Stock Code: 4771

VIZIONFOCUS INC. and subsidiaries

Consolidated Financial Statements and Independent Auditors' Review Report

Q2 of 2026 and 2025

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Independent Auditors' Review Report

To VIZIONFOCUS INC.:

Foreword

The consolidated balance sheets of VIZIONFOCUS INC. (the "Company") and its subsidiaries as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2026 and 2025, and the related consolidated statements of changes in equity and cash flows for the six months ended June 30, 2026 and 2025, as well as the notes to the consolidated financial statements (including a summary of significant accounting policies), have been reviewed by us. 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, 2026 and 2025, their consolidated financial performance for the three-month and six-month periods ended June 30, 2026 and 2025, and their consolidated cash flows for the six-month periods ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," endorsed and issued into effect by the Financial Supervisory Commission.

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 10, 2026

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to 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, 2026, December 31, 2025 and June 30, 2025

Unit: NTD Thousand

Code	Assets	June 30, 2026 Amount	%	December 31, 2025 Amount	%	June 30, 2025 Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	$ 1,035,790	13	$ 989,443	15	$ 1,248,522	20
1150	Notes receivable (Note 9)	4,800	-	11,965	-	11,146	-
1170	Accounts receivable (Notes 9 & 30)	1,064,783	13	879,873	12	671,348	11
1200	Other receivables	705	-	2,051	-	2,284	-
1220	Current income tax assets	34,268	-	14,130	-	9,303	-
130X	Inventories (Note 10)	384,240	5	360,698	5	289,946	5
1410	Prepayments (Note 30)	149,436	2	98,576	1	76,339	1
1476	Other financial assets – current (Notes 7 & 31)	49,545	1	299,728	4	297,861	5
1479	Other current assets	1,006	-	1,972	-	329	-
11XX	Total current assets	2,724,573	34	2,658,436	37	2,607,078	42
	Non-current assets						
1600	Property, plant and equipment (Notes 12, 30 and 31)	4,714,537	58	3,725,697	54	3,147,624	48
1755	Right-of-use assets (Note 13)	285,266	3	303,888	4	311,296	5
1780	Intangible assets (Note 14)	166,042	2	159,686	2	131,649	2
1840	Deferred income tax assets	11,245	-	10,548	-	36,906	1
1915	Prepayment for equipment (Note 30)	240,060	3	189,403	3	122,172	2
1920	Refundable deposits (Note 30)	18,365	-	13,452	-	12,409	-
15XX	Total non-current assets	5,435,515	66	4,402,674	63	3,762,056	58
1XXX	Total assets	$ 8,160,088	100	$ 7,061,110	100	$ 6,369,134	100
Code	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 15)	$ -	-	$ 20,000	-	$ -	-
2120	Financial Liabilities at Fair Value Through Profit or Loss — Current (Note 8)	-	-	-	-	1,378	-
2130	Contract liabilities - Current (Notes 20)	12,079	-	21,318	-	9,238	-
2150	Notes payable (Note 16)	-	-	3,014	-	-	-
2170	Accounts payable (Note 16)	293,763	4	250,187	4	200,991	3
2200	Other payables (Notes 17 & 30)	613,592	8	479,658	7	407,305	7
2216	Dividends payable (Note 19)	426,617	5	-	-	322,641	5
2230	Current income tax liabilities	110,350	1	76,121	1	81,257	1
2280	Lease liabilities – current (Notes 13 & 30)	53,944	1	52,301	1	48,735	1
2313	Deferred revenue (Notes 15 & 25)	2,922	-	3,319	-	3,907	-
2322	Long-term borrowings due within one year (Notes 15 & 31)	106,917	1	136,685	2	148,488	2
2399	Other current liabilities	299	-	1,524	-	382	-
21XX	Total current liabilities	1,620,483	20	1,044,127	15	1,224,322	19
	Non-current liabilities						
2540	Long-term borrowings (Notes 15 & 31)	1,405,066	17	1,114,709	17	895,312	15
2570	Deferred income tax liabilities	260,665	3	219,285	3	144,142	2
2580	Lease liabilities – non-current (Notes 13 & 30)	240,527	3	260,143	4	270,296	4
2630	Long-term deferred revenue (Notes 15 & 25)	15,688	-	11,755	-	8,728	-
2640	Net defined benefit liabilities (Notes 4 & 18)	3,107	-	2,550	-	1,810	-
2670	Other non-current liabilities	4	-	13	-	11	-
25XX	Total non-current liabilities	1,925,057	23	1,608,455	24	1,320,299	21
2XXX	Total liabilities	3,545,540	43	2,652,582	39	2,544,621	40
	Equity attributable to owners of the Company (Note 19)						
	Capital stock						
3110	Common stock capital	587,337	7	585,277	8	584,237	9
3140	Advance Receipts for Share Capital	337	-	-	-	-	-
3100	Total Share Capital	587,674	7	585,277	8	584,237	9
3200	Capital reserve	1,868,524	23	1,851,365	26	1,848,957	29
	Retained earnings						
3310	Statutory Reserve	223,635	3	149,592	2	149,592	2
3350	Undistributed earnings	1,377,858	17	1,368,819	19	970,810	16
3300	Total retained earnings	1,601,493	20	1,518,411	21	1,120,402	18
3400	Other equity						
3410	Foreign Currency Translation Adjustment	85,198	1	29,448	-	(77,623)	(1)
31XX	Total owners' equity of the Company	4,142,889	51	3,984,501	55	3,475,973	55
36XX	Non-controlling interests (Notes 11 & 19)	471,659	6	424,027	6	348,540	5
3XXX	Total equity	4,614,548	57	4,408,528	61	3,824,513	60
3X2X	Total liabilities and equity	$ 8,160,088	100	$ 7,061,110	100	$ 6,369,134	100

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

VIZIONFOCUS INC. and subsidiaries
Consolidated Statement of Comprehensive Income
April 1 to June 30, 2026 and 2025, and January 1 to June 30, 2026 and 2025

Unit: NTD thousand; EPS in NTD

Code		April 1 to June 30, 2026		April 1 to June 30, 2025		January 1 to June 30, 2026		January 1 to June 30, 2025	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (Notes 20 & 30)	$ 1,196,065	100	$ 872,361	100	$ 2,226,792	100	$ 1,682,896	100
5000	Operating costs (Notes 10, 21 & 30)	676,206	57	516,683	59	1,284,405	58	991,430	59
5900	Gross operating profit	519,859	43	355,678	41	942,387	42	691,466	41
	Operating expenses (Notes 9 & 21)								
6100	Sales promotion expenses	47,028	4	23,464	3	84,585	3	43,571	3
6200	Administrative expenses	46,345	4	36,552	4	84,982	4	73,309	4
6300	R&D expenses	56,269	4	41,140	5	104,479	5	81,375	5
6450	Expected credit reversal gain	-	-	(1,587)	-	-	-	(1,381)	-
6000	Total operating expenses	149,642	12	99,569	12	274,046	12	196,874	12
6900	Net operating profit	370,217	31	256,109	29	668,341	30	494,592	29
	Non-operating income and expenses (Notes 21 & 30)								
7100	Interest revenue	3,857	-	6,539	1	6,125	-	10,003	1
7010	Other income	4,197	-	2,198	-	6,922	-	12,389	1
7020	Other gains and losses	3,847	-	(73,759)	(8)	17,447	1	(62,950)	(4)
7050	Finance Costs	(5,967)	-	(6,277)	(1)	(12,041)	-	(12,952)	(1)
7000	Total non-operating income and expenses	5,934	-	(71,299)	(8)	18,453	1	(53,510)	(3)
7900	Net income before tax	376,151	31	184,810	21	686,794	31	441,082	26
7950	Income tax expense (Notes 4 & 22)	66,585	5	19,265	2	135,721	6	74,221	4
8200	Net income for the period	309,566	26	165,545	19	551,073	25	366,861	22
	Other comprehensive income (Notes 19 & 22)								
8360	Items that may be reclassified subsequently to profit or loss								
8361	Foreign Currency Translation Adjustment	28,070	2	(184,753)	(21)	86,800	4	(150,274)	(9)
8399	Income tax related to items that may be reclassified	(4,512)	-	29,749	3	(13,938)	(1)	24,225	1
8300	Other comprehensive income for the period (net amount after tax)	23,558	2	(155,004)	(18)	72,862	3	(126,049)	(8)
8500	Total comprehensive income for the period	$ 333,124	28	$ 10,541	1	$ 623,935	28	$ 240,812	14
	Net profit attributable to								
8610	Owners of the Company	$ 277,999	23	$ 149,692	17	$ 492,776	22	$ 342,423	20
8620	Non-controlling interests	31,567	3	15,853	2	58,297	3	24,438	2
8600		$ 309,566	26	$ 165,545	19	$ 551,073	25	$ 366,861	22
	Total comprehensive income attributable to								
8710	Owners of the Company	$ 296,046	25	$ 30,698	4	$ 548,526	25	$ 245,525	14
8720	Non-controlling interests	37,078	3	(20,157)	(3)	75,409	3	(4,713)	-
8700		$ 333,124	28	$ 10,541	1	$ 623,935	28	$ 240,812	14
	Earnings per share (Note 23)								
9710	Basic	$ 4.73		$ 2.58		$ 8.40		$ 5.90	
9810	Diluted	$ 4.71		$ 2.56		$ 8.33		$ 5.84	

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, 2026 and 2025

Unit: NTD Thousand

Code		Equity attributable to owners of the Company											
		Capital stock				Retained earnings				Other equity			
		Common stock capital	Advance Receipts for Share Capital	Total	Capital reserve	Statutory Reserve	Special reserves	Undistributed earnings	Total	Foreign Currency Translation Adjustment	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2026	$ 585,277	$ -	$ 585,277	$ 1,851,365	$ 149,592	$ -	$ 1,368,819	$ 1,518,411	$ 29,448	$ 3,984,501	$ 424,027	$ 4,408,528
	Appropriation and distribution of 2025 earnings (Note 19)												
B1	Statutory Reserve	-	-	-	-	74,043	-	(74,043)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	(409,694)	(409,694)	-	(409,694)	-	(409,694)
		-	-	-	-	74,043	-	(483,737)	(409,694)	-	(409,694)	-	(409,694)
D1	Net income for the six months ended June 30, 2026	-	-	-	-	-	-	492,776	492,776	-	492,776	58,297	551,073
D3	Other comprehensive income after tax from January 1 to June 30, 2026	-	-	-	-	-	-	-	-	55,750	55,750	17,112	72,862
D5	Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	-	-	492,776	492,776	55,750	548,526	75,409	623,935
M5	Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries (Note 26)	-	-	-	2,146	-	-	-	-	-	2,146	(10,854)	(8,708)
N1	Share-based payment transactions (Notes 19 & 24)	2,060	337	2,397	15,013	-	-	-	-	-	17,410	-	17,410
O1	Non-controlling interests (Note 19)	-	-	-	-	-	-	-	-	-	-	(16,923)	(16,923)
Z1	Balance on June 30, 2026	$ 587,337	$ 337	$ 587,674	$ 1,868,524	$ 223,635	$ -	$ 1,377,858	$ 1,601,493	$ 85,198	$ 4,142,889	$ 471,659	$ 4,614,548
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	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

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, 2026 and 2025

Unit: NTD Thousand

Code		January 1 to June 30, 2026	January 1 to June 30, 2025
	Cash flow from operating activities		
A10000	Net income before tax for the period	$ 686,794	$ 441,082
A20010	Income and expenses		
A20100	Depreciation expense	220,124	188,690
A20200	Amortization expense	9,514	7,512
A20300	Expected credit reversal gain	-	(1,381)
A20400	Net Loss on Financial Assets and Liabilities at Fair Value Through Profit or Loss	-	1,378
A20900	Finance Costs	12,041	12,952
A21200	Interest revenue	(6,125)	(10,003)
A21900	Share-based payment for remuneration	-	1,118
A22500	Gains from the disposal of property, plant and equipment	(26)	(25)
A23700	Loss on inventory valuation and obsolescence	14,818	9,953
A29900	Amortization of deferred income	(1,890)	(2,060)
A29900	Others	1,873	81
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	7,165	(2,632)
A31150	Accounts receivable	(184,910)	(37,030)
A31180	Other receivables	484	(296)
A31200	Inventories	(40,558)	(10,974)
A31230	Prepayments	(50,860)	(16,891)
A31240	Other current assets	966	(114)
A31990	Other non-current assets	-	64
A32125	Contract liabilities	(9,239)	4,854
A32130	Notes payable	(3,014)	-
A32150	Accounts payable	43,576	6,538
A32180	Other payables	80,725	39,619
A32230	Other current liabilities	(1,225)	(52)
A32240	Net defined benefit liabilities	557	332
A32990	Other non-current liabilities	(9)	(226)
A33000	Cash inflow from operations	780,781	632,489

(To be Continued)

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Code		January 1 to June 30, 2026	January 1 to June 30, 2025
A33100	Interest received	$ 6,987	$ 9,715
A33300	Interest paid	(13,834)	(11,247)
A33500	Income tax paid	(97,821)	(57,319)
AAAA	Net cash inflow from operating activities	676,113	573,638
	Cash flow from investing activities		
B02700	Purchase of property, plant and equipment	(1,118,116)	(465,723)
B02800	Proceeds from the disposal of property, plant and equipment	31	25
B03700	Decrease (increase) in refundable deposits	(4,913)	15
B04500	Acquisition of intangible assets	(16,686)	(32,379)
B06600	Decrease (increase) of other financial assets	250,183	(44,061)
BBBB	Net cash outflow from investing activities	(889,501)	(542,123)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	10,000	-
C00200	Decrease in short-term borrowings	(30,000)	-
C01600	Borrowing of long-term loans	354,540	157,730
C01700	Repayment of long-term borrowings	(90,416)	(89,400)
C04020	Lease principal repayment	(26,242)	(23,347)
C04800	Exercise of employee stock options	17,410	19,207
C05800	Changes in non-controlling interests	(8,708)	35,600
CCCC	Net cash inflow from financing activities	226,584	99,790
DDDD	Effect of exchange rate changes on cash and cash equivalents	33,151	(62,909)
EEEE	Net increase in cash and cash equivalents	46,347	68,396
E00100	Opening balance of cash and cash equivalents	989,443	1,180,126
E00200	Closing balance of cash and cash equivalents	$1,035,790	$1,248,522

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

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 10, 2026.

III. Application of new and amended standards and interpretations

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

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

(II) IFRS accounting standards approved by the FSC applicable in 2027

New/amended/revised standards and interpretations	Effective date announced by the International Accounting Standards Board (IASB)
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiary without Public Accountability: Disclosures" (including 2025 amendments)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: Enterprises in Taiwan shall apply IFRS 18 from January 1, 2028, with early application permitted.

Note 2: These amendments shall be applied concurrently with IFRS 18.

IFRS 18 “Presentation and Disclosure in Financial Statements” and relevant consequential amendments

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

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

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

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

flows may be classified under only a single activity in the statement of cash flows.

The Company and its subsidiaries do not intend to early apply IFRS 18 and the related consequential amendments.

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

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

New/amended/revised standards and interpretations	Effective date announced by IASB (Note)
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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

As of the date these consolidated financial statements were authorized for issue, the Company and its subsidiaries continue to evaluate the impacts of amendments to standards and interpretations on their financial position and financial 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 adjusted to make their accounting policies consistent with the Company's accounting policies. In preparing the consolidated financial statements, all intra-group transactions, account balances, income, and expenses have been eliminated. The total comprehensive income of subsidiaries is attributed to the owners of the Company and non-controlling interests, even if this results in non-controlling interests carrying a deficit balance.

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

For details on subsidiaries, ownership percentages, and business activities, refer to Note 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 2025 annual consolidated financial statements.

1. Removal of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the obligation specified in the contract is discharged, cancelled or expires, or the date on which debt instruments with substantially different terms are exchanged, or the terms of a financial liability are substantially modified.

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

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 2025 annual consolidated financial statements.

VI. Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hands	$ 156	$ 159	$ 86
Checks and demand deposits	886,634	719,284	891,236
Cash equivalents (investment with original maturity date of less than 3 months)			
Time deposits in banks	49,000	170,000	269,300
Commercial paper	100,000	100,000	-
Repurchase agreements	-	-	87,900
	$ 1,035,790	$ 989,443	$ 1,248,522

VII. Other financial assets – current

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturity exceeding 3 months	$ 47,200	$ 297,180	$ 295,815
Pledged time deposits (Note 31)	2,345	2,548	2,046
	$ 49,545	$ 299,728	$ 297,861
Interest rate per annum (%)	1.225～1.8	1.35～1.65	1.35～1.95

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

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

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:

	Currency	Maturity period	Contract Amount (NTD Thousand)
June 30, 2025			
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.

IX. Notes and accounts receivable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes receivable			
Total book value measured at amortized cost - due to operations	$ 4,800	$ 11,965	$ 11,146
Accounts receivable			
Total book value measured at amortized cost	$ 1,064,783	$ 879,873	$ 671,410
Less: Loss allowance	-	-	62
	$ 1,064,783	$ 879,873	$ 671,348

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

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

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

June 30, 2026

	Not past due	Overdue 1 to 30 days	Overdue 31 to 120 days	Overdue 121 to 360 days	Overdue over 360 days	Counterparty shows signs of default	Total
Expected credit loss rate (%)	-	4	4	4	100	100	
Gross carrying amount	$1,064,752	$ 4,780	$ 51	$ -	$ -	$ -	$1,069,583
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$1,064,752	$ 4,780	$ 51	$ -	$ -	$ -	$1,069,583

December 31, 2025

	Not past due	Overdue 1 to 30 days	Overdue 31 to 120 days	Overdue 121 to 360 days	Overdue over 360 days	Counterparty shows signs of default	Total
Expected credit loss rate (%)	-	4	4	4	100	100	
Gross carrying amount	$ 887,151	$ 3,186	$ 1,501	$ -	$ -	$ -	$ 891,838
Allowance for losses (lifetime expected credit losses)	-	-	-	-	-	-	-
Amortized cost	$ 887,151	$ 3,186	$ 1,501	$ -	$ -	$ -	$ 891,838

June 30, 2025

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

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Opening balance	$ -	$ 1,473
Reversals during the period	-	(1,381)
Exchange rate effect	-	(30)
Closing balance	$ -	$ 62

X. Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 84,178	$ 62,401	$ 55,427
Materials	61,070	37,828	32,947
Work in process	52,370	56,960	39,859
Semi-finished product	8,132	4,730	3,699
Finished goods	139,393	165,240	136,652
Merchandise	39,097	33,539	21,362
	$384,240	$360,698	$289,946

The components of the operating cost are as follows:

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Cost of goods sold	$ 665,547	$ 515,388	$1,271,859	$ 985,801
Loss on inventory valuation and obsolescence	11,389	3,483	14,818	9,953
Income from sale of scraps and scraps	(2,206)	(2,236)	(4,145)	(4,405)
Others	1,476	48	1,873	81
	$ 676,206	$ 516,683	$1,284,405	$ 991,430

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, 2026	December 31, 2025	June 30, 2025	
The Company	Green Wealth Investments Limited（Green Wealth）	International investment	100	100	100	
The Company	Star Focus Inc. (Star Focus)	Medical device sales	51.67	40.67	40.67	Note 1
The Company	Optical Connection Technology Inc.（OCTI）	Medical device sales	100	98.77	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-mentioned products	80	80	80	

Note 1: The Company’s management, after considering the absolute magnitude, relative size, and distribution of voting rights held compared to other shareholders, and given that all director positions of the subsidiary are held by the Company, determined that the Company possesses substantive ability to direct the relevant activities of Star Focus Inc., and therefore continues to classify it as a subsidiary. In June 2026, the Company acquired additional equity interests in Star Focus Inc. from non-controlling shareholders, increasing its ownership interest from 40.67% to 51.67%.

Note 2: In response to the Company’s overall operational development needs, the Company resolved through Board resolution in November 2024 to establish U.S. Subsidiary OCTI. Investment capital remittances were completed in January and August 2025, resulting in a 98.77% ownership interest. In April 2026, the Company acquired additional equity interests in OCTI from non-controlling shareholders, increasing its ownership interest from 98.77% to 100%.

Note 3: As of June 2026, 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, 2026	December 31, 2025	June 30, 2025
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, 2026	January 1 to June 30, 2025	June 30, 2026	December 31, 2025	June 30, 2025
Jiangsu Vizionfocus Inc.	$ 39,915	$ 25,164	$ 423,813	$ 383,715	$ 312,950

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current assets	$ 922,601	$ 970,303	$ 781,191
Non-current assets	1,834,123	1,450,712	1,196,119
Current liabilities	(431,606)	(290,770)	(243,628)
Non-current liabilities	(206,051)	(211,669)	(168,932)
Equity	$ 2,119,067	$ 1,918,576	$ 1,564,750
Equity attributable to			
Owners of the Company	$ 1,695,254	$ 1,534,861	$ 1,251,800
Non-controlling interests of Jiangsu Vizionfocus Inc.	423,813	383,715	312,950
	$ 2,119,067	$ 1,918,576	$ 1,564,750

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	January 1 to June 30, 2026	January 1 to June 30, 2025
Net operating revenue	$ 836,473	$ 563,635
Net income for the period	$ 199,574	$ 125,823
Other comprehensive income	-	-
Total comprehensive income	$ 199,574	$ 125,823
Net profit attributable to		
Owners of the Company	$ 159,659	$ 100,659
Non-controlling interests of Jiangsu Vizionfocus Inc.	39,915	25,164
	$ 199,574	$ 125,823
Total comprehensive income attributable to		
Owners of the Company	$ 159,659	$ 100,659
Non-controlling interests of Jiangsu Vizionfocus Inc.	39,915	25,164
	$ 199,574	$ 125,823
Cash flow		
Operating activities	$ 234,756	$ 243,107
Investment activities	(211,510)	(173,279)
Financing activities	(8,898)	(7,970)
Effect of exchange rate changes	25,864	(59,695)
Net cash inflow	$ 40,212	$ 2,163

XII. Property, plant and equipment

January 1 to June 30, 2026

	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
Cost									
Balance on January 1, 2026	$ 705,898	$ 2,495,770	$ 146,823	$ 8,058	$ 32,864	$ 316,734	$ 48,581	$ 1,338,440	$ 5,093,168
Addition	-	117,911	7,987	-	2,700	1,849	9,777	986,952	1,127,176
Disposition	-	(16)	-	-	(69)	-	-	-	(85)
Exchange difference, net	-	49,331	3,450	65	480	6,524	623	13,735	74,208
Balance on June 30, 2026	705,898	2,662,996	158,260	8,123	35,975	325,107	58,981	2,339,127	6,294,467
Accumulated depreciation									
Balance on January 1, 2026	-	1,052,035	92,497	6,877	23,110	168,800	24,152	-	1,367,471
Depreciation expense	-	152,320	13,492	229	3,126	18,585	5,521	-	193,273
Disposition	-	(11)	-	-	(69)	-	-	-	(80)
Exchange difference, net	-	13,689	1,780	49	330	3,264	154	-	19,266
Balance on June 30, 2026	-	1,218,033	107,769	7,155	26,497	190,649	29,827	-	1,579,930
Net as of December 31, 2025	$ 705,898	$ 1,443,735	$ 54,326	$ 1,181	$ 9,754	$ 147,934	$ 24,429	$ 1,338,440	$ 3,725,697
Net as of June 30, 2026	$ 705,898	$ 1,444,963	$ 50,491	$ 968	$ 9,478	$ 134,458	$ 29,154	$ 2,339,127	$ 4,714,537

January 1 to June 30, 2025

Cost	Land	Machinery and equipment	Mold equipment	Transportation equipment	Office equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment to be inspected	Total
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	705,898	2,211,342	127,193	7,537	27,651	296,454	38,055	890,460	4,304,590
Accumulated depreciation									
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	-	889,515	77,257	6,388	20,443	144,523	18,840	-	1,156,966
Net as of June 30, 2025	$ 705,898	$ 1,321,827	$ 49,936	$ 1,149	$ 7,208	$ 151,931	$ 19,215	$ 890,460	$ 3,147,624

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

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

Please refer to Note 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, 2026	December 31, 2025	June 30, 2025
Book value of right-of-use assets			
Land	$ 1,361	$ 1,551	$ 1,741
Buildings	283,824	302,175	309,311
Machinery and equipment	81	162	244
	$ 285,266	$ 303,888	$ 311,296

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Addition of right-of-use assets			$ 1,624	$ 18,973
Depreciation expense of right-of-use assets				
Land	$ 95	$ 95	$ 190	$ 190
Buildings	13,361	12,123	26,580	24,821
Machinery and equipment	40	40	81	81
	$ 13,496	$ 12,258	$ 26,851	$ 25,092

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, 2026 and 2025.

(II) Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Book value of lease liabilities			
Current	$ 53,944	$ 52,301	$ 48,735
Non-current	$240,527	$260,143	$270,296

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

	June 30, 2026	December 31, 2025	June 30, 2025
Land	1.605	1.605	1.605
Buildings	1.247～4.75	1.247～4.75	1.247～4.75
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, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Short-term and low-value lease expenses	$ 1,613	$ 921	$ 3,281	$ 1,836
Total cash outflows of all lease agreements (including short-term leases)			$ 33,854	$ 29,992

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, 2026	December 31, 2025	June 30, 2025
Computer software	$ 4,999	$ 5,561	$ 4,513
Product certificate	102,550	78,777	67,824
Intangible assets under development	43,409	59,942	44,462
Other intangible assets (primarily consisting of customer relationships, customer lists, and trademark rights)	15,084	15,406	14,850
	$ 166,042	$ 159,686	$ 131,649

January 1 to June 30, 2026

	Computer software	Product certificate	Intangible assets under development	Other intangible assets	Total
Cost					
Balance on January 1, 2026	$ 26,291	$ 126,112	$ 59,942	$ 16,451	$ 228,796
Addition	1,596	-	12,265	-	13,861
Disposition	(167)	-	-	-	(167)
Reclassification	-	29,155	(29,155)	-	-
Exchange difference, net	297	2,628	357	220	3,502
Balance on June 30, 2026	28,017	157,895	43,409	16,671	245,992
Accumulated amortization					
Balance on January 1, 2026	20,730	47,335	-	1,045	69,110
Amortization expense	2,209	6,780	-	525	9,514
Disposition	(167)	-	-	-	(167)
Exchange difference, net	246	1,230	-	17	1,493
Balance on June 30, 2026	23,018	55,345	-	1,587	79,950
Net as of December 31, 2025	$ 5,561	$ 78,777	$ 59,942	$ 15,406	$ 159,686
Net as of June 30, 2026	$ 4,999	$ 102,550	$ 43,409	$ 15,084	$ 166,042

January 1 to June 30, 2025

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

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 certificates are recognized as intangible assets under development and will be transferred to intangible assets - product certificate when the approval certificate is duly obtained.

XV. Borrowings

(I) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Bank credit	$ -	$ 20,000	$ -
Interest rate per annum (%)	-	1.7	-

(II) Long-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Credit loans			
Expiring successively before March 2035	$ 1,110,713	$ 846,588	$ 636,555
Secured borrowings			
Expiring successively by August 2027	419,880	419,880	419,880
	1,530,593	1,266,468	1,056,435
Less: Due within one year	106,917	136,685	148,488
Less: Recognized as deferred income - current (Note 25)	2,922	3,319	3,907
Less: Recognized as deferred income - non-current (Note 25)	15,688	11,755	8,728
	$ 1,405,066	$ 1,114,709	$ 895,312

	June 30, 2026	December 31, 2025	June 30, 2025
Interest rate range (%)			
Credit loans	0.725～1.8	0.725～1.8	0.725～1.62
Secured borrowings	1.82	1.82	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. Compliance with the aforementioned requirements is reviewed semi-annually or annually. The Company did

not violate the aforementioned requirements in its consolidated financial statements for Q2 2026, Q2 2025, and FY2025.

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

XVI. Notes payable and accounts payable

	June 30, 2026	December 31, 2025	June 30, 2025
Notes payable			
Arising from operations	$ -	$ 3,014	$ -
Accounts payable	$293,763	$250,187	$200,991

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, 2026	December 31, 2025	June 30, 2025
Payables for equipment	$174,697	$118,807	$ 77,162
Remuneration payable to employees and directors	164,212	100,028	131,741
Payable insurance premiums and pensions	63,329	51,840	49,124
Bonus payable	56,265	82,009	45,922
Salary payable	55,208	46,752	44,483
Others (consumables, repairs, and miscellaneous purchases)	99,881	80,222	58,873
	$613,592	$479,658	$407,305

XVIII. Post-employment benefit plan

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

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

The pension expenses related to the defined benefit plan recognized for the periods from April 1 to June 30, 2026 and 2025, and from January 1 to June 30, 2026 and 2025, were calculated based on the pension cost rates determined by actuarial valuations as of December 31, 2025 and 2024, amounting to NT$505 thousand, NT$373 thousand, NT$1,010 thousand, and NT$746 thousand, respectively.

XIX. Equity

(I) Common stock capital

	June 30, 2026	December 31, 2025	June 30, 2025
Rated number of shares (thousand shares)	80,000	80,000	80,000
Authorized share capital	$800,000	$800,000	$800,000
Number of issued and fully paid shares (thousand shares)	58,734	58,528	58,424
Issued share capital	$587,337	$585,277	$584,237

From January 1 to June 30, 2026, the Company issued 206 thousand shares due to employees exercising stock options at a weighted average price of NT$82.88 per share issued at premium. The difference between issue price and par value of NT$15,013 thousand was recorded under capital surplus - premium on stock issuance. Of these shares, the Company plans to register 25 thousand shares with the Ministry of Economic Affairs after the approval and issuance of this financial report.

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.

During fiscal year 2025, the Company issued 603 thousand shares due to employees exercising stock options at a weighted average price of NT$45.81 per share issued at premium. The difference between the issue price and the par value of NT$21,593 thousand was recorded under capital surplus – premium on stock issuance.

(II) Capital reserve

	June 30, 2026	December 31, 2025	June 30, 2025
Can be used to offset losses, distribute cash or capitalize on share capital (Note 1)			
Premium from stock issuance	$ 1,862,909	$ 1,843,697	$ 1,840,803
Difference Between the Fair Value and Carrying Amount of the Consideration Paid or Received for the Acquisition or Disposal of Subsidiaries	2,175	29	29
From gifts and acceptances (Note 2)	1,800	1,800	1,800
Not to be used for any purpose			
Employee share warrants	1,640	5,839	6,325
	$ 1,868,524	$ 1,851,365	$ 1,848,957

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 2026 and May 2025 approved the following appropriation of earnings and dividends per share for fiscal years 2025 and 2024, respectively:

	Proposal for the distribution of earnings		Dividends per share (NTD)	
	2025	2024	2025	2024
Statutory Reserve	$ 74,043	$ 66,942		
Reversal of special reserve	-	(9,499)		
Cash dividends	409,694	322,641	$ 7	$ 5.57

(IV) Other equity

Exchange differences on translation of financial statements of foreign operations:

	January 1 to June 30, 2026	January 1 to June 30, 2025
Opening balance	$ 29,448	$ 19,275
Exchange differences arising from the translation of net assets of foreign operations	69,688	(121,123)
Related income tax	(13,938)	24,225
Closing balance	$ 85,198	$ (77,623)

(V) Non-controlling interests

	January 1 to June 30, 2026	January 1 to June 30, 2025
Opening balance	$424,027	$316,862
Net income for the period	58,297	24,438
Other comprehensive income in the current period		
Foreign Currency Translation Adjustment	17,112	(29,151)
Changes in non-controlling interests (Note 26)	(10,854)	35,571
Increase in non-controlling interests from acquisition of subsidiaries	-	820
Distribution of cash dividends	(16,923)	-
Closing balance	$471,659	$348,540

XX. Revenue

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Revenue from contracts with customers				
Merchandise sales revenue	$ 1,191,690	$ 869,466	$ 2,217,333	$ 1,677,598
Others	4,375	2,895	9,459	5,298
	$ 1,196,065	$ 872,361	$ 2,226,792	$ 1,682,896

(I) Contract balance

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes and accounts receivable	$1,069,583	$ 891,838	$ 682,494	$ 641,421
Contract liabilities				
Sales of goods	$ 12,079	$ 21,318	$ 9,238	$ 4,384

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, 2026 and 2025, with no other significant changes.

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Contract liabilities at the beginning of the year		
Sales of goods	$ 20,825	$ 4,381

(II) Breakdown of revenue from customer contracts

January 1 to June 30, 2026

	Reporting department		
Type of income	Contact lens - injection molded sheet	Others	Total
Merchandise sales revenue	$ 2,217,333	$ -	$ 2,217,333
Other operating revenue	-	9,459	9,459
	$ 2,217,333	$ 9,459	$ 2,226,792

January 1 to June 30, 2025

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

XXI. Net income before tax

Net income before tax includes the following items:

(I) Interest revenue

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Bank deposits	$ 3,841	$ 6,314	$ 6,092	$ 9,764
Others	16	225	33	239
	$ 3,857	$ 6,539	$ 6,125	$ 10,003

(II) Other income

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Government grant income	$ 3,561	$ 1,687	$ 6,175	$ 11,537
Others	636	511	747	852
	$ 4,197	$ 2,198	$ 6,922	$ 12,389

(III) Other gains and losses

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net foreign exchange gain or loss	$ 5,246	$ (72,382)	$ 18,876	$ (61,621)
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	26	-	26	25
Others	(1,425)	1	(1,455)	24
	$ 3,847	$ (73,759)	$ 17,447	$ (62,950)

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

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Foreign exchange gain	$ 6,986	$ 2,780	$ 22,308	$ 14,595
Total foreign currency exchange losses	(1,740)	(75,162)	(3,432)	(76,216)
Net profit (loss)	$ 5,246	$ (72,382)	$ 18,876	$ (61,621)

(IV) Finance Costs

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest on bank borrowings	$ 5,947	$ 4,433	$ 11,537	$ 8,547
Interest on lease liabilities	2,142	2,248	4,331	4,809
Total interest expenses of financial liabilities at fair value through profit and loss	8,089	6,681	15,868	13,356
Less: Amount to be included in the cost of eligible assets	2,122	404	3,827	404
	$ 5,967	$ 6,277	$ 12,041	$ 12,952

Information on interest capitalization is as follows:

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Amount of capitalized interest	$ 2,122	$ 404	$ 3,827	$ 404
Interest capitalized interest rate (%)	1.62	1.62	1.62	1.62

(V) Depreciation and amortization

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Property, plant and equipment	$ 98,776	$ 82,216	$ 193,273	$ 163,598
Right-of-use assets	13,496	12,258	26,851	25,092
Intangible assets	4,708	3,803	9,514	7,512
	$ 116,980	$ 98,277	$ 229,638	$ 196,202
Depreciation expenses by function				
Operating cost	$ 105,401	$ 89,702	$ 206,719	$ 179,594
Operating expenses	6,871	4,772	13,405	9,096
	$ 112,272	$ 94,474	$ 220,124	$ 188,690
Amortization expenses by function				
Operating cost	$ 1,099	$ 875	$ 2,000	$ 1,806
Operating expenses	3,609	2,928	7,514	5,706
	$ 4,708	$ 3,803	$ 9,514	$ 7,512

(VI) Employee benefit expense

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Short-term employee benefits				
Salary	$ 222,120	$ 162,261	$ 417,064	$ 327,691
Labor and national health insurance	15,314	13,902	29,050	27,438
Others	15,778	14,046	31,704	25,466
	253,212	190,209	477,818	380,595
Post-employment benefits				
Defined contribution plan	13,091	7,819	23,840	11,187
Defined benefit plan (Note 18)	505	373	1,010	746
	$ 266,808	$ 198,401	$ 502,668	$ 392,528
Summary by function				
Operating cost	$ 182,057	$ 139,799	$ 347,967	$ 271,396
Operating expenses	84,751	58,602	154,701	121,132
	$ 266,808	$ 198,401	$ 502,668	$ 392,528

(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.

The estimated employees' compensation and directors' remuneration for the periods from April 1 to June 30 and from January 1 to June 30 in 2026 and 2025 were as follows:

Amount	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Remuneration to employees	$ 25,861	$ 10,620	$ 47,061	$ 33,355
Remuneration to directors	2,586	894	4,573	2,659

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 2026 and 2025, the Company's Board of Directors approved the following amounts of employee compensation and directors' remuneration for 2026 and 2025, respectively:

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

There is no difference between the actual amount of employees' and directors' remuneration distributed for 2025 and 2024 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, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Current income tax				
Incurred in the current period	$ 68,928	$ 43,034	$ 129,382	$ 92,945
Adjustments from previous years	(17,469)	(23,913)	(17,469)	(23,913)
	51,459	19,121	111,913	69,032
Deferred income tax				
Incurred in the current period	15,126	144	23,808	5,189
	$ 66,585	$ 19,265	$ 135,721	$ 74,221

(II) Income tax recognized in other comprehensive income

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Deferred income tax				
Foreign Currency Translation Adjustment	$ 4,512	$ (29,749)	$ 13,938	$ (24,225)

(III) Authorization of income tax

The income tax returns of the Company up to 2024 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, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Net income attributable to owners of the Company	$ 277,999	$ 149,692	$ 492,776	$ 342,423

Number of shares (unit: thousand)

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Weighted average number of ordinary shares for calculation of basic earnings per share	58,714	58,122	58,693	58,063
Potential dilutive ordinary shares				
Remuneration to employees	240	183	390	292
Employee share warrants	59	252	59	252
Weighted average number of ordinary shares for calculation of diluted earnings per share	59,013	58,557	59,142	58,607

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

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, 2026		January 1 to June 30, 2025	
Employee share warrants	Unit (Thousands)	Weighted average exercise price (NTD)	Unit (Thousands)	Weighted average exercise price (NTD)
Shares outstanding at beginning of period	303		906	
Grants during the period	(206)	$ 82.88	(499)	$ 49.51
Shares outstanding at end of period	97	$ 69.97	407	$ 67.90
Executable at the end of period	97		267	

As of June 30, 2026, information on outstanding employee stock options is as follows:

Range of exercise price	Weighted average remaining contract term (years)
$28.06～118.4	1.63

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:

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

Compensation cost of NT$1,118 thousand was recognized for the six months ended June 30, 2025, with a corresponding credit to capital surplus－employee stock options.

For the six months ended June 30, 2026 and 2025, amounts of NT$4,199 thousand and NT$6,487 thousand, respectively, were reclassified from capital surplus－employee stock options to capital surplus－share premium upon 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, 2026	January 1 to June 30, 2025
Opening balance	$ 15,074	$ 12,570
Recognition of difference in fair value in current period	5,426	2,125
Recognized in current period (accounted for other income)	(1,890)	(2,060)
Closing balance	$ 18,610	$ 12,635

Book value of deferred income	June 30, 2026	December 31, 2025	June 30, 2025
Deferred revenue	$ 2,922	$ 3,319	$ 3,907
Long-term deferred revenue	15,688	11,755	8,728
	$ 18,610	$ 15,074	$ 12,635

XXVI. Equity transactions with non-controlling interests

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%.

In April and June 2026, the Company acquired additional equity interests in its subsidiaries, OCTI and Star Focus Inc., resulting in changes in its ownership interests.

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:

	January 1 to June 30, 2026	January 1 to June 30, 2025
Cash consideration received (paid)	$ (8,708)	$ 35,600
Amount to be transferred out of (into) non-controlling interests based on the carrying amount of the subsidiary's net assets and the relative change in ownership interest	10,854	(35,571)
Equity transaction balance	$ 2,146	$ 29

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

	January 1 to June 30, 2026	January 1 to June 30, 2025
Capital reserve - the difference between the price of the subsidiary's equity actually acquired or disposed of and the book value	$ 2,146	$ 29

XXVII. Non-cash transactions

For the six months ended June 30, 2026 and 2025, the Company and its subsidiaries had the following non-cash investing activities:

	January 1 to June 30, 2026	January 1 to June 30, 2025
Investment activities that affect both cash and non-cash items		
Increase in property, plant and equipment	$ 1,127,176	$ 401,838
Increase of payables for equipment	(55,890)	(33,417)
Increase in prepayment for equipment	50,657	97,706
Capitalized interest	(3,827)	(404)
Amount of cash paid	$ 1,118,116	$ 465,723
Increase in intangible assets	$ 13,861	$ 30,447
Decrease in other payables	2,825	1,932
Amount of cash paid	$ 16,686	$ 32,379

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 consist 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 - June 30, 2025 Only

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

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

Category of Financial Instruments	Valuation techniques and inputs
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, 2026	December 31, 2025	June 30, 2025
Financial assets			
Measured at amortized cost (Note 1)	$ 2,173,988	$ 2,196,512	$ 2,243,570
Financial liabilities			
Financial Liabilities at Fair Value Through Profit or Loss	-	-	1,378
Measured at amortized cost (Note 2)	2,419,342	2,004,266	1,652,107

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

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

(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 Group depreciates by 1% against the US dollar and the Chinese Yuan. The 1% sensitivity ratio is used internally by the company to report exchange rate risks to senior management and represents management's assessment of the reasonably possible range of foreign exchange rate fluctuations. The sensitivity analysis only includes monetary items in USD and RMB outstanding.

	January 1 to June 30, 2026	January 1 to June 30, 2025
Impact of USD		
Net income before tax	$ 2,107	$ 5,474
Impact of RMB		
Net income before tax	2,195	2,644

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, 2026	December 31, 2025	June 30, 2025
Fair value interest rate risk			
Financial assets	$ 169,545	$ 519,828	$ 625,161
Financial liabilities	294,471	312,444	319,031
Cash flow interest rate risk			
Financial assets	912,569	766,119	918,100
Financial liabilities	1,511,983	1,271,394	1,043,800

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 had increased/decreased by 1%, with all other variables held constant, the Company's profit before tax for the six months ended June 30, 2026 and 2025 would have decreased/increased by NT$7,560 thousand and NT$5,219 thousand, respectively.

2. Credit risk

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

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

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

Customer name	June 30, 2026	December 31, 2025	June 30, 2025
Company A	$172,782	$138,716	$109,899
Company B	107,772	157,542	123,852
Company C	99,245	112,417	78,123

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, 2026, December 31, 2025 and June 30, 2025, the Company and its subsidiaries had unused bank credit facilities of NT$4,538,945 thousand, NT$4,749,492 thousand and NT$4,827,505 thousand, respectively. Accordingly, there was no liquidity risk arising from any inability to obtain sufficient funding to meet 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, 2026

	Within 1 year	1 to 5 years	More than 5 years	Total
Non-interest-bearing liabilities	$1,333,972	$ 4	$ -	$1,333,976
Instruments with floating interest rates	129,452	1,049,584	447,892	1,626,928
Lease liabilities	61,781	164,682	101,068	327,531
	$1,525,205	$1,214,270	$ 548,960	$3,288,435

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 61,781	$ 164,682	$ 101,068	$ -

December 31, 2025

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

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years
Lease liabilities	$ 60,482	$174,575	$113,497	$ -

June 30, 2025

	Within 1 year	1 to 5 years	More than 5 years	Total
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
	$1,148,408	$1,012,314	$ 221,586	$2,382,308

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

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

XXX. Related party transactions

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company and its subsidiaries
Jiangsu Yuyue Medical Equipment & Supply Co., Ltd (Jiangsu Yuyue)	Substantive related party
Jiangsu No.1 Garden Investment Co., Ltd.	Substantive related party
Jiangsu Joyea Co., Ltd. (Jiangsu Joyea)	Substantive related party

(II) Operating revenue

Presentation account	Category/Name of related party	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Sales revenue	Substantive related party	$ (13)	$ -	$ 87	$ -

Revenue from sales of goods primarily relates to the sale of contact lenses. Transaction prices and terms do not differ materially from those with unrelated parties.

(III) Purchase of goods

Presentation account	Category/Name of related party	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Materials	Substantive related party	$ 164	$ -	$ 164	$ -

Materials mainly consist of purchases of parts and spare parts. Since the Company did not purchase similar products from non-related parties, the transaction prices are not comparable. Payment terms do not differ materially from those of general suppliers.

(IV) Closing balance

Presentation account	Category/Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Accounts receivable	Jiangsu Yuyue	$ 43	$ 10,388	$ -
Prepayments	Substantive related party	$ 111	$ -	$ 942
Prepayment for equipment	Jiangsu Joyea	$ -	$ 44,061	$ 53,548
Refundable deposits	Jiangsu Yuyue	$ 7,316	$ 7,014	$ 6,382
Accounts payable	Substantive related party	$ 32	$ -	$ -
Other payables	Substantive related party	$ 4,409	$ 1,753	$ 1,620

(V) Acquisition of property, plant and equipment

Category/Name of related party	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Proceeds from acquisition				
Jiangsu Joyea	$ 38,261	$ -	$ 40,533	$ 6,323

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.

(VI) Lease agreement

Presentation account	Name of related party	June 30, 2026	December 31, 2025	June 30, 2025
Lease liabilities (including current and non-current)	Jiangsu Yuyue	$ 155,530	$ 157,782	$ 151,313

Category/Name of related party	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Interest expense				
Jiangsu Yuyue	$ 1,593	$ 1,621	$ 3,205	$ 3,555

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.

(VII) Remuneration of key management personnel

	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Short-term employee benefits	$ 10,766	$ 11,789	$ 30,866	$ 26,866
Post-employment benefits	81	189	243	378
	$ 10,847	$ 11,978	$ 31,109	$ 27,244

(VIII) Other related party transactions

Other expenses

Category/Name of related party	April 1 to June 30, 2026	April 1 to June 30, 2025	January 1 to June 30, 2026	January 1 to June 30, 2025
Jiangsu Joyea	$ 352	$ 53	$ 754	$ 60

These represent repair and related expenses paid by the subsidiaries.

XXXI. Pledged assets

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

	Book value		
	June 30, 2026	December 31, 2025	June 30, 2025
Land	$ 705,898	$ 705,898	$ 705,898
Other financial assets	2,345	2,548	2,046
	$ 708,243	$ 708,446	$ 707,944

XXXII. Significant contingent liabilities and unrecognized contractual commitments

As of June 30, 2026, the Company and its subsidiaries had entered into contracts for the purchase of property, plant and equipment with a total contract value of approximately NT$3,488,069 thousand, of which NT$1,159,928 thousand had not yet been recognized in the financial statements.

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

	Foreign currency	Exchange rate		Carrying amount
June 30, 2026				
Monetary item - foreign currency assets				
USD	$ 11,399	31.850	(USD:NTD)	$ 363,071
RMB	51,534	4.690	(RMB:NTD)	241,695
JPY	24,656	0.1963	(JPY:NTD)	4,840
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
USD	1,212	31.850	(USD:NTD)	38,606
RMB	376,053	4.690	(RMB:NTD)	1,763,687
Monetary item foreign currency liabilities				
USD	4,783	31.850	(USD:NTD)	152,325
RMB	4,723	4.690	(RMB:NTD)	22,151
December 31, 2025				
Monetary item - foreign currency assets				
USD	8,233	31.430	(USD:NTD)	258,753
RMB	48,095	4.496	(RMB:NTD)	216,235
JPY	7,585	0.2008	(JPY:NTD)	1,523
Non-monetary items of assets denominated in foreign currencies				
Subsidiaries accounted for using the equity method				
USD	1,424	31.430	(USD:NTD)	41,660
RMB	341,389	4.496	(RMB:NTD)	1,534,886

(To be Continued)

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	Foreign currency	Exchange rate		Carrying amount
Monetary item foreign currency liabilities				
USD	$ 621	31.430	(USD:NTD)	$ 19,509
USD	104	7.0288	(USD:CNY)	3,296
RMB	1,459	4.496	(RMB:NTD)	6,558
JPY	9,656	0.2008	(JPY:NTD)	1,939
June 30, 2025				
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				
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

Foreign exchange gains and losses of the Company and its subsidiaries for the three-month and six-month periods ended June 30, 2026 and 2025 were gains of NT$5,246 thousand, losses of NT$72,382 thousand, gains of NT$18,876 thousand, and losses of NT$61,621 thousand, respectively. Due to the variety of functional currencies involved in foreign currency transactions, it is not feasible to disclose foreign exchange gains and losses by individual significant foreign currencies.

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 at the end of the period (excluding investments in subsidiaries, associates and joint ventures): 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.

(III) Mainland China Investment Information

1. For information regarding investees in Mainland China, including the investee name, principal business activities, paid-in capital, investment method, capital remittance, shareholding percentage, current-period profit or loss, recognized investment income or loss, carrying amount of the investment at the end of the period, repatriated investment income, and the investment limit in Mainland China, please refer to Table 2.

2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

   (1) 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:

	VIZIONFOCUS	Jiangsu Vizionfocus Inc.	Others	Adjustments and write-offs	Consolidated
January 1 to June 30, 2026					
Revenue from customers other than the parent company and subsidiaries	$1,233,368	$ 835,341	$ 158,083	$ -	$2,226,792
Revenue from parent company and subsidiaries	109,576	1,132	-	(110,708)	-
Total revenue	$1,342,944	$ 836,473	$ 158,083	$(110,708)	$2,226,792
Departmental interest	$ 394,175	$ 225,973	$ 32,538	$ 15,655	$ 668,341
Interest revenue	3,776	2,023	326	-	6,125
Other income	18,187	4,309	81	(15,655)	6,922
Other gains and losses	18,850	(1,271)	(132)	-	17,447
Finance Costs	(8,760)	(3,205)	(76)	-	(12,041)
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	166,016	-	319,318	(485,334)	-
Net income before tax	592,244	227,829	352,055	(485,334)	686,794
Income tax expense	99,468	28,255	7,998	-	135,721
Net income for the period	$ 492,776	$ 199,574	$ 344,057	$(485,334)	$ 551,073
January 1 to June 30, 2025					
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	80,782	439	-	(81,221)	-
Total revenue	$1,162,547	$ 563,635	$ 37,935	$ (81,221)	$1,682,896
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)
Finance Costs	(9,376)	(3,555)	(21)	-	(12,952)
Share of Profit (Loss) of Subsidiaries Accounted for Using the Equity Method	90,533	-	201,318	(291,851)	-
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

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, 2026	December 31, 2025	June 30, 2025
Segment assets			
VIZIONFOCUS	$ 7,110,171	$ 6,139,518	$ 5,616,518
Jiangsu Vizionfocus Inc.	2,756,724	2,421,015	1,977,310
Others	3,738,056	3,235,981	2,635,784
Adjustments and write-offs	(5,444,863)	(4,735,404)	(3,860,478)
Consolidated total assets	$ 8,160,088	$ 7,061,110	$ 6,369,134
Departmental liabilities			
VIZIONFOCUS	$ 2,967,282	$ 2,155,017	$ 2,140,545
Jiangsu Vizionfocus Inc.	637,657	502,439	412,560
Others	73,086	53,903	37,559
Adjustments and write-offs	(132,485)	(58,777)	(46,043)
Consolidated total liabilities	$ 3,545,540	$ 2,652,582	$ 2,544,621

VIZIONFOCUS INC. and subsidiaries
Information on investees
January 1 to June 30, 2026

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	$ 1,763,687	$ 159,659	$ 159,659	
The Company	Star Focus Inc.	Taiwan	Medical device sales	32,320	24,400	3,100,000	51.67	40,992	31,987	13,557	
The Company	Optical Connection Technology Inc.	USA	Medical device sales	65,395	64,607	2,025,000	100	34,281	(7,248)	(7,200)	
Green Wealth Investments Limited (Samoa)	Clear Precise Investments Limited (Samoa)	Samoa	International investment	1,097,607	1,097,607	35,692,609	100	1,763,687	159,659	159,659	

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

VIZIONFOCUS INC. and subsidiaries
Mainland China Investment Information
January 1 to June 30, 2026

Table 2

Unit: NTD Thousand
(unless otherwise stated)

Name of investee company in Mainland China	Main business items	Paid-up capital	Investment method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the beginning of the period	Investee Net income 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.	$ 751,338	(2)	$ 1,097,607	$ -	$ -	$ 1,097,607	$ 199,574	80	$ 159,659	$ 1,695,254	$ -	Note 2 and 3

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

Note 1: Investment methods are divided into the following three types. It is sufficient to indicate the type of investment:
(1) Direct investment in Mainland China.
(2) Reinvest in Mainland China through a company in a third region.
(3) Any other means.

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

Note 3: Recognized and disclosed based on the Company's 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, 2026

Table 3

Unit: NTD Thousand
(unless otherwise stated)

Serial number	Trader's Name	Trading counterpart	Relationship with the counterparty	Transactions with each other			
				Subject Matters	Amount	Trading terms and conditions	As a percentage of consolidated revenue or total assets (%)
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Service revenue	$ 34,300	As stipulated in the contract	1.54
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Other operating revenue	7,415	As stipulated in the contract	0.33
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Royalty income	15,655	As stipulated in the contract	0.70
0	The Company	Jiangsu Vizionfocus Inc.	Subsidiary	Accounts receivable	22,230	As stipulated in the contract	0.27
0	The Company	Star Focus Inc.	Subsidiary	Sales revenue	64,958	As stipulated in the contract	2.92
0	The Company	Star Focus Inc.	Subsidiary	Service revenue	1,590	As stipulated in the contract	0.07
0	The Company	Star Focus Inc.	Subsidiary	Accounts receivable	31,091	As stipulated in the contract	0.38
0	The Company	Star Focus Inc.	Subsidiary	Other receivables	1,195	As stipulated in the contract	0.01
0	The Company	Optical Connection Technology Inc.	Subsidiary	Sales revenue	1,314	As stipulated in the contract	0.06