprehensive Income**  
**For the three months ended June 30, 2025 and 2024**  
**And for the six months ended June 30, 2025 and 2024**

Unit: NTD thousand; EPS in NTD

Code		April 1 to June 30, 2025		April 1 to June 30, 2024		January 1 to June 30, 2025		January 1 to June 30, 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (Notes 20)	\$ 872,361	100	\$ 729,770	100	\$ 1,682,896	100	\$ 1,497,803	100
5000	Operating costs (Notes 10, 21 & 30)	<u>516,683</u>	<u>59</u>	<u>445,515</u>	<u>61</u>	<u>991,430</u>	<u>59</u>	<u>903,193</u>	<u>60</u>
5900	Gross operating profit	<u>355,678</u>	<u>41</u>	<u>284,255</u>	<u>39</u>	<u>691,466</u>	<u>41</u>	<u>594,610</u>	<u>40</u>
	Operating expenses (Notes 9 & 21)								
6100	Sales promotion expenses	23,464	3	11,921	2	43,571	3	25,857	2
6200	Administrative expenses	36,552	4	23,991	3	73,309	4	54,930	3
6300	R&D expenses	41,140	5	32,445	4	81,375	5	68,375	5
6450	Expected credit reversal gain	<u>(1,587)</u>	<u>-</u>	<u>(5,842)</u>	<u>-</u>	<u>(1,381)</u>	<u>-</u>	<u>(15,407)</u>	<u>(1)</u>
6000	Total operating expenses	<u>99,569</u>	<u>12</u>	<u>62,515</u>	<u>9</u>	<u>196,874</u>	<u>12</u>	<u>133,755</u>	<u>9</u>
6900	Net operating profit	<u>256,109</u>	<u>29</u>	<u>221,740</u>	<u>30</u>	<u>494,592</u>	<u>29</u>	<u>460,855</u>	<u>31</u>
	Non-operating income and expenses (Note 21 & 30)								
7100	Interest revenue	6,539	1	5,839	1	10,003	1	9,378	1
7010	Other income	2,198	-	2,966	-	12,389	1	7,453	-
7020	Other gains and losses	<u>(73,759)</u>	<u>(8)</u>	<u>8,184</u>	<u>1</u>	<u>(62,950)</u>	<u>(4)</u>	<u>21,730</u>	<u>1</u>
7050	Finance Costs	<u>(6,277)</u>	<u>(1)</u>	<u>(6,661)</u>	<u>-</u>	<u>(12,952)</u>	<u>(1)</u>	<u>(13,991)</u>	<u>(1)</u>
7000	Total non-operating income and expenses	<u>(71,299)</u>	<u>(8)</u>	<u>10,328</u>	<u>2</u>	<u>(53,510)</u>	<u>(3)</u>	<u>24,570</u>	<u>1</u>
7900	Net income before tax	184,810	21	232,068	32	441,082	26	485,425	32
7950	Income tax expense (Note 4 & 22)	<u>19,265</u>	<u>2</u>	<u>39,194</u>	<u>6</u>	<u>74,221</u>	<u>4</u>	<u>95,978</u>	<u>6</u>
8200	Net income for the period	<u>165,545</u>	<u>19</u>	<u>192,874</u>	<u>26</u>	<u>366,861</u>	<u>22</u>	<u>389,447</u>	<u>26</u>
	Other comprehensive income (Notes 19 & 22)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Foreign Currency Translation Adjustment	<u>(184,753)</u>	<u>(21)</u>	<u>11,230</u>	<u>2</u>	<u>(150,274)</u>	<u>(9)</u>	<u>35,149</u>	<u>2</u>
8399	Income tax related to items that may be reclassified	<u>29,749</u>	<u>3</u>	<u>(1,797)</u>	<u>-</u>	<u>24,225</u>	<u>1</u>	<u>(5,624)</u>	<u>-</u>
8300	Other comprehensive income for the period (net amount after tax)	<u>(155,004)</u>	<u>(18)</u>	<u>9,433</u>	<u>2</u>	<u>(126,049)</u>	<u>(8)</u>	<u>29,525</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 10,541</u>	<u>1</u>	<u>\$ 202,307</u>	<u>28</u>	<u>\$ 240,812</u>	<u>14</u>	<u>\$ 418,972</u>	<u>28</u>
	Net profit attributable to								
8610	Owners of the Company	\$ 149,692	17	\$ 172,747	24	\$ 342,423	20	\$ 355,576	24
8620	Non-controlling interests	<u>15,853</u>	<u>2</u>	<u>20,127</u>	<u>2</u>	<u>24,438</u>	<u>2</u>	<u>33,871</u>	<u>2</u>
8600		<u>\$ 165,545</u>	<u>19</u>	<u>\$ 192,874</u>	<u>26</u>	<u>\$ 366,861</u>	<u>22</u>	<u>\$ 389,447</u>	<u>26</u>
	Total comprehensive income attributable to								
8710	Owners of the Company	\$ 30,698	4	\$ 179,935	25	\$ 245,525	14	\$ 378,072	25
8720	Non-controlling interests	<u>(20,157)</u>	<u>(3)</u>	<u>22,372</u>	<u>3</u>	<u>(4,713)</u>	<u>-</u>	<u>40,900</u>	<u>3</u>
8700		<u>\$ 10,541</u>	<u>1</u>	<u>\$ 202,307</u>	<u>28</u>	<u>\$ 240,812</u>	<u>14</u>	<u>\$ 418,972</u>	<u>28</u>
	Earnings per share (Note 23)								
9710	Basic	<u>\$ 2.58</u>		<u>\$ 3.00</u>		<u>\$ 5.90</u>		<u>\$ 6.41</u>	
9810	Diluted	<u>\$ 2.56</u>		<u>\$ 2.96</u>		<u>\$ 5.84</u>		<u>\$ 6.30</u>	

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

VIZIONFOCUS INC. and subsidiaries  
Consolidated Statement of Changes in Equity  
For the six months ended June 30, 2025 and 2024

Unit: NTD Thousand

		Equity attributable to owners of the Company											
Code		Capital stock			Capital reserve	Statutory Reserve	Retained earnings		Total	Other equity	Total	Non-controlling interests	Total equity
		Common stock capital	Advance Receipts for Share Capital	Total			Foreign Currency Translation Adjustment						
A1	Balance on January 1, 2025	\$ 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 19)												
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	Net income for the six months ended June 30, 2025	-	-	-	-	-	-	342,423	342,423	-	342,423	24,438	366,861
D3	Other comprehensive income (loss), net of tax, for the six months ended June 30, 2025	-	-	-	-	-	-	-	-	(96,898)	(96,898)	(29,151)	(126,049)
D5	Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	-	-	342,423	342,423	(96,898)	245,525	(4,713)	240,812
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 26)	-	-	-	29	-	-	-	-	-	29	35,571	35,600
N1	Share-based payment transactions (Notes 19 & 24)	4,990	(5,498)	(508)	20,833	-	-	-	-	-	20,325	-	20,325
O1	Increase of non-controlling interests (Note 19)	-	-	-	-	-	-	-	-	-	-	820	820
Z1	Balance on June 30, 2025	\$ 584,237	\$ -	\$ 584,237	\$ 1,848,957	\$ 149,592	\$ -	\$ 970,810	\$ 1,120,402	\$ (77,623)	\$ 3,475,973	\$ 348,540	\$ 3,824,513
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 19)												
B1	Statutory Reserve	-	-	-	-	27,149	-	(27,149)	-	-	-	-	-
B3	Provision of special reserve	-	-	-	-	-	9,499	(9,499)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(187,263)	(187,263)	-	(187,263)	-	(187,263)
		-	-	-	-	27,149	9,499	(223,911)	(187,263)	-	(187,263)	-	(187,263)
D1	Net income for the six months ended June 30, 2024	-	-	-	-	-	-	355,576	355,576	-	355,576	33,871	389,447
D3	Other comprehensive income after tax from January 1 to June 30, 2024	-	-	-	-	-	-	-	-	22,496	22,496	7,029	29,525
D5	Total comprehensive income for the six months ended June 30, 2024	-	-	-	-	-	-	355,576	355,576	22,496	378,072	40,900	418,972
E1	Capital increase in cash (Note 19)	50,570	-	50,570	1,144,693	-	-	-	-	-	1,195,263	-	1,195,263
N1	Share-based payment transactions (Note 24)	3,750	-	3,750	29,821	-	-	-	-	-	33,571	-	33,571
T1	Cost of share issuance (Note 19)	-	-	-	(3,000)	-	-	-	-	-	(3,000)	-	(3,000)
Z1	Balance on June 30, 2024	\$ 578,867	\$ -	\$ 578,867	\$ 1,825,188	\$ 82,650	\$ 9,499	\$ 694,630	\$ 786,779	\$ 12,997	\$ 3,203,831	\$ 289,387	\$ 3,493,218

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

VIZIONFOCUS INC. and subsidiaries  
Consolidated Statements of Cash Flows  
For the six months ended June 30, 2025 and 2024

Unit: NTD Thousand

<u>Code</u>		<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
	Cash flow from operating activities		
A10000	Net income before tax for the period	\$ 441,082	\$ 485,425
A20010	Income and expenses		
A20100	Depreciation expense	188,690	163,761
A20200	Amortization expense	7,512	6,845
A20300	Expected credit reversal gain	(1,381)	(15,407)
A20400	Net Loss on Financial Assets and Liabilities at Fair Value Through Profit or Loss	1,378	-
A20900	Finance Costs	12,952	13,991
A21200	Interest revenue	(10,003)	(9,378)
A21900	Share-based payment for remuneration	1,118	22,711
A22500	Gains from the disposal of property, plant and equipment	(25)	(16)
A23700	Loss on inventory valuation and obsolescence	9,953	1,144
A29900	Inventory Write-off Loss	81	1,849
A29900	Amortization of deferred income	(2,060)	(3,687)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(2,632)	(6,993)
A31150	Accounts receivable	(37,030)	19,124
A31180	Other receivables	(296)	1,591
A31200	Inventories	(10,974)	(37,392)
A31230	Prepayments	(16,891)	15,448
A31240	Other current assets	(114)	(1,298)
A31990	Other non-current assets	64	128
A32125	Contract liabilities	4,854	7,610
A32150	Accounts payable	6,538	6,212
A32180	Other payables	37,687	29,984
A32230	Other current liabilities	(52)	(3,431)
A32240	Net defined benefit liabilities	332	243
A32990	Other non-current liabilities	(226)	230
A33000	Cash inflow from operations	<u>630,557</u>	<u>698,694</u>

(To be Continued)

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Code		January 1 to June 30, 2025	January 1 to June 30, 2024
A33100	Interest received	\$ 9,715	\$ 11,186
A33300	Interest paid	(11,247)	(10,383)
A33500	Income tax paid	<u>(57,319)</u>	<u>(49,378)</u>
AAAA	Net cash inflow from operating activities	<u>571,706</u>	<u>650,119</u>
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	(465,723)	(467,446)
B02800	Proceeds from the disposal of property, plant and equipment	25	16
B03800	Decrease (increase) in refundable deposits	15	(6,272)
B04500	Acquisition of intangible assets	(30,447)	(15,604)
B06500	Increase of other financial assets	<u>(44,061)</u>	<u>(73,343)</u>
BBBB	Net cash outflow from investing activities	<u>(540,191)</u>	<u>(562,649)</u>
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	-	30,000
C00200	Decrease in short-term borrowings	-	(180,000)
C01600	Borrowing of long-term loans	157,730	319,955
C01700	Repayment of long-term borrowings	(89,400)	(603,955)
C04020	Lease principal repayment	(23,347)	(22,319)
C04600	Capital increase in cash	-	1,195,263
C04800	Exercise of employee stock options	19,207	10,860
C05800	Changes in non-controlling interests	35,600	-
C09900	Share issuance cost	<u>-</u>	<u>(3,000)</u>
CCCC	Net cash inflow from financing activities	<u>99,790</u>	<u>746,804</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>(62,909)</u>	<u>13,071</u>
EEEE	Net increase in cash and cash equivalents	68,396	847,345
E00100	Opening balance of cash and cash equivalents	<u>1,180,126</u>	<u>800,156</u>
E00200	Closing balance of cash and cash equivalents	<u>\$1,248,522</u>	<u>\$1,647,501</u>

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

VIZIONFOCUS INC. and subsidiaries  
Notes to the consolidated financial statements  
For the six months ended June 30, 2025 and 2024  
(expressed in thousand NTD, Unless Stated Otherwise)

I. Company history

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

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 August 4, 2025.

III. Application of new and amended standards and interpretations

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

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

- (II) IFRS accounting standards approved by the FSC applicable in 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 with Nature-Dependent Electricity"	January 1, 2026
"Annual Improvements to IFRS Standards – Volume 11"	January 1, 2026
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023

As of the date the Board of Directors approved and authorized the release of these consolidated financial statements, the Company and its subsidiaries continue to assess the impact of such amendments on financial position and financial performance.

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

<u>New/amended/revised standards and interpretations</u>	<u>Effective date announced by IASB (Note)</u>
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
IFRS 19 “Subsidiary without Public Accountability: Disclosures”	January 1, 2027

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

#### IFRS 18 “Presentation and Disclosures of Financial Statements”

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

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

Apart from the aforementioned impacts, as of the approval date of these consolidated financial statements by the Board of Directors, the Company and

its subsidiaries are still evaluating the impact of amendments to other standards and interpretations on their financial position and performance. The relevant impacts will be disclosed upon completion of the assessment.

#### IV. Summary of significant accounting policies

##### (I) Compliance Statement

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

##### (II) Basis of 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) Basis of consolidation

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

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

Changes in the Company’s ownership interests 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 Notes 11 and Tables 1 and 2.

(IV) Other significant accounting policies

Except for the following explanations, please refer to the summary of significant accounting policies in the 2024 annual consolidated financial statements.

1. 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.

The derivative 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.

2. Retirement benefits

Interim period pension costs are calculated on a year-to-date basis using the actuarially determined pension cost rate at the end of the prior fiscal year,

adjusted for significant market volatility, plan amendments, curtailments and other significant one-time events during the interim period, if any.

3. Income tax expense

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

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

The significant accounting judgments, estimates and sources of estimation uncertainty applied in these consolidated financial statements are consistent with those of the 2024 annual consolidated financial statements.

VI. Cash and cash equivalents

	June 30, 2025	December 31, 2024	June 30, 2024
Cash on hands	\$ 86	\$ 146	\$ 130
Checks and demand deposits	891,236	760,802	808,471
Cash equivalents (investment with original maturity date of less than 3 months)			
Time deposits in banks	269,300	270,000	738,900
Commercial paper	-	100,000	100,000
Repurchase agreements	87,900	49,178	-
	<u>\$ 1,248,522</u>	<u>\$ 1,180,126</u>	<u>\$ 1,647,501</u>

VII. Financial instruments at fair value through profit or loss- June 30, 2025 only

	<u>June 30, 2025</u>
<u>Financial liabilities - current</u>	
Derivative Instruments Mandatorily Measured at Fair Value Through Profit or Loss (Not Designated as Hedging Instruments)	
Forward Foreign Exchange Contracts	<u>\$ 1,378</u>

Outstanding forward foreign exchange contracts not subject to hedge accounting and which have not yet matured as of the balance sheet date are as follows:

<u>June 30, 2025</u>	<u>Currency</u>	<u>Maturity period</u>	<u>Contract Amount (NTD Thousand)</u>
Forward Sale of Foreign Exchange	USD against NTD	2025.05.23~2025.08.07	USD 6,380/NTD 188,937

The Company and its subsidiaries engage in forward foreign exchange transactions primarily to hedge against risks arising from foreign exchange rate fluctuations on foreign currency assets and liabilities. As these transactions do not meet the criteria for effective hedging, hedge accounting is not applied.

VIII. Other financial assets – current

	June 30, 2025	December 31, 2024	June 30, 2024
Time deposits with original maturity exceeding 3 months	\$ 295,815	\$ 253,800	\$ 73,343
Pledged time deposits (Note 31)	<u>2,046</u>	<u>-</u>	<u>-</u>
	<u>\$ 297,861</u>	<u>\$ 253,800</u>	<u>\$ 73,343</u>
Interest rate per annum (%)	1.35~1.95	1.445~2.05	2~2.05

IX. Notes and accounts receivable

	June 30, 2025	December 31, 2024	June 30, 2024
Notes receivable			
Total book value measured at amortized cost - due to operations	<u>\$ 11,146</u>	<u>\$ 8,514</u>	<u>\$ 15,258</u>
Accounts receivable			
Total book value measured at amortized cost	\$ 671,410	\$ 634,380	\$ 610,642
Less: Loss allowance	<u>62</u>	<u>1,473</u>	<u>1,683</u>
	<u>\$ 671,348</u>	<u>\$ 632,907</u>	<u>\$ 608,959</u>

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

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

The Company and subsidiaries measure the allowance for doubtful accounts on accounts receivable using a provision matrix, which is as follows:

June 30, 2025

	<u>Not past due</u>	<u>Overdue 1 to 30 days</u>	<u>Overdue 31 to 120 days</u>	<u>Overdue 121 to 360 days</u>	<u>Overdue over 360 days</u>	<u>Counterparty shows signs of default</u>	<u>Total</u>
Expected credit loss rate (%)	-	4	4	4	100	100	
Gross carrying amount	\$ 675,465	\$ 2,877	\$ 4,214	\$ -	\$ -	\$ -	\$ 682,556
Allowance for losses (lifetime expected credit losses)	-	(45)	(17)	-	-	-	(62)
Amortized cost	<u>\$ 675,465</u>	<u>\$ 2,832</u>	<u>\$ 4,197</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,494</u>

December 31, 2024

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

June 30, 2024

	<u>Not past due</u>	<u>Overdue 1 to 30 days</u>	<u>Overdue 31 to 120 days</u>	<u>Overdue 121 to 360 days</u>	<u>Overdue over 360 days</u>	<u>Counterparty shows signs of default</u>	<u>Total</u>
Expected credit loss rate (%)	-	4	4~5	4~5	100	100	
Gross carrying amount	\$ 595,750	\$ 21,464	\$ 4,020	\$ -	\$ -	\$ 4,666	\$ 625,900
Allowance for losses (lifetime expected credit losses)	-	(131)	-	-	-	(1,552)	(1,683)
Amortized cost	<u>\$ 595,750</u>	<u>\$ 21,333</u>	<u>\$ 4,020</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,114</u>	<u>\$ 624,217</u>

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

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Opening balance	\$ 1,473	\$ 16,860
Reversals during the period	(1,381)	(15,407)
Exchange rate effect	(30)	230
Closing balance	<u>\$ 62</u>	<u>\$ 1,683</u>

X. Inventories

	June 30, 2025	December 31, 2024	June 30, 2024
Raw materials	\$ 55,427	\$ 51,084	\$ 42,119
Materials	32,947	34,379	31,756
Work in process	39,859	51,967	28,159
Semi-finished product	3,699	8,618	3,022
Finished goods	136,652	142,550	186,181
Merchandise	<u>21,362</u>	<u>-</u>	<u>-</u>
	<u>\$289,946</u>	<u>\$288,598</u>	<u>\$291,237</u>

The components of the operating cost are as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Cost of goods sold	\$515,388	\$445,037	\$985,801	\$903,954
Loss on inventory valuation and obsolescence	3,483	785	9,953	1,144
Inventory Write-off Loss	48	1,411	81	1,849
Income from sale of scraps and scraps	<u>(2,236)</u>	<u>(1,718)</u>	<u>(4,405)</u>	<u>(3,754)</u>
	<u>\$516,683</u>	<u>\$445,515</u>	<u>\$991,430</u>	<u>\$903,193</u>

XI. 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
			June 30, 2025	December 31, 2024	June 30, 2024	
The Company	Green Wealth Investments Limited (Green Wealth)	International investment	100	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	98.36	-	-	Note 2
Green Wealth Investments Limited (Green Wealth)	Clear Precise Investments Limited (Clear Precise)	International investment	100	100	100	
Green Wealth Investments Limited (Green Wealth)	Vision Health Investments Limited (Vision Health)	International investment	100	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-mention ed products	80	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 June 30, 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, and completed the remittance of investment funds in January 2025, holding a 98.36% ownership interest. This Company is primarily engaged in medical device sales.

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

(II) Subsidiaries with significant non-controlling equity

Name of subsidiary	Shareholding and voting rights ratio held by non-controlling interests (%)		
	June 30, 2025	December 31, 2024	June 30, 2024
Jiangsu Vizionfocus Inc.	20	20	20

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

Name of subsidiary	Net income for the period distributed to non-controlling interests		Non-controlling interests		
	January 1 to June 30, 2025	January 1 to June 30, 2024	June 30, 2025	December 31, 2024	June 30, 2024
Jiangsu Vizionfocus Inc.	\$ 25,164	\$ 33,871	\$ 312,950	\$ 316,862	\$ 289,387

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

	June 30, 2025	December 31, 2024	June 30, 2024
Current assets	\$ 781,191	\$ 760,006	\$ 707,031
Non-current assets	1,196,119	1,289,337	1,224,330
Current liabilities	(243,628)	(252,681)	(264,663)
Non-current liabilities	<u>(168,932)</u>	<u>(212,352)</u>	<u>(219,761)</u>
Equity	<u>\$ 1,564,750</u>	<u>\$ 1,584,310</u>	<u>\$ 1,446,937</u>

	June 30, 2025	December 31, 2024	June 30, 2024
Equity attributable to			
Owners of the Company	\$ 1,251,800	\$ 1,267,448	\$ 1,157,550
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>312,950</u>	<u>316,862</u>	<u>289,387</u>
	<u>\$ 1,564,750</u>	<u>\$ 1,584,310</u>	<u>\$ 1,446,937</u>

	January 1 to June 30, 2025	January 1 to June 30, 2024
Net operating revenue	<u>\$ 563,635</u>	<u>\$ 617,300</u>
Net income for the period	\$ 125,823	\$ 169,355
Other comprehensive income	<u>-</u>	<u>-</u>
Total comprehensive income	<u>\$ 125,823</u>	<u>\$ 169,355</u>
Net profit attributable to		
Owners of the Company	\$ 100,659	\$ 135,484
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>25,164</u>	<u>33,871</u>
	<u>\$ 125,823</u>	<u>\$ 169,355</u>
Total comprehensive income attributable to		
Owners of the Company	\$ 100,659	\$ 135,484
Non-controlling interests of Jiangsu Vizionfocus Inc.	<u>25,164</u>	<u>33,871</u>
	<u>\$ 125,823</u>	<u>\$ 169,355</u>
Cash flow		
Operating activities	\$ 243,107	\$ 258,458
Investment activities	(173,279)	(250,414)
Financing activities	(7,970)	(8,014)
Effect of exchange rate changes	<u>(59,695)</u>	<u>13,071</u>
Net cash inflow	<u>\$ 2,163</u>	<u>\$ 13,101</u>

## XII. Property, plant and equipment

### January 1 to June 30, 2025

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
<u>Cost</u>									
Balance on January 1, 2025	\$ 705,898	\$ 1,997,948	\$ 112,100	\$ 7,630	\$ 25,160	\$ 303,450	\$ 32,616	\$ 832,306	\$ 4,017,108
Addition	-	297,609	21,001	-	3,254	5,595	6,063	68,316	401,838
Disposition	-	(67)	-	-	-	-	(27)	-	(94)
Exchange difference, net	-	(84,148)	(5,908)	(93)	(763)	(12,591)	(597)	(10,162)	(114,262)
Balance on June 30, 2025	<u>705,898</u>	<u>2,211,342</u>	<u>127,193</u>	<u>7,537</u>	<u>27,651</u>	<u>296,454</u>	<u>38,055</u>	<u>890,460</u>	<u>4,304,590</u>
<u>Accumulated depreciation</u>									
Balance on January 1, 2025	-	781,222	68,618	6,020	18,763	132,117	14,894	-	1,021,634
Depreciation expense	-	128,060	11,194	461	2,201	17,490	4,192	-	163,598
Disposition	-	(67)	-	-	-	-	(27)	-	(94)
Exchange difference, net	-	(19,700)	(2,555)	(93)	(521)	(5,084)	(219)	-	(28,172)
Balance on June 30, 2025	-	<u>889,515</u>	<u>77,257</u>	<u>6,388</u>	<u>20,443</u>	<u>144,523</u>	<u>18,840</u>	-	<u>1,156,966</u>
Net as of December 31, 2024	<u>\$ 705,898</u>	<u>\$ 1,216,726</u>	<u>\$ 43,482</u>	<u>\$ 1,610</u>	<u>\$ 6,397</u>	<u>\$ 171,333</u>	<u>\$ 17,722</u>	<u>\$ 832,306</u>	<u>\$ 2,995,474</u>
Net as of June 30, 2025	<u>\$ 705,898</u>	<u>\$ 1,321,827</u>	<u>\$ 49,936</u>	<u>\$ 1,149</u>	<u>\$ 7,208</u>	<u>\$ 151,931</u>	<u>\$ 19,215</u>	<u>\$ 890,460</u>	<u>\$ 3,147,624</u>

### January 1 to June 30, 2024

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
<u>Cost</u>									
Balance on January 1, 2024	\$ 705,898	\$ 1,704,580	\$ 101,300	\$ 7,469	\$ 22,744	\$ 288,086	\$ 22,826	\$ 226,020	\$ 3,078,923
Addition	-	47,848	-	125	1,713	7,637	6,410	439,184	502,917
Disposition	-	(10,044)	(5,230)	-	-	-	-	-	(15,274)
Exchange difference, net	-	19,329	1,339	28	193	3,725	117	3,303	28,034
Balance on June 30, 2024	<u>705,898</u>	<u>1,761,713</u>	<u>97,409</u>	<u>7,622</u>	<u>24,650</u>	<u>299,448</u>	<u>29,353</u>	<u>668,507</u>	<u>3,594,600</u>
<u>Accumulated depreciation</u>									
Balance on January 1, 2024	-	568,060	54,290	4,831	14,132	94,310	8,045	-	743,668
Depreciation expense	-	112,061	9,334	587	2,723	18,180	3,358	-	146,243
Disposition	-	(8,935)	(5,230)	-	-	-	-	-	(14,165)
Exchange difference, net	-	3,418	437	23	100	936	35	-	4,949
Balance on June 30, 2024	-	<u>674,604</u>	<u>58,831</u>	<u>5,441</u>	<u>16,955</u>	<u>113,426</u>	<u>11,438</u>	-	<u>880,695</u>
<u>Accumulated impairment</u>									
Balance on January 1, 2024	-	1,109	-	-	-	-	-	-	1,109
Disposition	-	(1,109)	-	-	-	-	-	-	(1,109)
Balance on June 30, 2024	-	-	-	-	-	-	-	-	-
Net as of June 30, 2024	<u>\$ 705,898</u>	<u>\$ 1,087,109</u>	<u>\$ 38,578</u>	<u>\$ 2,181</u>	<u>\$ 7,695</u>	<u>\$ 186,022</u>	<u>\$ 17,915</u>	<u>\$ 668,507</u>	<u>\$ 2,713,905</u>

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

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

Please refer to Note 31 for the amount of property, plant and equipment pledged by the Company and its subsidiaries to secure borrowings.

XIII. Lease agreement

(I) Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
Book value of right-of-use assets			
Land	\$ 1,741	\$ 1,931	\$ 2,121
Buildings	309,311	351,464	373,169
Machinery and equipment	<u>244</u>	<u>325</u>	<u>406</u>
	<u>\$ 311,296</u>	<u>\$ 353,720</u>	<u>\$ 375,696</u>
	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025
Addition of right-of-use assets			January 1 to June 30, 2024
			<u>\$ 18,973</u>
			<u>\$ 192,874</u>
Depreciation expense of right-of-use assets			
Land	\$ 95	\$ 95	\$ 190
Buildings	12,123	9,559	24,821
Machinery and equipment	<u>40</u>	<u>40</u>	<u>81</u>
	<u>\$ 12,258</u>	<u>\$ 9,694</u>	<u>\$ 25,092</u>
			<u>\$ 17,518</u>

Except for the additions and recognized depreciation mentioned above, the Company and its subsidiaries did not have any material subleases or impairment of right-of-use assets for the periods from January 1 to June 30, 2025 and 2024.

(II) Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
Book value of lease liabilities			
Current	<u>\$ 48,735</u>	<u>\$ 48,588</u>	<u>\$ 47,623</u>
Non-current	<u>\$ 270,296</u>	<u>\$ 311,051</u>	<u>\$ 332,404</u>

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

	June 30, 2025	December 31, 2024	June 30, 2024
Land	1.605	1.605	1.605
Buildings	1.247~4.75	1.164~4.75	1.164~4.75
Machinery and equipment	1.023	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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term and low-value lease expenses	<u>\$ 921</u>	<u>\$ 428</u>	<u>\$ 1,836</u>	<u>\$ 937</u>
Total cash outflows of all lease agreements (including short-term leases)			<u>\$ 29,992</u>	<u>\$ 25,724</u>

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

XIV. Intangible assets

	June 30, 2025	December 31, 2024	June 30, 2024
Computer software	\$ 4,513	\$ 4,839	\$ 4,610
Product certificate	67,824	60,253	34,747
Intangible assets under development	44,462	47,584	50,515
Other intangible assets (primarily consisting of customer relationships, customer lists, and trademark rights)	<u>14,850</u>	<u>-</u>	<u>-</u>
	<u>\$131,649</u>	<u>\$112,676</u>	<u>\$ 89,872</u>

January 1 to June 30, 2025

	Computer software	Product certificate	Intangible assets under development	Other intangible assets	Total
<u>Cost</u>					
Balance on January 1, 2025	\$ 21,641	\$ 96,511	\$ 47,584	\$ -	\$ 165,736
Addition	1,832	-	12,759	16,676	31,267
Reclassification	-	14,675	(14,675)	-	-
Exchange difference, net	<u>(531)</u>	<u>(4,021)</u>	<u>(1,206)</u>	<u>(1,339)</u>	<u>(7,097)</u>
Balance on June 30, 2025	<u>22,942</u>	<u>107,165</u>	<u>44,462</u>	<u>15,337</u>	<u>189,906</u>
<u>Accumulated amortization</u>					
Balance on January 1, 2025	\$ 16,802	\$ 36,258	\$ -	\$ -	\$ 53,060
Amortization expense	2,076	4,907	-	529	7,512
Exchange difference, net	<u>(449)</u>	<u>(1,824)</u>	<u>-</u>	<u>(42)</u>	<u>(2,315)</u>
Balance on June 30, 2025	<u>18,429</u>	<u>39,341</u>	<u>-</u>	<u>487</u>	<u>58,257</u>
Net as of December 31, 2024	<u>\$ 4,839</u>	<u>\$ 60,253</u>	<u>\$ 47,584</u>	<u>\$ -</u>	<u>\$ 112,676</u>
Net as of June 30, 2025	<u>\$ 4,513</u>	<u>\$ 67,824</u>	<u>\$ 44,462</u>	<u>\$ 14,850</u>	<u>\$ 131,649</u>

January 1 to June 30, 2024

	Computer software	Product certificate	Intangible assets under development	Total
<u>Cost</u>				
Balance on January 1, 2024	\$ 16,880	\$ 48,822	\$ 52,851	\$ 118,553
Addition	1,643	-	13,961	15,604
Disposition	(40)	-	-	(40)
Reclassification	-	16,297	(16,297)	-
Exchange difference, net	<u>142</u>	<u>725</u>	<u>-</u>	<u>867</u>
Balance on June 30, 2024	<u>18,625</u>	<u>65,844</u>	<u>50,515</u>	<u>134,984</u>
<u>Accumulated amortization</u>				
Balance on January 1, 2024	\$ 11,037	\$ 26,813	\$ -	\$ 37,850
Amortization expense	2,899	3,946	-	6,845
Disposition	(40)	-	-	(40)
Exchange difference, net	<u>119</u>	<u>338</u>	<u>-</u>	<u>457</u>
Balance on June 30, 2024	<u>14,015</u>	<u>31,097</u>	<u>-</u>	<u>45,112</u>
Net as of June 30, 2024	<u>\$ 4,610</u>	<u>\$ 34,747</u>	<u>\$ 50,515</u>	<u>\$ 89,872</u>

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

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

XV. Long-term borrowings

	June 30, 2025	December 31, 2024	June 30, 2024
Credit loans			
Expiring successively before June 2032	\$ 534,735	\$ 988,105	\$ 1,104,313
Secured borrowings			
Expiring successively by March 2035	<u>521,700</u>	<u>-</u>	<u>-</u>
	1,056,435	988,105	1,104,313
Less: Due within one year	148,488	156,078	180,689
Less: Recognized as deferred income - current (Note 25)	3,907	4,107	5,262
Less: Recognized as deferred income - non-current (Note 25)	<u>8,728</u>	<u>8,463</u>	<u>10,475</u>
	<u>\$ 895,312</u>	<u>\$ 819,457</u>	<u>\$ 907,887</u>
	June 30, 2025	December 31, 2024	June 30, 2024
Interest rate range (%)			
Credit loans	0.725~1.8	0.725~1.82	0.725~1.82
Secured borrowings	1.62~1.82	-	-

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 on a semi-annual or annual basis. The Company's consolidated financial statements for Q2 2025 and Q2 2024, and for the fiscal year 2024, were not in violation of the aforementioned regulations.

Please refer to Notes 30 and 31 for the status of joint guarantees and collateral provided for long-term borrowings by the Company and its subsidiaries.

XVI. Accounts payable

	June 30, 2025	December 31, 2024	June 30, 2024
Accounts payable	<u>\$ 200,991</u>	<u>\$ 194,453</u>	<u>\$ 188,439</u>

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

XVII. Other payables

	June 30, 2025	December 31, 2024	June 30, 2024
Remuneration payable to employees and directors	\$ 131,741	\$ 90,270	\$ 148,605
Payables for equipment	77,162	43,745	103,156
Payable insurance premiums and pensions	49,124	48,693	42,580
Bonus payable	45,922	66,658	33,882
Salary payable	44,483	39,454	38,720
Others (consumables, repairs, and miscellaneous purchases)	<u>58,873</u>	<u>47,332</u>	<u>59,808</u>
	<u>\$ 407,305</u>	<u>\$ 336,152</u>	<u>\$ 426,751</u>

XVIII. Post-employment benefit plan

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

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

The pension expenses related to the defined benefit plan recognized for the periods from April 1 to June 30, 2025 and 2024, and from January 1 to June 30, 2025 and 2024, were calculated based on the pension cost rates determined by actuarial valuations as of December 31, 2024 and 2023, amounting to NT\$373 thousand, NT\$335 thousand, NT\$746 thousand, and NT\$732 thousand, respectively.

XIX. Equity

(I) Common stock capital

	June 30, 2025	December 31, 2024	June 30, 2024
Rated number of shares (thousand shares)	<u>80,000</u>	<u>80,000</u>	<u>80,000</u>
Authorized share capital	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 800,000</u>
Number of issued and fully paid shares (thousand shares)	<u>58,424</u>	<u>57,925</u>	<u>57,887</u>
Issued share capital	<u>\$ 584,237</u>	<u>\$ 579,247</u>	<u>\$ 578,867</u>

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 24.

From January 1 to June 30, 2025, the Company issued 499 thousand shares due to employees exercising stock options at a weighted average price of NT\$49.51 per share issued at premium. The difference between issue price and par value of NT\$19,715 thousand was recorded under capital surplus - premium on stock issuance. Of these shares, the Company plans to register 379 thousand shares with the Ministry of Economic Affairs after the approval and issuance of this financial report.

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

	June 30, 2025	December 31, 2024	June 30, 2024
Can be used to offset losses, distribute cash or capitalize on share capital (Note 1)			
Premium from stock issuance	\$ 1,840,803	\$ 1,814,601	\$ 1,813,525
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	1,800
<u>Not to be used for any purpose</u>			
Employee share warrants	<u>6,325</u>	<u>11,694</u>	<u>9,863</u>
	<u>\$ 1,848,957</u>	<u>\$ 1,828,095</u>	<u>\$ 1,825,188</u>

Note 1: Such capital reserves may be used to make up for deficits, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the paid-in capital each year.

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

(III) Retained earnings and dividend policy

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

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

The Company pursues sustainable operations and stable management and development in line with the overall environment, industry growth characteristics, and the Company's long-term financial planning. The Company adopts a residual

dividend policy where the annual fund needs are measured based on the Company's future capital budget planning. After the funds required for financing are reserved, the remaining earnings may be distributed in the form of cash dividends and stock dividends. The distribution steps are as follows:

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

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

The Company's shareholders' meetings held in May 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

(IV) Other equity

Exchange differences on translation of financial statements of foreign operations:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Opening balance	\$ 19,275	\$ (9,499)
Exchange differences arising from the translation of net assets of foreign operations	(121,123)	28,120
Related income tax	24,225	(5,624)
Closing balance	<u>\$ (77,623)</u>	<u>\$ 12,997</u>

(V) Non-controlling interests

	January 1 to June 30, 2025	January 1 to June 30, 2024
Opening balance	\$316,862	\$248,487
Net income for the period	24,438	33,871
Other comprehensive income in the current period		
Foreign Currency Translation Adjustment	(29,151)	7,029
Changes in non-controlling interests due to subsidiary capital increase (Note 26)	35,571	-
Increase in non-controlling interests from acquisition of subsidiaries	820	-
Closing balance	<u>\$348,540</u>	<u>\$289,387</u>

XX. Revenue

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Revenue from contracts with customers				
Merchandise sales revenue	\$ 869,466	\$ 727,625	\$ 1,677,598	\$ 1,493,905
Others	<u>2,895</u>	<u>2,145</u>	<u>5,298</u>	<u>3,898</u>
	<u>\$ 872,361</u>	<u>\$ 729,770</u>	<u>\$ 1,682,896</u>	<u>\$ 1,497,803</u>

(I) Contract balance

	June 30, 2025	December 31, 2024	June 30, 2024	January 1, 2024
Notes and accounts receivable	<u>\$ 682,494</u>	<u>\$ 641,421</u>	<u>\$ 624,217</u>	<u>\$ 621,171</u>
Contract liabilities				
Sales of goods	<u>\$ 9,238</u>	<u>\$ 4,384</u>	<u>\$ 13,889</u>	<u>\$ 6,279</u>

The changes in contract liabilities were primarily due to timing differences between satisfying performance obligations and customer payments for the periods from January 1 to June 30, 2025 and 2024, with no other significant changes.

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

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
<u>Contract liabilities at the beginning of the year</u>		
Sales of goods	<u>\$ 4,381</u>	<u>\$ 6,073</u>

(II) Breakdown of revenue from customer contracts

January 1 to June 30, 2025

<u>Type of income</u>	<u>Reporting department</u>		
	<u>Contact lens - injection molded sheet</u>	<u>Others</u>	<u>Total</u>
Merchandise sales revenue	\$ 1,677,598	\$ -	\$ 1,677,598
Other operating revenue	<u>-</u>	<u>5,298</u>	<u>5,298</u>
	<u>\$ 1,677,598</u>	<u>\$ 5,298</u>	<u>\$ 1,682,896</u>

January 1 to June 30, 2024

<u>Type of income</u>	<u>Reporting department</u>		
	<u>Contact lens - injection molded sheet</u>	<u>Others</u>	<u>Total</u>
Merchandise sales revenue	\$ 1,493,905	\$ -	\$ 1,493,905
Other operating revenue	<u>-</u>	<u>3,898</u>	<u>3,898</u>
	<u>\$ 1,493,905</u>	<u>\$ 3,898</u>	<u>\$ 1,497,803</u>

XXI. Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Bank deposits	\$ 6,314	\$ 5,824	\$ 9,764	\$ 9,350
Others	<u>225</u>	<u>15</u>	<u>239</u>	<u>28</u>
	<u>\$ 6,539</u>	<u>\$ 5,839</u>	<u>\$ 10,003</u>	<u>\$ 9,378</u>

(II) Other income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Government grant income	\$ 885	\$ 1,886	\$ 10,015	\$ 3,724
Others	<u>1,313</u>	<u>1,080</u>	<u>2,374</u>	<u>3,729</u>
	<u>\$ 2,198</u>	<u>\$ 2,966</u>	<u>\$ 12,389</u>	<u>\$ 7,453</u>

(III) Other gains and losses

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net foreign exchange gain or loss	\$(72,382)	\$ 5,811	\$(61,621)	\$ 19,417
Net Loss on Financial Assets and Liabilities at Fair Value Through Profit or Loss	(1,378)	-	(1,378)	-
Gains from the disposal of property, plant and equipment	-	16	25	16
Others	<u>1</u>	<u>2,357</u>	<u>24</u>	<u>2,297</u>
	<u>\$(73,759)</u>	<u>\$ 8,184</u>	<u>\$(62,950)</u>	<u>\$ 21,730</u>

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

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Foreign exchange gain	\$ 2,780	\$ 6,608	\$ 14,595	\$ 23,884
Total foreign currency exchange losses	<u>(75,162)</u>	<u>(797)</u>	<u>(76,216)</u>	<u>(4,467)</u>
Net profit (loss)	<u>\$(72,382)</u>	<u>\$ 5,811</u>	<u>\$(61,621)</u>	<u>\$ 19,417</u>

(IV) Finance Costs

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Interest on bank borrowings	\$ 4,433	\$ 5,139	\$ 8,547	\$ 11,531
Interest on lease liabilities	<u>2,248</u>	<u>1,530</u>	<u>4,809</u>	<u>2,468</u>
Total interest expenses of financial liabilities at fair value through profit and loss	6,681	6,669	13,356	13,999
Less: Amount to be included in the cost of eligible assets	<u>404</u>	<u>8</u>	<u>404</u>	<u>8</u>
	<u>\$ 6,277</u>	<u>\$ 6,661</u>	<u>\$ 12,952</u>	<u>\$ 13,991</u>

Information on interest capitalization is as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Amount of capitalized interest	\$ 404	\$ 8	\$ 404	\$ 8
Interest capitalized interest rate (%)	1.62	3.95	1.62	3.95

(V) Depreciation and amortization

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Property, plant and equipment	\$ 82,216	\$ 73,870	\$ 163,598	\$ 146,243
Right-of-use assets	12,258	9,694	25,092	17,518
Intangible assets	3,803	3,470	7,512	6,845
	<u>\$ 98,277</u>	<u>\$ 87,034</u>	<u>\$ 196,202</u>	<u>\$ 170,606</u>
Depreciation expenses by function				
Operating cost	\$ 89,702	\$ 80,035	\$ 179,594	\$ 157,048
Operating expenses	4,772	3,529	9,096	6,713
	<u>\$ 94,474</u>	<u>\$ 83,564</u>	<u>\$ 188,690</u>	<u>\$ 163,761</u>
Amortization expenses by function				
Operating cost	\$ 875	\$ 1,299	\$ 1,806	\$ 2,647
Operating expenses	2,928	2,171	5,706	4,198
	<u>\$ 3,803</u>	<u>\$ 3,470</u>	<u>\$ 7,512</u>	<u>\$ 6,845</u>

(VI) Employee benefit expense

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Short-term employee benefits				
Salary	\$ 162,261	\$ 138,175	\$ 327,691	\$ 309,366
Labor and national health insurance	13,902	12,404	27,438	23,877
Others	14,046	12,084	25,466	24,448
	190,209	162,663	380,595	357,691
Post-employment benefits				
Defined contribution plan	7,819	7,985	11,187	15,545
Defined benefit plan (Note 18)	373	335	746	732
	<u>\$ 198,401</u>	<u>\$ 170,983</u>	<u>\$ 392,528</u>	<u>\$ 373,968</u>
Summary by function				
Operating cost	\$ 139,799	\$ 128,839	\$ 271,396	\$ 272,513
Operating expenses	58,602	42,144	121,132	101,455
	<u>\$ 198,401</u>	<u>\$ 170,983</u>	<u>\$ 392,528</u>	<u>\$ 373,968</u>

(VII) Remuneration to employees and directors

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

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.

For the periods from January 1 to June 30, 2025 and 2024, the estimated amounts of employee compensation and directors' remuneration are as follows:

Amount	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Remuneration to employees	\$ 10,620	\$ 9,944	\$ 33,355	\$ 32,515
Remuneration to directors	894	1,083	2,659	3,141

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

In March 2025 and 2024, the Company's Board of Directors approved the following amounts of employee compensation and directors' remuneration for 2024 and 2023, respectively:

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

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.

XXII. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Current income tax				
Incurred in the current period	\$ 43,034	\$ 37,014	\$ 92,945	\$ 70,836
Adjustments from previous years	<u>(23,913)</u>	<u>(15,413)</u>	<u>(23,913)</u>	<u>(15,413)</u>
	<u>19,121</u>	<u>21,601</u>	<u>69,032</u>	<u>55,423</u>
Deferred income tax				
Incurred in the current period	144	17,622	5,189	40,584
Adjustments from previous years	<u>-</u>	<u>(29)</u>	<u>-</u>	<u>(29)</u>
	<u>144</u>	<u>17,593</u>	<u>5,189</u>	<u>40,555</u>
	<u>\$ 19,265</u>	<u>\$ 39,194</u>	<u>\$ 74,221</u>	<u>\$ 95,978</u>

(II) Income tax recognized in other comprehensive income

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Deferred income tax				
Foreign Currency Translation Adjustment	<u>\$ (29,749)</u>	<u>\$ 1,797</u>	<u>\$ (24,225)</u>	<u>\$ 5,624</u>

(III) Authorization of income tax

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

XXIII. Earnings per share

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

Net income for the period

	April 1 to June 30, 2025	April 1 to June 30, 2024	January 1 to June 30, 2025	January 1 to June 30, 2024
Net income attributable to owners of the Company	<u>\$ 149,692</u>	<u>\$ 172,747</u>	<u>\$ 342,423</u>	<u>\$ 355,576</u>

Number of shares (unit: thousand)

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Weighted average number of ordinary shares for calculation of basic earnings per share	58,122	57,584	58,063	55,492
Potential dilutive ordinary shares				
Remuneration to employees	183	112	292	212
Employee share warrants	<u>252</u>	<u>750</u>	<u>252</u>	<u>750</u>
Weighted average number of ordinary shares for calculation of diluted earnings per share	<u>58,557</u>	<u>58,446</u>	<u>58,607</u>	<u>56,454</u>

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

XXIV. 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:

	January 1 to June 30, 2025		January 1 to June 30, 2024	
	Unit (Thousands)	Weighted average exercise price (NTD)	Unit (Thousands)	Weighted average exercise price (NTD)
<u>Employee share warrants</u>				
Shares outstanding at beginning of period	906		1,343	
Forfeitures during the period	-		(20)	
Grants during the period	<u>(499)</u>	<u>\$ 49.51</u>	<u>(375)</u>	<u>\$ 28.96</u>
Shares outstanding at end of period	<u>407</u>	<u>\$ 67.90</u>	<u>948</u>	<u>\$ 56.49</u>
Executable at the end of period	<u>267</u>		<u>72</u>	

As of June 30, 2025, information on outstanding employee stock options is as follows:

<u>Range of exercise price</u>	<u>Weighted average remaining contract term (years)</u>
\$28.06~118.4	2.63

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

	<u>2022</u>	<u>2021</u>
Grant-date stock price	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

For the periods from January 1 to June 30, 2025 and 2024, the Company recognized compensation costs of NT\$1,118 thousand and NT\$2,308 thousand, respectively, with corresponding amounts recognized in capital surplus – employee share options.

From January 1 to June 30, 2025, employee stock options in the amount of NT\$6,487 thousand were implemented and the amount transferred from the capital surplus to the capital reserve – stock issuance premium.

From January 1 to June 30, 2024, the Company transferred NT\$3,498 thousand from capital surplus – employee stock options to capital surplus – additional paid-in capital due to the exercise of employee stock options.

XXV. 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:

	January 1 to June 30, 2025	January 1 to June 30, 2024
Opening balance	\$ 12,570	\$ 16,384
Recognition of difference in fair value in current period	2,125	3,040
Recognized in current period (accounted for other income)	<u>(2,060)</u>	<u>(3,687)</u>
Closing balance	<u>\$ 12,635</u>	<u>\$ 15,737</u>

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Book value of deferred income</u>			
Deferred revenue	\$ 3,907	\$ 4,107	\$ 5,262
Long-term deferred revenue	<u>8,728</u>	<u>8,463</u>	<u>10,475</u>
	<u>\$ 12,635</u>	<u>\$ 12,570</u>	<u>\$ 15,737</u>

XXVI. Equity transactions with non-controlling interests - January 1 to June 30, 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:

	<u>January 1 to June 30, 2025</u>
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	<u>(35,571)</u>
Equity transaction balance	<u>\$ 29</u>

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

	<u>January 1 to June 30, 2025</u>
Capital reserve - the difference between the price of the subsidiary's equity actually acquired or disposed of and the book value	<u>\$ 29</u>

XXVII. Non-cash transactions

For the periods from January 1 to June 30, 2025 and 2024, the Company and subsidiaries had the following non-cash investing activities:

	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Investment activities that affect both cash and non-cash items		
Increase in property, plant and equipment	\$401,838	\$502,917
Increase of payables for equipment	(33,417)	(49,739)
Increase in prepayment for equipment	97,706	14,276
Capitalized interest	<u>(404)</u>	<u>(8)</u>
Amount of cash paid	<u>\$465,723</u>	<u>\$467,446</u>

XXVIII. 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.

XXIX. Financial instruments

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

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

(II) Fair Value Information — Financial Instruments Measured at Fair Value on a Recurring Basis

1. Fair Value Hierarchy

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2025</u>				
Financial Liabilities at Fair Value Through Profit or Loss — Current Forward Foreign Exchange Contracts	<u>\$ -</u>	<u>\$ 1,378</u>	<u>\$ -</u>	<u>\$ 1,378</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the six months ended June 30, 2025.

2. Valuation Techniques and Inputs for Level 2 Fair Value Measurements

<u>Category of Financial Instruments</u>	<u>Valuation techniques and inputs</u>
Derivative Instruments	The estimates and assumptions used by the Company and its subsidiaries in the valuation methods are consistent with information that market participants would use as estimates and assumptions when pricing financial instruments to the extent that such information is available to the Company and its subsidiaries.

The Company and its subsidiaries calculate the fair value of individual forward foreign exchange contracts based on the forward exchange rates for the respective maturity dates of individual forward foreign exchange contracts, using foreign exchange swap rates displayed in the quotation systems of correspondent banks.

(III) Type of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial assets</u>			
Measured at amortized cost (Note 1)	\$ 2,243,570	\$ 2,089,471	\$ 2,358,226
<u>Financial liabilities</u>			
Financial Liabilities at Fair Value Through Profit or Loss	1,378	-	-
Measured at amortized cost (Note 2)	1,652,107	1,506,585	1,704,430

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

(IV) 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 as of the balance sheet date, please refer to Note 33.

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

range of foreign exchange rate fluctuations. The sensitivity analysis only includes monetary items in USD and RMB outstanding.

	January 1 to June 30, 2025	January 1 to June 30, 2024
<u>Impact of USD</u>		
Net income before tax	\$ 5,474	\$ 1,532
<u>Impact of RMB</u>		
Net income before tax	2,644	2,510

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:

	June 30, 2025	December 31, 2024	June 30, 2024
Fair value interest rate risk			
Financial assets	\$ 625,161	\$ 643,078	\$ 910,912
Financial liabilities	319,031	359,639	380,027
Cash flow interest rate risk			
Financial assets	918,100	787,657	806,822
Financial liabilities	1,043,800	975,535	1,088,576

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

If interest rates on financial liabilities increased by 1%, with all other variables held constant, the Company's pre-tax net income for the periods from January 1 to June 30, 2025 and 2024 would have decreased by NT\$5,219 thousand and NT\$5,443 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	June 30, 2025	December 31, 2024	June 30, 2024
Company A	\$ 123,852	\$ 175,156	\$ 183,119
Company B	109,899	26,147	35,762
Company C	78,123	53,685	38,421
Company D	33,757	99,680	113,045

### 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 June 30, 2025, December 31, 2024, and June 30, 2024, the Company and its subsidiaries had unutilized bank loan facilities of NT\$4,827,505 thousand, NT\$3,860,126 thousand, and NT\$2,086,789 thousand, respectively. Therefore, there was no liquidity risk arising from the inability to raise funds to fulfill contractual obligations.

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

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

#### June 30, 2025

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Non-interest-bearing liabilities	\$ 930,937	\$ 11	\$ -	\$ 930,948
Instruments with floating interest rates	160,617	834,312	99,757	1,094,686
Lease liabilities	56,854	177,991	121,829	356,674
	<u>\$1,148,408</u>	<u>\$1,012,314</u>	<u>\$ 221,586</u>	<u>\$2,382,308</u>

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

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	\$ 56,854	\$177,991	\$121,829	\$ -

December 31, 2024

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

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

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

June 30, 2024

	<u>Within 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Non-interest-bearing liabilities Instruments with floating interest rates	\$ 802,453	\$ 458	\$ -	\$ 802,911
Lease liabilities	190,771	923,468	20,627	1,134,866
	<u>57,828</u>	<u>201,903</u>	<u>173,281</u>	<u>433,012</u>
	<u>\$1,051,052</u>	<u>\$1,125,829</u>	<u>\$ 193,908</u>	<u>\$2,370,789</u>

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

	<u>Less than 1 year</u>	<u>1 to 5 years</u>	<u>5 to 10 years</u>	<u>10 to 15 years</u>
Lease liabilities	\$ 57,828	\$201,903	\$166,206	\$ 7,075

XXX. Related party transactions

(I) Names of related parties and their relationships

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

(II) Closing balance

<u>Presentation account</u>	<u>Category/Name of related party</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Prepayments	Substantive related party	<u>\$ 942</u>	<u>\$ -</u>	<u>\$ -</u>
Prepayment for equipment	Jiangsu Joyea	<u>\$ 53,548</u>	<u>\$ 18,625</u>	<u>\$ 21,172</u>
Refundable deposits	Jiangsu Yuyue	<u>\$ 6,382</u>	<u>\$ 6,986</u>	<u>\$ 6,934</u>
Other payables	Substantive related party	<u>\$ 1,620</u>	<u>\$ 448</u>	<u>\$ 2,404</u>

(III) Acquisition of property, plant and equipment

<u>Category/Name of related party</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Proceeds from acquisition				
Jiangsu Joyea	<u>\$ -</u>	<u>\$ 7,963</u>	<u>\$ 6,323</u>	<u>\$ 7,963</u>

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

(IV) Lease agreement

<u>Category/Name of related party</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Acquisition of right-of-use assets				
Jiangsu Yuyue	<u>\$ -</u>	<u>\$ 184,540</u>	<u>\$ -</u>	<u>\$ 184,540</u>

<u>Presentation account</u>	<u>Name of related party</u>	<u>June 30, 2025</u>	<u>December 31, 2024</u>	<u>June 30, 2024</u>
Lease liabilities	Jiangsu Yuyue			
(including current and non-current)		<u>\$151,313</u>	<u>\$190,889</u>	<u>\$198,260</u>

<u>Category/Name of related party</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Interest expense				
Jiangsu Yuyue	<u>\$ 1,621</u>	<u>\$ 842</u>	<u>\$ 3,555</u>	<u>\$ 1,080</u>

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

(V) Remuneration of key management personnel

	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Short-term employee benefits	<u>\$ 11,789</u>	<u>\$ 13,800</u>	<u>\$ 26,866</u>	<u>\$ 27,740</u>
Post-employment benefits	<u>189</u>	<u>161</u>	<u>378</u>	<u>321</u>
	<u>\$ 11,978</u>	<u>\$ 13,961</u>	<u>\$ 27,244</u>	<u>\$ 28,061</u>

(VI) Other related party transactions

1. Other expenses

<u>Category/Name of related party</u>	<u>April 1 to June 30, 2025</u>	<u>April 1 to June 30, 2024</u>	<u>January 1 to June 30, 2025</u>	<u>January 1 to June 30, 2024</u>
Substantive related party	<u>\$ 53</u>	<u>\$ 32</u>	<u>\$ 60</u>	<u>\$ 56</u>

These represent repair and related expenses paid by the subsidiaries.

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.

**XXXI. Pledged assets**

The Company and its subsidiaries provided the following assets as collateral for long-term borrowings and customs duty guarantee bonds:

	Book value		
	June 30, 2025	December 31, 2024	June 30, 2024
Land	\$ 705,898	\$ -	\$ -
Unfinished construction and equipment to be inspected	729,327	-	-
Other financial assets	2,046	-	-
	<u>\$ 1,437,271</u>	<u>\$ -</u>	<u>\$ -</u>

**XXXII. Significant unrecognized contractual commitment**

As of June 30, 2025, the Company and its subsidiaries had outstanding contracts for the purchase of property, plant and equipment amounting to approximately NT\$2,111,534 thousand, of which NT\$1,138,171 thousand has not yet been recognized.

**XXXIII. 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				
June 30, 2025	Foreign currency	Exchange rate		Carrying amount
Monetary item - foreign currency assets				
USD	\$ 19,295	29.300	(USD:NTD)	\$ 565,331
RMB	64,620	4.091	(RMB:NTD)	264,359
JPY	11,790	0.2034	(JPY:NTD)	2,398
Non-monetary items of assets denominated in foreign currencies Subsidiaries accounted for using the equity method				

(To be Continued)

(Continued from previous page)

	Foreign currency	Exchange rate		Carrying amount
<u>June 30, 2025</u>				
USD	\$ 1,194	29.300	(USD:NTD)	\$ 34,993
RMB	305,995	4.091	(RMB:NTD)	1,251,824
Monetary item foreign currency liabilities				
USD	493	29.300	(USD:NTD)	14,439
USD	118	7.1586	(USD:CNY)	3,449
<u>December 31, 2024</u>				
Monetary item - foreign currency assets				
USD	6,869	32.785	(USD:NTD)	225,193
RMB	50,996	4.478	(RMB:NTD)	228,361
JPY	4,469	0.2099	(JPY:NTD)	938
Non-monetary items of assets denominated in foreign currencies Subsidiaries accounted for using the equity method				
RMB	283,045	4.478	(RMB:NTD)	1,267,474
Monetary item foreign currency liabilities				
USD	798	32.785	(USD:NTD)	26,161
USD	45	7.1884	(USD:CNY)	1,451
RMB	121	4.478	(RMB:NTD)	543
JPY	2,101	0.2099	(JPY:NTD)	441
<u>June 30, 2024</u>				
Monetary item - foreign currency assets				
USD	5,283	32.450	(USD:NTD)	171,424
RMB	56,633	4.445	(RMB:NTD)	251,735
Non-monetary items of assets denominated in foreign currencies Subsidiaries accounted for using the equity method				
RMB	260,422	4.445	(RMB:NTD)	1,157,575
Monetary item foreign currency liabilities				
USD	488	32.450	(USD:NTD)	15,841
USD	75	7.1268	(USD:CNY)	2,380
RMB	159	4.445	(RMB:NTD)	705

Foreign exchange gains and losses of the Company and its subsidiaries for the three months ended June 30, 2025 and June 30, 2024, and for the six months ended June 30, 2025 and June 30, 2024 were losses of NT\$72,382 thousand, gains of NT\$5,811 thousand, losses of NT\$61,621 thousand, and gains of NT\$19,417 thousand,

respectively. Due to the diverse functional currency types involved in foreign currency transactions, foreign exchange gains and losses cannot be categorized and disclosed by each major foreign currency.

XXXIV. 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 as of the period end (excluding investments in subsidiaries and associates): 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. For information on invested companies in Mainland China, including company names, main businesses, paid-in capital, investment methods, inward/outward remittance of funds, shareholding percentages, profit/loss for the period, recognized investment gain/loss, carrying amount of investments as of the period end, repatriated investment income, and limits on investment in Mainland China, please refer to the attached Table 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) There were no purchases requiring disclosure of amounts, percentages, and ending balances of related payables.
  - (2) There were no sales requiring disclosure of amounts, percentages, and ending balances of related receivables.
  - (3) The amount of property transactions and the amount of the resulting gain or loss: None.
  - (4) The balance and purpose of endorsements/guarantees for bills: None.

- (5) There were no financings requiring the disclosure of highest balance, ending balance, interest rate range, and total interest for the current period.
- (6) Other transactions with significant impacts on current period income or financial position, such as the rendering or receipt of services: Please refer to Table 3.

XXXV. 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 11.

(I) **Segment revenues and operating results**

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

	<u>VIZIONFOCUS</u>	<u>Jiangsu Vizionfocus Inc.</u>	<u>Others</u>	<u>Adjustments and write-offs</u>	<u>Consolidated</u>
<u>January 1 to June 30, 2025</u>					
Revenue from customers other than the parent company and subsidiaries	\$1,081,765	\$ 563,196	\$ 37,935	\$ -	\$1,682,896
Revenue from parent company and subsidiaries	<u>80,782</u>	<u>439</u>	<u>-</u>	<u>(81,221)</u>	<u>-</u>
Total revenue	<u>\$1,162,547</u>	<u>\$ 563,635</u>	<u>\$ 37,935</u>	<u>\$ (81,221)</u>	<u>\$1,682,896</u>
Segment profit (loss)	\$ 359,972	\$ 135,406	\$ (11,231)	\$ 10,445	\$ 494,592
Interest revenue	6,741	2,917	345	-	10,003
Other income	13,320	9,513	1	(10,445)	12,389
Other gains and losses	(62,990)	(14)	54	-	(62,950)
Share of Profit (Loss) of Subsidiaries Accounted	90,533	-	201,318	(291,851)	-

	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
for Using the Equity Method					
Finance Costs	\$ (9,376)	\$ (3,555)	\$ (21)	\$ -	\$ (12,952)
Net income before tax	398,200	144,267	190,466	(291,851)	441,082
Income tax expense	55,777	18,444	-	-	74,221
Net income for the period	\$ 342,423	\$ 125,823	\$ 190,466	\$ (291,851)	\$ 366,861
<b>January 1 to June 30, 2024</b>					
Revenue from customers other than the parent company and subsidiaries	\$ 880,504	\$ 617,299	\$ -	\$ -	\$ 1,497,803
Revenue from parent company and subsidiaries	35,669	1	-	(35,670)	-
Total revenue	\$ 916,173	\$ 617,300	\$ -	\$ (35,670)	\$ 1,497,803
Segment profit	\$ 260,246	\$ 188,994	\$ -	\$ 11,615	\$ 460,855
Interest revenue	5,708	3,670	-	-	9,378
Other income	17,000	2,068	-	(11,615)	7,453
Other gains and losses	19,455	2,275	-	-	21,730
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	135,484	-	270,968	(406,452)	-
Finance Costs	(12,912)	(1,079)	-	-	(13,991)
Net income before tax	424,981	195,928	270,968	(406,452)	485,425
Income tax expense	69,405	26,573	-	-	95,978
Net income for the period	\$ 355,576	\$ 169,355	\$ 270,968	\$ (406,452)	\$ 389,447

Departmental profit or loss refers to the profit earned by each department.

This measured amount is provided to the chief operating decision-maker for allocating resources to segments and evaluating their performance.

(II) Departmental total assets and liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
<b>Segment assets</b>			
VIZIONFOCUS	\$ 5,616,518	\$ 5,190,286	\$ 5,219,537
Jiangsu Vizionfocus Inc.	1,977,310	2,049,343	1,931,361
Others	2,635,784	2,535,599	2,315,150
Adjustments and write-offs	(3,860,478)	(3,835,517)	(3,496,589)
Consolidated total assets	\$ 6,369,134	\$ 5,939,711	\$ 5,969,459
<b>Departmental liabilities</b>			
VIZIONFOCUS	\$ 2,140,545	\$ 1,657,551	\$ 2,015,706
Jiangsu Vizionfocus Inc.	412,560	465,033	484,424
Others	37,559	600	-
Adjustments and write-offs	(46,043)	(33,070)	(23,889)
Consolidated total liabilities	\$ 2,544,621	\$ 2,090,114	\$ 2,476,241

VIZIONFOCUS INC. and subsidiaries  
Information on investees  
January 1 to June 30, 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 end of period			Profit or loss for the current period of investee companies (Note)	Investment profit or loss recognized during the current period (Note)	Notes
				End of current period	End of last year	Number of shares	Percentage (%)	Carrying amount			
The Company	Green Wealth Investments Limited (Samoa)	Samoa	International investment	\$ 1,097,607	\$ 1,097,607	35,692,609	100	\$ 1,251,824	\$ 100,659	\$ 100,659	
The Company	Star Focus Inc.	Taiwan	Medical device sales	24,400	100	2,440,000	40.67	23,993	(951)	(387)	
The Company	Optical Connection Technology Inc.	USA	Medical device sales	49,547	-	1,500,000	98.36	34,993	(9,901)	(9,739)	
Green Wealth Investments Limited (Samoa)	Clear Precise Investments Limited (Samoa)	Samoa	International investment	1,097,607	1,097,607	35,692,609	100	1,251,824	100,659	100,659	

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

VIZIONFOCUS INC. and subsidiaries  
Mainland China Investment Information  
January 1 to June 30, 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 current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Net income of investees for the period	The Company's shareholding ratio in direct or indirect investments (%)	Investment gains recognized in current period	Book value of investment at the end of the period	Repatriated investment income up to the current period	Notes
					Remitted	Recovered							
Jiangsu Vizionfocus Inc.	R&D, design, and production of contact lens; wholesale and import and export of similar products of the above-mentioned products.	\$ 655,378	(2)	\$1,097,607	\$ -	\$ -	\$1,097,607	\$ 125,823	80	\$ 100,659	\$1,251,800	\$ -	Notes 2 & 3

Name of Investment Company	The accumulated amount remitted from Taiwan to invest in mainland China as of the end of the current period:	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Limit of the Company's investment in Mainland China (Note 4)
Jiangsu Vizionfocus Inc.	\$ 1,097,607	\$ 1,184,248	\$ -

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

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

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

Note 3: Recognized and disclosed based on the Company's reviewed financial statements by its certified public accountants.

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

VIZIONFOCUS INC. and subsidiaries  
 Business relationships and material transactions between the parent company and its subsidiaries  
 January 1 to June 30, 2025

Table 3

Unit: NTD Thousand  
 (unless otherwise stated)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterpart	Transactions with each other			As a percentage of consolidated revenue or total assets (%)
				Subject Matters	Amount	Trading terms and conditions	
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Service revenue	\$ 31,808	As stipulated in the contract	1.89
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Other operating revenue	8,818	As stipulated in the contract	0.52
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Royalty income	10,445	As stipulated in the contract	0.62
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Accounts receivable	17,797	As stipulated in the contract	0.28
0	The Company	Star Focus Inc.	Subsidiary	Sales revenue	28,161	As stipulated in the contract	1.67
0	The Company	Star Focus Inc.	Subsidiary	Accounts receivable	15,224	As stipulated in the contract	0.24
0	The Company	Optical Connection Technology Inc.	Subsidiary	Sales revenue	11,870	As stipulated in the contract	0.71
0	The Company	Optical Connection Technology Inc.	Subsidiary	Accounts receivable	6,994	As stipulated in the contract	0.11