

TRANSLATION- THE TRANSLATED DOCUMENT IS PREPARED IN ACCORDANCE WITH THE CHINESE VERSION. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

Visco Vision Inc.

2023 Annual Shareholders' Meeting Minutes

Meeting Time: May 30th, 2023 (Tues.) 9:00 AM

Meeting Place: No. 369, Section 2, Zhuangjing Rd, Taoyuan District, Taoyuan City Royal Wedding

Convocation Method: In-person shareholders' meeting

Total Shares Held by Shareholders Presented in Person or by Proxy: 43,940,038 shares

Total Outstanding Visco Vision Shares: 63,000,000 shares

Percentage of Shares Held by Shareholders Presented in Person or by Proxy: 69.74%

Attendees: Chung-I Li, Director

BenQ Materials Corp. Representative: Pei-I Liu, Director

Ke-Yung Yu, Director

Sheng-Wen Chen, Director

Ying-Hsiung Chiu, Independent Director

Chiu-Jui Wei, Independent Director

Pei-Ching Cheng, Accounting Supervisor

Ching-Wen Kao, CPA, KPMG

Chairman: Chung-I Li



Recorder: Pei-Ching Cheng



I. Call the Meeting to Order

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum

II. Chairman's Address (omitted)

III. Report Items

(I) 2022 Business Report (Attachment I)

(II) Audit Committee's Review Report (Attachment II)

(III) Report on the 2022 employees' profit sharing and directors' compensation

The proposal to disburse NT\$49,195,639 and NT\$4,350,494 as employee and

director remuneration, in the form of cash, was passed by this Company's board of directors on March 3, 2023.

(IV) Report on the 2022 profit distribution and cash dividends

(1) According to the Company's Articles of Incorporation, the Board of Directors is authorized to issue a dividend of NT\$5.5 per share in cash for the total amount of NT\$346,500,000.

(2) The current cash dividend will adopt the calculation method of "unconditionally discarding any amount below NT\$1" while authorizing the President to set the benchmark date of dividend distribution, distribution date, and other related matters.

IV. Elections

Proposal: Proposal to discuss the re-election of all Directors (including Independent Directors). (Proposed by the Board of Directors)

- Note:
- I. According to the Articles of Incorporation, the Company shall adopt a nomination system to establish a Board of Directors (including Independent Directors) composed of five to nine members for a tenure of 3 years. The current Directors (including Independent Directors) have been selected at the 2020 and 2022 Annual Shareholders' Meeting in accordance with regulations; their tenure is from June 30, 2020 until June 29, 2023.
 - II. Full re-election of 8 Directors (including 4 Independent Directors). Newly appointed Directors (including Independent Directors) will serve a period of 3 years until May 30, 2023. The tenure of existing Directors (including Independent Directors) shall continue until re-election is completed at the Annual Shareholders' Meeting.
 - III. The list of candidates for Directors (including Independent Directors) has been review and approved by the Company's Board of Directors on March 3, 2023. Shareholders should appoint candidates from the list available for review in attachment 3.

Election results: The list of elected directors as follows

ID Number	Name	Votes Received
809	Chung-I Li	48,627,212
341	BenQ Materials Corp. Representative: Pei-I Liu	42,066,876
350	Ke-Yung Yu	40,277,915
905	Sheng-Wen Chen	39,377,742
P22005****	Chiu-Jui Wei	36,316,202

J10063****	Ying-Chou Yang	35,810,014
A12346****	Kuo-Kuang Chao	34,453,286
482	Wei-Ting Lai	31,706,590

V. Proposed Resolutions

Item 1

Proposal: Motion to ratify the 2022 financial statement and business report. (Proposed by the Board of Directors)

- Note:
- I. The Company's completed 2022 financial statement has been audited by CPAs Kao Ching-Wen and Chang Hui-Chen of KPMG Taiwan as commissioned by the Board of Directors. Their audit concluded that the report sufficiently reflects the 2022 financial performance and cash flow of Visco Vision Inc. as of December 31, 2022. The business report has also been provided for review.
 - II. Please refer to attachment I and attachment 4 for the 2022 CPA audit report, financial statement, and business report.

Resolution: Voting Results

Shares represented at the time of voting: 43,940,038

Voting Results	% of the total represented share present
Votes in favor:42,776,804 votes.	97.35%
Votes against: 29,020 votes	0.07%
Votes invalid and abstained: 1,134,214 votes	2.58%

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 2

Proposal: Motion to ratify the 2022 earnings distribution proposal. (Proposed by the Board of Directors)

Note: Please refer to attachment 5 for the Company's 2022 earnings distribution table.

Resolution: Voting Results

Shares represented at the time of voting: 43,940,038

Voting Results	% of the total represented share present
Votes in favor:42,776,804 votes.	97.34%
Votes against: 31,019 votes	0.07%

Votes invalid and abstained: 1,134,215 votes	2.59%
---	-------

RESOLVED, that the above proposal be and hereby was approved as proposed.

Item 3

Proposal: Motion to discuss removal of prohibitions for Directors and their representatives to engage in competitive businesses. (Proposed by the Board of Directors)

- Note:
- I. In accordance with Article 209 of the Company Act, Directors engaging in any activity relating to the scope of the Company's business for the interests of themselves or a third party must provide explanation for the important details of these actions and obtain approval at the Shareholders' Meeting.
 - II. Assuming no infringement to the Company's rights and interests, this motion is submitted in the Shareholders' Meeting to approve lifting of restrictions for Directors and their representatives to engage in competitive businesses in accordance with law.
 - III. Please refer to attachment 6 for a list of competitive activities that shall be lifted for Directors and their representatives in the 2023 Annual Shareholders' Meeting.

Resolution: Voting Results

Shares represented at the time of voting: 43,940,038

Voting Results	% of the total represented share present
Votes in favor:42,245,505 votes.	96.14%
Votes against: 564,509 votes	1.28%
Votes invalid and abstained: 1,130,024 votes	2.58%

RESOLVED, that the above proposal be and hereby was approved as proposed.

VI. Extraordinary Motions: N/A

VII. Adjournment: May 30th, 2023 (Tues.) 9:36 AM

Attachment I 2022 Business Report

Dear Shareholders:

Welcome to the annual shareholders' meeting. The Company's 2022 operating results and this year's business plan will be reported to each shareholder:

I. 2022 Operating Results

Unit: Expressed in thousands of New Taiwan Dollars

Item	2022	2021	Annual growth rate (%)
Operating revenue	2,777,524	1,964,499	41
Operating margin	44%	43%	2
Operating expenses	522,811	432,839	21
Net operating profit	709,920	406,496	75
Net profit after tax	617,431	443,632	39
Earnings per share (NT\$)	11.11	8.11	37

While the Malaysia plant was affected by COVID-19 in 2022 due to border restrictions that caused several months of labor shortages, the concerted efforts of all colleagues grew revenue by 41%, achieving a historic record for the company in earnings per share of NT\$11.11. Revenue growth was primarily due to massive growth in the European and China markets; sales in Japan and the U.S. also exhibited double digit growth.

In terms of production supply, Q4 2022 saw nearly 90% in the utilization of production capacity to address continuous growth in orders. Production lines will be expanded in 2023 to satisfy customer demand.

In July 2022, the Company's technology business registered for public listing. After undergoing audit, announcing company performance, and increasing cash capital, the Company achieved a new milestone with an official public listing on November 28th. The collective spirit of craftsmanship in all colleagues and their ceaseless efforts to improve technology, products, and markets have guided the Company towards the enterprise vision of "reproducing the truth, goodness and beauty of the vision".

II. Summary of Business Plan for 2023

I. Operating Policy

By upholding the vision of "reproducing the truth, goodness and beauty of the vision", the Company focuses on the business of eye health and medical care by paying close attention to patient needs and market activity. We continue to develop and produce world class medical products. We also uphold the principles of integrity and good faith by focusing on the rights and interests of all stakeholders while marketing premium products and customer services worldwide.

2. Sales Forecast and its Basis

Looking forward, while the global pandemic has eased in severity, it remains to be observed whether China's economy and momentum of consumption can recover after easing COVID-19 restrictions. Additionally, customers must now adjust inventory in response to the shortening and recovery of shipping time. This year, the Company's plans to continue the sound operations and proactive adaptation by releasing silicone hydrogel contact lenses for presbyopia and astigmatism in the European, U.S., and Japanese markets; cosmetic and anti-blue light products will be expanded in Asia Pacific markets. Sales and profit forecasts for 2023 are expected to exhibit continued growth.

3. Important production and sales strategy

- (1) Pay attention to the activity of market competition in various markets, work more closely with customers to satisfy their demands in terms of products and orders.
- (2) Release the most comprehensive product line and continue to improve safety and comfort for long-term wear while achieving our commitment to superior products.
- (3) Make good use of the Company's resources to support continuous growth and gradually implement sustainable operation and development in accordance with ESG guidance policies. In May 2022, solar power generation began operation at our factory; the organization's carbon inventory and reduction planning has been completed in accordance with procedures.

III. Future Development Strategy

Expend effort into understanding people's demand and markets for vision correction and maintenance, eye health, and medical care through the vision of "reproducing the truth, goodness and beauty of the vision". Establish autonomous capabilities in core R&D and production while releasing superior ophthalmic products in target markets, create mutual benefit for customers and distribution channels through frequent marketing to create long-term value for the Company and benefit shareholders.

IV. The impact from the external competitive environment, regulatory environment, and overall business environment

The biggest variable to market demand this year is the impact of inflation on consumption power and China's recovery of economic momentum after the easing of COVID-19 restrictions. Luckily, shipments from major global suppliers of contact lenses have returned to a growth state in 2022; as nations ease restrictions and open their borders, economic activity within markets have gradually recovered and it is estimated that overall market demand will return to the growth exhibited prior to COVID-19.

Sales of this Company's products on the global market inevitably results in direct competition with major global corporations and other contact lens manufacturers. Aside from comprehensive product lines and powerful marketing resources, global corporations also work closely with ophthalmology clinics, optical retailers, and other professional sales channels which impedes this Company's development into markets. Currently, the Company is Asia's

top manufacturer of silicone hydrogel contact lenses. However, as other manufacturers release silicone hydrogel products, this will negatively impact the Company's sales development.

The Company is dedicated to advancement and pays constant attention to changes in market activity and the competition. Customer demands and competitive pressure are utilized as fuel for growth and has cultivated our ability to swiftly respond to competitive threats and grasp market opportunities. The Company strives to provide superior products that satisfy consumer demands while also rigorously controlling operating efficiency and costs. Our constant operating model optimizations are for the purpose of pursuing long-term growth and profit.

The Company appreciates the support and encouragement given by our shareholders. The operating team and all colleagues will continue our dedication towards maximizing benefit for both shareholders and the Company.

Chairman:



Manager:



Accounting supervisor:



Attachment 2 Audit Committee's Review Report

The 2022 financial statement prepared by the Board of Directors was audited by CPAs Kao Ching-Wen and Chang Hui-Chen of KPMG Taiwan. Together with the operating report and profit distribution proposals, the aforementioned financial statement and CPA audit report were found to be without discrepancy by this Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act as well as Article 219 of the Company Act. Please review.

Sincerely,

Visco Vision Inc. 2023 Annual Shareholders' Meeting

Convener of the Audit Committee:



March 3rd, 2023

Attachment 3 List of Candidates for Directors and Independent Directors

Job Title	Name	Gender	Education and Work Experience	Current Position	Number of shares held
Director	Chung-I Li	Male	Ph.D. in Electrical Engineering, University of California Senior Director, BenQ Corporation Senior Engineer, Qualcomm Inc.	President and CEO, Visco Vision Inc. Corporate Chairperson Representative, From-eyes Co., Ltd	211,625 shares
Director	Ke-Yung Yu	Male	MBA, University of Strathclyde Chairperson, BenQ Materials Corp. Director, AUO Corp. Deputy General Manager of Finance, Qisda Corp.	Corporate Director Representative, From-eyes Co., Ltd	779,036 shares
Director	BenQ Materials Corp.		Not applicable	Corporate Chairperson, WEB-PRO Corp. Corporate Director, BenQ Materials Corp. Corporate Director, SIGMA Medical Supplies Corp.	9,333,773 shares
	Pei-I Liu	Male	Masters, Department of Photonics, National Chiao Tung University CTO, BenQ Materials Corp. Director of Polarization R&D, Factory Director, DAXON TECHNOLOGY INC.	Vice President, BenQ Materials Corp. Corporate Director Representative, Cenefom Corp. Corporate Director Representative, GENEJET BIOTECH CO., LTD	388,683 shares
Director	Sheng-Wen Chen	Male	Ph.D. in Electrical Engineering, University of Maryland Ph.D. Candidate in Economics, National Taiwan University Senior Vice President and President of Netcom Business Division, BenQ Corporation Director of R&D, Qualcomm Inc.	Independent Director, Crystalvue Medical Corporation	100,000 shares

Job Title	Name	Gender	Education and Work Experience	Current Position	Number of shares held
Independent Director	Chiu-Jui Wei	Female	MBA, University of Washington CFO and Senior Vice President, Toppoly Optoelectronics Corp. Executive Director, BNP Paribas Executive Director, Bankers Trust New York Corporation	Senior Vice President, Compal Electronics Inc. Corporate Director Representative, Taiwan Star Telecom Corporation Limited Independent Director, SYnergy ScienTech Corp	0 shares
Independent Director	Ying-Chou Yang	Male	Department of Business Administration, Soochow University CFO, Continental Holdings Corporation Chairpersons, TEAPO Electronic Corp. CFO/CSO, YAGEO Corporation	Independent Director, TSRC Corporation	0 shares
Independent Director	Kuo-Kuang Chao	Male	MBA, Thunderbird School of Global Management Ph.D. Candidate, Institute of Materials Science and Engineering, National Taipei University of Technology Special Assistant to the Chairperson, Fwusow Industry Co., Ltd. President, OU JIE TECHNOLOGY CO., LTD. Vice President, Posiflex Technology Inc.	CEO, Gloria Taipei Tech, International Industry-Academia Alliance of NTUT	0 shares
Independent Director	Wei-Ting Lai	Male	School of Medicine, National Taiwan University Director, EyePlus Co., Ltd. Supervisor, Zhijian Investment Co., Ltd.	Director of Ophthalmology, Min-Sheng General Hospital CMO, EyePlus	66,517 shares

Attachment 4 2022 Independent Auditors Report and Financial Statements

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, 2022 and 2021, and 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 significant 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by 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, 2022 are stated as follows:

I. Revenue recognition

Please refer to note 4(n) for the accounting policy on revenue recognition and note 6(s) for related disclosures of revenue recognition, respectively, of the notes 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. 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 testing Visco Vision Inc. and its subsidiaries' internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between Visco Vision Inc. and its subsidiaries and their customers as well as performing a sample test of related transaction documents; performing trend analysis on revenue and 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.

2. Impairment of goodwill

Please refer to note 4(l) 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(h) for related disclosures of impairment test of goodwill, respectively, of the notes 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 obtaining the assessment of impairment of goodwill provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and test 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, 2022 and 2021, on which we have audited and expressed an unqualified 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, IFRC, 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 members of 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 Ching-Wen Kao and Hwei-Chen Chang.

KPMG

Taipei, Taiwan (Republic of China)

March 3, 2023

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

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2022		December 31, 2021				December 31, 2022		December 31, 2021	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,801,461	34	351,005	11	2100	Short-term borrowings (note 6(i))	\$ 46,600	1	48,080	2
1170	Accounts receivable, net (notes 6(b) and (s))	264,962	5	264,343	9	2130	Contract liabilities—current (note 6(s))	20,905	-	9,672	-
1180	Accounts receivable from related parties (notes 6(b), (s) and 7)	34,981	1	48,346	2	2170	Notes and accounts payable	156,703	3	136,183	4
1200	Other receivables (notes 6(b), (c), 7 and 8)	38,723	1	4,961	-	2180	Accounts payable to related parties (note 7)	31,530	1	42,256	1
130X	Inventories (note 6(d))	461,985	8	290,699	9	2213	Payables on equipment	81,007	2	312,072	10
1476	Other financial assets—current (notes 6(a) and 8)	11,045	-	10,363	-	2219	Other payables (notes 6(m), (t) and 7)	409,282	8	221,128	7
1479	Prepayments and other current assets	38,548	1	29,216	1	2250	Provisions—current (note 6(j))	20,278	-	15,024	1
	Total current assets	<u>2,651,705</u>	<u>50</u>	<u>998,933</u>	<u>32</u>	2280	Lease liabilities—current (notes 6(k) and 7)	19,715	-	9,357	-
Non-current assets:						2322	Current portion of long-term debt (notes 6(l) and 8)	163,066	3	244,321	8
1600	Property, plant and equipment (notes 6(f), 7 and 8)	1,764,271	33	1,215,191	39	2399	Other current liabilities	7,222	-	1,617	-
1755	Right-of-use assets (notes 6(g), 7 and 8)	442,478	8	426,075	14		Total current liabilities	<u>956,308</u>	<u>18</u>	<u>1,039,710</u>	<u>33</u>
1780	Intangible assets (notes 6(e) and (h))	147,293	3	145,539	5		Non-current liabilities:				
1840	Deferred income tax assets (note 6(o))	151,577	3	170,727	5	2540	Long-term debt (notes 6(l) and 8)	1,161,251	21	882,491	28
1915	Prepayments for construction and equipment	131,759	3	171,386	5	2570	Deferred income tax liabilities (note 6(o))	17,061	-	18,059	-
1980	Other financial assets—non-current	2,872	-	1,544	-	2580	Lease liabilities—non-current (notes 6(k) and 7)	25,005	1	23,150	1
1990	Other non-current assets	2,040	-	-	-	2612	Long-term payables (note 6(m))	25,630	1	52,668	2
	Total noncurrent assets	<u>2,642,290</u>	<u>50</u>	<u>2,130,462</u>	<u>68</u>		Total non-current liabilities	<u>1,228,947</u>	<u>23</u>	<u>976,368</u>	<u>31</u>
							Total liabilities	<u>2,185,255</u>	<u>41</u>	<u>2,016,078</u>	<u>64</u>
							Equity attributable to shareholders of the Company (note 6(p)):				
						3110	Common stock	630,000	12	547,267	18
						3200	Capital surplus	1,431,007	27	38,040	1
							Retained earnings:				
						3310	Legal reserve	96,866	2	52,503	2
						3320	Special reserve	216,467	4	110,456	3
						3350	Unappropriated earnings	829,668	16	581,518	19
								<u>1,143,001</u>	<u>22</u>	<u>744,477</u>	<u>24</u>
						3400	Other equity	(119,796)	(2)	(216,467)	(7)
							Total equity attributable to shareholders of the Company	<u>3,084,212</u>	<u>59</u>	<u>1,113,317</u>	<u>36</u>
						36XX	Non-controlling interests	24,528	-	-	-
							Total equity	<u>3,108,740</u>	<u>59</u>	<u>1,113,317</u>	<u>36</u>
							Total liabilities and equity	<u>\$ 5,293,995</u>	<u>100</u>	<u>3,129,395</u>	<u>100</u>
	Total assets	<u>\$ 5,293,995</u>	<u>100</u>	<u>3,129,395</u>	<u>100</u>						

Chairman:



Manager:



Accounting supervisor:



(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, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 Net sales (notes 6(s), 7 and 14)	\$ 2,777,524	100	1,964,499	100
5000 Cost of sales (notes 6(d), (f), (g), (j), (n), (t), 7 and 12)	(1,544,792)	(56)	(1,125,164)	(57)
Gross profit	<u>1,232,732</u>	<u>44</u>	<u>839,335</u>	<u>43</u>
Operating expenses (notes 6(b), (f), (g), (h), (k), (n), (q), (t), 7 and 12):				
6100 Selling expenses	(158,925)	(5)	(177,986)	(9)
6200 Administrative expenses	(199,681)	(7)	(133,022)	(7)
6300 Research and development expenses	(160,675)	(6)	(121,831)	(6)
6450 Expected credit loss	(3,530)	-	-	-
Total operating expenses	<u>(522,811)</u>	<u>(18)</u>	<u>(432,839)</u>	<u>(22)</u>
Operating income	<u>709,921</u>	<u>26</u>	<u>406,496</u>	<u>21</u>
Non-operating income and loss (notes 6(c), (k), (u) and 7):				
7100 Interest income	1,274	-	260	-
7010 Other income	15,132	-	-	-
7020 Other gains and losses	18,595	1	19,005	1
7050 Finance costs	(32,133)	(1)	(21,472)	(1)
Total non-operating income and loss	<u>2,868</u>	<u>-</u>	<u>(2,207)</u>	<u>-</u>
7900 Income before income tax	<u>712,789</u>	<u>26</u>	<u>404,289</u>	<u>21</u>
7950 Income tax benefit (expense) (note 6(o))	(98,780)	(4)	39,343	2
8200 Net income	<u>614,009</u>	<u>22</u>	<u>443,632</u>	<u>23</u>
Other comprehensive income (loss):				
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign operations (note 6(p))	96,671	3	(106,011)	(6)
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income (loss) for the year, net of income tax	<u>96,671</u>	<u>3</u>	<u>(106,011)</u>	<u>(6)</u>
8500 Total comprehensive income for the year	<u>\$ 710,680</u>	<u>25</u>	<u>337,621</u>	<u>17</u>
Net income attributable to:				
8610 Shareholders of the Company	\$ 617,431	22	443,632	23
8620 Non-controlling interests	(3,422)	-	-	-
	<u>\$ 614,009</u>	<u>22</u>	<u>443,632</u>	<u>23</u>
Total comprehensive income attributable to:				
8710 Shareholders of the Company	\$ 714,102	25	337,621	17
8720 Non-controlling interests	(3,422)	-	-	-
	<u>\$ 710,680</u>	<u>25</u>	<u>337,621</u>	<u>17</u>
Earnings per share (note 6(r)):				
9750 Basic earnings per share	\$ 11.11		8.11	
9850 Diluted earnings per share	\$ 11.07		8.08	

Chairman:



Manager:



Accounting supervisor:



(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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

Equity attributable to shareholders of the Company

	Retained earnings					Other equity		Non-controlling interests	Total equity	
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences			Total equity of the Company
Balance at January 1, 2021	\$ 547,267	38,040	39,696	-	321,348	361,044	(110,456)	835,895	-	835,895
Net income in 2021	-	-	-	-	443,632	443,632	-	443,632	-	443,632
Other comprehensive loss in 2021	-	-	-	-	-	-	(106,011)	(106,011)	-	(106,011)
Total comprehensive income (loss) in 2021	-	-	-	-	443,632	443,632	(106,011)	337,621	-	337,621
Appropriation of earnings:										
Legal reserve	-	-	12,807	-	(12,807)	-	-	-	-	-
Special reserve	-	-	-	110,456	(110,456)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(60,199)	(60,199)	-	(60,199)	-	(60,199)
Balance at December 31, 2021	547,267	38,040	52,503	110,456	581,518	744,477	(216,467)	1,113,317	-	1,113,317
Net income in 2022	-	-	-	-	617,431	617,431	-	617,431	(3,422)	614,009
Other comprehensive income in 2022	-	-	-	-	-	-	96,671	96,671	-	96,671
Total comprehensive income (loss) in 2022	-	-	-	-	617,431	617,431	96,671	714,102	(3,422)	710,680
Appropriation of earnings:										
Legal reserve	-	-	44,363	-	(44,363)	-	-	-	-	-
Special reserve	-	-	-	106,011	(106,011)	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(218,907)	(218,907)	-	(218,907)	-	(218,907)
Capital increase by cash	82,733	1,392,260	-	-	-	-	-	1,474,993	-	1,474,993
Share-based compensation cost	-	707	-	-	-	-	-	707	-	707
Acquisition of subsidiary	-	-	-	-	-	-	-	-	27,950	27,950
Balance at December 31, 2022	\$ 630,000	1,431,007	96,866	216,467	829,668	1,143,001	(119,796)	3,084,212	24,528	3,108,740

Chairman:



Manager:



Accounting supervisor:



(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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 712,789	404,289
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation	304,479	211,713
Amortization	31,552	30,038
Expected credit loss	3,530	-
Interest expense	32,133	21,472
Interest income	(1,274)	(260)
Share-based compensation cost	707	-
Gain on disposal of property, plant and equipment	-	(20)
Unrealized foreign exchange gain	(1,551)	(11,462)
Gain on reversal of termination loss for prepayments for land	-	(21,539)
Gain on lease modifications	-	(472)
Total adjustments for profit or loss	369,576	229,470
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(619)	(62,386)
Accounts receivable from related parties	10,259	(18,606)
Other receivables	(33,751)	1,630
Other receivable from related parties	(11)	-
Inventories	(171,226)	(23,265)
Prepayments and other current assets	(6,788)	(2,193)
Other non-current assets	(2,040)	-
Total changes in operating assets	(204,176)	(104,820)
Changes in operating liabilities:		
Contract liabilities	11,233	7,476
Accounts payable	20,520	19,082
Accounts payable to related parties	(10,726)	23,839
Other payables	111,903	65,689
Other payables to related parties	424	(402)
Provisions	5,254	(9,330)
Other current liabilities	3,572	(2,317)
Total changes in operating liabilities	142,180	104,037
Total changes in operating assets and liabilities	(61,996)	(783)
Total adjustments	307,580	228,687
Cash provided by operations	1,020,369	632,976
Interest received	1,274	260
Interest paid	(30,132)	(20,836)
Income taxes paid	(6,385)	(4,735)
Net cash provided by operating activities	985,126	607,665

(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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities:		
Additions to property, plant and equipment (including prepayments for construction and equipment)	(931,950)	(532,639)
Proceeds from disposal of property, plant and equipment	-	20
Additions to intangible assets	(4,947)	(9,158)
Net cash received from business combination	2,081	-
Additions to right-of-use assets	-	(369,866)
Increase in other financial assets	(1,670)	(236)
Decrease in payables on acquisition considerations	(26,521)	(30,162)
Return of prepayments on land-use rights and buildings	-	193,848
Net cash used in investing activities	<u>(963,007)</u>	<u>(748,193)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(33,397)
Increase in long-term debt	1,020,000	709,700
Repayments of long-term debt	(852,201)	(316,038)
Payment of lease liabilities	(14,884)	(12,528)
Cash dividends distributed to shareholders	(218,907)	(60,199)
Capital increase by cash	1,474,993	-
Net cash provided by financing activities	<u>1,409,001</u>	<u>287,538</u>
Effects of exchange rate changes	<u>19,336</u>	<u>(32,627)</u>
Net increase in cash and cash equivalents	1,450,456	114,383
Cash and cash equivalents at beginning of year	<u>351,005</u>	<u>236,622</u>
Cash and cash equivalents at end of year	<u><u>\$ 1,801,461</u></u>	<u><u>351,005</u></u>

Chairman:



Manager:



Accounting
supervisor:



Independent Auditors' Report

To the Board of Directors of Visco Vision Inc.:

Opinion

We have audited the parent-company-only financial statements of Visco Vision Inc. (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2022 and 2021, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by 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 Parent-Company-Only Financial Statements section of our report. We are independent of the Company 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of parent-company-only 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 the Company's parent-company-only financial statements for the year ended December 31, 2022 are stated as follows:

I. Revenue recognition

Please refer to note 4(n) for the accounting policy on revenue recognition and note 6(s) for related disclosures of revenue recognition, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

The Company deals with customers located in different geographic areas worldwide and has 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. 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 testing the Company's internal controls over financial reporting in the sales and collection cycle; ensuring the correctness of the timing of revenue recognition through understanding of trade terms between the Company and its customers as well as performing a sample test of related transaction documents; performing trend analysis on revenue and 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.

2. Impairment of goodwill from investments in subsidiaries

Please refer to note 4(l) 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(e) for related disclosures of impairment test of goodwill, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from the acquisition of From-eyes Co., Ltd., which is included in the carrying amount of investments accounted for using the equity method, 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 obtaining the assessment of impairment of goodwill provided by the management; assessing the appropriateness of the estimation base and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and test results and assessing the adequacy of the Company's disclosures with respect to the related information on goodwill impairment.

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

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's 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 the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent-company-only 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 parent-company-only 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 parent-company-only 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 the Company's 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 the Company's 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 parent-company-only 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 the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only 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 investee companies accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the 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 parent-company-only 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 Ching-Wen Kao and Huei-Chen Chang.

KPMG

Taipei, Taiwan (Republic of China)
March 3, 2023

(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)

VISCO VISION INC.

Parent-Company-Only Balance Sheets

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021			December 31, 2022		December 31, 2021			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets											
Current assets:											
1100	Cash and cash equivalents (note 6(a))	\$ 1,483,004	33	114,193	5	2130	Contract liabilities—current (note 6(s))	\$ 4,044	-	9,185	1
1170	Accounts receivable, net (notes 6(b) and (s))	181,064	4	195,237	9	2170	Notes and accounts payable	9,290	-	5,454	-
1180	Accounts receivable from related parties (notes 6(b), (s) and 7)	146,707	3	120,000	5	2180	Accounts payable to related parties (note 7)	224,198	5	261,122	12
1200	Other receivables (notes 6(b) and (c))	34,097	1	4,961	-	2219	Other payables (notes 6(m) and (t))	247,811	6	130,029	6
1210	Other receivables from related parties (note 7)	36,134	1	13,398	1	2220	Other payables to related parties (note 7)	1,154	-	1,451	-
130X	Inventories (note 6(d))	164	-	468	-	2281	Lease liabilities—current (notes 6(k) and 7)	6,939	-	6,580	-
1479	Prepayments and other current assets	12,228	-	9,040	-	2322	Current portion of long-term debt (note 6(l))	88,125	2	214,448	9
	Total current assets	1,893,398	42	457,297	20	2399	Other current liabilities	1,487	-	1,267	-
Non-current assets:											
1550	Investments accounted for using equity method (note 6(e))	2,471,264	55	1,651,901	72		Total current liabilities	583,048	13	629,536	28
1600	Property, plant and equipment (notes 6(f) and 7)	84,808	2	93,306	4	2540	Long-term debt (note 6(l))	785,875	17	461,632	20
1755	Right-of-use assets (note 6(g))	24,321	1	28,939	1	2570	Deferred income tax liabilities (note 6(o))	3,447	-	2,110	-
1780	Intangible assets (note 6(h))	15,988	-	21,335	1	2581	Lease liabilities—non-current (notes 6(k) and 7)	17,927	-	22,830	1
1840	Deferred income tax assets (note 6(o))	2,291	-	17,964	1	2612	Long-term payables (note 6(m))	25,630	1	52,668	2
1915	Prepayments for equipment	5,229	-	10,561	1		Total non-current liabilities	832,879	18	539,240	23
1920	Refundable deposits	800	-	790	-		Total liabilities	1,415,927	31	1,168,776	51
1990	Other non-current assets	2,040	-	-	-	3110	Equity (notes 6(p) and (q)):				
	Total noncurrent assets	2,606,741	58	1,824,796	80	3200	Common stock	630,000	14	547,267	24
						3310	Capital surplus	1,431,007	32	38,040	2
						3320	Retained earnings:				
						3330	Legal reserve	96,866	2	52,503	2
						3350	Special reserve	216,467	5	110,456	5
							Unappropriated earnings	829,668	18	581,518	26
								1,143,001	25	744,477	33
						3400	Other equity	(119,796)	(2)	(216,467)	(10)
							Total equity	3,084,212	69	1,113,317	49
Total assets		\$ 4,500,139	100	2,282,093	100		Total liabilities and equity	\$ 4,500,139	100	2,282,093	100

Chairman:



Manager:



Accounting supervisor:



(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

VISCO VISION INC.

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2022 and 2021

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

	2022		2021	
	Amount	%	Amount	%
4000 Net sales (notes 6(s) and 7)	\$ 2,386,135	100	1,651,120	100
5000 Cost of sales (notes 6(d), (j) and 7)	(1,571,528)	(66)	(1,089,932)	(66)
Gross profit	814,607	34	561,188	34
5910 Realized gross profit on sales to subsidiaries	2,099	-	2,517	-
5950 Realized gross profit	816,706	34	563,705	34
Operating expenses (notes 6(f), (g), (h), (k), (n), (q), (t), 7 and 12):				
6100 Selling expenses	(28,486)	(1)	(24,893)	(2)
6200 Administrative expenses	(153,464)	(6)	(101,943)	(6)
6300 Research and development expenses	(160,675)	(7)	(121,831)	(7)
Total operating expenses	(342,625)	(14)	(248,667)	(15)
Operating income	474,081	20	315,038	19
Non-operating income and loss (notes 6(k), (u), (w), 7 and 13):				
7100 Interest income	854	-	23	-
7010 Other income	7,498	-	339	-
7020 Other gains and losses	8,743	-	(7,657)	-
7050 Finance costs	(15,656)	-	(10,299)	(1)
7070 Share of profits of subsidiaries	239,855	10	205,546	12
Total non-operating income and loss	241,294	10	187,952	11
7900 Income before income tax	715,375	30	502,990	30
7950 Income tax expense (note 6(o))	(97,944)	(4)	(59,358)	(3)
8200 Net income	617,431	26	443,632	27
Other comprehensive income (loss):				
8360 Items that may be reclassified subsequently to profit or loss:				
8361 Exchange differences on translation of foreign operations (note 6(p))	96,671	4	(106,011)	(7)
8399 Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
Other comprehensive income (loss) for the year, net of income tax	96,671	4	(106,011)	(7)
8500 Total comprehensive income for the year	\$ 714,102	30	337,621	20
Earnings per share (in New Taiwan dollars) (note 6(r)):				
9750 Basic earnings per share	\$ 11.11		8.11	
9850 Diluted earnings per share	\$ 11.07		8.08	

Chairman:



Manager:



Accounting supervisor:



(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

VISCO VISION INC.

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity		Total equity
	Common stock	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal	Foreign currency translation differences	
Balance at January 1, 2021	\$ 547,267	38,040	39,696	-	321,348	361,044	(110,456)	835,895
Net income in 2021	-	-	-	-	443,632	443,632	-	443,632
Other comprehensive loss in 2021	-	-	-	-	-	-	(106,011)	(106,011)
Total comprehensive income (loss) in 2021	-	-	-	-	443,632	443,632	(106,011)	337,621
Appropriation of earnings:								
Legal reserve	-	-	12,807	-	(12,807)	-	-	-
Special reserve	-	-	-	110,456	(110,456)	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(60,199)	(60,199)	-	(60,199)
Balance at December 31, 2021	547,267	38,040	52,503	110,456	581,518	744,477	(216,467)	1,113,317
Net income in 2022	-	-	-	-	617,431	617,431	-	617,431
Other comprehensive income in 2022	-	-	-	-	-	-	96,671	96,671
Total comprehensive income in 2022	-	-	-	-	617,431	617,431	96,671	714,102
Appropriation of earnings:								
Legal reserve	-	-	44,363	-	(44,363)	-	-	-
Special reserve	-	-	-	106,011	(106,011)	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(218,907)	(218,907)	-	(218,907)
Capital increase by cash	82,733	1,392,260	-	-	-	-	-	1,474,993
Share-based compensation cost	-	697	-	-	-	-	-	697
Changes in equity of subsidiaries accounted for using equity method	-	10	-	-	-	-	-	10
Balance at December 31, 2022	\$ 630,000	1,431,007	96,866	216,467	829,668	1,143,001	(119,796)	3,084,212

Chairman:



Manager:



Accounting supervisor:



(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

VISCO VISION INC.

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Income before income tax	\$ 715,375	502,990
Adjustments:		
Adjustments to reconcile profit or loss:		
Depreciation	27,843	19,934
Amortization	10,037	7,560
Interest expense	15,656	10,299
Interest income	(854)	(23)
Share-based compensation cost	697	-
Share of profit of subsidiaries	(239,855)	(205,546)
Realized gross profit on sales to subsidiaries	(2,099)	(2,517)
Unrealized foreign exchange gain from payables on acquisition considerations	(1,551)	(11,462)
Total adjustments for profit or loss	<u>(190,126)</u>	<u>(181,755)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	14,173	(40,864)
Accounts receivable from related parties	(26,707)	(19,420)
Other receivables	(29,021)	-
Other receivable from related parties	5,165	(2,277)
Inventories	304	(18)
Prepayments and other current assets	(3,277)	(3,815)
Total changes in operating assets	<u>(39,363)</u>	<u>(66,394)</u>
Changes in operating liabilities:		
Contract liabilities	(5,141)	7,416
Accounts payable	3,836	(1,981)
Accounts payable to related parties	(36,924)	(11,156)
Other payables	41,318	39,793
Other payables to related parties	(297)	339
Provisions	-	(11,364)
Other current liabilities	220	233
Total changes in operating liabilities	<u>3,012</u>	<u>23,280</u>
Total changes in operating assets and liabilities	<u>(36,351)</u>	<u>(43,114)</u>
Total adjustments	<u>(226,477)</u>	<u>(224,869)</u>
Cash provided by operations	488,898	278,121
Interest received	739	23
Interest paid	(14,791)	(9,622)
Income taxes paid	(6,067)	(4,300)
Net cash provided by operating activities	<u>468,779</u>	<u>264,222</u>

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

VISCO VISION INC.

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	2022	2021
Cash flows from investing activities:		
Additions to investments accounted for using equity method	(480,728)	(210,712)
Additions to property, plant and equipment (including prepayments for equipment)	(37,908)	(48,299)
Proceeds from disposal of property, plant and equipment	4,616	-
Increase in refundable deposits	(10)	(790)
Additions to intangible assets	(4,690)	(9,158)
Increase in other financial assets	(2,040)	-
Decrease in payables on acquisition considerations	(26,521)	(30,162)
Net cash used in investing activities	<u>(547,281)</u>	<u>(299,121)</u>
Cash flows from financing activities:		
Increase in long-term debt	(822,080)	250,000
Repayments of long-term debt	1,020,000	(165,320)
Payment of lease liabilities	(6,693)	(3,732)
Capital increase by cash	1,474,993	-
Cash dividends distributed to shareholders	(218,907)	(60,199)
Net cash provided by financing activities	<u>1,447,313</u>	<u>20,749</u>
Net increase (decrease) in cash and cash equivalents	1,368,811	(14,150)
Cash and cash equivalents at beginning of year	<u>114,193</u>	<u>128,343</u>
Cash and cash equivalents at end of year	<u>\$ 1,483,004</u>	<u>114,193</u>

Chairman:



Manager:



Accounting supervisor:



Attachment 5 2022 Earnings Distribution Table

2022 Earnings Distribution Table

	Unit: NT\$
2022 net profit after tax	617,430,423
Less: Legal reserve (10%)	(61,743,042)
Add: Reversal of special surplus reserve - cumulative conversion adjustment	96,671,052
Surplus available for distribution in 2022	652,358,433
Add: Undistributed surplus from previous year	212,238,154
Cumulative surplus available for distribution up to 2022	864,596,587
Less: Distributed item - cash dividend to shareholders(NT\$5.5 distributed per share)	(346,500,000)
Undistributed surplus at end of period	\$518,096,587

Chairman:



Manager:



Accounting
supervisor:



Attachment 6 Prohibition on Directors from Participation in Competitive Business

Name	Planned lifting of competitive content
Chung-I Li	Corporate Chairperson Representative, From-eyes Co., Ltd
Ke-Yung Yu	Corporate Director Representative, From-eyes Co., Ltd
BenQ Materials Corp.	Director, Cenefom Corp. Director, Lagis Enterprise Co., Ltd Director, Coatmed Incorporation Director, GENEJET BIOTECH CO., LTD President, WEB-PRO Corp. Production and manufacturing of contact lenses
BenQ Materials Corp. Representative: Pei-I Liu	Vice President, BenQ Materials Corp. Corporate Director Representative, GENEJET BIOTECH CO., LTD Corporate Director Representative, Cenefom Corp.
Sheng-Wen Chen	Independent Director, Crystalvue Medical Corporation
Chiu-Jui Wei	Senior Vice President, Compal Electronics President, Compal Ruifang Health Assets Development Corporation Corporate Director Representative, GENERAL LIFE BIOTECHNOLOGY CO., LTD Corporate Director Representative, Taiwan Star Telecom Corporation Limited Corporate Director Representative, UNICORE BIOMEDICAL CO., LTD Corporate Director Representative, Raycore Biotech Co., Ltd. Corporate Director Representative, CDIB & PARTNERS INVESTMENT HOLDING CORPORATION Corporate Director Representative, Shengbao Precision Electron (Taicang) Limited Company Corporate Director Representative, Jubao Precision Processing (Jiangsu) Limited Company Corporate Director Representative, Zhengying Electronic (Chongqing) Co., Ltd Corporate Director Representative, Changbao Electronic Technology (Chongqing) Co., Ltd Corporate Director Representative, Rayonnant Technology Co., Ltd Corporate Director Representative, Hua Vi Venture Capital Corporation Corporate Director Representative, Hua Qi Venture Capital Corporation Corporate Director Representative, IIH Biomedical Venture Fund I Co., Ltd Corporate Director Representative, Chenfeng Optronics Co., Ltd Corporate Director Representative, Arce Therapeutics Inc. Independent Director, SYNergy ScienTech Corp.
Ying-Chou Yang	Independent Director, TSRC Corporation
Wei-Ting Lai	Director of Ophthalmology, Min-Sheng General Hospital CMO, EyePlus Director, EyePlus

VISCO

