

**VISCO VISION INC. AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report**

**For the Six Months Ended June 30, 2025 and 2024**

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The independent auditors' report 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.

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## **Independent Auditors' Report**

To the Board of Directors of Visco Vision Inc:

### **Foreword**

We have reviewed the accompanying consolidated balance sheets of Visco Vision Inc. and its subsidiaries (“the Group”) as of June 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the six months ended June 30, 2025 and 2024, and notes to the consolidated financial statements, including a summary of significant accounting policies. 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 the International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to draw a conclusion on the consolidated financial statements based on our review.

### **Scope**

We conducted our reviews in accordance with Statement on Standards on Review Engagement No. 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity”. The review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The review is substantially less in scope than that an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying financial statements are not presented fairly, in all material respects, the financial position of the Company as of June 30, 2025 and 2024, its financial performance for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, and its cash flows for the six months ended June 30, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

August 4, 2025

**VISCO VISION INC. AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**June 30, 2025, December 31, 2024, and June 30, 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

|                                 |  | 2025.6.30           |            | 2024.12.31       |            | 2024.6.30        |            |  |  | 2025.6.30           |            | 2024.12.31       |            | 2024.6.30        |            |
|---------------------------------|--|---------------------|------------|------------------|------------|------------------|------------|--|--|---------------------|------------|------------------|------------|------------------|------------|
| <b>Assets</b>                   |  | <b>Amount</b>       | <b>%</b>   | <b>Amount</b>    | <b>%</b>   | <b>Amount</b>    | <b>%</b>   | <b>Liabilities and Equity</b>  |  | <b>Amount</b>       | <b>%</b>   | <b>Amount</b>    | <b>%</b>   | <b>Amount</b>    | <b>%</b>   |
| <b>Current assets:</b>          |  |                     |            |                  |            |                  |            | <b>Current liabilities:</b>  |  |                     |            |                  |            |                  |            |
| 1100                            | Cash and cash equivalents (Note 6(a))  | \$ 855,279          | 16         | 757,453          | 15         | 560,292          | 11         | 2100   | Short-term borrowings (Note 6 (l))                     | \$ -                | -          | -                | -          | 24,204           | -          |
| 1110                            | Current financial assets at fair value through profit or loss - current (Note 6 (b))         | 37,125              | 1          | -                | -          | -                | -          | 2130   | Contract liabilities - current (Note 6 (t))            | 35,155              | 1          | 35,750           | 1          | 26,910           | 1          |
| 1137                            | Financial assets measured at amortized cost - current (Notes 6 (c) and 8)                    | 46,637              | 1          | 47,808           | 1          | 171,294          | 3          | 2170   | Notes and accounts payable                             | 157,483             | 3          | 168,052          | 3          | 176,688          | 4          |
| 1170                            | Accounts receivable, net (Notes 6 (e) and (t))   | 437,320             | 8          | 375,796          | 7          | 499,573          | 10         | 2180   | Accounts payable to related parties (Note 7)           | 32,540              | 1          | 36,636           | 1          | 65,545           | 1          |
| 1180                            | Accounts receivable - from related parties (Notes 6 (e), (t), and 7)                         | 78,340              | 1          | 64,977           | 1          | 104,813          | 2          | 2213   | Payables on equipment                                  | 129,276             | 2          | 95,684           | 2          | 141,527          | 3          |
| 1200                            | Other receivables (Notes 6 (f) and 7)  | 13,595              | -          | 557              | -          | 837              | -          | 2216   | Dividends payable (Note 6 (r) and 7)                   | 321,300             | 6          | -                | -          | 151,200          | 3          |
| 130X                            | Inventories (Note 6 (f))   | 621,529             | 11         | 593,496          | 11         | 667,401          | 13         | 2219   | Other payables (Notes 6 (u) and 7)                     | 451,740             | 8          | 367,276          | 7          | 311,638          | 6          |
| 1479                            | Prepayments and other current assets   | 76,737              | 1          | 58,730           | 1          | 76,606           | 1          | 2250   | Provisions- current (Note 6 (m))                       | 39,160              | 1          | 31,037           | -          | 23,634           | -          |
| <b>Total current assets</b>     |  | <b>2,166,562</b>    | <b>39</b>  | <b>1,898,817</b> | <b>36</b>  | <b>2,080,816</b> | <b>40</b>  | 2280   | Lease liabilities - current (Notes 6 (n), and 7)       | 9,089               | -          | 7,894            | -          | 9,552            | -          |
| <b>Non-current assets:</b>      |  |                     |            |                  |            |                  |            | 2322   | Current portion of long-term debt (Notes 6 (o), and 8) | 308,788             | 6          | 331,322          | 6          | 249,611          | 5          |
| 1517                            | Financial assets at fair value through other comprehensive income - non-current (Note 6 (d)) | -                   | -          | -                | -          | 339,680          | 7          | 2399   | Other current liabilities                              | 24,221              | -          | 2,536            | -          | 8,861            | -          |
| 1550                            | Investments accounted for using the equity method (Notes 6 (d) and (h))                      | 495,660             | 9          | 451,501          | 8          | -                | -          | <b>Total current liabilities</b>   |  | <b>1,508,752</b>    | <b>28</b>  | <b>1,076,187</b> | <b>20</b>  | <b>1,189,370</b> | <b>23</b>  |
| 1600                            | Property, plant, and equipment (Notes 6 (g), and 8)  | 2,132,584           | 39         | 2,196,824        | 41         | 2,023,819        | 39         | <b>Non-current liabilities:</b>  |  |                     |            |                  |            |                  |            |
| 1755                            | Right-of-use assets (Notes 6 (j), 7 and 8)   | 390,770             | 7          | 405,596          | 8          | 393,562          | 8          | 2540   | Long-term debt (Notes 6 (o), and 8)                    | 380,194             | 7          | 496,835          | 10         | 769,967          | 15         |
| 1780                            | Intangible assets (Note 6 (k))   | 81,513              | 2          | 86,883           | 2          | 86,980           | 2          | 2570   | Deferred income tax liabilities                        | 3,434               | -          | 4,154            | -          | 5,842            | -          |
| 1840                            | Deferred income tax assets   | 189,943             | 3          | 219,747          | 4          | 174,578          | 3          | 2580   | Lease liabilities - non-current (Notes 6 (n), and 7)   | 19,607              | -          | 8,265            | -          | 11,481           | -          |
| 1915                            | Prepayments for constructions and equipment  | 33,247              | 1          | 37,242           | 1          | 73,363           | 1          | 2670   | Other non-current liabilities                          | 1,397               | -          | 1,443            | -          | 756              | -          |
| 1980                            | Other financial assets - non-current   | 5,985               | -          | 6,054            | -          | 6,489            | -          | Total non-current liabilities  |  | <b>404,632</b>      | <b>7</b>   | <b>510,697</b>   | <b>10</b>  | <b>788,046</b>   | <b>15</b>  |
| 1990                            | Other non-current assets   | 240                 | -          | 600              | -          | 960              | -          | Total Liabilities  |  | <b>1,913,384</b>    | <b>35</b>  | <b>1,586,884</b> | <b>30</b>  | <b>1,977,416</b> | <b>38</b>  |
| <b>Total non-current assets</b> |  | <b>3,329,942</b>    | <b>61</b>  | <b>3,404,447</b> | <b>64</b>  | <b>3,099,431</b> | <b>60</b>  | <b>Equity attributable to shareholders of the Company (Notes 6 (d) and (r)):</b> |  |                     |            |                  |            |                  |            |
|                                 |  |                     |            |                  |            |                  |            | 3110   | Common stock   | 630,000             | 11         | 630,000          | 12         | 630,000          | 12         |
|                                 |  |                     |            |                  |            |                  |            | 3200   | Capital surplus  | 1,431,007           | 26         | 1,431,007        | 27         | 1,431,007        | 28         |
|                                 |  |                     |            |                  |            |                  |            | Retained earnings:   |  |                     |            |                  |            |                  |            |
|                                 |  |                     |            |                  |            |                  |            | 3310   | Legal reserve  | 256,273             | 5          | 188,770          | 4          | 188,770          | 4          |
|                                 |  |                     |            |                  |            |                  |            | 3320   | Special reserve  | -                   | -          | 194,181          | 4          | 224,066          | 4          |
|                                 |  |                     |            |                  |            |                  |            | 3350   | Unappropriated earnings                                | 1,410,973           | 26         | 1,238,990        | 23         | 848,275          | 16         |
|                                 |  |                     |            |                  |            |                  |            |  |  | <b>1,667,246</b>    | <b>31</b>  | <b>1,621,941</b> | <b>31</b>  | <b>1,261,111</b> | <b>24</b>  |
|                                 |  |                     |            |                  |            |                  |            | 3400   | Other equity   | (164,536)           | (3)        | 14,099           | -          | (140,080)        | (3)        |
|                                 |  |                     |            |                  |            |                  |            | <b>Total equity attributable to shareholders of the Company</b>                  |  | <b>3,563,717</b>    | <b>65</b>  | <b>3,697,047</b> | <b>70</b>  | <b>3,182,038</b> | <b>61</b>  |
|                                 |  |                     |            |                  |            |                  |            | 36XX   | <b>Non-controlling interests (Note 6 (r))</b>          | 19,403              | -          | 19,333           | -          | 20,793           | 1          |
|                                 |  |                     |            |                  |            |                  |            | <b>Total equity</b>  |  | <b>3,583,120</b>    | <b>65</b>  | <b>3,716,380</b> | <b>70</b>  | <b>3,202,831</b> | <b>62</b>  |
| <b>Total Assets</b>             |  | <b>\$ 5,496,504</b> | <b>100</b> | <b>5,303,264</b> | <b>100</b> | <b>5,180,247</b> | <b>100</b> | <b>Total liabilities and equity</b>  |  | <b>\$ 5,496,504</b> | <b>100</b> | <b>5,303,264</b> | <b>100</b> | <b>5,180,247</b> | <b>100</b> |

(Please refer to the attached Notes to Consolidated Financial Statements)

**VISCO VISION INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024**

**(Expressed in Thousands of New Taiwan Dollars)**

|      |  | April to June<br>2025 |      | April to June<br>2024 |      | January to June<br>2025 |      | January to June<br>2024 |      |
|------|--|-----------------------|------|-----------------------|------|-------------------------|------|-------------------------|------|
|      |  | Amount                | %    | Amount                | %    | Amount                  | %    | Amount                  | %    |
| 4000 | <b>Net sales (Notes 6 (t), and 7)</b>  | \$ 1,076,025          | 100  | 905,072               | 100  | 2,023,143               | 100  | 1,721,018               | 100  |
| 5000 | <b>Cost of sales (Notes 6 (g), (i), (j), (m), (p), (u),<br/>7 and 12)</b>  | (575,112)             | (54) | (545,984)             | (60) | (1,137,531)             | (56) | (1,007,895)             | (59) |
|      | <b>Operating margin</b>  | 500,913               | 46   | 359,088               | 40   | 885,612                 | 44   | 713,123                 | 41   |
|      | <b>Operating expenses (Notes 6 (e), (i), (j), (k),<br/>(n), (p), (u), 7 and 12):</b>   |                       |      |                       |      |                         |      |                         |      |
| 6100 | Selling expenses   | (68,707)              | (6)  | (44,688)              | (5)  | (135,329)               | (7)  | (84,153)                | (5)  |
| 6200 | Administrative expenses  | (70,499)              | (7)  | (59,564)              | (6)  | (139,595)               | (7)  | (119,719)               | (7)  |
| 6300 | Research and development expenses  | (58,436)              | (5)  | (51,681)              | (6)  | (109,466)               | (5)  | (100,903)               | (6)  |
| 6450 | Expected credit impairment gain on reversal  | 1,505                 | -    | 11,205                | 1    | 2,991                   | -    | 9,995                   | 1    |
|      | <b>Total operating expenses</b>  | (196,137)             | (18) | (144,728)             | (16) | (381,399)               | (19) | (294,780)               | (17) |
|      | <b>Net operating profit</b>  | 304,776               | 28   | 214,360               | 24   | 504,213                 | 25   | 418,343                 | 24   |
|      | <b>Non-operating income and loss (Notes 6<br/>(h), (n), (v) and 7):</b>  |                       |      |                       |      |                         |      |                         |      |
| 7100 | Interest income  | 2,627                 | -    | 1,576                 | -    | 5,603                   | -    | 3,154                   | -    |
| 7010 | Other income   | 1,749                 | -    | 737                   | -    | 2,689                   | -    | 1,373                   | -    |
| 7020 | Other gains and losses   | (61,751)              | (5)  | (20,352)              | (2)  | (35,631)                | (1)  | (22,916)                | (1)  |
| 7050 | Finance costs  | (5,180)               | -    | (7,397)               | (1)  | (10,668)                | -    | (14,845)                | (1)  |
| 7070 | Share of profit or loss of associates recognized using<br>the equity method  | 5,298                 | -    | -                     | -    | 9,302                   | -    | -                       | -    |
|      | <b>Total non-operating income and expenses</b>   | (57,257)              | (5)  | (25,436)              | (3)  | (28,705)                | (1)  | (33,234)                | (2)  |
| 7900 | <b>Net profit before tax</b>   | 247,519               | 23   | 188,924               | 21   | 475,508                 | 24   | 385,109                 | 22   |
| 7950 | <b>Income tax expenses (Note 6 (q))</b>  | (60,861)              | (6)  | (40,633)              | (5)  | (94,934)                | (5)  | (67,596)                | (4)  |
| 8200 | <b>Net profit for the year</b>   | 186,658               | 17   | 148,291               | 16   | 380,574                 | 19   | 317,513                 | 18   |
|      | <b>Other comprehensive income (Note 6 (r)):</b>  |                       |      |                       |      |                         |      |                         |      |
| 8310 | <b>Items that will not be reclassified<br/>subsequently to profit or loss</b>  |                       |      |                       |      |                         |      |                         |      |
| 8316 | Unrealized gains (losses) from investments in<br>equity instruments measured at fair value<br>through other comprehensive income | -                     | -    | 17,749                | 2    | -                       | -    | 7,425                   | -    |
| 8349 | Income tax related to items that will not be<br>reclassified subsequently to profit or loss                                      | -                     | -    | -                     | -    | -                       | -    | -                       | -    |
|      |  | -                     | -    | 17,749                | 2    | -                       | -    | 7,425                   | -    |
| 8360 | <b>Items that may be reclassified subsequently<br/>to profit or loss</b>   |                       |      |                       |      |                         |      |                         |      |
| 8361 | Foreign currency translation differences   | (261,747)             | (24) | 30,619                | 4    | (178,635)               | (9)  | 46,676                  | 3    |
| 8399 | Income tax related to items that may be<br>reclassified subsequently to profit or loss   | -                     | -    | -                     | -    | -                       | -    | -                       | -    |
|      |  | (261,747)             | (24) | 30,619                | 4    | (178,635)               | (9)  | 46,676                  | 3    |
|      | <b>Other comprehensive income for the period</b>   | (261,747)             | (24) | 48,368                | 6    | (178,635)               | (9)  | 54,101                  | 3    |
| 8500 | <b>Total comprehensive income</b>  | \$ (75,089)           | (7)  | 196,659               | 22   | 201,939                 | 10   | 371,614                 | 21   |
|      | <b>Net income attributable to for the period:</b>  |                       |      |                       |      |                         |      |                         |      |
| 8610 | Shareholders of the Parent   | \$ 186,591            | 17   | 143,825               | 16   | 380,504                 | 19   | 314,197                 | 18   |
| 8620 | Non-controlling interests  | 67                    | -    | 4,466                 | -    | 70                      | -    | 3,316                   | -    |
|      |  | \$ 186,658            | 17   | 148,291               | 16   | 380,574                 | 19   | 317,513                 | 18   |
|      | <b>Total comprehensive income attributable to:</b>   |                       |      |                       |      |                         |      |                         |      |
| 8710 | Shareholders of the Parent   | \$ (75,156)           | (7)  | 192,193               | 21   | 201,869                 | 10   | 368,298                 | 21   |
| 8720 | Non-controlling interests  | 67                    | -    | 4,466                 | 1    | 70                      | -    | 3,316                   | -    |
|      |  | \$ (75,089)           | (7)  | 196,659               | 22   | 201,939                 | 10   | 371,614                 | 21   |
|      | <b>Earnings per share (Note 6 (s))</b>   |                       |      |                       |      |                         |      |                         |      |
| 9750 | <b>Basic earnings per share (NTD)</b>  | \$ 2.96               |      | 2.29                  |      | 6.04                    |      | 4.99                    |      |
| 9850 | <b>Diluted earnings per share (NTD)</b>  | \$ 2.95               |      | 2.28                  |      | 6.01                    |      | 4.98                    |      |

**(Please refer to the attached Notes to Consolidated Financial Statements)**

**VISCO VISION INC. AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 2025, and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | Equity Attributable to Owners of the Company |                  |                |                 |                         |                  | Other equity   |  | Total            | Total equity of the Parent | Non-controlling interests | Total equity     |
|---|--|------------------|----------------|-----------------|-------------------------|------------------|--|--|------------------|----------------------------|---------------------------|------------------|
|   | Retained earnings                            |                  |                |                 |                         |                  | Unrealized gains (losses) from financial assets at fair value through other comprehensive income | Foreign currency translation differences |                  |                            |                           |                  |
|   | Common stock                                 | Capital surplus  | Legal reserve  | Special reserve | Unappropriated earnings | Total            |  |  |                  |                            |                           |                  |
| <b>Balance as of January 1, 2024</b>  | \$ 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 profit for the year   | -  | -                | -              | -               | 314,197                 | 314,197          | -  | -  | -                | 314,197                    | 3,316                     | 317,513          |
| Other comprehensive income for the period   | -  | -                | -              | -               | -                       | -                | 46,676   | 7,425                                    | 54,101           | 54,101                     | -                         | 54,101           |
| Total comprehensive income  | -  | -                | -              | -               | 314,197                 | 314,197          | 46,676   | 7,425                                    | 54,101           | 368,298                    | 3,316                     | 371,614          |
| Distribution of earnings:   |  |                  |                |                 |                         |                  |  |  |                  |                            |                           |                  |
| Legal reserve   | -  | -                | 30,161         | -               | (30,161)                | -                | -  | -  | -                | -                          | -                         | -                |
| Special reserve   | -  | -                | -              | 104,270         | (104,270)               | -                | -  | -  | -                | -                          | -                         | -                |
| Cash dividends of common stock  | -  | -                | -              | -               | (151,200)               | (151,200)        | -  | -  | -                | (151,200)                  | -                         | (151,200)        |
| <b>Balance as of June 30, 2024</b>  | <b>\$ 630,000</b>                            | <b>1,431,007</b> | <b>188,770</b> | <b>224,066</b>  | <b>848,275</b>          | <b>1,261,111</b> | <b>(177,390)</b>   | <b>37,310</b>                            | <b>(140,080)</b> | <b>3,182,038</b>           | <b>20,793</b>             | <b>3,202,831</b> |
| <b>Balance as of January 1, 2025</b>  | \$ 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        |
| Net profit for the year   | -  | -                | -              | -               | 380,504                 | 380,504          | -  | -  | -                | 380,504                    | 70                        | 380,574          |
| Other comprehensive income for the period   | -  | -                | -              | -               | -                       | -                | (178,635)  | -  | (178,635)        | (178,635)                  | -                         | (178,635)        |
| Total comprehensive income  | -  | -                | -              | -               | 380,504                 | 380,504          | (178,635)  | -  | (178,635)        | 201,869                    | 70                        | 201,939          |
| Distribution of earnings:   |  |                  |                |                 |                         |                  |  |  |                  |                            |                           |                  |
| Legal reserve   | -  | -                | 67,503         | -               | (67,503)                | -                | -  | -  | -                | -                          | -                         | -                |
| Reverse for special reserve   | -  | -                | -              | (194,181)       | 194,181                 | -                | -  | -  | -                | -                          | -                         | -                |
| Cash dividends of common stock  | -  | -                | -              | -               | (321,300)               | (321,300)        | -  | -  | -                | (321,300)                  | -                         | (321,300)        |
| Changes in capital surplus from investments in associates accounted for using the equity method | -  | -                | -              | -               | (13,899)                | (13,899)         | -  | -  | -                | (13,899)                   | -                         | (13,899)         |
| <b>Balance as of June 30, 2025</b>  | <b>\$ 630,000</b>                            | <b>1,431,007</b> | <b>256,273</b> | <b>-</b>        | <b>1,410,973</b>        | <b>1,667,246</b> | <b>(164,536)</b>   | <b>-</b>                                 | <b>(164,536)</b> | <b>3,563,717</b>           | <b>19,403</b>             | <b>3,583,120</b> |

(Please refer to the attached Notes to Consolidated Financial Statements)

**VISCO VISION INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the six months ended June 30, 2025, and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|  | January to June<br>2025 | January to June<br>2024 |
|--|-------------------------|-------------------------|
| <b>Cash flows from operating activities:</b>                     |                         |                         |
| Income before income tax   | \$ 475,508              | 385,109                 |
| <b>Items for adjustments:</b>                                    |                         |                         |
| Adjustments:   |                         |                         |
| Depreciation expenses  | 247,398                 | 199,799                 |
| Amortization expenses  | 3,699                   | 5,653                   |
| Expected credit impairment gain on reversal                      | (2,991)                 | (9,995)                 |
| Net loss of financial asset at fair value through profit or loss | 3,351                   | -                       |
| Interest expenses  | 10,668                  | 14,845                  |
| Interest income  | (5,603)                 | (3,154)                 |
| Dividend income  | (1,199)                 | -                       |
| Share of profit of associates recognized using the equity method | (9,302)                 | -                       |
| Gains on lease modifications                                     | (4)                     | (106)                   |
| Total adjustments for profit or loss                             | 246,017                 | 207,042                 |
| Changes in operating assets and liabilities:                     |                         |                         |
| Changes in net operating assets:                                 |                         |                         |
| Accounts receivable  | (61,524)                | (179,913)               |
| Accounts receivable from related parties                         | (10,372)                | (40,073)                |
| Other receivables  | (317)                   | 17,161                  |
| Inventories  | (28,033)                | (61,334)                |
| Prepayments and other current assets                             | (18,036)                | (26,218)                |
| Other non-current assets   | 360                     | 360                     |
| Total changes in net operating assets                            | (117,922)               | (290,017)               |
| Changes in net operating liabilities:                            |                         |                         |
| Contract liabilities   | (595)                   | (4,407)                 |
| Notes and accounts payable                                       | (10,569)                | 34,543                  |
| Accounts payable to related parties                              | (4,096)                 | 35,395                  |
| Other payables   | 70,457                  | (1,852)                 |
| Provisions   | 8,123                   | 5,059                   |
| Other current liabilities  | 21,685                  | (1,365)                 |
| Total changes in net operating liabilities                       | 85,005                  | 67,373                  |
| Total changes in net operating assets and liabilities            | (32,917)                | (222,644)               |
| Total items for adjustments                                      | 213,100                 | (15,602)                |
| Cash inflows generated from operations                           | 688,608                 | 369,507                 |
| Interest received  | 5,763                   | 3,154                   |
| Interest paid  | (10,995)                | (15,006)                |
| Income tax paid  | (60,654)                | (42,349)                |
| <b>Net Cash Flows Generated from Operating Activities</b>        | <b>622,722</b>          | <b>315,306</b>          |

**(Continued on the next page)**

**(Please refer to the attached Notes to Consolidated Financial Statements)**

**VISCO VISION INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the six months ended June 30, 2025, and 2024**  
**(Expressed in Thousands of New Taiwan Dollars)**

|   | <b>January to June<br/>2025</b> | <b>January to June<br/>2024</b> |
|---|---------------------------------|---------------------------------|
| <b>Cash flows from investing activities:</b>  |                                 |                                 |
| Acquisition of financial assets at fair value through other comprehensive income                      | -                               | (66,879)                        |
| Decrease in financial assets measured at amortized cost   | 1,171                           | 42,789                          |
| Acquisition of current financial assets at fair value through profit or loss                          | (40,476)                        | -                               |
| Acquisition of investments accounted for using the equity method                                      | (60,438)                        | -                               |
| Acquisition of property, plant, and equipment (including prepayments for constructions and equipment) | (243,209)                       | (229,317)                       |
| Acquisition of intangible assets  | (409)                           | (27)                            |
| Acquisition of right-of-use assets  | -                               | (80)                            |
| Decrease (increase) in other financial assets   | 69                              | (1,342)                         |
| <b>Net Cash Flows Used in Investing Activities</b>  | <b>(343,292)</b>                | <b>(254,856)</b>                |
| <b>Cash flows from financing activities:</b>  |                                 |                                 |
| Decrease in short-term borrowings   | -                               | (16,904)                        |
| Increase in long-term loans   | -                               | 75,000                          |
| Repayments of long-term loans   | (125,153)                       | (72,161)                        |
| Repayment of lease liabilities  | (5,134)                         | (9,141)                         |
| <b>Net Cash Flows Used in Financing Activities</b>  | <b>(130,287)</b>                | <b>(23,206)</b>                 |
| <b>Impact of exchange rate changes on cash and cash equivalents</b>                                   | <b>(51,317)</b>                 | <b>2,279</b>                    |
| <b>Increase in cash and cash equivalents for the period</b>   | <b>97,826</b>                   | <b>39,523</b>                   |
| <b>Cash and cash equivalents at beginning of period</b>   | <b>757,453</b>                  | <b>520,769</b>                  |
| <b>Cash and cash equivalents at end of period</b>   | <b>\$ 855,279</b>               | <b>560,292</b>                  |

**(Please refer to the attached Notes to Consolidated Financial Statements)**



**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**  
**For the Six Months Ended June 30, 2025 and 2024**  
**(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

**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, Taoyuan, 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**

This Consolidated Financial Statement was authorized for issuance by the Board of Directors on August 4, 2025.

**3. Application of new and revised accounting standards and interpretations**

- (a) The impact of adopting new and revised accounting standards and interpretations approved by the Financial Supervisory Commission

Starting from January 1, 2025, the Group has applied the following newly revised International Financial Reporting Standards, which have not had a significant impact on the Consolidated Financial Statements.

- Amendment to IAS 21 "Lack of Exchangeability"

- (b) The impact of International Financial Reporting Standards endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following newly revised International Financial Reporting Standards, effective for annual period beginning on January 1, 2026, would not have a significant impact on the Consolidated Financial Statements.

- IFRS 17 "Insurance Contracts," and amendments to IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (c) New and revised accounting standards and interpretations that has not been approved by the FSC

The International Accounting Standards Board has promulgated and revised the accounting standards and interpretations that have not yet been approved by the FSC. The matters that may be related to the Group are as follows:

| <b>New and Amended Standards</b>                              | <b>Amended Contract Content</b>  | <b>Effective Date of Issuance by the IASB</b> |
|---|--|---|
| IFRS 18 "Presentation and Disclosure in Financial Statements" | <p>IFRS 18 brings three categories of income and expenses, two income statement subtotals and one single note on management performance measures. These, combined with enhanced disaggregation guidance on the financial report, set the stage for better and more consistent information for users and will affect all companies.</p> <ul style="list-style-type: none"> <li>• More structured income statement: According to the current standard, a company uses the different format to express the operating performance, making the investor hard to compare the differences between companies' financial performance. The new standard has implemented a more structured income statement, introducing a new subtotal, "operating profit," and requiring that all revenues and expenses be classified into three new categories based on a company's main business activities.</li> <li>• Management Performance Measures (MPMs): The new standard introduces a definition for management performance measures and requires companies to include a single note in their financial statements explaining why each measure provides useful information, how it is calculated, and how it reconciles with the amounts recognized in accordance with International Financial Reporting Standards (IFRS).</li> <li>• Greater disaggregation</li> </ul> | January 1, 2027                               |

## **VISCO VISION INC. AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

information: The new standard includes enhanced guidance on how to group information within the financial statements. This includes guidance on determining whether the information should be included in the main financial statements or further disaggregated in the notes.

The Group is currently assessing the effects of the standards and interpretations mentioned above on its financial conditions and operating results. Related impacts will be disclosed upon completion of the assessment.

The Group expects that the following other new and revised accounting standards, which have not been approved by the Financial Supervisory Commission, will not have a significant impact on the 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 19 “Subsidiaries without Public Accountability: Disclosures”

#### **4. Summary of significant accounting policies**

Apart from the following explanations, the significant accounting policies adopted in the Consolidated Financial Statement are consistent with those of the 2024 Consolidated Financial Statement. For relevant information, please refer to Note 4 of the 2024 Consolidated Financial Statement.

##### **(a) Compliance declaration**

The Consolidated Financial Statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Preparation Standards”) and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The Consolidated Financial Statement does not include all the necessary information that should be disclosed in accordance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), law and regulation reviews and their announcements recognized and announced by the FSC (the “IFRSs recognized by the FSC”) for the preparation of the complete Consolidated Financial Statement for the year.

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(b) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements

| Name of Investor | Name of Subsidiary                                   | Main Business and Products                            | Percentage of Ownership |            |           |
|------------------|--|---|-------------------------|------------|-----------|
|                  |  |   | 2025.6.30               | 2024.12.31 | 2024.6.30 |
| The Company      | Visco Technology Sdn. Bhd. (VVM)                     | Manufacturing, processing, and sale of contact lenses | 100.00%                 | 100.00%    | 100.00%   |
| The Company      | From-eyes Co., Ltd.(From-eyes)                       | Sale of contact lenses                                | 100.00%                 | 100.00%    | 100.00%   |
| The Company      | Trend Young Trading (Shanghai) Limited Company (TYC) | Sale of contact lenses                                | 100.00%                 | 100.00%    | 100.00%   |
| The Company      | Trend Young Vision Care Inc. (VCT)                   | Medical management consulting services                | 55.00%                  | 55.00%     | 55.00%    |
| VVM              | Visco Med Sdn. Bhd. (VMM)                            | Lease management services                             | 100.00%                 | 100.00%    | 100.00%   |

(ii) Subsidiaries which are not included in the consolidated financial statements: None.

(c) Income tax

The Group measures and discloses interim period income tax expense in accordance with paragraph B12 of IAS 34, “Interim Financial Reporting”.

Income tax expense is best estimated by multiplying pre-tax income of the interim period by a projected annual effective tax rate. The income tax expense (benefit) and deferred income tax expense (benefit) of the current period is allocated based on the ratio of the estimated income tax expense (benefit) and deferred income tax expense (benefit) for the current year.

Income taxes that are recognized directly in equity or other comprehensive income are measured in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding tax bases at the tax rates that are expected to be applied in the year in which the asset is realized or the liability is settled.

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

The management prepares the consolidated financial statements according to the preparation standards and IAS 34 “Interim Financial Reporting” endorsed and issued into effect by the FSC. The management must make judgments, estimates, and assumptions regarding the future (including climate-related risks and opportunities). This will have an impact on the adoption of accounting policies and the amounts of assets, liabilities, income, and expenses reported. Actual results may differ from these estimates.

When preparing the Consolidated Financial Statements, the critical accounting judgments made by the management when adopting the Group's accounting policies and the key sources of estimation and assumption uncertainties are consistent with Note 5 of the 2024 Consolidated Financial Statements.

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**6. Significant account disclosures**

(a) Cash and cash equivalents

|  | <u>2025.6.30</u>         | <u>2024.12.31</u>     | <u>2024.6.30</u>      |
|--|--------------------------|-----------------------|-----------------------|
| Cash on hand   | \$ 30                    | 31                    | 30                    |
| Demand deposits and checking deposits                            | 349,217                  | 257,000               | 560,020               |
| Cash equivalent  | 2,904                    | 2,324                 | 242                   |
| Time deposits with original maturity date less than three months | <u>503,128</u>           | <u>498,098</u>        | <u>-</u>              |
|  | <u><b>\$ 855,279</b></u> | <u><b>757,453</b></u> | <u><b>560,292</b></u> |

(b) Current financial assets at fair value through profit or loss - current

|  | <u>2025.6.30</u>        | <u>2024.12.31</u> | <u>2024.6.30</u> |
|--|-------------------------|-------------------|------------------|
| Current financial assets at fair value through profit or loss - current: |                         |                   |                  |
| Listed companies   | <u><b>\$ 37,125</b></u> | <u>-</u>          | <u>-</u>         |

The amount remeasured at fair value through profit or loss is detailed in Note 6(22).

(c) Financial assets measured at amortized cost - current

|   | <u>2025.6.30</u>        | <u>2024.12.31</u>    | <u>2024.6.30</u>      |
|---|-------------------------|----------------------|-----------------------|
| Restricted bank deposits                                    | \$ 21,637               | 22,808               | 21,294                |
| Time deposits with original maturity date over three months | <u>25,000</u>           | <u>25,000</u>        | <u>150,000</u>        |
|   | <u><b>\$ 46,637</b></u> | <u><b>47,808</b></u> | <u><b>171,294</b></u> |

The Group evaluates the assets held until the maturity date to collect contractual cash flows, and the cash flows from these financial assets are solely for the payment of interest on the principal and the amount of principal outstanding. Therefore, they are measured at amortized cost.

Please refer to Note 8 for details of the pledged collateral using the aforementioned financial assets by the Group.

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

|  | <u>2025.6.30</u>   | <u>2024.12.31</u> | <u>2024.6.30</u>      |
|--|--------------------|-------------------|-----------------------|
| Equity investments at fair value through other comprehensive income: |                    |                   |                       |
| Listed companies   | <u><b>\$ -</b></u> | <u>-</u>          | <u><b>339,680</b></u> |

## VISCO VISION INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

As of June 30, 2024, the Group designated the above-mentioned equity investments as financial assets at fair value through other comprehensive income (“FVOCI”) because these investments are held for strategic purposes and not for trading.

During fiscal year 2024, the Group increased its shareholding in Crystalvue due to operational strategy, with the shareholding percentage increasing to 20.11%, thereby obtaining significant influence. Accordingly, in the fourth quarter of 2024, the investment was reclassified as an investment accounted for using the equity method at NT\$449,888 thousand, and the related other equity - unrealized valuation gains on financial assets at fair value through other comprehensive income of NT\$38,556 thousand was transferred to retained earnings.

During January 1 to June 30, 2024, the Group did not dispose of the aforementioned strategic investments, and no transfer of accumulated gains and losses was made within equity during the period.

The financial assets mentioned above have not been provided as pledged collaterals. Please refer to Note 6 (23) for information on market risks.

(e) Accounts receivable

|  | <b>2025.6.30</b>  | <b>2024.12.31</b> | <b>2024.6.30</b> |
|--|-------------------|-------------------|------------------|
| Accounts receivable                      | \$ 437,320        | 375,796           | 499,573          |
| Accounts receivable from related parties | 89,349            | 78,977            | 121,664          |
|  | 526,669           | 454,773           | 621,237          |
| Less: Loss allowances                    | (11,009)          | (14,000)          | (16,851)         |
|  | <b>\$ 515,660</b> | <b>440,773</b>    | <b>604,386</b>   |

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:

|                            | <b>2025.6.30</b>                              |                                   |                       |
|----------------------------|---|-----------------------------------|-----------------------|
|                            | <b>Carrying amount of accounts receivable</b> | <b>Weighted average loss rate</b> | <b>Loss allowance</b> |
| Current                    | \$ 472,944                                    | 0%                                | -                     |
| Past due less than 30 days | 38,201  | 0%                                | -                     |
| Past due 31 to 90 days     | 4,515   | 0%                                | -                     |
|                            | 515,660                                       |                                   | -                     |
| Individually               | 11,009  | 100%                              | 11,009                |
|                            | <b>\$ 526,669</b>                             |                                   | <b>11,009</b>         |

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

|                            | <b>2024.12.31</b>                                 |                                       |                       |
|----------------------------|---|---------------------------------------|-----------------------|
|                            | <b>Carrying amount of<br/>accounts receivable</b> | <b>Weighted<br/>average loss rate</b> | <b>Loss allowance</b> |
| Current                    | \$ 341,815  | 0%                                    | -                     |
| Past due less than 30 days | 73,877  | 0%                                    | -                     |
| Past due 31 to 90 days     | 24,311  | 0%                                    | -                     |
| Past due 61 to 90 days     | 770   | 0%                                    | -                     |
|                            | 440,773   |                                       | -                     |
| Individually               | 14,000  | 100%                                  | 14,000                |
|                            | <b>\$ 454,773</b>                                 |                                       | <b>14,000</b>         |

|                            | <b>2024.6.30</b>                                  |                                       |                       |
|----------------------------|---|---------------------------------------|-----------------------|
|                            | <b>Carrying amount of<br/>accounts receivable</b> | <b>Weighted average<br/>loss rate</b> | <b>Loss allowance</b> |
| Current                    | \$ 530,612  | 0%                                    | -                     |
| Past due less than 30 days | 59,530  | 0%                                    | -                     |
| Past due 31 to 90 days     | 14,095  | 0%                                    | -                     |
|                            | 604,237   |                                       | -                     |
| Individually               | 17,000  | 99.12%                                | 16,851                |
|                            | <b>\$ 621,237</b>                                 |                                       | <b>16,851</b>         |

The statement of changes in loss allowances of the Group's accounts receivable (including related parties) is as follows:

|                          | <b>January to<br/>June 2025</b> | <b>January to<br/>June 2024</b> |
|--------------------------|---------------------------------|---------------------------------|
| Beginning balance        | \$ 14,000                       | 26,846                          |
| Impairment loss reversal | (2,991)                         | (9,995)                         |
| Ending balance           | <b>\$ 11,009</b>                | <b>16,851</b>                   |

(f) Other receivables

|  | <b>2025.6.30</b> | <b>2024.12.31</b> | <b>2024.6.30</b> |
|--|------------------|-------------------|------------------|
| Dividends receivable                   | \$ 1,199         | -                 | -                |
| Dividends receivable - related parties | 11,682           | -                 | -                |
| Others                                 | 999              | 842               | 837              |
| Less: Loss allowances                  | (285)            | (285)             | -                |
|  | <b>\$ 13,595</b> | <b>557</b>        | <b>837</b>       |

As of June 30, 2025 and December 31, 2024, except for NT\$285 thousand for which loss allowances has been fully provided, the remaining balances were assessed to have no expected credit losses.

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Inventories

|                 | <b>2025.6.30</b>         | <b>2024.12.31</b>     | <b>2024.6.30</b>      |
|-----------------|--------------------------|-----------------------|-----------------------|
| Raw materials   | \$ 164,496               | 134,268               | 154,099               |
| Work in process | 254,769                  | 259,284               | 320,393               |
| Finished goods  | 202,264                  | 199,944               | 192,909               |
|                 | <b><u>\$ 621,529</u></b> | <b><u>593,496</u></b> | <b><u>667,401</u></b> |

Details of inventory-related expenses recognized in the current period are as follows:

|   | <b>April to June<br/>2025</b> | <b>April to June<br/>2024</b> | <b>January to June<br/>2025</b> | <b>January to June<br/>2024</b> |
|---|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Costs of inventories sold                     | \$ 569,627                    | 540,207                       | 1,125,966                       | 1,000,226                       |
| Warranty costs estimated                      | 5,096                         | 2,492                         | 10,222                          | 4,520                           |
| Write-downs of inventories<br>(reversal gain) | (148)                         | 1,067                         | 399                             | 914                             |
| Loss on scrap of inventories                  | 537                           | 2,218                         | 944                             | 2,235                           |
|   | <b><u>\$ 575,112</u></b>      | <b><u>545,984</u></b>         | <b><u>1,137,531</u></b>         | <b><u>1,007,895</u></b>         |

The aforementioned inventory write-down loss is recognized due to the write-down of ending inventory to net realizable value. The reversal gain on inventory is recognized within the range of the original write-down amount to net realizable value, resulting from the sale or disposal of obsolete inventory.

(h) Investments accounted for using the equity method

Investments accounted for using the equity method by the Group as of the reporting date are presented as follows:

|            | <b>2025.6.30</b>         | <b>2024.12.31</b>     | <b>2024.6.30</b> |
|------------|--------------------------|-----------------------|------------------|
| Associates | <b><u>\$ 495,660</u></b> | <b><u>451,501</u></b> | <b><u>-</u></b>  |

(i) Associates:

The relevant information regarding significant associates of the Group is as follows:

| <b>Name of associate</b>                          | <b>Nature of the<br/>relationship with the<br/>Company</b>  | <b>Principal place of<br/>business/country<br/>of registration</b> | <b>2025.6.30</b>                    |                            | <b>2024.12.31</b>                   |                            |
|---|---|--|-------------------------------------|----------------------------|-------------------------------------|----------------------------|
|   |   |  | <b>Voting<br/>rights held<br/>%</b> | <b>Carrying<br/>Amount</b> | <b>Voting<br/>rights held<br/>%</b> | <b>Carrying<br/>Amount</b> |
| Crystalvue Medical<br>Corporation<br>(Crystalvue) | Mainly engaged in the<br>research and<br>development and sales of<br>medical devices, serving<br>as the Company's<br>strategic partner. | Taiwan   | 22.99%                              | <b><u>\$ 495,660</u></b>   | 20.11%                              | <b><u>\$ 451,501</u></b>   |

Crystalvue was originally classified as a financial asset measured at fair value through other comprehensive income by the Group. During fiscal year 2024, the Group continued to increase its equity interest in Crystalvue, and by November 2024, had accumulated a 20.11% voting equity stake in Crystalvue, thereby gaining significant



# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

influence over the entity. Accordingly, the investment was reclassified as an investment accounted for using the equity method. For additional information, please refer to Note 6(d).

The fair values of publicly-listed significant associates of the Group are as follows:

|            | <b>2025.6.30</b>  | <b>2024.12.31</b> |
|------------|-------------------|-------------------|
| Crystalvue | <u>\$ 506,949</u> | <u>432,566</u>    |

Summarized financial information of significant associates of the Group is as follows:

(a) Summarized Financial Information of Crystalvue

|  | <b>114.6.30</b>               | <b>113.12.31</b>                |
|--|-------------------------------|---------------------------------|
| Current assets   | \$ 649,958                    | 699,861                         |
| Non-current assets   | 1,354,879                     | 1,300,566                       |
| Current liabilities  | (253,867)                     | (233,215)                       |
| Non-current liabilities  | (9,721)                       | (13,174)                        |
| Net assets   | <u>\$ 1,741,249</u>           | <u>1,754,038</u>                |
|  | <b>April to June<br/>2025</b> | <b>January to<br/>June 2025</b> |
| Operating revenue  | <u>\$ 256,438</u>             | <u>480,930</u>                  |
| Net profit for the year  | \$ 24,662                     | 44,229                          |
| Other comprehensive income   | -                             | -                               |
| Total comprehensive income   | <u>\$ 24,662</u>              | <u>44,229</u>                   |
|  | <b>April to June<br/>2025</b> | <b>January to<br/>June 2025</b> |
| Beginning carrying amount of the Group's net assets in associates                                      | \$ 450,076                    | 451,501                         |
| Additions to investments for the current period  | 52,188                        | 60,438                          |
| Difference between investment share price and carrying value of new investments for the current period | (11,902)                      | (13,899)                        |
| Total comprehensive income attributable to the Group for the current period                            | 5,298                         | 9,302                           |
| Dividends received from associates for the current period  | -                             | (11,682)                        |
| Ending carrying amount of the Group's net assets in associates   | <u>\$ 495,660</u>             | <u>495,660</u>                  |

(i) Property, plant, and equipment

|                            | <b>Housing and<br/>Buildings</b> | <b>Machinery</b> | <b>Leasehold<br/>improvements</b> | <b>Other<br/>equipment</b> | <b>Construction<br/>in process<br/>and<br/>equipment<br/>to be<br/>inspected</b> | <b>Total</b> |
|----------------------------|----------------------------------|------------------|-----------------------------------|----------------------------|--|--------------|
| Cost:                      |                                  |                  |                                   |                            |  |              |
| Balance at January 1, 2025 | \$ 495,563                       | 3,160,387        | 40,290                            | 32,705                     | 316,118  | 4,045,063    |
| Acquisitions               | -                                | 2,023            | 269                               | 2,359                      | 276,145  | 280,796      |
| Disposals                  | -                                | (51)             | (7,619)                           | -                          | -  | (7,670)      |
| Reclassifications          | 2,802                            | 92,391           | -                                 | -                          | (95,193)   | -            |

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

|                                 | Housing and<br>Buildings | Machinery        | Leasehold<br>improvements | Other<br>equipment | Construction<br>in process<br>and<br>equipment<br>to be<br>inspected | Total            |
|---------------------------------|--------------------------|------------------|---------------------------|--------------------|--|------------------|
| Effect of exchange rate changes | (25,598)                 | (156,673)        | -                         | (696)              | (25,079)   | (208,046)        |
| Balance at June 30, 2025        | <u>\$ 472,767</u>        | <u>3,098,077</u> | <u>32,940</u>             | <u>34,368</u>      | <u>471,991</u>   | <u>4,110,143</u> |
| Balance at January 1, 2024      | \$ 481,784               | 2,507,031        | 39,651                    | 24,819             | 174,003  | 3,227,288        |
| Acquisitions                    | -                        | 1,958            | 195                       | 3,421              | 268,500  | 274,074          |
| Disposals                       | -                        | (35,229)         | -                         | -                  | -  | (35,229)         |
| Reclassifications               | 1,581                    | 115,349          | -                         | 296                | (117,226)  | -                |
| Effect of exchange rate changes | 11,347                   | 56,721           | -                         | (329)              | 7,517  | 75,256           |
| Balance at June 30, 2024        | <u>\$ 494,712</u>        | <u>2,645,830</u> | <u>39,846</u>             | <u>28,207</u>      | <u>332,794</u>   | <u>3,541,389</u> |
| Accumulated depreciation:       |                          |                  |                           |                    |  |                  |
| Balance at January 1, 2025      | \$ 88,097                | 1,711,712        | 27,254                    | 21,176             | -  | 1,848,239        |
| Depreciation for the period     | 10,026                   | 220,188          | 2,371                     | 1,964              | -  | 234,549          |
| Disposals                       | -                        | (51)             | (7,619)                   | -                  | -  | (7,670)          |
| Effect of exchange rate changes | (5,022)                  | (92,028)         | -                         | (509)              | -  | (97,559)         |
| Balance at June 30, 2025        | <u>\$ 93,101</u>         | <u>1,839,821</u> | <u>22,006</u>             | <u>22,631</u>      | <u>-</u>   | <u>1,977,559</u> |
| Balance at January 1, 2024      | \$ 62,212                | 1,237,449        | 21,402                    | 16,261             | -  | 1,337,324        |
| Depreciation for the period     | 9,422                    | 169,876          | 3,180                     | 1,678              | -  | 184,156          |
| Disposals                       | -                        | (35,229)         | -                         | -                  | -  | (35,229)         |
| Effect of exchange rate changes | 1,676                    | 29,987           | -                         | (344)              | -  | 31,319           |
| Balance at June 30, 2024        | <u>\$ 73,310</u>         | <u>1,402,083</u> | <u>24,582</u>             | <u>17,595</u>      | <u>-</u>   | <u>1,517,570</u> |
| Carrying amounts:               |                          |                  |                           |                    |  |                  |
| June 30, 2025                   | <u>\$ 379,666</u>        | <u>1,258,256</u> | <u>10,934</u>             | <u>11,737</u>      | <u>471,991</u>   | <u>2,132,584</u> |
| January 1, 2025                 | <u>\$ 407,466</u>        | <u>1,448,675</u> | <u>13,036</u>             | <u>11,529</u>      | <u>316,118</u>   | <u>2,196,824</u> |
| June 30, 2024                   | <u>\$ 421,402</u>        | <u>1,243,747</u> | <u>15,264</u>             | <u>10,612</u>      | <u>332,794</u>   | <u>2,023,819</u> |

Please refer to Note 8 for the details of long-term loans secured by housing and buildings.

### (j) Right-of-use assets

|                                 | Land              | Housing and<br>Buildings | Machinery     | Transportation<br>equipment | Total          |
|---------------------------------|-------------------|--------------------------|---------------|-----------------------------|----------------|
| Cost of right-of-use assets:    |                   |                          |               |                             |                |
| Balance at January 1, 2025      | \$ 443,302        | 46,883                   | -             | -                           | 490,185        |
| Acquisitions                    | -                 | 17,790                   | -             | -                           | 17,790         |
| Disposals                       | -                 | (18,329)                 | -             | -                           | (18,329)       |
| Effect of exchange rate changes | (22,775)          | (72)                     | -             | -                           | (22,847)       |
| Balance at June 30, 2025        | <u>\$ 420,527</u> | <u>46,272</u>            | <u>-</u>      | <u>-</u>                    | <u>466,799</u> |
| Balance at January 1, 2024      | \$ 406,467        | 65,532                   | 17,455        | 1,201                       | 490,655        |
| Acquisitions                    | -                 | 1,887                    | -             | -                           | 1,887          |
| Disposals                       | -                 | (9,232)                  | -             | -                           | (9,232)        |
| Effect of exchange rate changes | 9,543             | (221)                    | -             | -                           | 9,322          |
| Balance at June 30, 2024        | <u>\$ 416,010</u> | <u>57,966</u>            | <u>17,455</u> | <u>1,201</u>                | <u>492,632</u> |
| Accumulated depreciation:       |                   |                          |               |                             |                |
| Balance at January 1, 2025      | \$ 53,502         | 31,087                   | -             | -                           | 84,589         |
| Depreciation for the period     | 7,628             | 5,221                    | -             | -                           | 12,849         |
| Disposals                       | -                 | (18,214)                 | -             | -                           | (18,214)       |
| Effect of exchange rate changes | (3,126)           | (69)                     | -             | -                           | (3,195)        |
| Balance at June 30, 2025        | <u>\$ 58,004</u>  | <u>18,025</u>            | <u>-</u>      | <u>-</u>                    | <u>76,029</u>  |
| Balance at January 1, 2024      | \$ 35,040         | 37,773                   | 15,710        | 700                         | 89,223         |

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### Notes to the Consolidated Financial Statements

|                                 | Land              | Housing and Buildings | Machinery     | Transportation equipment | Total          |
|---------------------------------|-------------------|-----------------------|---------------|--------------------------|----------------|
| Depreciation for the period     | 7,013             | 6,585                 | 1,745         | 300                      | 15,643         |
| Disposals                       | -                 | (6,629)               | -             | -                        | (6,629)        |
| Effect of exchange rate changes | 983               | (150)                 | -             | -                        | 833            |
| Balance at June 30, 2024        | <u>\$ 43,036</u>  | <u>37,579</u>         | <u>17,455</u> | <u>1,000</u>             | <u>99,070</u>  |
| Carrying amounts:               |                   |                       |               |                          |                |
| June 30, 2025                   | <u>\$ 362,523</u> | <u>28,247</u>         | <u>-</u>      | <u>-</u>                 | <u>390,770</u> |
| January 1, 2025                 | <u>\$ 389,800</u> | <u>15,796</u>         | <u>-</u>      | <u>-</u>                 | <u>405,596</u> |
| June 30, 2024                   | <u>\$ 372,974</u> | <u>20,387</u>         | <u>-</u>      | <u>201</u>               | <u>393,562</u> |

In 2020, the subsidiary VVM purchased the land use rights located in Penang, Malaysia from a related party Qisda Sdn. In 2020, the subsidiary VVM purchased the land use rights located in Penang, Malaysia from a related party Qisda Sdn. Bhd. (QLPG) for the purpose of production and operation. The original lease term of the land use right is 60 years, and the Group amortizes it over the remaining lease term of 29 years. Please refer to Note 8 for the details of long-term loans secured by land use rights.

#### (k) Intangible assets

|  | Goodwill         | Customer relationships | Acquired software | Patents      | Management service agreements | Total          |
|--|------------------|------------------------|-------------------|--------------|-------------------------------|----------------|
| Cost:                                    |                  |                        |                   |              |                               |                |
| Balance at January 1, 2025               | \$ 71,992        | 26,613                 | 35,299            | 4,093        | 18,660                        | 156,657        |
| Acquisitions                             | -                | -                      | 409               | -            | -                             | 409            |
| Write off                                | -                | -                      | (28)              | -            | -                             | (28)           |
| Effect of Exchange Rate Changes          | (1,953)          | (837)                  | (17)              | -            | -                             | (2,807)        |
| Balance at June 30, 2025                 | <u>\$ 70,039</u> | <u>25,776</u>          | <u>35,663</u>     | <u>4,093</u> | <u>18,660</u>                 | <u>154,231</u> |
| Balance at January 1, 2024               | \$ 74,243        | 27,577                 | 42,227            | 4,093        | 18,660                        | 166,800        |
| Acquisitions                             | -                | -                      | 27                | -            | -                             | 27             |
| Write off                                | -                | -                      | (40)              | -            | -                             | (40)           |
| Effect of Exchange Rate Changes          | (4,678)          | (2,004)                | (581)             | -            | -                             | (7,263)        |
| Balance at June 30, 2024                 | <u>\$ 69,565</u> | <u>25,573</u>          | <u>41,633</u>     | <u>4,093</u> | <u>18,660</u>                 | <u>159,524</u> |
| Accumulated amortization and impairment: |                  |                        |                   |              |                               |                |
| Balance at January 1, 2025               | \$ 4,730         | 19,959                 | 32,928            | 1,485        | 10,672                        | 69,774         |
| Amortization for the period              | -                | 1,707                  | 1,167             | 256          | 569                           | 3,699          |
| Write off                                | -                | -                      | (28)              | -            | -                             | (28)           |
| Effect of Exchange Rate Changes          | -                | (723)                  | (4)               | -            | -                             | (727)          |
| Balance at June 30, 2025                 | <u>\$ 4,730</u>  | <u>20,943</u>          | <u>34,063</u>     | <u>1,741</u> | <u>11,241</u>                 | <u>72,718</u>  |
| Balance at January 1, 2024               | \$ 4,730         | 17,235                 | 36,409            | 932          | 9,535                         | 68,841         |
| Amortization for the period              | -                | 1,674                  | 3,133             | 277          | 569                           | 5,653          |
| Write off                                | -                | -                      | (40)              | -            | -                             | (40)           |
| Effect of Exchange Rate Changes          | -                | (1,329)                | (581)             | -            | -                             | (1,910)        |
| Balance at June 30, 2024                 | <u>\$ 4,730</u>  | <u>17,580</u>          | <u>38,921</u>     | <u>1,209</u> | <u>10,104</u>                 | <u>72,544</u>  |
| Carrying amounts:                        |                  |                        |                   |              |                               |                |
| Balance at June 30, 2025                 | <u>\$ 65,309</u> | <u>4,833</u>           | <u>1,600</u>      | <u>2,352</u> | <u>7,419</u>                  | <u>81,513</u>  |
| Balance at January 1, 2025               | <u>\$ 67,262</u> | <u>6,654</u>           | <u>2,371</u>      | <u>2,608</u> | <u>7,988</u>                  | <u>86,883</u>  |
| Balance at June 30, 2024                 | <u>\$ 64,835</u> | <u>7,993</u>           | <u>2,712</u>      | <u>2,884</u> | <u>8,556</u>                  | <u>86,980</u>  |

At the end of the annual financial reporting period, the Group conducted an impairment test on goodwill. For the impairment test results conducted by the Group on December 31, 2024, please refer to Note 6 (10) of the 2024 consolidated financial statements. As of June 30, 2025, the Group has assessed the expected operating revenue and income before tax profit performance of the cash-generating unit to which the goodwill belongs, as well as the budget

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estimates of the future operating revenue and profitability. There were no indications of impairment.

(l) Short-term borrowings

|                          | <b>2025.6.30</b>  | <b>2024.12.31</b> | <b>2024.6.30</b>   |
|--------------------------|-------------------|-------------------|--------------------|
| Unsecured bank loans     | \$ -              | -                 | <b>24,204</b>      |
| Unused credit facilities | \$ <b>435,360</b> | <b>439,424</b>    | <b>336,221</b>     |
| Interest Rate            | -                 | -                 | <b>1.13%~1.48%</b> |

(m) Warranty provisions

|  | <b>January to<br/>June 2025</b> | <b>January to<br/>June 2024</b> |
|--|---------------------------------|---------------------------------|
| Balance at January 1                   | \$ 31,037                       | 18,575                          |
| Provisions added in the current period | 10,222                          | 4,520                           |
| Effect of exchange rate changes        | (2,099)                         | 539                             |
| Balance at June 30                     | <b>\$ 39,160</b>                | <b>23,634</b>                   |

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.

(n) Lease liabilities

The carrying amount of lease liabilities were as follows:

|             | <b>2025.6.30</b> | <b>2024.12.31</b> | <b>2024.6.30</b> |
|-------------|------------------|-------------------|------------------|
| Current     | \$ <b>9,089</b>  | <b>7,894</b>      | <b>9,552</b>     |
| Non-current | \$ <b>19,607</b> | <b>8,265</b>      | <b>11,481</b>    |

Please refer to Note 6 (w) Financial Instruments for a detailed maturity analysis.

The lease amounts recognized in profit or loss were as follows:

|  | <b>April to June<br/>2025</b> | <b>April to June<br/>2024</b> | <b>January to<br/>June 2025</b> | <b>January to June<br/>2024</b> |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Interest expenses on lease liabilities | \$ <b>132</b>                 | <b>93</b>                     | <b>185</b>                      | <b>230</b>                      |
| Expenses relating to short-term leases | \$ <b>632</b>                 | <b>193</b>                    | <b>1,096</b>                    | <b>642</b>                      |

The lease amounts recognized in the Statement of Cash Flow were as follows:

|                                | <b>January to<br/>June 2025</b> | <b>January to<br/>June 2024</b> |
|--------------------------------|---------------------------------|---------------------------------|
| Total cash outflows for leases | \$ <b>6,415</b>                 | <b>10,013</b>                   |

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(i) Real estate leases

The Group leases housing and buildings for office premises and factories use. The lease terms usually range from one to ten years, with some leases including options to extend for the same duration as the original contract upon expiration.

(ii) Other leases

The Group leases machinery and transportation equipment for a period of two to five years. For other short-term leases, the Group has chosen to adopt the recognition exemption regulations and does not recognize the related right-of-use assets and lease liabilities.

(o) Long-term loan

| <b>2025.6.30</b>                        |                 |                       |                      |                   |
|---|-----------------|-----------------------|----------------------|-------------------|
|   | <b>Currency</b> | <b>Interest rate%</b> | <b>Maturity year</b> | <b>Amount</b>     |
| Unsecured bank loans                    | NTD             | 1.98%~2.16%           | 114~117              | \$ 431,591        |
|   | (in thousands)  |                       |                      |                   |
| Secured bank loans                      | MYR             | 4.31%                 | 117                  | 257,391           |
|   |                 |                       |                      | 688,982           |
| Less: Current portion of long-term debt |                 |                       |                      | (308,788)         |
| Total                                   |                 |                       |                      | <u>\$ 380,194</u> |
| Unused credit facilities                |                 |                       |                      | <u>\$ 700,000</u> |

| <b>2024.12.31</b>                       |                 |                       |                      |                   |
|---|-----------------|-----------------------|----------------------|-------------------|
|   | <b>Currency</b> | <b>Interest rate%</b> | <b>Maturity year</b> | <b>Amount</b>     |
| Unsecured bank loans                    | NTD             | 1.98%~2.16%           | 114~117              | \$ 516,123        |
|   | (in thousands)  |                       |                      |                   |
| Secured bank loans                      | MYR             | 4.31%                 | 117                  | 312,034           |
|   |                 |                       |                      | 828,157           |
| Less: Current portion of long-term debt |                 |                       |                      | (331,322)         |
| Total                                   |                 |                       |                      | <u>\$ 496,835</u> |
| Unused credit facilities                |                 |                       |                      | <u>\$ 700,000</u> |

| <b>2024.6.30</b>                        |                 |                       |                      |                   |
|---|-----------------|-----------------------|----------------------|-------------------|
|   | <b>Currency</b> | <b>Interest rate%</b> | <b>Maturity year</b> | <b>Amount</b>     |
| Unsecured bank loans                    | NTD             | 1.98%~2.26%           | 114~117              | \$ 689,406        |
|   | (in thousands)  |                       |                      |                   |
| Secured bank loans                      | MYR             | 4.31%                 | 117                  | 330,172           |
|   |                 |                       |                      | 1,019,578         |
| Less: Current portion of long-term debt |                 |                       |                      | (249,611)         |
| Total                                   |                 |                       |                      | <u>\$ 769,967</u> |
| Unused credit facilities                |                 |                       |                      | <u>\$ 610,000</u> |

Please refer to Note 8 for details on the assets pledged as collateral for bank loans.

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(p) Employee benefits

The Company and VCT's defined contribution plan comply with the regulations of the Labor Pension Act. The Group makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries. Foreign subsidiaries allocate pensions according to the relevant local laws and regulations. Under this plan, once the fixed amount is allocated by the Group, the Group has no legal or constructive obligations to make additional payments. Under the defined pension allocation regulations, the Group's pension expenses from April 1 to June 30, 2025 and 2024 and from January 1 to June 30, 2025 and 2024 amounted to NT\$7,759 thousand, NT\$6,175 thousand, NT\$14,921 thousand and NT\$11,807 thousand, respectively.

(q) Income tax

(i) The components of the Group's income tax expenses are as follows:

|                                    | <b>April to June<br/>2025</b> | <b>April to June<br/>2024</b> | <b>January to<br/>June 2025</b> | <b>January to June<br/>2024</b> |
|------------------------------------|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Current income tax expenses        |                               |                               |                                 |                                 |
| Current period                     | \$ 52,722                     | 14,351                        | 75,978                          | 30,023                          |
| Adjustment for the previous period | (579)                         | (1,585)                       | (579)                           | (1,585)                         |
|                                    | <u>52,143</u>                 | <u>12,766</u>                 | <u>75,399</u>                   | <u>28,438</u>                   |
| Deferred income tax expenses       | <u>8,718</u>                  | <u>27,867</u>                 | <u>19,535</u>                   | <u>39,158</u>                   |
| Income tax expenses                | <u><b>\$ 60,861</b></u>       | <u><b>40,633</b></u>          | <u><b>94,934</b></u>            | <u><b>67,596</b></u>            |

No income tax was directly recognized in equity or other comprehensive income from January 1 to June 30, 2025 and 2024.

(ii) Income tax assessment

The corporate income tax return of the Company has been examined and approved by the Tax Authorities until 2023.

(r) Capital and other equity

(i) Common stock

As of June 30, 2025, December 31 and June 30, 2024, the Company's total authorized capital is NT\$900,000 thousand, with a par value of NT\$10 per share and 90,000 thousand shares. The issued and outstanding shares are both 63,000 thousand shares. All issued shares were paid up upon issuance.

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(ii) Capital surplus

|  | <u>2025.6.30</u>    | <u>2024.12.31</u> | <u>2024.6.30</u> |
|--|---------------------|-------------------|------------------|
| Paid-in capital in excess of par value |                     |                   |                  |
| of common stock                        | \$ <u>1,431,007</u> | <u>1,431,007</u>  | <u>1,431,007</u> |

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.

(iii) Retained earnings

According to the Company's Articles of Incorporation, if the Company has a net profit for the current year, taxes should be paid first and offset past losses, and then set aside 10% as a legal capital reserve. However, this does not apply when the legal capital reserve has reached the total paid-up capital. In addition, special reserves shall be transferred or reserved according to the laws or regulations stipulated by the competent authority when necessary. Any remaining earnings in retained earnings may be appropriated for dividends in accordance with a proposal for appropriation of earnings as approved by the Board of Directors and submit it to the shareholders' meeting for distribution.

Furthermore, according to the Company's Articles of Incorporation, the distribution of earnings and offsets of losses are conducted on a semi-annually basis after the close of each half year. After being reviewed by the Audit Committee along with the business report and financial statements, they are presented to the Board of Directors for resolution and reported at the shareholders' meeting.

If the Company's distribution of earnings is in the form of cash dividends, it shall be handled according to the regulations mentioned in the preceding paragraph. If the new shares are issued, they shall be handled according to the Article 240 of the Company Act.

The Company may issue new shares or cash from the statutory surplus or capital reserve in accordance with Paragraph 2, Article 241 of the Company Act. If the distribution in the preceding paragraph is in cash, it shall be authorized by the Board of Directors and then reported to the shareholders' meeting.

The Company belongs to a technology-intensive industry with a growing stage. The Company has adopted a remaining earnings appropriation method as its dividend policy

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in order to meet long-term capital needs and cash requirements of stockholders. If the Company has annual earnings and intends to distribute dividends, in consideration of future expansion of the operation and cash flow needs, the ratio of cash dividends distributed every year shall not be less than 10% of the total amount of cash and stock dividends distributed for that year. The total amount of dividends distributed from earnings shall not be less than 10% of the accumulated undistributed earnings.

1) Legal reserve

According to the Company Act, legal reserve can be used to offset losses. When the Company has no losses, it may, upon resolution by the shareholders' meeting, 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

According to the regulations of the FSC, when distributing distributable earnings, the Company shall calculate the net reduction amount of other shareholders' equity recorded in the current year. The current net income after tax plus the items other than current net income after tax, shall be recorded in the current unappropriated earnings and recognized in the special reserve with the unappropriated earnings from the previous period. However, for the reduction amount of accumulated other shareholders' equity from previous periods shall not be distributed when unappropriated earnings from previous periods is set aside as legal reserve. If there is a reversal in the reduction of other shareholders' equity, the earnings can be distributed based on the reversed portion.

3) Distribution of earnings:

The distribution of cash dividends from earnings for 2024 and 2023 resolved by the Board of Directors as of March 12, 2025 and February 27, 2024 were as follows:

|                      | <b>2024</b>                              |                       | <b>2023</b>                              |                       |
|----------------------|--|-----------------------|--|-----------------------|
|                      | <b>Dividends<br/>per share<br/>(NTD)</b> | <b>Amount</b>         | <b>Dividends<br/>per share<br/>(NTD)</b> | <b>Amount</b>         |
| Dividends per share: |  |                       |  |                       |
| Cash                 | \$ 5.10                                  | <u><b>321,300</b></u> | 2.40                                     | <u><b>151,200</b></u> |

Information regarding dividend distribution can be obtained on the Market Observation Post System website.



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(iv) Other equity (net after tax)

|   | Foreign<br>currency<br>translation<br>differences | Unrealized<br>gains<br>(losses)<br>from<br>financial<br>assets at fair<br>value<br>through<br>other<br>comprehensive<br>income | Total            |
|---|---|--|------------------|
| Balance at January 1, 2025  | \$ 14,099   | -  | 14,099           |
| Foreign exchange differences arising from<br>translation of foreign operations              | (178,635)   | -  | (178,635)        |
| Balance at June 30, 2025  | <u>\$ (164,536)</u>                               | -  | <u>(164,536)</u> |
| Balance at January 1, 2024  | \$ (224,066)                                      | 29,885   | (194,181)        |
| Foreign exchange differences arising from<br>translation of foreign operations              | 46,676  | -  | 46,676           |
| Unrealized losses from financial assets at fair<br>value through other comprehensive income | -   | 7,425  | 7,425            |
| Balance at June 30, 2024  | <u>\$ (177,390)</u>                               | <u>37,310</u>  | <u>(140,080)</u> |

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

|   | January to<br>June 2025 | January to<br>June 2024 |
|---|-------------------------|-------------------------|
| Beginning balance                                 | \$ 19,333               | 17,477                  |
| Equity attributable to non-controlling interests: |                         |                         |
| Net profit for the year                           | 70                      | 3,316                   |
| Ending balance                                    | <u>\$ 19,403</u>        | <u>20,793</u>           |

(s) Earnings per share ("EPS")

(i) Basic earnings per share

|  | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to June<br>2024 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Net income attributable<br>to shareholders of the<br>Parent                  | <u>\$ 186,591</u>     | <u>143,825</u>        | <u>380,504</u>          | <u>314,197</u>          |
| Weighted average<br>number of outstanding<br>common shares (in<br>thousands) | <u>63,000</u>         | <u>63,000</u>         | <u>63,000</u>           | <u>63,000</u>           |
| Basic earnings per share<br>(NTD)  | <u>\$ 2.96</u>        | <u>2.29</u>           | <u>6.04</u>             | <u>4.99</u>             |

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**Notes to the Consolidated Financial Statements**

(ii) Diluted earnings per share

|  | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to June<br>2024 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Net income attributable to shareholders of the Parent  | \$ 186,591            | 143,825               | 380,504                 | 314,197                 |
| Weighted average number of outstanding common share (basic) (in thousands)   | 63,000                | 63,000                | 63,000                  | 63,000                  |
| Effect of dilutive potential common shares (in thousands)  |                       |                       |                         |                         |
| Remuneration to employees in stock   | 215                   | 100                   | 315                     | 132                     |
| Weighted average number of outstanding common stocks (in thousands) (including the effect of dilutive potential common shares) | 63,215                | 63,100                | 63,315                  | 63,132                  |
| Diluted earnings per share (NTD)   | \$ 2.95               | 2.28                  | 6.01                    | 4.98                    |

(t) Revenue from contracts with customers

(i) Disaggregation of revenue

|                                    | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to June<br>2024 |
|------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Primary sales regions and markets: |                       |                       |                         |                         |
| Asia                               | \$ 789,079            | 689,790               | 1,487,548               | 1,317,742               |
| Europe                             | 188,884               | 149,021               | 373,678                 | 300,093                 |
| The Americas                       | 98,062                | 66,261                | 161,917                 | 103,183                 |
|                                    | \$ 1,076,025          | 905,072               | 2,023,143               | 1,721,018               |
| Main product/service lines:        |                       |                       |                         |                         |
| Contact lens                       | \$ 1,075,541          | 903,333               | 2,022,131               | 1,716,974               |
| Others                             | 484                   | 1,739                 | 1,012                   | 4,044                   |
|                                    | \$ 1,076,025          | 905,072               | 2,023,143               | 1,721,018               |

(ii) Contract balance

|   | 2025.6.30  | 2024.12.31 | 2024.6.30 |
|---|------------|------------|-----------|
| Accounts receivable (including related parties) | \$ 526,669 | 454,773    | 621,237   |
| Less: Loss allowances                           | (11,009)   | (14,000)   | (16,851)  |
|   | \$ 515,660 | 440,773    | 604,386   |
| Contract liabilities                            | \$ 35,155  | 35,750     | 26,910    |

Please refer to Note 6 (5) for the disclosure of accounts receivable and impairments.

**VISCO VISION INC. AND SUBSIDIARIES**  
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The contract liabilities are mainly due to timing differences between transfer of goods by the Group to customers to fulfill performance obligations and customer payment.

The beginning balance of contract liabilities of January 1, 2025 and 2024 recognized as revenue from January 1 to June 30, 2025 and 2024 were NT\$17,898 thousand and NT\$22,993 thousand, respectively.

(u) Remuneration to employees and directors

On May 28, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. Pursuant to the amended Articles, if the Company generates profit in a given fiscal year, an amount ranging from 5% to 20% of such profit shall be appropriated as employee remuneration (of which no less than 50% shall be allocated to frontline employees) and up to 1% shall be appropriated as directors' and supervisors' remuneration. However, when the Company has accumulated losses, an amount for offsetting the losses should be reserved in advance, and the contribution should be calculated based on the balance. Under the Articles of Incorporation prior to the amendment, in the event of profits in the year, a contribution of 5% to 20% shall be allocated for employee remuneration, and a contribution of not exceeding 1% shall be allocated for director's remuneration. However, when the Company has accumulated losses, an amount for offsetting the losses should be reserved in advance, and the contribution should be calculated based on the balance. The recipients of employee remuneration in the form of stocks or cash mentioned above may include employees from domestic and foreign subordinate companies who meet certain conditions.

The estimated amounts for employee remuneration from April 1 to June 30, 2025 and 2024 and from January 1 to June 30, 2025 and 2024 were NT\$20,652 thousand, NT\$12,340 thousand, NT\$39,433 thousand and NT\$28,132 thousand, respectively. The estimated amounts for the director's remuneration were NT\$1,463 thousand, NT\$977 thousand, NT\$2,823 thousand and NT\$2,140 thousand, respectively. These estimates are based on the Company's net income before tax for the respective periods before deducting the amount of employee and director remuneration, multiplied by the distribution of employees and director's remuneration stipulated in the Company's Articles of Incorporation. They are recognized as operating expenses for the respective periods. If there is a difference between the actual distribution amount and the estimated amount, it will be handled according to the changes in the accounting estimate. The difference will be recognized in the next year's profit or loss.

The estimated amounts for employee remuneration in 2024 and 2023 were NT\$44,727 thousand and NT\$24,814 thousand, respectively. The estimated amount for director's remuneration were NT\$4,473 thousand and NT\$2,355 thousand, respectively, which are consistent with the amount resolved and distributed by the Board of Directors and will be

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

fully distributed in cash. Relevant information is available on the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

|                                       | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to<br>June 2024 |
|---------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Interest income from<br>bank deposits | \$ 2,627              | 1,576                 | 5,603                   | 3,154                   |

(ii) Other income

|                 | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to<br>June 2024 |
|-----------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Dividend income | \$ 1,199              | -                     | 1,199                   | -                       |
| Others          | 550                   | 737                   | 1,490                   | 1,373                   |
|                 | <u>\$ 1,749</u>       | <u>737</u>            | <u>2,689</u>            | <u>1,373</u>            |

(iii) Other gains and losses

|   | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to<br>June 2024 |
|---|-----------------------|-----------------------|-------------------------|-------------------------|
| Gains on lease<br>modifications                                       | \$ -                  | -                     | 4                       | 106                     |
| Net foreign exchange<br>gains (losses)                                | (58,400)              | (20,352)              | (32,246)                | (23,022)                |
| Losses on financial assets<br>at fair value through<br>profit or loss | (3,351)               | -                     | (3,351)                 | -                       |
| Others  | -                     | -                     | (38)                    | -                       |
|   | <u>\$ (61,751)</u>    | <u>(20,352)</u>       | <u>(35,631)</u>         | <u>(22,916)</u>         |

(iv) Finance costs

|                    | April to June<br>2025 | April to June<br>2024 | January to<br>June 2025 | January to<br>June 2024 |
|--------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| Interest expenses: |                       |                       |                         |                         |
| Bank loans         | \$ (5,048)            | (7,304)               | (10,483)                | (14,615)                |
| Lease liabilities  | (132)                 | (93)                  | (185)                   | (230)                   |
|                    | <u>\$ (5,180)</u>     | <u>(7,397)</u>        | <u>(10,668)</u>         | <u>(14,845)</u>         |

(w) Financial instruments

Apart from the following explanations, there have been no significant changes in the exposure of the Group to credit risk, liquidity risk, and market risk due to financial instruments. For relevant information, please refer to Note 6 (23) and (24) of the 2024 Consolidated Financial Statements.

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Category of financial instruments

1) Financial assets

|  | <u>2025.6.30</u>    | <u>2024.12.31</u> | <u>2024.6.30</u> |
|--|---------------------|-------------------|------------------|
| Current financial assets at fair value through profit or loss - current:                 | \$ 37,125           | -                 | -                |
| Financial assets measured at fair value through other comprehensive income - non-current | \$ -                | -                 | 339,680          |
| Financial assets measured at amortized cost:   |                     |                   |                  |
| Cash and cash equivalents  | \$ 855,279          | 757,453           | 560,292          |
| Accounts receivable and other receivables (including related parties)                    | 529,255             | 441,330           | 605,223          |
| Financial assets measured at amortized cost - current                                    | 46,637              | 47,808            | 171,294          |
| Other financial assets - non-current   | 5,985               | 6,054             | 6,489            |
| Subtotal   | <u>1,437,156</u>    | <u>1,252,645</u>  | <u>1,343,298</u> |
| Total  | <u>\$ 1,474,281</u> | <u>1,252,645</u>  | <u>1,682,978</u> |

2) Financial liabilities

|  | <u>2025.6.30</u>    | <u>2024.12.31</u> | <u>2024.6.30</u> |
|--|---------------------|-------------------|------------------|
| Financial liabilities measured at amortized cost:      |                     |                   |                  |
| Short-term borrowings                                  | \$ -                | -                 | 24,204           |
| Notes and accounts payable (including related parties) | 190,023             | 204,688           | 242,233          |
| Payables on equipment and other payables               | 504,484             | 400,720           | 423,900          |
| Dividends payable                                      | 321,300             | -                 | 151,200          |
| Lease liabilities (including current and non-current)  | 28,696              | 16,159            | 21,033           |
| Long-term debt (including current portion)             | <u>688,982</u>      | <u>828,157</u>    | <u>1,019,578</u> |
|  | <u>\$ 1,733,485</u> | <u>1,449,724</u>  | <u>1,882,148</u> |

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (ii) Information on fair value

#### 1) Financial instruments not measured at fair value

The management of the Group considers that the carrying amount of financial assets and financial liabilities measured at amortized cost in the consolidated financial statements are close to their fair values.

#### 2) Financial instruments measured at fair value

The Group measures financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The table below shows an analysis of financial instruments measured at fair value after initial recognition, categorized into Level 1 to Level 3 based on the observability of fair value. The definition for each fair value level is as follows:

- A. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- B. Level 2: Other than quoted prices included within Level 1, the input parameters for assets or liabilities can either be observed directly (i.e. as prices) or indirectly (i.e. deduced from prices).
- C. Level 3: The input parameters for assets or liabilities are not based on observable market data (non-observable parameters).

| <b>2025.6.30</b>  |                |                |                |              |
|---|----------------|----------------|----------------|--------------|
| <b>Fair value</b>   |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Current financial assets at fair value through profit or loss:              |                |                |                |              |
| Domestically listed stocks  | \$ 37,125      | -              | -              | 37,125       |
|   |                |                |                |              |
| <b>2024.6.30</b>  |                |                |                |              |
| <b>Fair value</b>   |                |                |                |              |
|   | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| Financial assets measured at fair value through other comprehensive income: |                |                |                |              |
| Domestically listed stocks  | \$ 339,680     | -              | -              | 339,680      |

#### 3) Valuation technique of value measurement for financial instruments at fair value

When there are open quotations of financial instruments in the active market, their fair value is determined based on the open quotations in the active market.

The Group holds domestically listed stocks with standard terms and conditions and is traded in the active market. Its fair value is determined based on the market quotations.

#### 4) Transfer between fair value hierarchy

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

From January 1 to June 30, 2025 and 2024, there were no transfers of financial assets and financial liabilities between levels of the fair value hierarchy.

### (iii) Liquidity risk

Liquidity risk is the risk that the Group may be unable to settle its financial liabilities by settling with cash or other financial assets, resulting in the failure to fulfill its related obligations. The Group regularly monitors its current and projected medium and long-term demand for capital, maintains sufficient cash and cash equivalents, as well as credit lines, and ensures compliance with the terms of the loan contract to manage liquidity risk. The unused credit line for the Group as of June 30, 2025, December 31, and June 30, 2024 were NT\$1,135,360 thousand, NT\$1,139,424 thousand, and NT\$946,221 thousand, respectively.

|  | Contractual cash flows | Within 6 months  | 6-12 months    | 1-2 year(s)    | 2-5 years      | Over 5 Years |
|--|------------------------|------------------|----------------|----------------|----------------|--------------|
| <b>June 30, 2025</b>   |                        |                  |                |                |                |              |
| Non-derivative financial liabilities                                 |                        |                  |                |                |                |              |
| Notes and accounts payable (including related parties)               | \$ 190,023             | 190,023          | -              | -              | -              | -            |
| Payables on equipment and other payables (including related parties) | 504,484                | 504,484          | -              | -              | -              | -            |
| Dividends payable  | 321,300                | 321,300          | -              | -              | -              | -            |
| Lease liabilities (including current and non-current)                | 29,880                 | 4,943            | 4,575          | 6,703          | 11,250         | 2,409        |
| Long-term debt (including current portion)                           | 716,424                | 212,714          | 111,663        | 231,148        | 160,899        | -            |
|  | <b>\$ 1,762,111</b>    | <b>1,233,464</b> | <b>116,238</b> | <b>237,851</b> | <b>172,149</b> | <b>2,409</b> |
| <b>December 31, 2024</b>   |                        |                  |                |                |                |              |
| Non-derivative financial liabilities                                 |                        |                  |                |                |                |              |
| Notes and 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        | -            |
|  | <b>\$ 1,489,577</b>    | <b>746,470</b>   | <b>218,548</b> | <b>242,399</b> | <b>282,160</b> | <b>-</b>     |
| <b>June 30, 2024</b>   |                        |                  |                |                |                |              |
| Non-derivative financial liabilities                                 |                        |                  |                |                |                |              |
| Short-term borrowings  | \$ 24,293              | 24,293           | -              | -              | -              | -            |
| Notes and accounts payable (including related parties)               | 242,233                | 242,233          | -              | -              | -              | -            |
| Dividends payable  | 151,200                | 151,200          | -              | -              | -              | -            |
| Payables on equipment and other payables (including related parties) | 423,900                | 423,900          | -              | -              | -              | -            |
| Lease liabilities (including current and non-current)                | 21,422                 | 5,492            | 4,291          | 6,320          | 5,319          | -            |
| Long-term debt (including current portion)                           | 1,073,778              | 127,974          | 147,045        | 374,756        | 424,003        | -            |
|  | <b>\$ 1,936,826</b>    | <b>975,092</b>   | <b>151,336</b> | <b>381,076</b> | <b>429,322</b> | <b>-</b>     |

The Group estimated and did not anticipate significant early occurrence or differences in the actual amounts of cash flows from the analysis on the maturity date.

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### (iv) Foreign exchange risk

The carrying amount of the significant monetary assets and liabilities of the Group denominated in non-functional currencies and relevant sensitivity analysis on the reporting date were as follows (including the monetary items that have been eliminated in the consolidated financial statements):

| 2025.6.30                    |                                       |                  |                       |                         |   |
|------------------------------|---------------------------------------|------------------|-----------------------|-------------------------|---|
|                              | Foreign<br>currency (in<br>thousands) | Exchange<br>rate | NTD (in<br>thousands) | Changes in<br>magnitude | Impact of the<br>profit or loss<br>(before tax) (in<br>thousands) |
| <u>Financial assets</u>      |                                       |                  |                       |                         |   |
| Monetary items               |                                       |                  |                       |                         |   |
| USD                          | \$ 16,641                             | 29.300           | 487,581               | 1%                      | 4,876   |
| EUR                          | 1,537                                 | 34.351           | 52,797                | 1%                      | 528   |
| CNY                          | 38,705                                | 4.0891           | 158,269               | 1%                      | 1,583   |
| JPY                          | 4,729,888                             | 0.2033           | 961,586               | 1%                      | 9,616   |
| <u>Financial liabilities</u> |                                       |                  |                       |                         |   |
| Monetary items               |                                       |                  |                       |                         |   |
| USD                          | 14,461                                | 29.300           | 423,707               | 1%                      | 4,237   |
| CNY                          | 9,791                                 | 4.0891           | 40,036                | 1%                      | 400   |
| JPY                          | 1,723,766                             | 0.2033           | 350,442               | 1%                      | 3,504   |
| 2024.12.31                   |                                       |                  |                       |                         |   |
|                              | Foreign<br>currency (in<br>thousands) | Exchange<br>rate | NTD (in<br>thousands) | Changes in<br>magnitude | Impact of the<br>profit or loss<br>(before tax) (in<br>thousands) |
| <u>Financial assets</u>      |                                       |                  |                       |                         |   |
| 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   |
| <u>Financial liabilities</u> |                                       |                  |                       |                         |   |
| Monetary items               |                                       |                  |                       |                         |   |
| USD                          | 21,763                                | 32.785           | 713,500               | 1%                      | 7,135   |
| 2024.6.30                    |                                       |                  |                       |                         |   |
|                              | Foreign<br>currency (in<br>thousands) | Exchange<br>rate | NTD (in<br>thousands) | Changes in<br>magnitude | Impact of the<br>profit or loss<br>(before tax) (in<br>thousands) |
| <u>Financial assets</u>      |                                       |                  |                       |                         |   |
| Monetary items               |                                       |                  |                       |                         |   |
| USD                          | \$ 24,765                             | 32.450           | 803,624               | 1%                      | 8,036   |
| EUR                          | 1,710                                 | 34.705           | 59,346                | 1%                      | 593   |
| CNY                          | 32,369                                | 4.4658           | 144,553               | 1%                      | 1,446   |
| JPY                          | 1,974,323                             | 0.2017           | 398,221               | 1%                      | 3,982   |
| <u>Financial liabilities</u> |                                       |                  |                       |                         |   |
| Monetary items               |                                       |                  |                       |                         |   |
| USD                          | 23,468                                | 32.450           | 761,537               | 1%                      | 7,615   |

The net foreign exchange gains (losses) (including realized and unrealized) from January 1 to June 30, 2025 and 2024, were NT\$(32,246) thousand and NT\$(23,022) thousand, respectively.

### (v) Other market price risk



# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

The Group invests in listed equity securities, which results in risks of changes in the price of securities. The Group manages and actively monitors its investment performance on a fair value basis.

The sensitivity analysis for equity instruments held (classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income) is based on changes in fair value as of the end of the reporting period. If the prices of equity instruments were to increase or decrease by 5%, the amount of profit before tax as of June 30, 2025 would change by NT\$1,856 thousand, and the amount of other comprehensive income as of June 30, 2024 would change by NT\$16,984 thousand.

(x) Financial risk management

There are no significant changes in the financial risk management objectives and policies of the Group disclosed in Note 6 (24) of the 2024 Consolidated Financial Statements.

(y) Capital management

Based on the current operational characteristics of the industry, the future development of the Group, and considering external environmental changes, the Group has planned operating capital needs for the future. This is to ensure the continuous operation of the Group, return to shareholders, and balance the interests of other stakeholders. The Group maintains the best capital structure to increase shareholder value in the long term.

(z) Investing and financing activities not affecting cash flows

(i) The Group acquires the right-of-use assets through lease. Please refer to Note 6 (10) for more details.

(ii) Reconciliation of liabilities arising from financing activities was presented in the following table:

|   | 2025.1.1          | Cash flow        | Non-cash changes               |                                    |                       | 2025.6.30      |
|---|-------------------|------------------|--------------------------------|------------------------------------|-----------------------|----------------|
|   |                   |                  | Additions of lease liabilities | Derecognition of lease liabilities | Exchange rate changes |                |
| Long-term debt (including current portion)    | \$ 828,157        | (125,153)        | -                              | -                                  | (14,022)              | 688,982        |
| Lease liabilities (including current portion) | 16,159            | (5,134)          | 17,790                         | (119)                              | -                     | 28,696         |
| Total liabilities from financing activities   | <u>\$ 844,316</u> | <u>(130,287)</u> | <u>17,790</u>                  | <u>(119)</u>                       | <u>(14,022)</u>       | <u>717,678</u> |

|   | 2024.1.1            | Cash flow       | Non-cash changes               |                                    |                       | 2024.6.30        |
|---|---------------------|-----------------|--------------------------------|------------------------------------|-----------------------|------------------|
|   |                     |                 | Additions of lease liabilities | Derecognition of lease liabilities | Exchange rate changes |                  |
| Short-term borrowings                         | \$ 43,500           | (16,904)        | -                              | -                                  | (2,392)               | 24,204           |
| Long-term debt (including current portion)    | 1,009,142           | 2,839           | -                              | -                                  | 7,597                 | 1,019,578        |
| Lease liabilities (including current portion) | 31,135              | (9,141)         | 1,807                          | (2,709)                            | (59)                  | 21,033           |
| Total liabilities from financing activities   | <u>\$ 1,083,777</u> | <u>(23,206)</u> | <u>1,807</u>                   | <u>(2,709)</u>                     | <u>5,146</u>          | <u>1,064,815</u> |

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

### 7. Related party transactions

#### (a) Names and relations of related parties

The related parties that trade with the Group during the periods covered in the Consolidated Financial Statements are as follows:

| Name of Related Party                          | Relationship with the Group   |
|--|---|
| Crystalvue Medical Corporation<br>(Crystalvue) | Associates/Other related parties of the Group (Note 1)                                  |
| BenQ Materials Corp. (BMC)                     | Individuals that have significant impact on the Group                                   |
| Qisda Corporation (Qisda)                      | The parent company of BMC and is an individual that has significant impact on the Group |
| Qisda Sdn. Bhd. (QLPG)                         | Other related party (the subsidiary of Qisda)   |
| BenQ Asia Pacific Corp. (BQP)                  | Other related party (the subsidiary of Qisda)   |
| BenQ Dialysis Technology Corp. (BDT)           | Other related party (the subsidiary of Qisda)   |
| Apaugasma Eye Clinic                           | Substantive related party   |
| Wen-Hao Li                                     | Substantive related party   |

Note 1: Crystalvue was previously another related party of the Group and became an associate of the Company starting from November 2024.

#### (b) Information on significant transactions with related parties

##### (i) Net operating revenue

The significant sales amounts of the Group to related parties are as follows:

|  | April to June<br>2025 | April to June<br>2024 | January to June<br>2025 | January to June<br>2024 |
|--|-----------------------|-----------------------|-------------------------|-------------------------|
| Entity with significant influence over the Group - BMC | \$ 109,608            | 137,474               | 206,145                 | 278,522                 |

The sales prices of the Group to the aforementioned related parties are determined based on market competition. The payment terms are 60 days, which is not significantly different from regular transactions.

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Purchases

Purchase amount from related parties by the Group is as follows:

|  | <u>April to June<br/>2025</u> | <u>April to June<br/>2024</u> | <u>January to June<br/>2025</u> | <u>January to June<br/>2024</u> |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Entity with significant influence over the Group - BMC | \$ 50,790                     | 64,765                        | 107,945                         | 103,954                         |

The purchase prices from the aforementioned related parties by the Group cannot be compared to the prices of the general transaction due to different product specifications. The payment terms for these purchases are 60 days. For other suppliers, the payment terms range from 30 to 90 days.

(iii) Leases

The Group leases offices premises and factories of the related parties, and the leasing fees are determined based on the rental market conditions in the surrounding area. The lease is paid on a monthly basis. For the period from January 1 to June 30, 2025, the total amount of right-of-use assets newly recognized was NT\$17,790 thousand.

The amount of interest expense recognized by the Group for the aforementioned lease transactions is as follows:

|  | <u>April to June<br/>2025</u> | <u>April to June<br/>2024</u> | <u>January to June<br/>2025</u> | <u>January to June<br/>2024</u> |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Entity with significant influence over the Group - Qisda | \$ 88                         | 11                            | 90                              | 25                              |

The lease income from leasing offices to the other related party (QLPG) for April 1 to June 30, 2025 and 2024 and January 1 to June 30, 2025 and 2024 amounted to NT\$16 thousand, NT\$14 thousand, NT\$31 thousand and NT\$28 thousand, respectively.

(iv) Management service revenue

The Group recognized management service revenue of NT\$285 thousand, NT\$1,571 thousand, NT\$571 thousand and NT\$3,571 thousand for providing relevant medical management services to substantive related parties from April 1 to June 30, 2025 and 2024 and January 1 to June 30, 2025 and 2024.

(v) Dividends

(a) The details of dividends receivable to related parties (included under other receivables) by the Group as of June 30, 2025, December 31, and June 30, 2024 are as follows:

|            | <u>2025.6.30</u> | <u>2024.12.31</u> | <u>2024.6.30</u> |
|------------|------------------|-------------------|------------------|
| Associates | \$ 11,682        | -                 | -                |

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (b) The details of dividends payable to related parties by the Group as of June 30, 2025, December 31, and June 30, 2024 are as follows:

|  | <u>2025.6.30</u> | <u>2024.12.31</u> | <u>2024.6.30</u> |
|--|------------------|-------------------|------------------|
| Entity with significant influence over the Group - BMC | \$ <u>47,602</u> | <u>-</u>          | <u>22,401</u>    |

- (vi) Operating expenses

The amounts paid by the Group to related parties for other expenses were as follows:

|  | <u>April to June<br/>2025</u> | <u>April to June<br/>2024</u> | <u>January to June<br/>2025</u> | <u>January to June<br/>2024</u> |
|--|-------------------------------|-------------------------------|---------------------------------|---------------------------------|
| Entity with significant influence over the Group - Qisda | \$ 61                         | 59                            | 122                             | 121                             |
| Entity with significant influence over the Group - BMC   | -                             | 105                           | -                               | 105                             |
| Substantive related party                                | 300                           | 300                           | 600                             | 600                             |
| Other related party                                      | 53                            | 35                            | 84                              | 64                              |
|  | <u>\$ 414</u>                 | <u>499</u>                    | <u>806</u>                      | <u>890</u>                      |

- (vii) Receivables from related parties

Details of the Group's receivables from related parties were as follows:

| <u>Accounting subject</u> | <u>Types of related party</u>                          | <u>2025.6.30</u> | <u>2024.12.31</u> | <u>2024.6.30</u> |
|---------------------------|--|------------------|-------------------|------------------|
| Accounts receivable       | Entity with significant influence over the Group - BMC | \$ 78,340        | 64,977            | 104,664          |
| Accounts receivable       | Substantive related party                              | -                | -                 | 149              |
|                           |  | <u>\$ 78,340</u> | <u>64,977</u>     | <u>104,813</u>   |

- (viii) Payables to related parties

As a result of the transactions mentioned above and various expenses paid in advance by related parties on behalf of the Group, relevant details of payables to related parties were as follows:

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

| <b>Accounting subject</b>       | <b>Types of related party</b>                            | <b>2025.6.30</b> | <b>2024.12.31</b> | <b>2024.6.30</b> |
|---------------------------------|--|------------------|-------------------|------------------|
| Accounts payable                | Entity with significant influence over the Group - BMC   | \$ 32,540        | 36,636            | 65,545           |
| Other payables                  | Entity with significant influence over the Group - Qisda | \$ 796           | 797               | 794              |
|                                 | Entity with significant influence over the Group - BMC   | -                | -                 | 112              |
| Other payables                  | Substantive related party                                | 88               | 88                | 100              |
| Other payables                  | Other related party                                      | 55               | 163               | 36               |
|                                 |  | <u>\$ 939</u>    | <u>1,048</u>      | <u>1,042</u>     |
| Lease liabilities - current     | Entity with significant influence over the Group - Qisda | \$ 2,772         | 756               | 2,248            |
| Lease liabilities - non-current | Entity with significant influence over the Group - Qisda | 14,334           | -                 | -                |
|                                 |  | <u>\$ 17,106</u> | <u>756</u>        | <u>2,248</u>     |

(c) Remuneration for key management personnel

|                              | <b>April to June 2025</b> | <b>April to June 2024</b> | <b>January to June 2025</b> | <b>January to June 2024</b> |
|------------------------------|---------------------------|---------------------------|-----------------------------|-----------------------------|
| Short-term employee benefits | \$ 6,165                  | 5,743                     | 12,291                      | 11,673                      |
| Post employment benefits     | 27                        | 27                        | 54                          | 54                          |
|                              | <u>\$ 6,192</u>           | <u>5,770</u>              | <u>12,345</u>               | <u>11,727</u>               |

**8. Pledged assets**

The detailed carrying amounts of assets pledged as collateral by the Group are as follows:

| <b>Name of asset</b>          | <b>Pledged collaterals</b> | <b>2025.6.30</b>  | <b>2024.12.31</b> | <b>2024.6.30</b> |
|-------------------------------|----------------------------|-------------------|-------------------|------------------|
| Restricted bank deposits      | Performance guarantee      | \$ 21,637         | 22,808            | 21,294           |
| Land-use rights and buildings | Bank loans                 | 712,111           | 763,725           | 761,176          |
|                               |                            | <u>\$ 733,748</u> | <u>786,533</u>    | <u>782,470</u>   |

**9. Significant commitments and contingencies**

Contractual commitments unrecognized by the Group are as follows:

|   | <b>2025.6.30</b> | <b>2024.12.31</b> | <b>2024.6.30</b> |
|---|------------------|-------------------|------------------|
| Acquisition of property, plant, and equipment | \$ 307,182       | 184,673           | 184,590          |

**VISCO VISION INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**10. Significant loss from disaster: None.**

**11. Significant subsequent events: None.**

**12. Others**

The Group's employee benefits and depreciation and amortization expenses by function are as follows:

| Function<br>Nature         | April to June 2025 |                    |         | April to June 2024 |                    |         |
|----------------------------|--------------------|--------------------|---------|--------------------|--------------------|---------|
|                            | Operation costs    | Operation expenses | Total   | Operation costs    | Operation expenses | Total   |
| Employee benefits          |                    |                    |         |                    |                    |         |
| Salaries                   | 139,782            | 86,000             | 225,782 | 135,613            | 68,255             | 203,868 |
| Labor and health insurance | 2,253              | 4,068              | 6,321   | 1,686              | 3,067              | 4,753   |
| Pensions                   | 4,356              | 3,403              | 7,759   | 3,751              | 2,424              | 6,175   |
| Other employee benefits    | 2,265              | 2,566              | 4,831   | 2,397              | 2,496              | 4,893   |
| Depreciation expenses      | 112,023            | 11,892             | 123,915 | 88,808             | 11,725             | 100,533 |
| Amortization expenses      | -                  | 1,846              | 1,846   | -                  | 2,152              | 2,152   |

| Function<br>Nature         | January to June 2025 |                    |         | January to June 2024 |                    |         |
|----------------------------|----------------------|--------------------|---------|----------------------|--------------------|---------|
|                            | Operation costs      | Operation expenses | Total   | Operation costs      | Operation expenses | Total   |
| Employee benefits          |                      |                    |         |                      |                    |         |
| Salaries                   | 272,711              | 166,764            | 439,475 | 238,968              | 138,452            | 377,420 |
| Labor and health insurance | 4,372                | 8,719              | 13,091  | 3,000                | 6,891              | 9,891   |
| Pensions                   | 8,616                | 6,305              | 14,921  | 6,953                | 4,854              | 11,807  |
| Other employee benefits    | 4,837                | 5,334              | 10,171  | 4,186                | 4,526              | 8,712   |
| Depreciation expenses      | 223,290              | 24,108             | 247,398 | 175,643              | 24,156             | 199,799 |
| Amortization expenses      | -                    | 3,699              | 3,699   | -                    | 5,633              | 5,633   |

**13. Additional disclosures**

(a) Information on significant transactions

According to the regulations of the Preparation Standards, the relevant information on significant transactions that the Group is required to disclose is as follows:

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(i) Financing provided to other parties:

Expressed in Thousands of New Taiwan Dollars/Malaysian Ringgit

| No. | Financing Company | Counter Party | Financial Statement Account         | Related Party | Maximum Balance for the Period | Ending balance       | Actual Amount Drawn  | Interest Rate | Nature of the Financing | Transaction Amount | Reasons for Short-term Financing | Loss Allowances | Collateral   |       | Financing Limits for Each Borrowing Company | Company's Total Financing Amount Limits |
|-----|-------------------|---------------|-------------------------------------|---------------|--------------------------------|----------------------|----------------------|---------------|-------------------------|--------------------|----------------------------------|-----------------|--------------|-------|---|---|
|     |                   |               |                                     |               |                                |                      |                      |               |                         |                    |                                  |                 | Company Name | Value |   |   |
| I   | VVM               | VMM           | Other receivables - related parties | Yes           | 13,467<br>(MYR1,800)           | 12,517<br>(MYR1,800) | 12,517<br>(MYR1,800) | 5%            | 2                       | -                  | Operating turnover               | -               | -            | -     | 1,248,104                                   | 1,248,104                               |

Note 1: VVM's total loan provided to others shall not exceed 40% of VVM's net worth per latest financial statements.

Note 2: VVM's limits on the individual amounts that may be loaned to subsidiaries shall not exceed 40% of VVM's net worth per latest financial statements.

Note 3: The nature of the loans provided is classified as 1 for those with business transactions and 2 for those with needs for short-term funding.

Note 4: The transactions above have been offset when preparing the Consolidated Financial Statements.

(ii) Endorsements/guarantees provided for others: None.

(iii) Material marketable securities held at end of period (excluding investments in subsidiaries, associates, and joint ventures): None.

(iv) Purchases or sales with related parties amounting to NT\$100 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

| Company     | Counterparty | Relationship                      | Transaction Details |             |                                       |                         | Unusual Transaction Terms and Reasons |               | Notes and Accounts Receivable (Payable) |   | Remarks  |
|-------------|--------------|-----------------------------------|---------------------|-------------|---------------------------------------|-------------------------|---------------------------------------|---------------|---|---|----------|
|             |              |                                   | Purchases (Sales)   | Amount      | Percentage of Total Purchases (Sales) | Payment Terms           | Unit Price                            | Payment Terms | Balance                                 | Percentage of Notes and Accounts Receivable (Payable) |          |
|             |              |                                   |                     |             |                                       |                         |                                       |               |   |   |          |
| The Company | BMC          | Significant impact on the Company | (Sales)             | (206,145)   | (11) %                                | Payment made in 60 days | (Note 1)                              | (Note 1)      | 78,340                                  | 10%   | -        |
| VVM         | BMC          | Significant impact on the Company | Purchases           | 107,731     | 21 %                                  | Payment made in 60 days | (Note 2)                              | (Note 1)      | (32,540)                                | (19)%   | -        |
| The Company | From-eyes    | Parent company and subsidiaries   | (Sales)             | (598,498)   | (32) %                                | Payment made in 60 days | (Note 1)                              | (Note 1)      | 358,044                                 | 47%   | (Note 4) |
| From-eyes   | The Company  | Parent company and subsidiaries   | Purchases           | 598,498     | 95 %                                  | Payment made in 60 days | (Note 1)                              | (Note 1)      | (358,044)                               | 99%   | (Note 4) |
| VVM         | The Company  | Parent company and subsidiaries   | (Sales)             | (1,412,826) | (100) %                               | Payment made in 60 days | (Note 3)                              | (Note 1)      | 564,529                                 | 100%  | (Note 4) |
| The Company | VVM          | Parent company and subsidiaries   | Purchases           | 1,412,826   | 100 %                                 | Payment made in 60 days | (Note 2)                              | (Note 1)      | (564,529)                               | (97)%   | (Note 4) |
| The Company | TYC          | Parent company and subsidiaries   | (Sales)             | (208,491)   | (11) %                                | Payment made in 60 days | (Note 1)                              | (Note 1)      | 95,952                                  | 13%   | (Note 4) |
| TYC         | The Company  | Parent company and subsidiaries   | Purchases           | 208,491     | 100 %                                 | Payment made in 60 days | (Note 1)                              | (Note 1)      | (95,952)                                | (100)%  | (Note 4) |

Note 1: There are no significant differences from regular transactions.

Note 2: As there are no purchases of similar products from other suppliers, the Company is unable to compare with regular transactions.

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

Note 3: The sales are primarily made to the Company, and there are no regular transactions for comparisons.

Note 4: The transactions to the left have been offset when preparing the Consolidated Financial Statements.

(v) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more:

(Expressed in Thousands of New Taiwan Dollars)

| Company Name | Counterparty | Relationship                    | Balance of the Receivables from Related Parties (Note) | Turnover | Overdue Receivables from Related Parties |                 | Amount Collected After the Due Date of the Receivables from Related Parties | Loss Allowances |
|--------------|--------------|---------------------------------|--|----------|--|-----------------|---|-----------------|
|              |              |                                 |  |          | Amount                                   | Handling Method |   |                 |
| The Company  | From-eyes    | Parent company and subsidiaries | 358,044  | 4.07     | -  | -               | 95,013  | -               |
| VVM          | The Company  | Parent company and subsidiaries | 564,529  | 5.20     | -  | -               | 197,194   | -               |

Note: The aforementioned transactions between From-eyes, and VVM have been offset when preparing the Consolidated Financial Statements.

(vi) Intercompany relationships and material intercompany transactions

| No.<br>(Note 1) | Company Name | Counterparty | Relationships with Counterparties<br>(Note 2) | Description of Transactions (Note 3) |             |                         |  |
|-----------------|--------------|--------------|---|--------------------------------------|-------------|-------------------------|--|
|                 |              |              |   | Account                              | Amount      | Transaction Term        | Percentage of Consolidated Total Operating Revenue or Total Assets<br>(Note 4) |
| 0               | The Company  | From-eyes    | 1   | (Sales)                              | (598,498)   | Payment made in 60 days | (29.58)%   |
| 0               | The Company  | From-eyes    | 1   | Accounts receivable                  | 358,044     | Payment made in 60 days | 6.51%  |
| 0               | The Company  | TYC          | 1   | (Sales)                              | (208,491)   | Payment made in 60 days | (10.31)%   |
| 0               | The Company  | TYC          | 1   | Accounts receivable                  | 95,952      | Payment made in 60 days | 1.75%  |
| 1               | VVM          | The Company  | 2   | (Sales)                              | (1,412,826) | Payment made in 60 days | (69.83)%   |
| 1               | VVM          | The Company  | 2   | Accounts receivable                  | 564,529     | Payment made in 60 days | 10.27%   |

Note 1: Numbered according to the following method:

1. For the parent company, fill in 0.
2. Subsidiaries are sorted in a numerical order starting from 1.

Note 2: Relationships with counterparties are indicated as follows:

1. The parent company to subsidiaries.
2. Subsidiaries to the parent company.
3. Subsidiaries to subsidiaries.

Note 3: Intercompany relationships and significant intercompany transactions only disclose the information on sales and accounts receivable accounting for 1% of consolidated operating revenue or assets. The corresponding information regarding purchases and accounts payable is not reiterated.

Note 4: It is calculated by dividing the amount of transactions by the consolidated operating revenue or total assets.

Note 5: The transactions above have been offset when preparing the Consolidated Financial Statements.



# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(b) Information on investees:

Expressed in Thousands of New Taiwan Dollars/Shares

| Name of Investor | Name of Investee | Location | Major business activities                                    | Initial Investment Amount    |                      | Ending Balance |              |                 | Profit (Loss) of Investee for the Period | Investment Profit and Loss Recognized | Remark                                 |
|------------------|------------------|----------|--|------------------------------|----------------------|----------------|--------------|-----------------|--|---------------------------------------|--|
|                  |                  |          |  | Ending of the Current Period | The End of Last Year | Share(s)       | Shareholding | Carrying Amount |  |                                       |  |
| The Company      | VVM              | Malaysia | Manufacturing, processing, and sale of contact lenses        | 2,102,783                    | 2,102,783            | 289,761        | 100.00%      | 3,126,721       | 210,113                                  | 210,113                               | Parent company and subsidiaries (Note) |
| The Company      | From-eyes        | Japan    | Sale of contact lenses                                       | 220,441                      | 220,441              | 1              | 100.00%      | 221,456         | 21,340                                   | 20,155                                | Parent company and subsidiaries (Note) |
| The Company      | VCT              | Taiwan   | Medical management consulting services                       | 44,000                       | 44,000               | 4,400          | 55.00%       | 28,824          | 805                                      | 86                                    | Parent company and subsidiaries (Note) |
| The Company      | Crystalvue       | Taiwan   | Design, manufacture, and sale of medical-related instruments | 510,326                      | 449,888              | 5,827          | 22.99%       | 495,660         | 74,616                                   | 9,302                                 | Associates                             |
| VVM              | VMM              | Malaysia | Lease and management service                                 | 3,696                        | 3,696                | 500            | 100.00%      | 1,331           | (121)                                    | (121)                                 | Parent company and subsidiaries (Note) |

Note: The amounts have been offset when preparing the Consolidated Financial Statements.

(c) Information on investments in Mainland China:

- (i) The name of the investee company in Mainland China, main business activities and other relevant information:

Expressed in Thousands of CNY/New Taiwan Dollar

| Investees in Mainland China              | Major business activities | Paid-in capital            | Method of Investments | Accumulated Amount of Investments Remitted from Taiwan at Beginning of Period | Amount of Investment Remitted or Repatriated for the Period |             | Accumulated Amount of Investments Remitted from Taiwan at End of Period | Profit (Loss) of Investee for the Period | The Ratio of the Company's Direct or Indirect Ownership | Investment Profit (Loss) Recognized | Book Value of Investments at End of Period | Accumulated Investment Income Repatriated at End of Period |
|--|---------------------------|----------------------------|-----------------------|---|---|-------------|---|--|---|-------------------------------------|--|--|
|  |                           |                            |                       |   | Remitted  | Repatriated |   |  |   |                                     |  |  |
| Trend Young Trading (Shanghai) Co., Ltd. | Sale of contact lenses    | 15,533 (CNY3,500) (Note 2) | (Note 1)              | 14,312 (CNY3,500)   | -   | -           | 14,312 (CNY3,500)   | (7,163)                                  | 100.00%   | (7,163)                             | (16,227)                                   | -  |

Note 1: Direct investment in Mainland China.

Note 2: Except for the paid-in capital, which is measured using the historical exchange rate between CNY and NTD, the rest is converted using the exchange rate of 4.0891 at the end of the period from CNY to NTD.

# VISCO VISION INC. AND SUBSIDIARIES

## Notes to the Consolidated Financial Statements

(ii) Limits on investments in Mainland China:

Expressed in Thousands

| Name of Company | Accumulated Amount of Investments Remitted from Taiwan to Mainland China at End of Period | Amount of Investments Authorized by Investment Commission, MOEA | Upper Limit on Investment Authorized by Investment Commission, MOEA |
|-----------------|---|---|---|
| The Company     | 106,900(Note 2)<br>(USD3,160 and CNY 3,500)   | 108,072(Note 2)<br>(USD3,200 and CNY 3,500)                     | 2,149,872   |

Note 1: It is converted using the exchange rate of 29.300 from USD to NTD and the exchange rate of 4.0891 from CNY to NTD at the end of the period.

Note 2: These amounts include an investment of USD3,160 thousand made in previous years in mainland China and an investment of USD3,200 thousand approved by the Investment Commission, M.O.E.A. The related investees companies have completed the liquidation process in 2019 and have already submitted a cancellation report to the Investment Commission, M.O.E.A regarding the investment in mainland China.

(iii) Information on significant transactions between the investees in Mainland China:

| Name of Related Party                    | Relationship with the Company | Transaction Term |         |          |                         |                                      | Notes and Accounts Receivable (Payable) |            | Unrealized Gains (Losses) |
|--|-------------------------------|------------------|---------|----------|-------------------------|--------------------------------------|---|------------|---------------------------|
|  |                               | Category         | Amount  | Price    | Payment Terms           | Difference with Regular Transactions | Balance                                 | Percentage |                           |
| Trend Young Trading (Shanghai) Co., Ltd. | The Company's subsidiary      | Sales            | 208,491 | (Note 1) | Payment made in 60 days | (Note 1)                             | 95,952                                  | 12.56%     | (17,334)                  |

Note 1: There are no significant differences from regular transactions.

Note 2: The amounts have been offset when preparing the Consolidated Financial Statements.

### 14. Segment information

The main business of the Group is manufacturing, purchasing, and selling disposable contact lenses. It is an individual department, and the department's information on profit and loss, assets, and liabilities is consistent with the Consolidated Financial Statements. Please refer to the consolidated balance sheets and consolidated statements of comprehensive income for more details.