Stock Code:6782

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023

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Representation Letter

The entities that are required to be included in the consolidated financial statements of Visco Vision Inc. as of and for the year ended December 31, 2024 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements" endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements is included in the consolidated financial statements. Consequently, Visco Vision Inc. and Subsidiaries do not prepare a separate set of consolidated financial statements.

Hereby declare

Visco Vision Inc.
Chung-Yi (James) Lee
Chairman
March 12, 2025

Independent Auditors' Report

To the Board of Directors of Visco Vision Inc.:

Opinion

We have audited the consolidated financial statements of Visco Vision Inc. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Visco Vision Inc. and its subsidiaries as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Visco Vision Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for Visco Vision Inc. and its subsidiaries’ consolidated financial statements for the year ended December 31, 2024 are stated as follows:

1. Revenue recognition

   Please refer to Note 4(o) for the accounting policies on revenue recognition and Note 6(t) for related disclosures of revenue recognition, respectively, to the consolidated financial statements.

   Description of key audit matter:

   Visco Vision Inc. and its subsidiaries deal with customers located in different geographic areas worldwide and have various trade terms with customers. Revenue is recognized at the timing of transferring control of goods to customers, which is identified based on each individual sale transaction and trade term. This exposes Visco Vision Inc. and its subsidiaries to the risk that the sales transactions made close to the balance sheet date are not recorded in the appropriate period. Therefore, revenue recognition has been identified as one of the key audit matters.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included, among others, testing Visco Vision Inc. and its subsidiaries’ internal controls over financial reporting in the sales and collection cycle; performing a sample test on sales transactions that took place before and after the balance sheet date to assess the accuracy of the timing of revenue recognition through understanding of trade terms between Visco Vision Inc. and its subsidiaries and their customers as well as vouching related transaction documents.

2. Impairment of goodwill

   Please refer to Note 4(m) for the accounting policies on impairment of non-financial assets, Note 5 for the uncertainty of accounting estimations and assumptions for goodwill impairment, and Note 6(j) for related disclosures of impairment test of goodwill, respectively, to the consolidated financial statements.

   Description of key audit matter:

   Goodwill arising from the acquisition of From-eyes Co., Ltd. is subject to an impairment test annually or when there are indications that goodwill may have been impaired. The assessment of the recoverable amount of cash generating units that include goodwill involves management’ s judgement and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

   How the matter was addressed in our audit:

   In relation to the key audit matter above, our principal audit procedures included, among others, obtaining the assessment of impairment of goodwill provided by the management; assessing the appropriateness of the estimation and key assumptions, including the discount rate, expected revenue growth rate and future cash flow projections, used by the management in measuring the recoverable amount; evaluating the historical reasonableness of management’s estimates of financial forecasts and performing a sensitivity analysis of key assumptions and results and assessing the adequacy of Visco Vision Inc. and its subsidiaries’ disclosures with respect to the related information on goodwill impairment.

Other Matter

Visco Vision Inc. has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing Visco Vision Inc. and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Visco Vision Inc. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Visco Vision Inc. and its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Visco Vision Inc. and its subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Visco Vision Inc. and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Visco Vision Inc. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Visco Vision Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Kao, Ching-Wen and Hsu, Shih-Chun.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2025

Notes to Readers

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

The independent auditors' auditreport and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

		December 31, 2024		December 31, 2023	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 757,453	15	520,769	11
1137	Financial assets measured at amortized cost－current (notes 6(b) and 8)	47,808	1	214,083	5
1170	Accounts receivable, net (notes 6(d) and (t))	375,796	7	319,660	7
1180	Accounts receivable from related parties (notes 6(d), (t) and 7)	64,977	1	54,745	1
1200	Other receivables (notes 6(d), (e) and 7)	557	-	17,998	-
130X	Inventories (note 6(f))	593,496	11	606,067	13
1479	Prepayments and other current assets	58,730	1	50,352	1
	Total current assets	1,898,817	36	1,783,674	38
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income －non-current (note 6(c))	-	-	265,376	6
1550	Investments accounted for using equity method (notes 6(c) and (g))	451,501	8	-	-
1600	Property, plant and equipment (notes 6(h) and 8)	2,196,824	41	1,889,964	40
1755	Right-of-use assets (notes 6(i), 7 and 8)	405,596	8	401,432	8
1780	Intangible assets (note 6(j))	86,883	2	97,959	2
1840	Deferred income tax assets (note 6(q))	219,747	4	212,424	5
1915	Prepayments for construction and equipment	37,242	1	66,662	1
1980	Other financial assets－non-current	6,054	-	5,147	-
1990	Other non-current assets	600	-	1,320	-
	Total non-current assets	3,404,447	64	2,940,284	62
	Total assets	**$ 5,303,264**	**100**	**4,723,958**	**100**

		December 31, 2024		December 31, 2023	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(k))	$ -	-	43,500	1
2130	Contract liabilities－current (note 6(t))	35,750	1	31,317	1
2170	Notes and accounts payable	168,052	3	142,145	3
2180	Accounts payable to related parties (note 7)	36,636	1	30,150	1
2213	Payables on equipment (note 7)	95,684	2	90,069	2
2219	Other payables (notes 6(u) and 7)	367,276	7	327,535	7
2250	Provisions－current (note 6(l))	31,037	-	18,575	-
2280	Lease liabilities－current (notes 6(m) and 7)	7,894	-	15,122	-
2322	Current portion of long-term debt (notes 6(n) and 8)	331,322	6	176,287	4
2399	Other current liabilities	2,536	-	10,226	-
	Total current liabilities	1,076,187	20	884,926	19
	Non-current liabilities:				
2540	Long-term debt (notes 6(n) and 8)	496,835	10	832,855	18
2570	Deferred income tax liabilities (note 6(q))	4,154	-	6,931	-
2580	Lease liabilities－non-current (notes 6(m) and 7)	8,265	-	16,013	-
2670	Other non-current liabilities	1,443	-	816	-
	Total non-current liabilities	510,697	10	856,615	18
	Total liabilities	1,586,884	30	1,741,541	37
	Equity attributable to shareholders of the Parent (notes 6(c) and (r)):				
3110	Common stock	630,000	12	630,000	13
3200	Capital surplus	1,431,007	27	1,431,007	30
	Retained earnings:				
3310	Legal reserve	188,770	4	158,609	3
3320	Special reserve	194,181	4	119,796	3
3350	Unappropriated earnings	1,238,990	23	819,709	18
		1,621,941	31	1,098,114	24
3400	Other equity	14,099	-	(194,181)	(4)
	Total equity attributable to shareholders of the Parent	3,697,047	70	2,964,940	63
36XX	**Non-controlling interests (note 6(r))**	19,333	-	17,477	-
	Total equity	3,716,380	70	2,982,417	63
	Total liabilities and equity	**$ 5,303,264**	**100**	**4,723,958**	**100**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)

		2024		2023	
		Amount	%	Amount	%
4000	**Net sales (notes 6(t), 7 and 14)**	$ 3,671,640	100	2,397,675	100
5000	**Cost of sales (notes 6(f), (h), (i), (l), (p), (u), 7 and 12)**	(2,245,282)	(61)	(1,540,519)	(64)
	Gross profit	1,426,358	39	857,156	36
	Operating expenses (notes 6(d), (e), (h), (i), (j), (m), (p), (u), 7 and 12):				
6100	Selling expenses	(202,921)	(5)	(174,442)	(7)
6200	Administrative expenses	(244,269)	(7)	(194,924)	(9)
6300	Research and development expenses	(201,477)	(5)	(153,083)	(6)
6450	Gain on reversal of impairment loss (expected credit loss)	12,561	-	(2,611)	-
	Total operating expenses	(636,106)	(17)	(525,060)	(22)
	Operating income	790,252	22	332,096	14
	Non-operating income and loss (notes 6(g), (h), (j), (m), (o), (v) and 7):				
7100	Interest income	7,783	-	12,521	-
7010	Other income	11,236	-	5,346	-
7020	Other gains and losses	(41,893)	(1)	(21,034)	(1)
7050	Finance costs	(29,223)	(1)	(32,848)	(1)
7070	Share of profits of associates	1,613	-	-	-
	Total non-operating income and loss	(50,484)	(2)	(36,015)	(2)
7900	**Income before income tax**	739,768	20	296,081	12
7950	Income tax expense (note 6(q))	(101,441)	(3)	(1,519)	-
8200	**Net income**	638,327	17	294,562	12
	Other comprehensive income (loss) (note 6(r)):				
8310	**Items that will not be reclassified subsequently to profit or loss:**				
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	8,671	-	29,885	1
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		8,671	-	29,885	1
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign operations	238,165	7	(104,270)	(4)
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		238,165	7	(104,270)	(4)
	Other comprehensive income (loss) for the year, net of income tax	246,836	7	(74,385)	(3)
8500	**Total comprehensive income for the year**	**$ 885,163**	**24**	**220,177**	**9**
	Net income attributable to:				
8610	Shareholders of the Parent	$ 636,471	17	301,613	12
8620	Non-controlling interests	1,856	-	(7,051)	-
		$ 638,327	**17**	**294,562**	**12**
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	$ 883,307	24	227,228	9
8720	Non-controlling interests	1,856	-	(7,051)	-
		$ 885,163	**24**	**220,177**	**9**
	Earnings per share (in New Taiwan Dollar) (note 6(s)):				
9750	Basic earnings per share	**$ 10.10**		**4.79**	
9850	Diluted earnings per share	**$ 10.06**		**4.78**	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Equity attributable to shareholders of the Parent											
			Retained earnings				Other equity					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Subtotal	Total equity of the Parent	Non-controlling interests	Total equity
Balance at January 1, 2023	$ 630,000	1,431,007	96,866	216,467	829,668	1,143,001	(119,796)	-	(119,796)	3,084,212	24,528	3,108,740
Net income (loss) in 2023	-	-	-	-	301,613	301,613	-	-	-	301,613	(7,051)	294,562
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(104,270)	29,885	(74,385)	(74,385)	-	(74,385)
Total comprehensive income (loss) in 2023	-	-	-	-	301,613	301,613	(104,270)	29,885	(74,385)	227,228	(7,051)	220,177
Appropriation of earnings:												
Legal reserve	-	-	61,743	-	(61,743)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(96,671)	96,671	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(346,500)	(346,500)	-	-	-	(346,500)	-	(346,500)
Balance at December 31, 2023	630,000	1,431,007	158,609	119,796	819,709	1,098,114	(224,066)	29,885	(194,181)	2,964,940	17,477	2,982,417
Net income in 2024	-	-	-	-	636,471	636,471	-	-	-	636,471	1,856	638,327
Other comprehensive income in 2024	-	-	-	-	-	-	238,165	8,671	246,836	246,836	-	246,836
Total comprehensive income in 2024	-	-	-	-	636,471	636,471	238,165	8,671	246,836	883,307	1,856	885,163
Appropriation of earnings:												
Legal reserve	-	-	30,161	-	(30,161)	-	-	-	-	-	-	-
Special reserve	-	-	-	74,385	(74,385)	-	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(151,200)	(151,200)	-	-	-	(151,200)	-	(151,200)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	38,556	38,556	-	(38,556)	(38,556)	-	-	-
Balance at December 31, 2024	**$ 630,000**	**1,431,007**	**188,770**	**194,181**	**1,238,990**	**1,621,941**	**14,099**	**-**	**14,099**	**3,697,047**	**19,333**	**3,716,380**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from operating activities:		
Income before income tax	$ 739,768	296,081
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation	432,883	371,662
Amortization	9,615	32,996
Gain on reversal of impairment loss (expected credit loss)	(12,561)	2,611
Interest expense	29,223	32,848
Interest income	(7,783)	(12,521)
Dividend income	(8,327)	(3,784)
Share of profit of associates	(1,613)	-
Impairment loss on non-financial assets	1,328	11,055
Foreign exchange loss from payables on acquisition considerations	-	99
Gain on lease modifications	(108)	(27)
Total adjustments for profit or loss	442,657	434,939
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(56,136)	(54,698)
Accounts receivable from related parties	2,614	(22,375)
Other receivables	17,018	20,856
Other receivable from related parties	-	11
Inventories	12,571	(144,082)
Prepayments and other current assets	(8,598)	(11,519)
Other non-current assets	720	720
Total changes in operating assets	(31,811)	(211,087)
Changes in operating liabilities:		
Contract liabilities	4,433	10,412
Notes and accounts payable	25,907	(14,558)
Accounts payable to related parties	6,486	(1,380)
Other payables	21,082	(30,483)
Provisions	12,462	(1,703)
Other current liabilities	(7,690)	3,004
Other non-current liabilities	627	816
Total changes in operating liabilities	63,307	(33,892)
Total changes in operating assets and liabilities	31,496	(244,979)
Total adjustments	474,153	189,960
Cash provided by operations	1,213,921	486,041
Interest received	7,921	12,379
Interest paid	(29,555)	(32,917)
Income taxes paid	(76,529)	(112,446)
Net cash provided by operating activities	1,115,758	353,057

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Continued)

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	2024	2023
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	(175,841)	(235,491)
Purchase of financial assets measured at amortized cost	-	(203,038)
Proceeds from disposal of financial assets measured at amortized cost	166,275	-
Additions to property, plant and equipment (including prepayments for construction and equipment)	(509,017)	(449,309)
Additions to intangible assets	(1,116)	(932)
Additions to right-of-use assets	(135)	(227)
Increase in other financial assets	(907)	(2,275)
Dividends received	8,327	3,784
Decrease in payables on acquisition considerations	-	(51,359)
Net cash used in investing activities	(512,414)	(938,847)
Cash flows from financing activities:		
Decrease in short-term borrowings	(42,420)	-
Increase in long-term debt	85,000	125,000
Repayments of long-term debt	(294,771)	(424,321)
Payment of lease liabilities	(14,704)	(20,997)
Cash dividends distributed to shareholders	(151,200)	(346,500)
Net cash used in financing activities	(418,095)	(666,818)
Effects of exchange rate changes	51,435	(28,084)
Net increase (decrease) in cash and cash equivalents	236,684	(1,280,692)
Cash and cash equivalents at beginning of year	520,769	1,801,461
Cash and cash equivalents at end of year	$ **757,453**	**520,769**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar, Unless Otherwise Specified)

1. Organization and business

Visco Vision Inc. (the "Company") was incorporated on November 9, 1998, as a company limited by shares under the laws of the Republic of China ("R.O.C.") and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company's registered office is No. 1, Xingye St., Guishan Dist., Taoyuan City, Taiwan. The Company and its subsidiaries (collectively the "Group") are mainly engaged in the manufacture and sale of disposable contact lenses.

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on March 12, 2025.

3. Application of new and revised accounting standards and interpretations

(a) The impact of the International Financial Reporting Standards ("IFRS Accounting Standards") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2024:

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- Amendments to IAS 1 "Non-current Liabilities with Covenants"
- Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"
- Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

(b) The impact of IFRS Accounting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2025, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 21 "Lack of Exchangeability"

(Continued)

(c) The impact of IFRS Accounting Standards issued by the International Accounting Standards Board ("IASB") but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the IASB, but have yet to be endorsed by the FSC:

Standards or Interpretations	Content of amendment	Effective date per IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all entities. ● A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined "operating profit" subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company's main business activities. ● Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards. ● Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.	January 1, 2027

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

(Continued)

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- IFRS 17 "Insurance Contracts" and amendments to IFRS 17 "Insurance Contracts"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRS Accounting Standards－Volume 11
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

4. Summary of material accounting policies

The material accounting policies presented in the consolidated financial statements are summarized as follows and have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Group's accompanying consolidated financial statements have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" (the "Regulations") and the IFRSs, IASs, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (collectively as "Taiwan-IFRSs").

(b) Basis of preparation

(i) Basis of measurement

The accompanying consolidated financial statements have been prepared on a historical cost basis except for financial assets measured at fair value through other comprehensive income.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Group's consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The accompanying consolidated financial statements incorporate the financial statements of the Company and its controlled entities (the subsidiaries) in which the Company is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(Continued)

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date on which control ceases. All inter-company balances, transactions, and resulting unrealized income and loss are eliminated on consolidation. Total comprehensive income of subsidiaries is attributed to the shareholders of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, the financial statements of subsidiaries are adjusted to align the accounting policies with those adopted by the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

(ii) List of subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

			Percentage of Ownership	
Name of Investor	**Name of Investee**	**Main Business and Products**	**December 31, 2024**	**December 31, 2023**
The Company	Visco Technology Sdn. Bhd. (“VVM”)	Manufacture and sale of contact lenses	100.00 %	100.00 %
The Company	From-eyes Co., Ltd. (“From-eyes”)	Sale of contact lenses	100.00 %	100.00 %
The Company	Trend Young Trading (Shanghai) Limited Company (“TYC”)	Sale of contact lenses	100.00 %	100.00 %
The Company	Trend Young Vision Care Inc. (“VCT”)	Medical management services	55.00 %	55.00 %
VVM	Visco Med Sdn. Bhd. (“VMM”)	Lease management services	100.00 %	100.00 %

(iii) List of subsidiaries which are not included in the consolidated financial statements: None.

(d) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (“the reporting date”), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(Continued)

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Group’s consolidated financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Group’s consolidated financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the accumulated exchange differences related to that foreign operation are reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary, the proportionate share of accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Group’s ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

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

The Group classifies the asset as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Group classifies the liability as current under one of the following criteria, and all other liabilities are classified as non-current.

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

(g) Financial instruments

Accounts receivable and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issuance. An accounts receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

The Group' s financial assets are classified as measured at amortized cost and fair value through other comprehensive income (FVOCI) on initial recognition. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets measured at fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

(Continued)

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On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Financial assets measured at FVOCI are initially recognized at fair value, plus any directly attributable transaction costs and subsequently measured at fair value. Foreign exchange gains and losses deriving from debt investments, interest income calculated using the effective interest method, impairment loss and dividends deriving from equity investments (unless the dividend clearly represents a recovery of part of the cost of the investment) are recognized as income in profit or loss. Other net gains and losses of financial assets measured at FVOCI are recognized in other comprehensive income and accumulated in other equity as unrealized gains (losses) from financial assets measured at fair value through other comprehensive income. On derecognition, gains and losses accumulated in other equity of debt investments are reclassified to profit or loss. On derecognition, gains and losses accumulated in other equity of equity investments are reclassified to retain earnings and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive the dividends is established (usually the ex-dividend date).

3) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses ("ECL") on financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivables and other financial assets).

(Continued)

The Group measures loss allowances at an amount equal to lifetime (ECL), except for the following financial assets which are measured as 12-month ECL:

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This information includes both quantitative and qualitative information and analysis based on the Group' s historical experience and credit assessment, as well as forward-looking information.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The recognition or reversal of the loss allowance is recognized in profit or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(Continued)

The Group enters into transactions whereby it transfers assets recognized in its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets; in these cases, the transferred assets are not derecognized.

(ii) Financial liabilities or equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less, the direct issuing cost.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost.

Financial liabilities measured at amortized cost are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(iii) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted-average method and includes all necessary expenditure incurred in bringing them to the location and condition ready for sale. Net realized value represents the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate. When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

(j) Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of assets less their residual values and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows: buildings: 29 to 50 years; leasehold improvements: 1 to 10 years; machinery and equipment: 2 to 6 years; other equipment: 4 to 6 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(Continued)

(k) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically evaluated and reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

The lease liability is subsequently measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference in profit or loss for any gain or loss relating to the partial or full termination of the lease.

(Continued)

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(l) Intangible assets

(i) Goodwill

Goodwill arising from the acquisition of subsidiaries is accounted for as intangible assets and is not amortized but is measured at cost, less, accumulated impairment losses.

(ii) Other intangible assets

Sales licenses, brand name, customer relationships, patents and management services agreements acquired in a business combination are measured at fair value at the acquisition date. Subsequent to the initial recognition, such intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the estimated useful lives: acquired software: 2 to 5 years; sales licenses: 5 years; brand name: 5 years; customer relationships: 8 years; patents: 8 years and management services agreements: 9.69 years.

The residual value, amortization period, and amortization method are reviewed at least at each reporting date and adjusted when necessary.

(m) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an individual asset or CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(Continued)

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(n) Provisions

Provisions for warranties are recognized when the Group has a present obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation and when the underlying products are sold.

(o) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

(i) Sale of goods

The Group recognizes revenue when control of the goods has been transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss that have been transferred to the customer, and the Group has objective evidence that all criteria for acceptance have been satisfied.

The Group provides warranty to customers to assure the replacement of goods when there are defects incurred with the goods that conforms to the agree-upon specification and recognizes warranty provision accordingly.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

(ii) Rendering of services

The Group's revenue from provision of research and development of new products is recognized in the period in which the services are rendered.

(iii) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and the payment made by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(Continued)

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(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(Continued)

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares are employee stock options and profit sharing for employees to be settled in the form of common stock.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions on the allocation of resources to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Critical accounting judgments and key sources of estimation and assumption uncertainty

The preparation of the consolidated financial statements requires management to make judgments and estimates about the future, including climate-related risks and opportunities, which affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognized prospectively in the period of the change and future periods.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included as follows:

(a) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates in response to changed economic conditions or business strategies could result in significant adjustments to the test results in future years. Please refer to note 6(j) for further description of the impairment of goodwill.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 31	31
Demand deposits and checking accounts	257,000	414,650
Cash equivalents	2,324	-
Time deposits with original maturities less than three months	498,098	106,088
	$ **757,453**	**520,769**

(b) Financial assets measured at amortized costs－current

	December 31, 2024	December 31, 2023
Restricted bank deposits	$ 22,808	14,083
Time deposits with original maturities more than three months	25,000	200,000
	$ **47,808**	**214,083**

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets carried at cost.

Please refer to note 8 for details of financial assets pledged as collateral.

(c) Financial assets at fair value through other comprehensive income－non-current

	December 31, 2024	December 31, 2023
Equity investments at fair value through other comprehensive income:		
Listed stocks－ Crystalvue Medical Corp. (“Crystalvue”)	$ **-**	**265,376**

For the year ended December 31, 2023, the Group designated the above equity investments as financial assets at fair value through other comprehensive income as these investments are held for strategic purposes and not for trading.

In consideration of operations strategy, the Group increased its ownership interest in Crystalvue to 20.01% in 2024, thereby gaining significant influence over Crystalvue. Consequently, the Group reclassified its investments in Crystalvue amounting to $449,888 to investments accounted for using equity method. The related other equity－ unrealized gains from financial assets measured at fair value through other comprehensive income amounting to $38,556 were reclassified to retained earnings.

For the year ended December 31, 2023, no strategic investments were disposed and there was no transfer of cumulative profit or loss within equity.

The above financial assets were not pledged as collateral. Please refer to note 6(w) for information on market risk.

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(d) Accounts receivable

	December 31, 2024	December 31, 2023
Accounts receivable	$ 375,796	319,660
Accounts receivable from related parties	78,977	81,591
	454,773	401,251
Less: loss allowance	(14,000)	(26,846)
	$ 440,773	**374,405**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including receivables from related parties). Forward-looking information is taken into consideration as well. Analysis of expected credit losses on accounts receivable (including receivables from related parties) was as follows:

	December 31, 2024		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 341,815	0%	-
Past due 1-30 days	73,877	0%	-
Past due 31-60 days	24,311	0%	-
Past due 61-90 days	770	0%	-
	440,773		-
Accounts receivable which were assessed individually	14,000	100%	14,000
	$ 454,773		**14,000**

	December 31, 2023		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance**
Current	$ 304,725	0%	-
Past due 1-30 days	45,523	0%	-
Past due 31-60 days	2,482	0%	-
Past due 61-90 days	16,502	0%	-
Past due 91-120 days	4,901	0%	-
	374,133		-
Accounts receivable which were assessed individually	27,118	99.00%	26,846
	$ 401,251		**26,846**

(Continued)

VISCO VISION INC. AND SUBSIDIARIES
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Movements of the loss allowance for accounts receivable (including receivables from related parties) were as follows:

	2024	2023
Balance at January 1	$ 26,846	24,235
Impairment loss	-	2,611
Reversal of impairment loss	(12,846)	-
Balance at December 31	**$ 14,000**	**26,846**

The Group entered into factoring contracts with financial institutions to sell its accounts receivable without recourse. According to these contracts, the Group is not responsible for any risk of uncollectible accounts receivable, but only for the loss due to commercial disputes. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The receivables from the financial institutions were recognized as other receivables upon the derecognition of those accounts receivable. Details of these contracts at each reporting date were as follows:

	December 31, 2023					
Underwriting bank	**Amount derecognized**	**Unpaid advance amount**	**Advance amount**	**Amount recognized in other receivables**	**Rate of handling fee**	**Significant transferring terms**
Taishin International Bank	$ 17,571	14,935	-	17,571	0.38%	Promissory note USD 1,500 thousand

As of December 31, 2024, there were no outstanding factoring accounts receivable.

(e) Other receivables

	December 31, 2024	December 31, 2023
Factored accounts receivable	$ -	17,571
Others	842	427
Less: loss allowance	(285)	-
	$ 557	**17,998**

As of December 31, 2024, except for other receivables amounting to $285, for which the loss allowance was fully provided, no loss allowance was provided for the remaining receivables after management’s assessment.

(Continued)

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(f) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 134,268	134,516
Work in process	259,284	363,304
Finished goods	199,944	108,247
	$ 593,496	**606,067**

The amounts of inventories recognized as cost of sales were as follows:

	2024	2023
Costs of inventories sold	$ 2,236,793	1,537,829
(Reversal of) warranty costs	10,275	(946)
(Reversal of) write-downs of inventories	(4,129)	825
Loss on scrap of inventories	2,343	2,811
	$ 2,245,282	**1,540,519**

The write-downs of inventories arose from the write-downs of inventories to net realizable value. The reversal of write-downs of inventories arose from the sale or scrap of slow-moving inventories to which it was recognized to the extent of the write-downs of inventories to net realizable value.

(g) Investments accounted for using equity method

A summary of the Group’s investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2024	December 31, 2023
Associates	**$ 451,501**	**-**

(i) Associates

Associates that were material to the Group were as follows:

Name of associates	Main business and relationship	Principal place of business/ Registration country	December 31, 2024 Percentage of ownership	December 31, 2024 Carrying amount
Crystalvue Medical Corp. (“Crystalvue”)	The Company’s strategic partner, mainly engaged in research and sales of medical equipment.	Taiwan	20.01 %	**$ 451,501**

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The Group's investments in Crystalvue were originally recognized as financial assets at fair value through other comprehensive income. The Group increased its ownership interest in Crystalvue to 20.01% in November 2024, thereby gaining significant influence over Crystalvue. Consequently, the Group reclassified its investments in Crystalvue to investments accounted for using equity method. Please refer to note 6(c) for further information.

The fair value of the investment in associates which are publicly traded was as follows:

	December 31, 2024
Crystalvue	**$ 432,566**

The summarized financial information of the Group's material associate is set out below:

1) The summarized financial information of Crystalvue

	December 31, 2024
Current assets	$ 699,861
Non-current assets	485,056
Current liabilities	(233,215)
Non-current liabilities	(13,174)
Equity	**$ 938,528**

	2024
Net sales	**$ 868,033**
Net income	$ 127,152
Other comprehensive income	-
Total comprehensive income	**$ 127,152**

	2024
The carrying amount of investments in the associates at January 1	$ -
Increase in investments	449,888
Total comprehensive income attributable to the Group	1,613
The carrying amount of investments in the associates at December 31	**$ 451,501**

(Continued)

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(h) Property, plant and equipment

	Buildings	Machinery	Leasehold improvements	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:						
Balance at January 1, 2024	$ 481,784	2,507,031	39,651	24,819	174,003	3,227,288
Additions	-	15,384	639	7,308	520,721	544,052
Disposals	-	(39,079)	-	-	-	(39,079)
Reclassification and others	(28,483)	445,897	-	308	(400,267)	17,455
Effect of exchange rate changes	42,262	231,154	-	270	21,661	295,347
Balance at December 31, 2024	**$ 495,563**	**3,160,387**	**40,290**	**32,705**	**316,118**	**4,045,063**
Balance at January 1, 2023	$ 327,789	1,937,380	28,969	23,786	498,086	2,816,010
Additions	-	34,714	10,860	1,704	480,701	527,979
Disposals	-	(10,700)	(178)	-	-	(10,878)
Reclassification	169,065	623,543	-	-	(790,558)	2,050
Effect of exchange rate changes	(15,070)	(77,906)	-	(671)	(14,226)	(107,873)
Balance at December 31, 2023	**$ 481,784**	**2,507,031**	**39,651**	**24,819**	**174,003**	**3,227,288**
Accumulated depreciation:						
Balance at January 1, 2024	$ 62,212	1,237,449	21,402	16,261	-	1,337,324
Depreciation	19,300	375,606	5,852	3,380	-	404,138
Disposals	-	(39,079)	-	-	-	(39,079)
Impairment loss	-	-	-	1,328	-	1,328
Reclassification	-	17,455	-	-	-	17,455
Effect of exchange rate changes	6,585	120,281	-	207	-	127,073
Balance at December 31, 2024	**$ 88,097**	**1,711,712**	**27,254**	**21,176**	**-**	**1,848,239**
Balance at January 1, 2023	$ 51,700	969,730	16,775	13,534	-	1,051,739
Depreciation	12,674	317,192	4,805	3,293	-	337,964
Disposals	-	(10,700)	(178)	-	-	(10,878)
Effect of exchange rate changes	(2,162)	(38,773)	-	(566)	-	(41,501)
Balance at December 31, 2023	**$ 62,212**	**1,237,449**	**21,402**	**16,261**	**-**	**1,337,324**
Carrying amounts:						
Balance at December 31, 2024	**$ 407,466**	**1,448,675**	**13,036**	**11,529**	**316,118**	**2,196,824**
Balance at December 31, 2023	**$ 419,572**	**1,269,582**	**18,249**	**8,558**	**174,003**	**1,889,964**

For the year ended December 31, 2024, impairment loss of $1,328 was recognized for idle equipment due to improvement of product design and was included in non-operating income and loss.

Please refer to note 8 for details of the property, plant and equipment pledged as collateral for long-term debt.

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(i) Right-of-use assets

	Land	Buildings	Machinery	Transportation equipment	Total
Cost:					
Balance at January 1, 2024	$ 406,467	65,532	17,455	1,201	490,655
Additions	-	2,551	-	-	2,551
Disposals	-	(21,156)	(17,455)	(1,201)	(39,812)
Effect of exchange rate changes	36,835	(44)	-	-	36,791
Balance at December 31, 2024	**$ 443,302**	**46,883**	**-**	**-**	**490,185**
Balance at January 1, 2023	$ 422,553	59,655	17,455	3,442	503,105
Additions	-	10,207	-	-	10,207
Disposals	-	(3,709)	-	(2,241)	(5,950)
Effect of exchange rate changes	(16,086)	(621)	-	-	(16,707)
Balance at December 31, 2023	**$ 406,467**	**65,532**	**17,455**	**1,201**	**490,655**
Accumulated depreciation:					
Balance at January 1, 2024	$ 35,040	37,773	15,710	700	89,223
Depreciation	14,571	11,928	1,745	501	28,745
Disposals	-	(18,530)	(17,455)	(1,201)	(37,186)
Effect of exchange rates changes	3,891	(84)	-	-	3,807
Balance at December 31, 2024	**$ 53,502**	**31,087**	**-**	**-**	**84,589**
Balance at January 1, 2023	$ 21,856	25,481	12,219	1,071	60,627
Depreciation	14,234	15,036	3,491	937	33,698
Disposals	-	(2,448)	-	(1,308)	(3,756)
Effect of exchange rate changes	(1,050)	(296)	-	-	(1,346)
Balance at December 31, 2023	**$ 35,040**	**37,773**	**15,710**	**700**	**89,223**
Carrying amounts:					
Balance at December 31, 2024	**$ 389,800**	**15,796**	**-**	**-**	**405,596**
Balance at December 31, 2023	**$ 371,427**	**27,759**	**1,745**	**501**	**401,432**

VVM, a subsidiary of the Group, acquired land-use rights in Penang, Malaysia from Qisda Sdn. Bhd. (" QLPG") in 2020, one of its related parties, for manufacturing and operating purposes. The aforementioned land-use rights, with original lease terms of 60 years, were amortized over the remaining lease terms of 29 years. Please refer to note 8 for details of the land-use rights pledged as collateral for long-term debt.

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(j) Intangible assets

	Goodwill	Sales licenses	Brand name	Customer relationships	Acquired software	Patents	Management services agreements	Total
Cost:								
Balance at January 1, 2024	$ 74,243	-	-	27,577	42,227	4,093	18,660	166,800
Additions	-	-	-	-	1,116	-	-	1,116
Disposals	-	-	-	-	(7,847)	-	-	(7,847)
Effect of exchange rate changes	(2,251)	-	-	(964)	(197)	-	-	(3,412)
Balance at December 31, 2024	**$ 71,992**	**-**	**-**	**26,613**	**35,299**	**4,093**	**18,660**	**156,657**
Balance at January 1, 2023	$ 78,833	41,542	38,512	29,542	43,289	4,093	18,660	254,471
Additions	-	-	-	-	932	-	-	932
Disposals	-	-	-	-	(1,423)	-	-	(1,423)
Write-off	-	(39,706)	(36,810)	-	-	-	-	(76,516)
Effect of exchange rate changes	(4,590)	(1,836)	(1,702)	(1,965)	(571)	-	-	(10,664)
Balance at December 31, 2023	**$ 74,243**	**-**	**-**	**27,577**	**42,227**	**4,093**	**18,660**	**166,800**
Accumulated amortization:								
Balance at January 1, 2024	$ 4,730	-	-	17,235	36,409	932	9,535	68,841
Amortization	-	-	-	3,361	4,564	553	1,137	9,615
Disposals	-	-	-	-	(7,847)	-	-	(7,847)
Effect of exchange rate changes	-	-	-	(637)	(198)	-	-	(835)
Balance at December 31, 2024	**$ 4,730**	**-**	**-**	**19,959**	**32,928**	**1,485**	**10,672**	**69,774**
Balance at January 1, 2023	$ -	33,233	30,810	14,771	26,701	379	1,284	107,178
Amortization	-	7,941	7,362	3,529	11,685	553	1,926	32,996
Disposals	-	-	-	-	(1,423)	-	-	(1,423)
Write-off	-	(39,706)	(36,810)	-	-	-	-	(76,516)
Impairment loss	4,730	-	-	-	-	-	6,325	11,055
Effect of exchange rate changes	-	(1,468)	(1,362)	(1,065)	(554)	-	-	(4,449)
Balance at December 31, 2023	**$ 4,730**	**-**	**-**	**17,235**	**36,409**	**932**	**9,535**	**68,841**
Carrying amounts:								
Balance at December 31, 2024	**$ 67,262**	**-**	**-**	**6,654**	**2,371**	**2,608**	**7,988**	**86,883**
Balance at December 31, 2023	**$ 69,513**	**-**	**-**	**10,342**	**5,818**	**3,161**	**9,125**	**97,959**

(i) Impairment test on goodwill

The carrying amount of goodwill arising from business combination and the respective CGU to which the goodwill was allocated for impairment test purpose were as follows:

	December 31, 2024	December 31, 2023
From-eyes Co., Ltd. ("From-eyes")	$ 62,154	64,405
Other CGUs without significant goodwill－Trend Young Vision Care Inc. ("VCT")	5,108	5,108
	$ 67,262	**69,513**

Each CGU to which the goodwill is allocated represents the lowest level within the Group, at which the goodwill is monitored for internal management purpose. Based on the results of impairment tests conducted by the Group, the recoverable amount of CGU of From-eyes exceeded its carrying amount at December 31, 2024 and 2023; as a result, no impairment loss was recognized. As the recoverable amount of CGU of VCT exceeded its carrying amount at December 31, 2024, no impairment loss was recognized. At December 31, 2023, the carrying amount of CGU of VCT exceeded its recoverable amount, resulting in an impairment loss of $4,730, which was classified as other gains and losses. The recoverable amount of a CGU was determined based on the value in use.

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The related key assumptions were as follows:

	December 31, 2024	December 31, 2023
From-eyes:		
Revenue growth rate	5%~18.82%	5%~37%
Discount rate	23.53%	28.21%
VCT:		
Revenue growth rate	(35.91)%~112.1%	(34.03)%~88.24%
Discount rate	16.33%	17.21%

1) The cash flow projections were based on future financial budgets, covering a period of 5 years, and were approved by management. Cash flows beyond 5-year period have been extrapolated using 0% to 1% growth rate.

2) The estimation of discount rate is based on the weighted average cost of capital.

(ii) At December 31, 2023, the Group assessed that the carrying amount of management services agreement exceeded its recoverable amount and recognized an impairment loss of $6,325, which was classified as other gains and losses.

(k) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	**$ -**	**43,500**
Unused credit facilities	**$ 439,424**	**380,875**
Interest rate	**-**	**1.02%~1.27%**

(l) Warranty provisions

	2024	2023
Balance at January 1	$ 18,575	20,278
Provisions made (reversed)	10,275	(946)
Effect of exchange rate changes	2,187	(757)
Balance at December 31	**$ 31,037**	**18,575**

Warranty provisions arise from the warranty that the Group provides to customers to assure the replacement of goods when there are defects with the goods that conform to the agreed-upon specification. Warranty provisions are estimated based on historical warranty data associated with similar products. The Group expects to settle most of the warranty liability within one year from the date of the sale of the product.

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(m) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	December 31, 2024	December 31, 2023
Current	$ 7,894	15,122
Non-current	$ 8,265	16,013

For the maturity analysis, please refer to note 6(x) for the financial risk management.

The amounts recognized in profit or loss were as follows:

	2024	2023
Interest expense on lease liabilities	$ 369	824
Expenses relating to short-term leases	$ 1,347	1,669

The amounts recognized in the statement of cash flows were as follows:

	2024	2023
Total cash outflow for leases	$ 16,420	23,490

(i) Real estate leases

The Group leases buildings for its factories and office premises and the leases typically run for 1 to 10 years. Certain leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases machinery and transportation equipment with lease terms of 2 to 5 years. Additionally, the Group has elected to apply exemption and not to recognize right-of-use assets and lease liabilities for short-term leases.

(n) Long-term debt

	December 31, 2024			
	Currency	Interest rate	Maturity year	Amount
Unsecured bank loans	NTD	1.98%~2.16%	2025~2028	$ 516,123
Secured bank loans	MYR	4.31%	2028	312,034
				828,157
Less: current portion of long-term debt				(331,322)
				$ 496,835
Unused credit facilities				$ 700,000

	December 31, 2023			
	Currency	**Interest rate**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.84%~2.02%	2025~2027	$ 650,366
Secured bank loans	MYR	4.31%	2028	358,312
Others	NTD	4.06%	2024	464
				1,009,142
Less: current portion of long-term debt				(176,287)
				$ 832,855
Unused credit facilities				**$ 311,000**

Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(o) Long-term payables

On January 10, 2019 (the acquisition date), the Company acquired 100% equity ownership of From-eyes from Tomey Contact Lens Co., Ltd. for a cash consideration of JPY 800,000 thousand. An installment payment was arranged for the acquisition consideration in accordance with stock purchase agreement. In addition to JPY 110,000 paid in the first quarter of 2023, the remaining of JPY 110,000 was early paid. As of December 31, 2023, the related consideration has been fully paid.

The net cash outflow for the abovementioned payables on acquisition considerations was as follows:

	2023
Balance at January 1	$ 51,040
Add: discount amortization	220
Less: effect of exchange rate changes	99
Net cash outflow	**$ 51,359**

(p) Employee benefits

The Company and VCT contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Foreign subsidiaries make contributions in compliance with their respective local regulations. Under these defined contribution plans, the Company and VCT have no legal or constructive obligation to pay any additional amounts after contributing a fixed amount. For the years ended December 31, 2024 and 2023, the Group recognized pension expenses of $26,988 and $23,422, respectively, in relation to the defined contribution plans.

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(q) Income taxes

(i) The components of income tax expense (benefit) were as follows:

		2024	2023
Current income tax expense			
Current period	$	96,811	81,664
Adjustment for prior years		(1,293)	(1,830)
		95,518	79,834
Deferred income tax expense (benefit)		5,923	(78,315)
Income tax expense	$	**101,441**	**1,519**

In 2024 and 2023, there was no income tax recognized directly in equity or other comprehensive income.

Reconciliation of income tax expense and income before income tax for 2024 and 2023 was as follows:

		2024	2023
Income before income tax	$	**739,768**	**296,081**
Income tax using the Company’s statutory tax rate	$	147,954	59,216
Effect of different tax rates in foreign jurisdictions		26,787	1,716
Tax-exempt income		(1,988)	(757)
Non-deductible expenses		4,600	7,022
Changes in unrecognized temporary differences		(64,787)	(17,172)
Investment tax credits		(51,751)	(67,656)
Surtax on undistributed earnings		1,612	13,544
Adjustments for prior-year income tax		(1,293)	(1,830)
Others		40,307	7,436
	$	**101,441**	**1,519**

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred income tax assets were as follows:

		December 31, 2024	December 31, 2023
Losses associated with investments in subsidiaries	$	2,997	2,003
Other deductible temporary differences		2,750	2,501
Tax losses		3,659	5,265
	$	**9,406**	**9,769**

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As of December 31, 2024, the unrecognized deferred tax assets with respect to tax losses and the respective years of expiry were as follows:

VCT:

Year of loss	Tax losses	Tax effect of tax losses	Year of expiry
2021	$ 7,953	1,590	2031
2022	4,268	854	2032
2023	6,074	1,215	2033
	$ 18,295	**3,659**	

Unrecognized deferred income tax liabilities were as follows:

	December 31, 2024	December 31, 2023
Net profits associated with investments in subsidiaries	**$ 207,189**	**142,765**

The Group is able to control the timing of reversal of the temporary differences associated with investments in subsidiaries. As management believed that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences were not recognized as deferred income tax liabilities.

2) Recognized deferred income tax assets and liabilities

Deferred income tax assets:

	Investment tax credits	Tax losses	Others	Total
Balance at January 1, 2024	$ 167,658	39,808	4,958	212,424
Recognized in profit or loss	20,935	(38,310)	8,775	(8,600)
Effect of exchange rate changes	12,411	3,512	-	15,923
Balance at December 31, 2024	**$ 201,004**	**5,010**	**13,733**	**219,747**
Balance at January 1, 2023	$ 100,031	49,255	2,291	151,577
Recognized in profit or loss	72,546	(6,536)	2,667	68,677
Effect of exchange rate changes	(4,919)	(2,911)	-	(7,830)
Balance at December 31, 2023	**$ 167,658**	**39,808**	**4,958**	**212,424**

(Continued)

Deferred income tax liabilities:

	Intangible assets acquired through business combination	Unrealized foreign currency exchange gains	Total
Balance at January 1, 2024	$ (5,608)	(1,323)	(6,931)
Recognized in profit or loss	1,354	1,323	2,677
Effect of exchange rate changes	100	-	100
Balance at December 31, 2024	**$ (4,154)**		**(4,154)**
Balance at January 1, 2023	$ (13,614)	(3,447)	(17,061)
Recognized in profit or loss	7,514	2,124	9,638
Effect of exchange rate changes	492	-	492
Balance at December 31, 2023	**$ (5,608)**	**(1,323)**	**(6,931)**

As of December 31, 2024, the recognized deferred tax assets with respect to tax losses and the respective expiry years were as follows:

VVM:

Year of loss	Tax losses	Tax effects of tax losses	Year of expiry
2015	**$ 20,875**	**5,010**	2025

(iii) The Company's income tax returns for the years through 2022 have been examined and approved by the R.O.C. income tax authorities.

(r) Capital and other equity

(i) Common stock

As of December 31, 2024 and 2023, the Company's authorized common stock consisted of 90,000 thousand shares, of which 63,000 thousand shares were issued and outstanding. The par value of the Company's common stock is NTD 10 per share. All issued shares were paid up upon issuance.

(ii) Capital surplus

	December 31, 2024	December 31, 2023
Paid-in capital in excess of par value of common shares	**$ 1,431,007**	**1,431,007**

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends or distributed as cash dividends based on the original shareholding ratio. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(Continued)

(iii) Retained earnings

The Company's Articles of Incorporation stipulate that at least 10% of annual net income, after deducting accumulated deficit, if any, must be retained as legal reserve, except when the legal reserve has reached the Company's total paid-in capital. In addition, a special reserve shall be set aside in accordance with applicable laws and regulations when necessary. The remaining balance, together with the unappropriated earnings from the previous years can be distributed as dividends to stockholders, pursuant to the appropriation of earnings proposed by the Board of Directors and approved by the stockholders.

Furthermore, the Company' s Articles of Incorporation also stipulate that the earning distribution is made on a semi-annually basis after the close of each half year. The earning distribution proposal together with business report and financial statements are reviewed by audit committee and approved by the Board of Directors and then reported to shareholders in their meeting.

Distribution of earnings by way of cash dividends is made as the preceding paragraph and distribution of earnings by issuing new shares is made in accordance with Article 240 of the Company Act.

The Company may distribute its legal reserve or capital surplus to shareholders by issuing new shares or by distributing cash according to Article 241, Paragraph 2 of the Company Act. The abovementioned distribution of earnings by way of cash dividends could be approved by the Board of Directors and then reported to the shareholders in their meeting.

As the Company is a technology-intensive enterprise with growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth. If the current year' s earnings are available for distribution, considering the future expansion of operation scale and cash flow requirements, the distribution ratio for cash dividends shall not be less than 10% of the total distribution and the total dividends distributed shall not be less than 10% of the unappropriated earnings.

1) Legal reserve

Pursuant to the Company Act, legal reserve may be used to offset a deficit. If the Company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion of legal reserve which exceeds 25% of the paid-in capital.

2) Special reserve

In accordance with the rulings issued by the FSC, a special reserve equal to the total amount of items that are accounted for as deductions from stockholders' equity shall be set aside from the after-tax net profit in the period, plus items other than the after-tax net profit in the period, that are included in the current-period undistributed earnings, and prior-period undistributed earnings. This special reserve shall revert to retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

(Continued)

3) Earnings distribution

The cash dividends appropriated from 2023 and 2022 earnings was approved by the Company's Board of Directors on February 27, 2024 and March 3, 2023, respectively. The resolved appropriations of the dividends were as follows:

	2023 earnings		2022 earnings	
	Dividend per share (in NTD)	**Amount**	**Dividend per share (in NTD)**	**Amount**
Dividends per share:				
Cash dividends	$ 2.40	**151,200**	5.50	**346,500**

On March 12, 2025, the cash dividends appropriated from 2024 earnings approved by the Company's Board of Directors were as follows:

	2024 earnings	
	Dividend per share (in NTD)	**Amount**
Dividends per share:		
Cash dividends	$ 5.10	**321,300**

Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(iv) Other equity items (net after tax)

	Foreign currency translation differences	**Unrealized gains (losses) from financial assets at fair value through other comprehensive income**	**Total**
Balance at January 1, 2024	$ (224,066)	29,885	(194,181)
Foreign exchange differences arising from translation of foreign operations	238,165	-	238,165
Unrealized gains from financial assets at fair value through other comprehensive income	-	8,671	8,671
Disposal of equity instruments measured at fair value through other comprehensive income	-	(38,556)	(38,556)
Balance at December 31, 2024	**$ 14,099**	**-**	**14,099**
Balance at January 1, 2023	$ (119,796)	-	(119,796)
Foreign exchange differences arising from translation of foreign operations	(104,270)	-	(104,270)
Unrealized gains from financial assets at fair value through other comprehensive income	-	29,885	29,885
Balance at December 31, 2023	**$ (224,066)**	**29,885**	**(194,181)**

(Continued)

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(v) Non-controlling interests (net after tax)

	2024	2023
Balance at January 1	$ 17,477	24,528
Equity attributable to non-controlling interests:		
Net income (loss)	1,856	(7,051)
Balance at December 31	$ **19,333**	**17,477**

(s) Earnings per share ("EPS")

(i) Basic earnings per share

	2024	2023
Net income attributable to shareholders of the Parent	$ **636,471**	**301,613**
Weighted-average number of common shares outstanding (in thousands)	**63,000**	**63,000**
Basic earnings per share (in New Taiwan Dollar)	$ **10.10**	**4.79**

(ii) Diluted earnings per share

	2024	2023
Net income attributable to shareholders of the Parent	$ **636,471**	**301,613**
Weighted-average number of common shares outstanding (in thousands)	63,000	63,000
Effect of dilutive potential common shares (in thousands):		
Remuneration to employees in stock	265	138
Weighted-average number of common shares outstanding (including the effect of dilutive potential common shares) (in thousands)	**63,265**	**63,138**
Diluted earnings per share (in New Taiwan Dollar)	$ **10.06**	**4.78**

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	2024	2023
Primary geographical markets:		
Asia	$ 2,698,218	1,692,031
Europe	707,855	511,678
Americas	265,567	193,966
	$ **3,671,640**	**2,397,675**
Major products and services lines:		
Contact lenses	$ 3,666,494	2,388,862
Others	5,146	8,813
	$ **3,671,640**	**2,397,675**

(Continued)

(ii) Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable (including related parties)	$ 454,773	401,251	324,178
Less: loss allowance	(14,000)	(26,846)	(24,235)
	$ 440,773	**374,405**	**299,943**
Contract liabilities	**$ 35,750**	**31,317**	**20,905**

For details on accounts receivable and their loss allowance, please refer to note 6(d).

The contract liabilities mainly arose from the timing difference between the satisfaction of performance obligation and the receipt of customer's payment.

The amounts of revenue recognized in 2024 and 2023 that were included in the balances of contract liabilities at January 1, 2024 and 2023, were $23,218 and $20,243, respectively.

(u) Remuneration to employees and directors

The Company's Article of Incorporation requires that annual earnings shall first to be offset against any deficit, then, a range from 5% to 20% shall be allocated as employee remuneration and a maximum of 1% be allocated as directors' remuneration. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the Company or subsidiaries of the Company who meet certain specific requirement.

For the years ended December 31, 2024 and 2023, the Company estimated its remuneration to employees amounting to $44,727 and $24,814, respectively, and the remuneration to directors amounting to $4,473 and $2,355, respectively. The said amounts, which were recognized in operating expenses, were calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by proposed percentage of the remuneration to employees and directors. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

The above-mentioned accrued remuneration to employees and directors were the same as the amount resolved by the Board of Directors, which will be paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(v) Non-operating income and loss

(i) Interest income

	2024	2023
Interest income from bank deposits	**$ 7,783**	**12,521**

(ii) Other income

	2024	2023
Dividend income	$ 8,327	3,784
Others	2,909	1,562
	$ 11,236	**5,346**

(Continued)

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(iii) Other gains and losses

	2024	2023
Gains on lease modifications	$ 108	27
Foreign exchange losses, net	(39,208)	(9,862)
Impairment loss on non-financial assets (note 6(h))	(1,328)	(11,055)
Others	(1,465)	(144)
	$ **(41,893)**	**(21,034)**

(iv) Finance costs

	2024	2023
Interest expense:		
Bank loans	$ (28,854)	(31,804)
Lease liabilities	(369)	(824)
Payables on acquisition considerations	-	(220)
	$ **(29,223)**	**(32,848)**

(w) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through other comprehensive income－non-current	$ -	265,376
Financial assets measured at amortized cost:		
Cash and cash equivalents	$ 757,453	520,769
Accounts receivable and other receivables (including related parties)	441,330	392,403
Financial assets measured at amortized cost －current	47,808	214,083
Other financial assets－non-current	6,054	5,147
	1,252,645	1,132,402
	$ **1,252,645**	**1,397,778**

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2) Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities measured at amortized cost:		
Short-term borrowings	$ -	43,500
Notes and accounts payable (including related parties)	204,688	172,295
Payables on equipment and other payables	400,720	374,455
Lease liabilities (including current and non-current)	16,159	31,135
Long-term debt (including current portion)	828,157	1,009,142
	$ 1,449,724	**1,630,527**

(ii) Fair value of financial instruments

1) Financial instruments that are not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments that are measured at fair value

The fair value of financial assets at fair value through other comprehensive income are measured on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	December 31, 2023			
	Fair value			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	**$ 265,376**	**-**	**-**	**265,376**

(Continued)

3) Valuation techniques and assumptions used in fair value measurement

The fair value of financial instruments traded in active markets is determined with reference to quoted market prices.

For listed stocks held by the Group with standard terms and conditions and traded in active markets, the fair value is based on quoted market prices.

4) Transfer between levels of the fair value hierarchy

There were no transfers among fair value hierarchies for the years ended December 31, 2024 and 2023.

(x) Financial risk management

The Group is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk and other market price risk). The Group has disclosed the information on exposure to the aforementioned risks and the Group's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Company's Board of Directors is responsible for developing and monitoring the Group's risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's operations.

The Group' s management monitors and reviews the financial activities in accordance with procedures required by relevant regulations and internal controls.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of financial instruments fails to meet its contractual obligations, which arises principally from the Group's cash and cash equivalents and receivables from customers. The maximum exposure to credit risk is equal to the carrying amount of the Group's financial assets.

The Group maintains cash and cash equivalents with reputable financial institutions. Therefore, the exposure related to potential default by those counter-parties is not considered significant.

Accounts receivable and other receivables

The Group has established a credit policy under which each customer is analyzed individually for creditworthiness for purposes of setting the credit limit. As of December 31, 2024 and 2023, 40% and 41%, respectively, of accounts receivable (including related parties) were from three customers; thus, credit risk was significantly centralized. The Group continuously evaluates the credit quality of customers and utilizes insurance to minimize the credit risk. Additionally, other receivables mainly consisted of factored accounts receivable and receivables from government institutions and therefore, the exposure related to other receivables is not considered significant.

(Continued)

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(ii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling their financial liabilities by delivering cash or another financial asset. The Group manages liquidity risk by monitoring regularly the current and estimated mid-term to long-term cash demand, maintaining adequate cash and banking facilities and ensuring compliance with the terms of the loan agreements. As of December 31, 2024 and 2023, the Group had unused credit facilities of $1,139,424 and $691,875, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including interest payable.

	Contractual cash flow	Within 6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
December 31, 2024						
Non-derivative financial liabilities:						
Accounts payable (including related parties)	$ 204,688	204,688	-	-	-	-
Payables on equipment and other payables (including related parties)	400,720	400,720	-	-	-	-
Lease liabilities (including current and non-current)	16,415	4,642	3,417	4,914	3,442	-
Long-term debt (including current portion)	867,754	136,420	215,131	237,485	278,718	-
	$ 1,489,577	**746,470**	**218,548**	**242,399**	**282,160**	**-**
December 31, 2023						
Non-derivative financial liabilities:						
Short-term borrowings	$ 43,589	43,589	-	-	-	-
Accounts payable (including related parties)	172,795	172,795	-	-	-	-
Payables on equipment and other payables (including related parties)	374,455	374,455	-	-	-	-
Lease liabilities (including current and non-current)	31,848	9,721	5,836	8,094	8,197	-
Long-term debt (including current portion)	1,072,120	85,799	116,587	350,201	519,533	-
	$ 1,694,807	**686,359**	**122,423**	**358,295**	**527,730**	**-**

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, and will affect the Group's income or the value of their financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Exposure to foreign currency risk and sensitivity analysis

The Group's exposure to foreign currency risk arises from cash and cash equivalents, accounts receivable (including related-party transactions), accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and long-term payables that are denominated in a currency other than the respective functional currencies of Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

	December 31, 2024				
	Foreign currency (in thousands)	Exchange rate	New Taiwan Dollar (in thousands)	Change in magnitude	Pre-tax effect on profit or loss (in thousands)
Financial assets					
Monetary items					
USD	$ 31,411	32.785	1,029,810	1 %	10,298
EUR	1,379	34.132	47,068	1 %	471
CNY	14,645	4.4915	65,778	1 %	658
JPY	1,824,890	0.2099	383,044	1 %	3,830
Financial liabilities					
Monetary items					
USD	21,763	32.785	713,500	1 %	7,135

	December 31, 2023				
	Foreign currency (in thousands)	Exchange rate	New Taiwan Dollar (in thousands)	Change in magnitude	Pre-tax effect on profit or loss (in thousands)
Financial assets					
Monetary items					
USD	$ 22,469	30.750	690,922	1 %	6,909
EUR	1,953	34.034	66,468	1 %	665
CNY	19,881	4.3364	86,212	1 %	862
JPY	804,192	0.2175	174,912	1 %	1,749
Financial liabilities					
Monetary items					
USD	18,048	30.750	554,976	1 %	5,550

The Group disclosed foreign exchange gain (loss) on monetary items in aggregate. Please refer to note 6(v) for further information.

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2) Interest rate risk

The Group' s short-term borrowings and long-term borrowings carried floating interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintain good relationships with financial institutions to obtain lower financing costs. The Group also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities at the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period.

If interest rates had been 100 basis points (1%) higher/lower, with all other variables held constant, pre-tax income for the years ended December 31, 2024 and 2023 would have been $8,282 and $10,526, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Group is exposed to the risk of price fluctuation in securities resulting from its investment in publicly traded stocks. The Group supervises the equity price risk actively and manages the risk based on fair value.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the year ended December 31, 2023, would have increased or decreased by $13,269.

(y) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Group maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders.

The Group monitors its capital through reviewing the liability-to-equity ratio periodically.

The Group's liability-to-equity ratio at the end of each reporting period was as follows:

	December 31, 2024	December 31, 2023
Total liabilities	$ 1,586,884	1,741,541
Less: cash and cash equivalents	(757,453)	(520,769)
Net liabilities	**$ 829,431**	**1,220,772**
Total equity	**$ 3,716,380**	**2,982,417**
Liability-to-equity ratio	**22.32 %**	**40.93 %**

The liability-to-equity ratio at December 31, 2024 was lower than that ratio at December 31, 2023, which was mainly attributable to the increase in cash inflows and equity arising from the continuous profitability.

(Continued)

VISCO VISION INC. AND SUBSIDIARIES
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(z) Investing and financing activities not affecting cash flows

(i) Please refer to note 6(i) for a description of acquisition of the right-of-use assets through lease.

(ii) Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2024	Cash flows	Non-cash changes: Additions of lease liabilities	Non-cash changes: Derecognition of lease liabilities	Non-cash changes: Changes in foreign exchange rate	December 31, 2024
Short-term borrowings	$ 43,500	(42,420)	-	-	(1,080)	-
Long-term debt (including current portion)	1,009,142	(209,771)	-	-	28,786	828,157
Lease liabilities (including current portion)	31,135	(14,704)	2,416	(2,734)	46	16,159
Total liabilities from financing activities	$ 1,083,777	(266,895)	2,416	(2,734)	27,752	844,316

	January 1, 2023	Cash flows	Non-cash changes: Additions of lease liabilities	Non-cash changes: Derecognition of lease liabilities	Non-cash changes: Changes in foreign exchange rate	December 31, 2023
Short-term borrowings	$ 46,600	-	-	-	(3,100)	43,500
Long-term debt (including current portion)	1,324,317	(299,321)	-	-	(15,854)	1,009,142
Lease liabilities (including current portion)	44,720	(20,997)	9,980	(2,226)	(342)	31,135
Total liabilities from financing activities	$ 1,415,637	(320,318)	9,980	(2,226)	(19,296)	1,083,777

7. Related-party transactions

(a) Related party name and categories

The followings are the entities that have had transactions with the Group during the periods covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Crystalvue Medical Corp. (“Crystalvue”)	The Group’s associate/other related party (Note 1)
BenQ Materials Corp. (“BMC”)	The entity with significant influence over the Group
Qisda Corporation (“Qisda”)	The parent company of BMC and the entity with significant influence over the Group
Qisda Sdn. Bhd. (“QLPG”)	Other related party (subsidiary of Qisda)
BenQ Asia Pacific Corp. (“BQP”)	Other related party (subsidiary of Qisda)
ACE Energy Co., Ltd. (“AEG”)	Other related party (subsidiary of Qisda)
BenQ Dialysis Technology Corp. (“BDT”)	Other related party (subsidiary of Qisda)
Ace Pillar Co., Ltd. (“ACE”)	Other related party (subsidiary of Qisda)
Apaugasma Eye Clinic	Substantive related party
Dr. Li, Wen-Hao	Substantive related party

Note 1: Prior to November 2024, Crystalvue was other related party of the Group. Since November 2024, Crystalvue has become an associate of the Company.

(Continued)

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(b) Significant transactions with related parties

(i) Net Sales

The amounts of significant sales to related parties were as follows:

	2024	2023
Entity with significant influence over the Group－BMC	$ 439,572	384,708

The sales prices with related parties were determined based on the market competition. The credit terms with related parties of 60 days, which were not significantly different from those with third-party customers.

(ii) Purchases

The amounts of purchases from related parties were as follows:

	2024	2023
Entity with significant influence over the Group－BMC	$ 205,003	164,518

The purchase prices with related parties were not comparable to the purchase prices with third-party vendors as the specifications of products were different. The payment terms with related parties of 60 days while the payment terms with third-party vendors ranged from 30 to 90 days.

(iii) Leases

The Group leased factory and office premise from related parties. The rent was determined by referring to the market price nearby and paid monthly.

Interest expense arising from the abovementioned leases was as follows:

	2024	2023
Entity with significant influence over the Group－Qisda	$ 38	84

The Group leased its office to other related party, QLPG, and the rental income amounted to $59 and $57, respectively, for the years ended December 31, 2024 and 2023.

(iv) Management services income

The Group provided medical management services to substantive related parties and recognized management service income of $4,143 and $8,000 in 2024 and 2023, respectively.

(v) Property transactions

The Group purchased equipment from other related parties, the related amounts were as follows:

	2024	2023
Associates	$ 1,050	-
Other related parties	-	10,497
	$ 1,050	10,497

(Continued)

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(vi) Operating expenses

Other expenses paid to related parties were as follows:

	2024	2023
Entity with significant influence over the Group－Qisda	$ 244	224
Substantive related party	1,200	1,200
Other related parties	298	35
	$ 1,742	1,459

(vii) Receivables from related parties

The Group’s receivables from related parties were as follows:

Account	Related-party categories	December 31, 2024	December 31, 2023
Accounts receivable	Entity with significant influence over the Group－BMC	$ 64,977	54,473
Accounts receivable	Substantive related party	-	272
		$ 64,977	54,745

(viii) Payables to related parties

Related payables as a result of the above transactions and the payments made by related parties on behalf of the Group were as follows:

Account	Related-party categories	December 31, 2024	December 31, 2023
Accounts payable	Entity with significant influence over the Group－BMC	$ 36,636	30,150
Other payables	Entity with significant influence over the Group－Qisda	$ 797	781
	Substantive related party	88	-
	Other related parties	163	-
		$ 1,048	781
Other payables (payables on equipment)	Other related parties	$ -	6,561
Lease liability－current	Entity with significant influence over the Group－Qisda	$ 756	2,968
Lease liability－non-current	Entity with significant influence over the Group－Qisda	-	756
		$ 756	3,724

(c) Compensation for key management personnel

		2024	2023
Short-term employee benefits	$	23,538	22,169
Post-employment benefits		108	189
	$	**23,646**	**22,358**

8. Pledged assets

The carrying amounts of assets pledged as collateral are detailed below:

Pledged assets	Pledged to secure		December 31, 2024	December 31, 2023
Restricted bank deposits	Performance guarantee	$	22,808	14,083
Land-use rights and buildings	Bank loans		763,725	756,864
		$	**786,533**	**770,947**

9. Significant commitments and contingencies

The Group's unrecognized commitments were as follows:

		December 31, 2024	December 31, 2023
Acquisition of property, plant and equipment	$	**184,673**	**190,485**

10. Significant loss from disaster: None.

11. Significant subsequent events: None.

12. Others

Employee benefits, depreciation and amortization, categorized by function, were as follows:

	2024			2023		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	498,058	276,964	775,022	367,241	221,186	588,427
Insurance	7,035	14,828	21,863	4,833	15,203	20,036
Pension	15,335	11,653	26,988	12,198	11,224	23,422
Others	9,487	10,073	19,560	7,384	8,432	15,816
Depreciation	385,100	47,783	432,883	320,662	51,000	371,662
Amortization	-	9,615	9,615	-	32,996	32,996

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13. Additional disclosures

(a) Information on significant transactions:

In accordance with the requirements of the Regulations, the Group additionally discloses the following information on significant transactions:

(i) Financing provided to other parties:

(In Thousands of New Taiwan Dollar/Malaysian Ringgit)

No.	Financing Company	Counter-Party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Drawdown Amounts	Interest Rate	Nature of Financing	Transaction Amounts	Reasons for Short-Term Financing	Loss Allowance	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	VVM	VMM	Other receivables from related parties	yes	13,831 (MYR 1,800)	13,195 (MYR 1,800)	13,195 (MYR 1,800)	5%	2	-	Operating requirement	-	-	-	1,231,314	1,231,314

Note 1: The aggregate financing amount shall not exceed 40% of the most recent net worth of VVM.

Note 2: The individual financing amount of VVM to subsidiaries shall not exceed 40% of the most recent net worth of VVM.

Note 3: Nature of financing: 1. Business transaction purpose. 2. Short-term financing purpose.

Note 4: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(ii) Guarantees and endorsement provided to other parties: None.

(iii) Marketable securities held (excluding investments in subsidiaries, associates, and jointly controlled entities): None.

(iv) Marketable securities for which the accumulated purchase or sale amounts exceed $300 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar/Shares)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gains (Losses) on Disposal	Shares	Amount (Note 1)
The Company	Stock: Crystalvue Medical Corp.	Investments accounted for using equity method	-	-	3,061	265,376	2,034	175,841	-	-	-	-	5,095	451,501

Note 1: The ending balance includes shares of profits/losses of investees and other related adjustment.

(v) Acquisition of real estate which exceeds $300 million or 20% of the paid-in capital: None.

(vi) Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: None.

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Notes to the Consolidated Financial Statements

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

			Transaction Details				Transactions with Terms Different from Others		Notes/Accounts Receivable (Payable)		
Company Name	**Related Party**	**Nature of Relationship**	**Purchases/ (Sales)**	**Amount**	**% of Total Purchases/ (Sales)**	**Payment Terms**	**Unit Price**	**Payment Terms**	**Ending Balance**	**% of Total Notes/ Accounts Receivable (Payable)**	**Note**
The Company	BMC	Entity with significant influence over the Group	(Sales)	(439,572)	(13)%	OA 60	Note 1	Note 1	64,977	11 %	-
VVM	BMC	Entity with significant influence over the Group	Purchases	204,575	23 %	OA 60	Note 2	Note 1	(36,411)	(19)%	-
The Company	From-eyes	Parent/Subsidiary	(Sales)	(1,030,486)	(30)%	OA 60	Note 1	Note 1	230,208	40 %	Note 4
From-eyes	The Company	Parent/Subsidiary	Purchases	1,030,486	94 %	OA 60	Note 1	Note 1	(230,208)	95 %	Note 4
VVM	The Company	Parent/Subsidiary	(Sales)	(2,549,493)	(100)%	OA 60	Note 3	Note 1	523,122	100 %	Note 4
The Company	VVM	Parent/Subsidiary	Purchases	2,549,493	100 %	OA 60	Note 2	Note 1	(523,122)	(98)%	Note 4
The Company	TYC	Parent/Subsidiary	(Sales)	(283,733)	(8)%	OA 60	Note 1	Note 1	46,397	8 %	Note 4
TYC	The Company	Parent/Subsidiary	Purchases	283,733	99 %	OA 60	Note 1	Note 1	(46,397)	(100)%	Note 4

Note 1: There were no significant differences between the transactions with related parties and those with third-party customers and vendors.

Note 2: The transactions with related parties are not comparable to the transactions with third-party vendors as the Group did not purchase the same products from other vendors.

Note 3: The transactions with related parties are not comparable to the transactions with third-party customers as VVM only sold products to the Company.

Note 4: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(viii) Receivables from related parties which exceed $100 million or 20% of the paid-in capital:

(In Thousands of New Taiwan Dollar)

					Overdue			
Company Name	**Related Party**	**Nature of Relationship (Note)**	**Ending Balance**	**Turnover Rate**	**Amount**	**Action Taken**	**Amounts Received in Subsequent Period**	**Allowance for Bad Debts**
The Company	From-eyes	Parent/Subsidiary	230,208	5.09	-	-	96,820	-
VVM	The Company	Parent/Subsidiary	523,122	5.74	-	-	414,880	-

Note: The above intercompany transactions with From-eyes and with VVM have been eliminated when preparing the consolidated financial statements.

(ix) Transactions about derivative instruments: None.

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Notes to the Consolidated Financial Statements

(x) Business relationships and significant intercompany transactions:

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Transaction Details (Note 3) Account	Amount	Transaction Terms	Percentage of Consolidated Total Operating Revenue or Total Assets (Note 4)
0	The Company	From-eyes	1	(Sales)	(1,030,486)	OA 60	(28.07)%
0	The Company	From-eyes	1	Accounts receivable	230,208	OA 60	4.34 %
0	The Company	TYC	1	(Sales)	(283,733)	OA 60	(7.73)%
1	VVM	The Company	2	(Sales)	(2,549,493)	OA 60	(69.44)%
1	VVM	The Company	2	Accounts receivable	523,122	OA 60	9.87 %

Note 1: Parties to the intercompany transactions are identified and numbered as follows:
1. “0” represents the Company.
2. Subsidiaries are numbered from “1”.

Note 2: The relationships with counterparties are as follows:
1. The Company to subsidiary.
2. Subsidiary to the Company.
3. Fellow subsidiaries.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for sales and accounts receivable. The corresponding purchases and accounts payable are not disclosed.

Note 4: The percentage is calculated as the transaction amount divided by consolidated operating revenues or consolidated total assets

Note 5: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(b) Information on investees:

(In Thousands of New Taiwan Dollar/Shares)

Investor	Investee	Location	Main Businesses and Products	Investment Amount: December 31, 2024	Investment Amount: December 31, 2023	Balance as of December 31, 2024: Shares	Balance as of December 31, 2024: Percentage of Ownership	Balance as of December 31, 2024: Carrying Value	Maximum Percentage of Ownership during 2024: Shares	Maximum Percentage of Ownership during 2024: Percentage of Ownership	Net Income (Loss) of the Investee	Investment Income (Loss)	Note
The Company	VVM	Malaysia	Manufacture and sale of contact lenses	2,102,783	2,102,783	289,761	100.00 %	3,085,165	289,761	100.00 %	252,946	252,946	Parent/ Subsidiary (Note 1)
The Company	From-eyes	Japan	Sale of contact lenses	220,441	220,441	1	100.00 %	232,969	1	100.00 %	74,200	71,867	Parent/ Subsidiary (Note 1)
The Company	VCT	Taiwan	Medical management services	44,000	44,000	4,400	55.00 %	28,739	4,400	55.00 %	5,424	2,269	Parent/ Subsidiary (Note 1)
The Company	Crystalvue	Taiwan	Design, manufacture and sale of medical equipment	449,888	-	5,095	20.01 %	451,501	5,095	20.01 %	127,152	1,613	Associate (Note 2)
VVM	VMM	Malaysia	Lease management services	3,696	3,696	500	100.00 %	1,524	500	100.00 %	(184)	(184)	Parent/ Subsidiary (Note 1)

Note 1: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

Note 2: Since November 2024, the Company has accounted the investment in Crystalvue using equity method. Please refer to note 6(g) for further information.

(Continued)

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Notes to the Consolidated Financial Statements

(c) Information on investment in Mainland China:

(i) Name and main businesses and products of investee companies in Mainland China:

(In Thousands of Renminbi/New Taiwan Dollar)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum Percentage of Ownership during 2024		Investment Income (Loss)	Carrying Value as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow				Shares	Percentage of Ownership			
Trend Young Trading (Shanghai) Limited Company	Sale of contact lenses	15,533 (CNY 3,500) (Note 2)	Note 1	15,720 (CNY 3,500)	-	-	15,720 (CNY 3,500)	(9,934)	100.00 %	-	100.00 %	(9,934)	(3,067)	-

Note 1: Direct investment in Mainland China.

Note 2: Except for the paid-in capital which was measured at historical foreign exchange rate, the above amounts were translated into New Taiwan Dollar at the exchange rate of CNY 1=NTD 4.4915 at December 31, 2024.

(ii) Limits on investment in Mainland China:

(In Thousands)

Investor Company Name	Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment Authorized by Investment Commission, MOEA
The Company	119,321 (Note 2) (USD 3,160 and CNY 3,500)	120,632 (Note 2) (USD 3,200 and CNY 3,500)	2,229,828

Note 1: The above amounts were translated into New Taiwan Dollar at the exchange rate of US$1=NTD 32.785 and CNY 1=NTD 4.4915 at December 31, 2024.

Note 2: The investment amounts included investments in Mainland China of US$3,160 and investment amount of US$3,200 authorized by Investment Commission, MOEA in prior years. In 2019, the related investees were liquidated and the withdrawal of the abovementioned investments in Mainland China has been approved by the Investment Commission, MOEA.

(iii) Significant transactions with investee companies in Mainland China:

Related Party	Nature of Relationship	Transaction Terms					Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)
		Type	Amount	Price	Payment Terms	Transactions with Others	Balance	Percentage	
Trend Young Trading (Shanghai) Limited Company	The Company's subsidiary	Sales	283,733	Note 1	OA 60	Note 1	46,397	8.07 %	(11,521)

Note 1: There were no significant differences between the transactions with related parties and those with third-party customers.

Note 2: The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

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(d) Major shareholders:

Shareholding / Shareholder's Name	Shares	Percentage
BenQ Materials Corp.	9,333,773	14.81 %

14. Segment information

The Group is mainly engaged in the manufacture and sale of disposable contact lenses and has only one reportable segment. The information of segment profit or loss, segment assets and liabilities is consistent with those of consolidated financial statements. Please refer to Consolidated Balance Sheets and Consolidated Statements of Comprehensive Income for the related information.

(a) Products and services information

Revenues from external customers are detailed below:

Products and services	2024	2023
Sale of contact lenses	$ 3,666,494	2,388,862
Others	5,146	8,813
	$ 3,671,640	**2,397,675**

(b) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers:

Region	2024	2023
Europe	$ 707,855	511,678
Asia	2,239,204	1,293,796
Taiwan	459,014	398,235
Americas	265,567	193,966
	$ 3,671,640	**2,397,675**

Non-current assets:

Region		December 31, 2024	December 31, 2023
Taiwan	$	138,663	165,513
Malaysia		2,516,878	2,211,553
Japan		71,106	76,626
Mainland China		498	3,645
	$	**2,727,145**	**2,457,337**

The aforementioned non-current assets include property, plant and equipment, right-of-use assets, intangible assets, prepayments for equipment and other non-current assets, but do not include financial instruments and deferred income tax assets.

(c) Major customer information

Sales to individual customer representing more than 10% of the consolidated revenue were as follows:

		2024
Customer A	$	599,552
Customer B		439,572

		2023
Customer A	$	470,436
Customer B		384,708