

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Financial Statements

with Independent Auditors' Report

**For the Nine Months Ended September 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 September 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months ended September 30, 2025 and 2024 and for the six months ended September 30, 2025 and 2024, and the consolidated statements of changes in equity and cash flows for the six months ended September 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 September 30, 2025 and 2024, its financial performance for the three months ended September 30, 2025 and 2024 and for the six months ended September 30, 2025 and 2024, and its cash flows for the six months ended September 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)

November 12, 2024

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2025, December 31, and September 30, 2024

(Expressed in Thousands of New Taiwan Dollars)

	2025.9.30			2024.12.31			2024.9.30			2025.9.30			2024.12.31			2024.9.30							
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%					
Assets																							
Current assets:																							
1100	Cash and cash equivalents (Note 6(a))	\$ 881,190	15	757,453	15	611,930	11	2100	Short-term borrowings (Note 6 (l))	\$ 190,000	3	-	-	86,676	2								
1110	Current financial assets at fair value through profit or loss - current (Note 6 (b))	31,950	1	-	-	-	-	2130	Contract liabilities - current (Note 6 (t))	37,744	1	35,750	1	22,798	-								
1137	Financial assets measured at amortized cost - current (Notes 6 (c) and 8)	47,548	1	47,808	1	23,907	-	2170	Notes and accounts payable	152,062	3	168,052	3	188,111	3								
1170	Accounts receivable, net (Notes 6 (e) and (t))	592,287	10	375,796	7	553,709	10	2180	Accounts payable to related parties (Note 7)	48,708	1	36,636	1	28,784	1								
1180	Accounts receivable - from related parties (Notes 6 (e), (t), and 7)	82,205	1	64,977	1	72,395	1	2213	Payables on equipment	134,740	2	95,684	2	109,919	2								
1200	Other receivables (Notes 6 (f) and 7)	508	-	557	-	984	-	2219	Other payables (Notes 6 (u) and 7)	435,871	7	367,276	7	340,820	6								
130X	Inventories (Note 6 (f))	615,122	11	593,496	11	645,690	12	2250	Provisions- current (Note 6 (m))	44,621	1	31,037	-	30,223	1								
1479	Prepayments and other current assets	85,013	1	58,730	1	66,083	1	2280	Lease liabilities - current (Notes 6 (n), and 7)	9,314	-	7,894	-	9,129	-								
	Total current assets	2,335,823	40	1,898,817	36	1,974,698	35	2322	Current portion of long-term debt (Notes 6 (o), and 8)	223,420	4	331,322	6	359,369	6								
								2399	Other current liabilities	37,093	1	2,536	-	1,714	-								
									Total current liabilities	1,313,573	23	1,076,187	20	1,177,543	21								
Non-current assets:																							
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (d))	-	-	-	-	451,809	8	2540	Long-term debt (Notes 6 (o), and 8)	500,579	9	496,835	10	627,094	12								
1550	Investments accounted for using the equity method (Notes 6 (d) and (h))	567,229	10	451,501	8	-	-	2570	Deferred income tax liabilities	3,122	-	4,154	-	5,741	-								
1600	Property, plant, and equipment (Notes 6 (g), and 8)	2,177,611	38	2,196,824	41	2,270,576	41	2580	Lease liabilities - non-current (Notes 6 (n), and 7)	18,090	-	8,265	-	9,912	-								
1755	Right-of-use assets (Notes 6 (j), 7 and 8)	400,128	7	405,596	8	431,249	8	2670	Other non-current liabilities	1,416	-	1,443	-	834	-								
1780	Intangible assets (Note 6 (k))	80,998	1	86,883	2	92,751	2		Total non-current liabilities	523,207	9	510,697	10	643,581	12								
1840	Deferred income tax assets	194,742	3	219,747	4	239,470	4		Total Liabilities	1,836,780	32	1,586,884	30	1,821,124	33								
1915	Prepayments for constructions and equipment	57,606	1	37,242	1	128,238	2		Equity attributable to shareholders of the Company (Notes 6 (d) and (r)):														
1980	Other financial assets - non-current	6,130	-	6,054	-	7,024	-	3110	Common stock	630,000	11	630,000	12	630,000	11								
1990	Other non-current assets	60	-	600	-	780	-	3200	Capital surplus	1,431,007	25	1,431,007	27	1,431,007	26								
	Total non-current assets	3,484,504	60	3,404,447	64	3,621,897	65		Retained earnings:														
								3310	Legal reserve	256,273	4	188,770	4	188,770	3								
								3320	Special reserve	-	-	194,181	4	224,066	4								
								3350	Unappropriated earnings	1,680,472	29	1,238,990	23	1,046,814	19								
								3400	Other equity	1,936,745	33	1,621,941	31	1,459,650	26								
										(33,737)	(1)	14,099	-	234,071	4								
										3,964,015	68	3,697,047	70	3,754,728	67								
												19,532	-	19,333	-	20,743	-						
												3,983,547	68	3,716,380	70	3,775,471	67						
	Total Assets	\$ 5,820,327	100	5,303,264	100	5,596,595	100		Total equity	\$ 5,820,327	100	5,303,264	100	5,596,595	100								
									Total liabilities and equity														

(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 September 30, 2025 and 2024 and for the nine months ended September 30, 2025 and 2024

(Expressed in Thousands of New Taiwan Dollars)

		July to September 2025		July to September 2024		January to September 2025		January to September 2024	
		Amount	%	Amount	%	Amount	%	Amount	%
		\$		\$		\$		\$	
4000	Net sales (Notes 6 (t), and 7)	1,132,487	100	1,037,149	100	3,155,630	100	2,758,167	100
5000	Cost of sales (Notes 6 (g), (i), (j), (m), (p), (u), 7 and 12)	(609,041)	(54)	(666,774)	(64)	(1,746,572)	(55)	(1,674,669)	(61)
	Operating margin	523,446	46	370,375	36	1,409,058	45	1,083,498	39
	Operating expenses (Notes 6 (e), (i), (j), (k), (n), (p), (u), 7 and 12):								
6100	Selling expenses	(70,253)	(6)	(52,511)	(5)	(205,582)	(6)	(136,664)	(5)
6200	Administrative expenses	(73,264)	(6)	(66,229)	(7)	(212,859)	(7)	(185,948)	(7)
6300	Research and development expenses	(44,278)	(4)	(55,617)	(5)	(153,744)	(5)	(156,520)	(5)
6450	Expected credit impairment gain on reversal	1,492	-	1,351	-	4,483	-	11,346	-
	Total operating expenses	(186,303)	(16)	(173,006)	(17)	(567,702)	(18)	(467,786)	(17)
	Net operating profit	337,143	30	197,369	19	841,356	27	615,712	22
	Non-operating income and loss (Notes 6 (h), (n), (v) and 7):								
7100	Interest income	1,357	-	2,491	-	6,960	-	5,645	-
7010	Other income	1,537	-	8,835	1	4,226	-	10,208	-
7020	Other gains and losses	(4,200)	-	(3,601)	-	(39,831)	(1)	(26,517)	(1)
7050	Finance costs	(5,272)	-	(7,306)	(1)	(15,940)	-	(22,151)	-
7070	Share of profit or loss of associates recognized using the equity method	5,169	-	-	-	14,471	-	-	-
	Total non-operating income and expenses	(1,409)	-	419	-	(30,114)	(1)	(32,815)	(1)
7900	Net profit before tax	335,734	30	197,788	19	811,242	26	582,897	21
7950	Income tax expenses (Note 6 (q))	(80,005)	(7)	701	-	(174,939)	(6)	(66,895)	(2)
8200	Net profit for the year	255,729	23	198,489	19	636,303	20	516,002	19
	Other comprehensive income (Note 6 (r)): Items that will not be reclassified subsequently to profit or loss								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	21,071	2	-	-	28,496	1
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		-	-	21,071	2	-	-	28,496	1
8360	Items that may be reclassified subsequently to profit or loss								
8361	Foreign currency translation differences	130,799	11	353,080	34	(47,836)	(1)	399,756	14
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
		130,799	11	353,080	34	(47,836)	(1)	399,756	14
	Other comprehensive income for the period	130,799	11	374,151	36	(47,836)	(1)	428,252	15
8500	Total comprehensive income	\$ 386,528	34	572,640	55	588,467	19	944,254	34
	Net income attributable to for the period:								
8610	Shareholders of the Parent	\$ 255,600	23	198,539	19	636,104	20	512,736	19
8620	Non-controlling interests	129	-	(50)	-	199	-	3,266	-
		\$ 255,729	23	198,489	19	636,303	20	516,002	19
	Total comprehensive income attributable to:								
8710	Shareholders of the Parent	\$ 386,399	34	572,690	55	588,268	19	940,988	34
8720	Non-controlling interests	129	-	(50)	-	199	-	3,266	-
		\$ 386,528	34	572,640	55	588,467	19	944,254	34
	Earnings per share (Note 6 (s))								
9750	Basic earnings per share (NTD)	\$ 4.06		3.15		10.10		8.14	
9850	Diluted earnings per share (NTD)	\$ 4.04		3.14		10.03		8.11	

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

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

	Equity Attributable to Owners of the Company											Non-controlling interests	Total equity		
	Retained earnings						Other equity								
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Total	Total equity of the Parent	Non-controlling interests				
Balance as of January 1, 2024	\$ 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	-	-	-	-	512,736	512,736	-	-	-	512,736	3,266	516,002			
Other comprehensive income for the period	-	-	-	-	-	-	399,756	28,496	428,251	428,252	-	428,252			
Total comprehensive income	-	-	-	-	512,736	512,736	399,756	28,496	428,251	940,988	3,266	944,254			
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)			
Balance as of September 30, 2024	\$ 630,000	1,431,007	188,770	224,066	1,046,814	1,459,650	175,690	58,381	234,071	3,754,728	20,743	3,775,471			
Balance as of January 1, 2025	\$ 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	-	-	-	-	636,104	636,104	-	-	-	636,104	199	636,303			
Other comprehensive income for the period	-	-	-	-	-	-	(47,836)	-	(47,836)	(47,836)	-	(47,836)			
Total comprehensive income	-	-	-	-	636,104	636,104	(47,836)	-	(47,836)	588,268	199	588,467			
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)			
Balance as of September 30, 2025	\$ 630,000	1,431,007	256,273	-	1,680,472	1,936,745	(33,737)	-	(33,737)	3,964,015	19,532	3,983,547			

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

VISCO VISION INC. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the nine months ended September 30, 2025, and 2024

(Expressed in Thousands of New Taiwan Dollars)

	January to September 2025	January to September 2024
Cash flows from operating activities:		
Income before income tax	\$ 811,242	582,897
Items for adjustments:		
Adjustments:		
Depreciation expenses	371,011	311,059
Amortization expenses	5,401	7,677
Expected credit impairment gain on reversal	(4,483)	(11,346)
Net loss of financial asset at fair value through profit or loss	437	-
Interest expenses	15,940	22,151
Interest income	(6,960)	(5,645)
Dividend income	(1,199)	(8,327)
Share of profit of associates recognized using the equity method	(14,471)	-
Gains on lease modifications	(4)	(106)
Total adjustments for profit or loss	<u>365,672</u>	<u>315,463</u>
Changes in operating assets and liabilities:		
Changes in net operating assets:		
Accounts receivable	(216,491)	(234,049)
Accounts receivable from related parties	(12,745)	(6,304)
Other receivables	29	17,014
Inventories	(21,626)	(39,623)
Prepayments and other current assets	(26,310)	(15,960)
Other non-current assets	540	540
Total changes in net operating assets	<u>(276,603)</u>	<u>(278,382)</u>
Changes in net operating liabilities:		
Contract liabilities	1,994	(8,519)
Notes and accounts payable	(15,990)	45,966
Accounts payable to related parties	12,072	(1,366)
Other payables	27,828	22,303
Provisions	13,584	11,648
Other current liabilities	34,557	(8,512)
Total changes in net operating liabilities	<u>74,045</u>	<u>61,520</u>
Total changes in net operating assets and liabilities	<u>(202,558)</u>	<u>(216,862)</u>
Total items for adjustments	<u>163,114</u>	<u>98,601</u>
Cash inflows generated from operations	<u>974,356</u>	<u>681,498</u>
Interest received	6,980	5,645
Interest paid	(16,178)	(22,257)
Income tax paid	(112,511)	(76,199)
Net Cash Flows Generated from Operating Activities	<u>852,647</u>	<u>588,687</u>

(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 nine months ended September 30, 2025, and 2024

(Expressed in Thousands of New Taiwan Dollars)

	January to September 2025	January to September 2024
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(157,937)
Decrease in financial assets measured at amortized cost	260	190,176
Acquisition of current financial assets at fair value through profit or loss	(42,427)	-
Disposal of current financial assets at fair value through profit or loss	10,040	-
Acquisition of investments accounted for using the equity method	(114,584)	-
Acquisition of property, plant, and equipment (including prepayments for constructions and equipment)	(342,638)	(441,875)
Acquisition of intangible assets	(773)	(950)
Acquisition of right-of-use assets	(82)	(134)
Increase in other financial assets	(76)	(1,877)
Dividends received	<u>14,526</u>	<u>8,327</u>
Net Cash Flows Used in Investing Activities	<u>(475,754)</u>	<u>(404,270)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	190,000	60,000
Decrease in short-term borrowings	-	(16,904)
Increase in long-term loans	190,000	75,000
Repayments of long-term loans	(289,776)	(142,215)
Repayment of lease liabilities	(7,611)	(11,937)
Distribution of cash dividends	<u>(321,300)</u>	<u>(151,200)</u>
Net Cash Flows Used in Financing Activities	<u>(238,687)</u>	<u>(187,256)</u>
Impact of exchange rate changes on cash and cash equivalents	<u>(14,469)</u>	<u>94,000</u>
Increase in cash and cash equivalents for the period	<u>123,737</u>	<u>91,161</u>
Cash and cash equivalents at beginning of period	<u>757,453</u>	<u>520,769</u>
Cash and cash equivalents at end of period	<u>\$ 881,190</u>	<u>611,930</u>

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

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

I. 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 were authorized for issuance by the Board of Directors on November 12, 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:

New and Amended Standards	Amended Contract Content	Effective Date of Issuance by the IASB
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"> • 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. • Management Performance Measures (MPM): 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). • Greater disaggregation 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. 	<p>January 1, 2027</p> <p>Note: On September 25, 2025, the Financial Supervisory Commission announced in a press release that Taiwan will adopt International Financial Reporting Standard (IFRS) 18 starting from the fiscal year 2028.</p> <p>Companies that wish to adopt the standard earlier may do so upon obtaining approval from the FSC.</p>

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.

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

The Group expects that the following new and revised accounting standards, which have not been approved, 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," and amendments to IFRS 19

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.

(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		
			2025.9.30	2024.12.31	2024.9.30
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”.

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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.

6. Significant account disclosures

(a) Cash and cash equivalents

	2025.9.30	2024.12.31	2024.9.30
Cash on hand	\$ 31	31	32
Demand deposits and checking deposits	332,898	257,000	611,123
Cash equivalent	2,183	2,324	775
Time deposits with original maturity date less than three months	546,078	498,098	-
	\$ 881,190	757,453	611,930

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

	2025.9.30	2024.12.31	2024.9.30
Current financial assets at fair value through profit or loss - current:			
Listed companies	\$ 31,950	-	-

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

(c) Financial assets measured at amortized cost - current

	2025.9.30	2024.12.31	2024.9.30
Restricted bank deposits	\$ 22,548	22,808	23,907
Time deposits with original maturity date over three months	25,000	25,000	-
	\$ 47,548	47,808	23,907

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

	2025.9.30	2024.12.31	2024.9.30
Equity investments at fair value through other comprehensive income:			
Listed companies	\$ -	-	451,809

As of September 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 September 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.

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(e) Accounts receivable

	2025.9.30	2024.12.31	2024.9.30
Accounts receivable	\$ 592,287	375,796	553,709
Accounts receivable from related parties	<u>91,722</u>	<u>78,977</u>	<u>87,895</u>
	684,009	454,773	641,604
Less: Loss allowances	<u>(9,517)</u>	<u>(14,000)</u>	<u>(15,500)</u>
	<u>\$ 674,492</u>	<u>440,773</u>	<u>626,104</u>

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:

	2025.9.30		
	Carrying amount of accounts receivable	Weighted average loss rate	Loss allowance
Current	\$ 577,735	0%	-
Past due less than 30 days	47,947	0%	-
Past due 31 to 60 days	36,188	0%	-
Past due 91 to 120 days	<u>12,622</u>	0%	<u>-</u>
	674,492		-
Individually	<u>9,517</u>	100%	<u>9,517</u>
	<u>\$ 684,009</u>		<u>9,517</u>

	2024.12.31		
	Carrying amount of accounts receivable	Weighted average loss rate	Loss allowance
Current	\$ 341,815	0%	-
Past due less than 30 days	73,877	0%	-
Past due 31 to 60 days	24,311	0%	-
Past due 61 to 90 days	<u>770</u>	0%	<u>-</u>
	440,773		-
Individually	<u>14,000</u>	100%	<u>14,000</u>
	<u>\$ 454,773</u>		<u>14,000</u>

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	2024.9.30		
	Carrying amount of accounts receivable	Weighted average loss rate	Loss allowance
Current	\$ 527,312	0%	-
Past due less than 30 days	71,739	0%	-
Past due 31 to 60 days	22,944	0%	-
Past due 61 to 90 days	<u>4,109</u>	0%	-
	626,104		-
Individually	<u>15,500</u>	100.00%	<u>15,500</u>
	<u>\$ 641,604</u>		<u>15,500</u>

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

	January to September 2025	January to September 2024
Beginning balance	\$ 14,000	26,846
Impairment loss reversal	<u>(4,483)</u>	<u>(11,346)</u>
Ending balance	<u>\$ 9,517</u>	<u>15,500</u>

(f) Other receivables

	2025.9.30	2024.12.31	2024.9.30
Others	\$ 793	842	984
Less: Loss allowances	<u>(285)</u>	<u>(285)</u>	-
	<u>\$ 508</u>	<u>557</u>	<u>984</u>

As of September 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.

(g) Inventories

	2025.9.30	2024.12.31	2024.9.30
Raw materials	\$ 161,367	134,268	155,608
Work in process	259,766	259,284	289,073
Finished goods	<u>193,989</u>	<u>199,944</u>	<u>201,009</u>
	<u>\$ 615,122</u>	<u>593,496</u>	<u>645,690</u>

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

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Costs of inventories sold	\$ 602,445	668,520	1,728,411	1,668,746
Warranty costs estimated	3,756	3,478	13,978	7,998
Write-downs of inventories (reversal gain)	2,593	(5,254)	2,992	(4,340)
Loss on scrap of inventories	247	30	1,191	2,265
	\$ 609,041	666,774	1,746,572	1,674,669

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:

	2025.9.30	2024.12.31	2024.9.30
Associates	\$ 567,229	451,501	-

(i) Associates:

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

Name of associate	Nature of the relationship with the Company	Principal place of business/country of registration	2025.9.30		2024.12.31	
			Voting rights held %	Carrying Amount	Voting rights held %	Carrying Amount
Crystalvue Medical Corporation (Crystalvue)	Mainly engaged in the research and development and sales of medical devices, serving as the Company's strategic partner.	Taiwan	25.46%	\$ 567,229	20.11%	\$ 451,501

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 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).

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

	2025.9.30	2024.12.31
Crystalvue	\$ 553,496	432,566

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

(a) Summarized Financial Information of Crystalvue

	2025.9.30	2024.12.31
Current assets	\$ 550,339	699,861
Non-current assets	1,524,169	1,300,566
Current liabilities	(180,613)	(233,215)
Non-current liabilities	(7,976)	(13,174)
Net assets	\$ 1,885,919	1,754,038

	July to September 2025	January to September 2025
Operating revenue	\$ 200,934	681,864
Net profit for the year	\$ 21,752	65,981
Other comprehensive income	-	-
Total comprehensive income	\$ 21,752	65,981

	January to September 2025
Beginning carrying amount of the Group's net assets in associates	\$ 451,501
Additions to investments for the current period	114,584
Difference between investment share price and carrying value of new investments for the current period	-
Total comprehensive income attributable to the Group for the current period	14,471
Dividends received from associates for the current period	(13,327)
Ending carrying amount of the Group's net assets in associates	\$ 567,229

(i) Property, plant, and equipment

	Housing and Buildings	Machinery	Leasehold improvements	Other equipment	Construction in process and equipment to be inspected	Total
Cost:						
Balance at January 1, 2025	\$ 495,563	3,160,387	40,290	32,705	316,118	4,045,063
Acquisitions	-	6,241	1,147	3,015	350,927	361,330
Disposals	-	(372)	(7,619)	-	-	(7,991)
Reclassifications	2,764	258,528	-	-	(261,292)	-
Effect of exchange rate changes	(6,755)	(39,854)	-	(306)	(4,124)	(51,039)
Balance at September 30, 2025	\$ 491,572	3,384,930	33,818	35,414	401,629	4,347,363
Balance at January 1, 2024	\$ 481,784	2,507,031	39,651	24,819	174,003	3,227,288
Acquisitions	-	6,076	605	3,568	406,374	416,623
Disposals	-	(36,848)	-	-	-	(36,848)

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	Housing and Buildings	Machinery	Leasehold improvements	Other equipment	Construction in process and equipment to be inspected	Total
Reclassifications	(27,873)	365,317	-	301	(354,219)	(16,474)
Effect of exchange rate changes	<u>65,550</u>	<u>375,551</u>	-	<u>951</u>	<u>31,112</u>	<u>473,164</u>
Balance at September 30, 2024	<u>\$ 519,461</u>	<u>3,217,127</u>	<u>40,256</u>	<u>29,639</u>	<u>257,270</u>	<u>4,063,753</u>
Accumulated depreciation:						
Balance at January 1, 2025	\$ 88,097	1,711,712	27,254	21,176	-	1,848,239
Depreciation for the period	14,849	330,874	3,278	2,947	-	351,948
Disposals	-	(372)	(7,619)	-	-	(7,991)
Effect of exchange rate changes	<u>(1,171)</u>	<u>(21,063)</u>	-	<u>(210)</u>	-	<u>(22,444)</u>
Balance at September 30, 2025	<u>\$ 101,775</u>	<u>2,021,151</u>	<u>22,913</u>	<u>23,913</u>	-	<u>2,169,752</u>
Balance at January 1, 2024	\$ 62,212	1,237,449	21,402	16,261	-	1,337,324
Depreciation for the period	14,208	267,671	4,511	2,527	-	288,917
Disposals	-	(36,848)	-	-	-	(36,848)
Effect of exchange rate changes	<u>10,668</u>	<u>192,295</u>	-	<u>821</u>	-	<u>203,784</u>
Balance at September 30, 2024	<u>\$ 87,088</u>	<u>1,660,567</u>	<u>25,913</u>	<u>19,609</u>	-	<u>1,793,177</u>
Carrying amounts:						
September 30, 2025	<u>\$ 389,797</u>	<u>1,363,779</u>	<u>10,905</u>	<u>11,501</u>	<u>401,629</u>	<u>2,177,611</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>
September 30, 2024	<u>\$ 432,373</u>	<u>1,556,560</u>	<u>14,343</u>	<u>10,030</u>	<u>257,270</u>	<u>2,270,576</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 Buildings	Machinery	Transportation equipment	Total
Cost of right-of-use assets:					
Balance at January 1, 2025	\$ 443,302	46,883	-	-	490,185
Acquisitions	-	19,086	-	-	19,086
Disposals	-	(18,949)	-	-	(18,949)
Effect of exchange rate changes	<u>(6,048)</u>	<u>(91)</u>	-	-	<u>(6,139)</u>
Balance at September 30, 2025	<u>\$ 437,254</u>	<u>46,929</u>	-	-	<u>484,183</u>
Balance at January 1, 2024	\$ 406,467	65,532	17,455	1,201	490,655
Acquisitions	-	2,541	-	-	2,541
Disposals	-	(9,909)	-	-	(9,909)
Effect of exchange rate changes	<u>58,213</u>	<u>120</u>	-	-	<u>58,333</u>
Balance at September 30, 2024	<u>\$ 464,680</u>	<u>58,284</u>	<u>17,455</u>	<u>1,201</u>	<u>541,620</u>
Accumulated depreciation:					
Balance at January 1, 2025	\$ 53,502	31,087	-	-	84,589
Depreciation for the period	11,285	7,778	-	-	19,063
Disposals	-	(18,837)	-	-	(18,837)
Effect of exchange rate changes	<u>(706)</u>	<u>(54)</u>	-	-	<u>(760)</u>

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	Land	Housing and Buildings	Machinery	Transportation equipment	Total
Balance at September 30, 2025	\$ 64,081	19,974	-	-	84,055
Balance at January 1, 2024	\$ 35,040	37,773	15,710	700	89,223
Depreciation for the period	10,694	9,252	1,745	451	22,142
Disposals	-	(7,291)	-	-	(7,291)
Effect of exchange rate changes	6,343	(46)	-	-	6,297
Balance at September 30, 2024	\$ 52,077	39,688	17,455	1,151	110,371
Carrying amounts:					
September 30, 2025	\$ 373,173	26,955	-	-	400,128
January 1, 2025	\$ 389,800	15,796	-	-	405,596
September 30, 2024	\$ 412,603	18,596	-	50	431,249

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	-	-	773	-	-	773
Write off	-	-	(28)	-	-	(28)
Effect of Exchange Rate Changes	(1,183)	(507)	(10)	-	-	(1,700)
Balance at September 30, 2025	\$ 70,809	26,106	36,034	4,093	18,660	155,702
Balance at January 1, 2024	\$ 74,243	27,577	42,227	4,093	18,660	166,800
Acquisitions	-	-	950	-	-	950
Write off	-	-	(40)	-	-	(40)
Effect of Exchange Rate Changes	1,422	608	177	-	-	2,207
Balance at September 30, 2024	\$ 75,665	28,185	43,314	4,093	18,660	169,917
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	-	2,509	1,661	378	853	5,401
Write off	-	-	(28)	-	-	(28)
Effect of Exchange Rate Changes	-	(442)	(1)	-	-	(443)
Balance at September 30, 2025	\$ 4,730	22,026	34,560	1,863	11,525	74,704
Balance at January 1, 2024	\$ 4,730	17,235	36,409	932	9,535	68,841
Amortization for the period	-	2,512	3,897	415	853	7,677
Write off	-	-	(40)	-	-	(40)
Effect of Exchange Rate Changes	-	511	177	-	-	688
Balance at September 30, 2024	\$ 4,730	20,258	40,443	1,347	10,388	77,166
Carrying amounts:						
Balance at September 30, 2025	\$ 66,079	4,080	1,474	2,230	7,135	80,998
Balance at January 1, 2025	\$ 67,262	6,654	2,371	2,608	7,988	86,883
Balance at September 30, 2024	\$ 70,935	7,927	2,871	2,746	8,272	92,751

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

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

(l) Short-term borrowings

	2025.9.30	2024.12.31	2024.9.30
Unsecured bank loans	<u>\$ 190,000</u>	-	<u>86,676</u>
Unused credit facilities	<u>\$ 337,134</u>	<u>439,424</u>	<u>278,899</u>
Interest Rate	<u>1.84%~1.89%</u>	-	<u>1.27%~1.86%</u>

(m) Warranty provisions

	January to September 2025	January to September 2024
Balance at January 1	\$ 31,037	18,575
Provisions added in the current period	13,978	7,998
Effect of exchange rate changes	(394)	3,650
Balance at September 30	<u>\$ 44,621</u>	<u>30,223</u>

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:

	2025.9.30	2024.12.31	2024.9.30
Current	<u>\$ 9,314</u>	<u>7,894</u>	<u>9,129</u>
Non-current	<u>\$ 18,090</u>	<u>8,265</u>	<u>9,912</u>

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

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

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Interest expenses on lease liabilities	<u>\$ 123</u>	<u>75</u>	<u>308</u>	<u>305</u>
Expenses relating to short-term leases	<u>\$ 537</u>	<u>347</u>	<u>1,633</u>	<u>989</u>

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

	January to September 2025	January to September 2024
Total cash outflows for leases	\$ 9,552	13,231

(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

	2025.9.30			
	Currency	Interest rate%	Maturity year	Amount
Unsecured bank loans	NTD	1.98%~2.04%	114~117	\$ 476,825
		(in thousands)		
Secured bank loans	MYR	4.31%	117	<u>247,174</u>
				723,999
Less: Current portion of long-term debt				<u>(223,420)</u>
Total				<u>\$ 500,579</u>
Unused credit facilities				<u>\$ 570,000</u>

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

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2024.9.30				
	Currency	Interest rate%	Maturity year	Amount
Unsecured bank loans	NTD	1.98%~2.13%	114~117	\$ 638,389
		(in thousands)		
Secured bank loans	MYR	4.31%	117	<u>348,074</u>
				986,463
Less: Current portion of long-term debt				<u>(359,369)</u>
Total				<u><u>\$ 627,094</u></u>
Unused credit facilities				<u><u>\$ 560,000</u></u>

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

(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 July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024 amounted to NT\$7,295 thousand, NT\$7,155 thousand, NT\$22,216 thousand and NT\$18,962 thousand, respectively.

(q) Income tax

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

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Current income tax expenses				
Current period	\$ 78,403	39,087	154,381	69,110
Adjustment for the previous period	- -	- -	(579)	(1,585)
	78,403	39,087	153,802	67,525
Deferred income tax expenses	1,602	(39,788)	21,137	(630)
Income tax expenses	<u>\$ 80,005</u>	<u>(701)</u>	<u>174,939</u>	<u>66,895</u>

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

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(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 September 30, 2025, December 31 and September 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.

(ii) Capital surplus

	2025.9.30	2024.12.31	2024.9.30
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

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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 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.

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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:

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

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

(iv) Other equity (net after tax)

	Foreign currency translation differences	Unrealized gains (losses) from financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2025	\$ 14,099	-	14,099
Foreign exchange differences arising from translation of foreign operations	<u>(47,836)</u>	-	<u>(47,836)</u>
Balance at September 30, 2025	<u><u>\$ (33,737)</u></u>	-	<u><u>(33,737)</u></u>
Balance at January 1, 2024	\$ (224,066)	29,885	(194,181)
Foreign exchange differences arising from translation of foreign operations	399,756	-	399,756
Unrealized losses from financial assets at fair value through other comprehensive income	-	28,496	28,496
Balance at September 30, 2024	<u><u>\$ 175,690</u></u>	<u><u>58,381</u></u>	<u><u>234,071</u></u>

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

	January to September 2025	January to September 2024
Beginning balance	\$ 19,333	17,477
Equity attributable to non-controlling interests:		
Net profit for the year	199	3,266
Ending balance	<u><u>\$ 19,532</u></u>	<u><u>20,743</u></u>

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(s) Earnings per share ("EPS")

(i) Basic earnings per share

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Net income attributable to shareholders of the Parent	\$ 255,600	198,539	636,104	512,736
Weighted average number of outstanding common shares (in thousands)	63,000	63,000	63,000	63,000
Basic earnings per share (NTD)	\$ 4.06	3.15	10.10	8.14

(ii) Diluted earnings per share

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Net income attributable to shareholders of the Parent	\$ 255,600	198,539	636,104	512,736
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)	324	198	389	219
Remuneration to employees in stock				
Weighted average number of outstanding common stocks (in thousands) (including the effect of dilutive potential common shares)	63,324	63,198	63,389	63,219
Diluted earnings per share (NTD)	\$ 4.04	3.14	10.03	8.11

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(t) Revenue from contracts with customers

(i) Disaggregation of revenue

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Primary sales regions and markets:				
Asia	\$ 873,057	754,923	2,360,605	2,072,665
Europe	233,122	214,333	606,800	514,426
The Americas	<u>26,308</u>	<u>67,893</u>	<u>188,225</u>	<u>171,076</u>
	<u>\$ 1,132,487</u>	<u>1,037,149</u>	<u>3,155,630</u>	<u>2,758,167</u>
Main product/service lines:				
Contact lens	\$ 1,131,924	1,036,549	3,154,055	2,753,523
Others	563	600	1,575	4,644
	<u>\$ 1,132,487</u>	<u>1,037,149</u>	<u>3,155,630</u>	<u>2,758,167</u>

(ii) Contract balance

	2025.9.30	2024.12.31	2024.9.30
Accounts receivable (including related parties)	\$ 684,009	454,773	641,604
Less: Loss allowances	(9,517)	(14,000)	(15,500)
	<u>\$ 674,492</u>	<u>440,773</u>	<u>626,104</u>
Contract liabilities	<u>\$ 37,744</u>	<u>35,750</u>	<u>22,798</u>

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

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 September 30, 2025 and 2024 were NT\$26,825 thousand and NT\$23,069 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

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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 July 1 to September 30, 2025 and 2024 and from January 1 to September 30, 2025 and 2024 were NT\$26,741 thousand, NT\$21,255 thousand, NT\$66,174 thousand and NT\$49,387 thousand, respectively. The estimated amounts for the director's remuneration were NT\$1,792 thousand, NT\$1,487 thousand, NT\$4,615 thousand and NT\$3,627 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 compensation, 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 fully distributed in cash. Relevant information is available on the Market Observation Post System website.

(v) Non-operating income and expenses

(i) Interest income

	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Interest income from bank deposits	\$ 1,357	2,491	6,960	5,645

(ii) Other income

	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Dividend income	\$ -	8,327	1,199	8,327
Others	1,537	508	3,027	1,881
	<u>\$ 1,537</u>	<u>8,835</u>	<u>4,226</u>	<u>10,208</u>

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(iii) Other gains and losses

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Gains on lease modifications	\$ -	-	4	106
Net foreign exchange gains (losses)	(7,173)	(3,601)	(39,419)	(26,623)
Losses on financial assets at fair value through profit (loss)	2,914	-	(437)	-
Others	59	-	21	-
	\$ (4,200)	(3,601)	(39,831)	(26,517)

(iv) Finance costs

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Interest expenses:				
Bank loans	\$ (5,149)	(7,231)	(15,632)	(21,846)
Lease liabilities	(123)	(75)	(308)	(305)
	\$ (5,272)	(7,306)	(15,940)	(22,151)

(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.

(i) Category of financial instruments

I) Financial assets

	2025.9.30	2024.12.31	2024.9.30
Current financial assets at fair value through profit or loss - current:	\$ 31,950	-	-
Financial assets measured at fair value through other comprehensive income - non-current	\$ -	-	451,809
Financial assets measured at amortized cost:			
Cash and cash equivalents	\$ 881,190	757,453	611,930
Accounts receivable and other receivables (including related parties)	675,000	441,330	627,088
Financial assets measured at amortized cost - current	47,548	47,808	23,907
Other financial assets - non-current	6,130	6,054	7,024
Subtotal	1,609,868	1,252,645	1,269,949
Total	\$ 1,641,818	1,252,645	1,721,758

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2) Financial liabilities

	2025.9.30	2024.12.31	2024.9.30
Financial liabilities measured at amortized cost:			
Short-term borrowings	\$ 190,000	-	86,676
Notes and accounts payable (including related parties)	200,770	204,688	216,895
Payables on equipment and other payables	467,356	400,720	416,502
Lease liabilities (including current and non-current)	27,404	16,159	19,041
Long-term debt (including current portion)	723,999	828,157	986,463
	\$ 1,609,529	1,449,724	1,725,577

(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).

	2025.9.30			
	Fair value			
	Level 1	Level 2	Level 3	Total
Current financial assets at fair value through profit or loss:				
Domestically listed stocks	\$ 31,950	-	-	31,950

	2024.9.30			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income:				
Domestically listed stocks	\$ 451,809	-	-	451,809

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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

From January 1 to September 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 September 30, 2025, December 31, and September 30, 2024 were NT\$907,134 thousand, NT\$1,139,424 thousand, and NT\$838,899 thousand, respectively.

	Contractual cash flows	Within 6 months	6-12 months	1-2year(s)	2-5years	Over 5 Years
September 30, 2025						
Non-derivative financial liabilities						
Short-term borrowings	\$ 190,881	190,881	-	-	-	-
Notes and accounts payable (including related parties)	200,770	200,770	-	-	-	-
Payables on equipment and other payables (including related parties)	467,356	467,356	-	-	-	-
Lease liabilities (including current and non-current)	28,475	5,266	4,447	6,751	10,405	1,606
Long-term debt (including current portion)	754,005	115,590	124,949	257,415	256,051	-
	\$ 1,641,487	979,863	129,396	264,166	266,456	1,606
December 31, 2024						
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	-
	\$ 1,489,577	746,470	218,548	242,399	282,160	-
September 30, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 87,005	87,005	-	-	-	-
Notes and accounts payable (including related parties)	216,895	216,895	-	-	-	-
Payables on equipment and other payables (including related parties)	416,502	416,502	-	-	-	-

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	Contractual cash flows	Within 6 months	6-12 months	1-2 year(s)	2-5 years	Over 5 Years
Lease liabilities (including current and non-current)	19,362	5,650	3,679	5,752	4,281	-
Long-term loan (including the current portion due within one year)	1,036,727	142,623	241,540	308,876	343,688	-
	\$ 1,776,491	868,675	245,219	314,628	347,969	-

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.

(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):

2025.9.30						
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Changes in magnitude	Impact of the profit or loss (before tax) (in thousands)	
Financial assets						
Monetary items						
USD	\$ 20,710	30.445	630,516	1%	6,305	
EUR	1,562	35.770	55,873	1%	559	
CNY	43,268	4.2765	185,036	1%	1,850	
JPY	4,678,869	0.2059	963,379	1%	9,634	
Financial liabilities						
Monetary items						
USD	14,484	30.445	440,965	1%	4,410	
CNY	18,238	4.2765	77,995	1%	780	
JPY	1,201,906	0.2059	247,472	1%	2,475	
2024.12.31						
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Changes in magnitude	Impact of the profit or loss (before tax) (in thousands)	
Financial assets						
Monetary items						
USD	\$ 31,411	32.785	1,029,810	1%	10,298	
EUR	1,379	34.132	47,068	1%	471	
CNY	14,645	4.4915	65,778	1%	658	
JPY	1,824,890	0.2099	383,044	1%	3,830	
Financial liabilities						
Monetary items						
USD	21,763	32.785	713,500	1%	7,135	

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2024.9.30						Impact of the profit or loss (before tax) (in thousands)	
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Changes in magnitude			
Financial assets							
Monetary items							
USD	\$ 26,906	31.650	851,575	1%	8,516		
EUR	3,227	35.391	114,207	1%	1,142		
CNY	34,683	4.5133	156,535	1%	1,565		
JPY	1,849,791	0.2223	411,209	1%	4,112		
Financial liabilities							
Monetary items							
USD	22,133	31.650	700,509	1%	7,005		

The net foreign exchange losses (including realized and unrealized) from January 1 to September 30, 2025 and 2024, were NT\$39,419 thousand and NT\$26,623 thousand, respectively.

(v) Other market price risk

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 January 1 to September 30, 2025 would change by NT\$1,598 thousand, and the amount of other comprehensive income as of January 1 to September 30, 2024 would change by NT\$22,590 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.

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(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			2025.9.30
			Additions of lease liabilities	Derecognition of lease liabilities	Exchange rate changes	
Short-term borrowings	\$ -	190,000	-	-	-	190,000
Long-term debt (including current portion)	828,157	(99,776)	-	-	(4,382)	723,999
Lease liabilities (including current portion)	16,159	(7,611)	19,004	(116)	(32)	27,404
Total liabilities from financing activities	<u>\$ 844,316</u>	<u>82,613</u>	<u>19,004</u>	<u>(116)</u>	<u>(4,414)</u>	<u>941,403</u>

	2024.1.1	Cash flow	Non-cash changes			2024.9.30
			Additions of lease liabilities	Derecognition of lease liabilities	Exchange rate changes	
Short-term borrowings	\$ 43,500	43,096	-	-	80	86,676
Long-term debt (including current portion)	1,009,142	(67,215)	-	-	44,536	986,463
Lease liabilities (including current portion)	31,135	(11,937)	2,407	(2,724)	160	19,041
Total liabilities from financing activities	<u>\$ 1,083,777</u>	<u>(36,056)</u>	<u>2,407</u>	<u>(2,724)</u>	<u>44,776</u>	<u>1,092,180</u>

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 (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)

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Name of Related Party	Relationship with the Group
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:

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Entity with significant influence over the Group - BMC	\$ 121,872	101,687	328,017	380,209

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.

(ii) Purchases

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

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Entity with significant influence over the Group - BMC	\$ 53,846	45,036	161,791	148,990

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 September 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:

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	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Entity with significant influence over the Group - Qisda	\$ 84	8	174	33

The lease income from leasing offices to the other related party (QLPG) for July 1 to September 30, 2025 and 2024 and January 1 to September 30, 2025 and 2024 amounted to NT\$14 thousand, NT\$15 thousand, NT\$45 thousand and NT\$43 thousand, respectively.

(iv) Management service revenue

The Group recognized management service revenue of NT\$286 thousand, NT\$286 thousand, NT\$857 thousand and NT\$3,857 thousand for providing relevant medical management services to substantive related parties from July 1 to September 30, 2025 and 2024 and January 1 to September 30, 2025 and 2024.

(v) Property transactions

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

	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Other related party	\$ -	1,050	-	1,050

(vi) Operating expenses

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

	<u>July to September 2025</u>	<u>July to September 2024</u>	<u>January to September 2025</u>	<u>January to September 2024</u>
Entity with significant influence over the Group - Qisda	\$ 61	62	183	183
Entity with significant influence over the Group - BMC	-	-	-	105
Substantive related party	300	300	900	900
Other related party	6	74	90	138
	\$ 367	436	1,173	1,326

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(vii) Receivables from related parties

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

Accounting subject	Types of related party	2025.9.30	2024.12.31	2024.9.30
Accounts receivable	Entity with significant influence over the Group - BMC	\$ 82,205	64,977	72,395

(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:

Accounting subject	Types of related party	2025.9.30	2024.12.31	2024.9.30
Accounts payable	Entity with significant influence over the Group - BMC	\$ 48,708	36,636	28,784
Other payables	Entity with significant influence over the Group - Qisda	\$ 980	797	849
Other payables	Substantive related party	88	88	88
Other payables	Other related party	7	163	78
		\$ 1,075	1,048	1,015
Lease liabilities - current	Entity with significant influence over the Group - Qisda	\$ 2,786	756	1,503
Lease liabilities - non-current	Entity with significant influence over the Group - Qisda	13,632	-	-
		\$ 16,418	756	1,503

(c) Remuneration for key management personnel

	July to September 2025	July to September 2024	January to September 2025	January to September 2024
Short-term employee benefits	\$ 6,414	6,253	18,705	17,926
Post employment benefits	27	27	81	81
	\$ 6,441	6,280	18,786	18,007

8. Pledged assets

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

Name of asset	Pledged collaterals	2025.9.30	2024.12.31	2024.9.30
Restricted bank deposits	Performance guarantee	\$ 22,548	22,808	23,907
Land-use rights and buildings	Bank loans	732,601	763,725	808,856
		\$ 755,149	786,533	832,763

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9. Significant commitments and contingencies

Contractual commitments unrecognized by the Group are as follows:

	2025.9.30	2024.12.31	2024.9.30
Acquisition of property, plant, and equipment	\$ 286,625	184,673	231,512

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:

Nature	Function	July to September 2025			July to September 2024		
		Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits							
Salaries		138,402	92,853	231,255	133,092	78,869	211,961
Labor and health insurance		2,168	4,967	7,135	2,031	4,208	6,239
Pensions		4,206	3,089	7,295	4,074	3,081	7,155
Other employee benefits		2,433	2,546	4,979	2,851	2,667	5,518
Depreciation expenses		112,030	11,583	123,613	99,609	11,651	111,260
Amortization expenses		-	1,702	1,702	-	2,024	2,024

Nature	Function	January to September 2025			January to September 2024		
		Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits							
Salaries		411,113	259,617	670,730	372,060	217,321	589,381
Labor and health insurance		6,540	13,686	20,226	5,031	11,099	16,130
Pensions		12,822	9,394	22,216	11,027	7,935	18,962
Other employee benefits		7,270	7,880	15,150	7,037	7,193	14,230
Depreciation expenses		335,320	35,691	371,011	275,252	35,807	311,059
Amortization expenses		-	5,401	5,401	-	7,677	7,677

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:

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(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		
1	VVM	VMM	Other receivables - related parties	Yes	13,467 (MYR1,800)	13,015 (MYR1,800)	13,015 (MYR1,800)	5%	2	-	Operating turnover	-	-	-	1,344,158	1,344,158

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 Name	Counterparty	Relationship	Transaction Details				Unusual Transaction Terms and Reasons		Notes and Accounts Receivable (Payable)		Remark
			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)	(328,017)	(11) %	Payment made in 60 days	(Note 1)	(Note 1)	82,205	10%	-
VVM	BMC	Significant impact on the Company	Purchases	161,470	22 %	Payment made in 60 days	(Note 2)	(Note 1)	(48,595)	(26)%	-
The Company	From-eyes	Parent company and subsidiaries	(Sales)	(929,059)	(32) %	Payment made in 60 days	(Note 1)	(Note 1)	335,560	42% (Note 4)	
From-eyes	The Company	Parent company and subsidiaries	Purchases	929,059	96 %	Payment made in 60 days	(Note 1)	(Note 1)	(335,560)	(97)% (Note 4)	
VVM	The Company	Parent company and subsidiaries	(Sales)	(2,164,146)	(100) %	Payment made in 60 days	(Note 3)	(Note 1)	508,433	100% (Note 4)	
The Company	VVM	Parent company and subsidiaries	Purchases	2,164,146	100 %	Payment made in 60 days	(Note 2)	(Note 1)	(508,433)	(98)% (Note 4)	
The Company	TYC	Parent company and subsidiaries	(Sales)	(322,718)	(11) %	Payment made in 60 days	(Note 1)	(Note 1)	118,292	15% (Note 4)	
TYC	The Company	Parent company and subsidiaries	Purchases	322,718	100 %	Payment made in 60 days	(Note 1)	(Note 1)	(118,292)	(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.

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.

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(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	335,560	4.38	-	-	-	-
The Company	TYC	Parent company and subsidiaries	118,292	5.23	30,944	-	19,233	-
VVM	The Company	Parent company and subsidiaries	508,433	5.59	-	-	142,418	-

Note: The aforementioned transactions between Fromeyes, TYC and VVM have been offset when preparing the Consolidated Financial Statements.

(vi) Intercompany relationships and material intercompany transactions

No. (Note 1)	Company Name	Counterparty	Relationships with Counterparties (Note 2)	Description of Transactions (Note 3)			
				Account	Amount	Transaction Term	Percentage of Consolidated Total Operating Revenue or Total Assets (Note 4)
0	The Company	From-eyes	I (Sales)	(929,059)	Payment made in 60 days		(29.44)%
0	The Company	From-eyes	I Accounts receivable (Sales)	335,560	Payment made in 60 days		5.76%
0	The Company	TYC	I (Sales)	(322,718)	Payment made in 60 days		(10.23)%
0	The Company	TYC	I Accounts receivable (Sales)	118,292	Payment made in 60 days		2.03%
I	VVM	The Company	2 (Sales)	(2,164,146)	Payment made in 60 days		(68.58)%
I	VVM	The Company	2 Accounts receivable	508,433	Payment made in 60 days		8.73%

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.

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(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%	3,358,304	325,702	325,702	Parent company and subsidiaries (Note)
The Company	From-eyes	Japan	Sale of contact lenses	220,441	220,441	1	100.00%	241,075	36,380	34,638	Parent company and subsidiaries (Note)
The Company	VCT	Taiwan	Medical management consulting services	44,000	44,000	4,400	55.00%	28,982	1,417	244	Parent company and subsidiaries (Note)
The Company	Crystalvue	Taiwan	Design, manufacture, and sale of medical-related instruments	564,473	449,888	6,451	25.46%	567,229	109,307	14,471	Associates
VVM	VMM	Malaysia	Lease and management service	3,696	3,696	500	100.00%	1,342	(161)	(161)	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)	(Note1)	14,968 (CNY3,500)	-	-	14,968 (CNY3,500)	(4,287)	100.00%	(4,287)	(10,855)	-

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 4.2765 at the end of the period from CNY to NTD.

(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	111,174 (Note 2) (USD3,160 and CNY 3,500)	112,392 (Note 2) (USD3,200 and CNY 3,500)	2,390,129

Note 1: It is converted using the exchange rate of 30.4450 from USD to NTD and the exchange rate of 4.2765 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, MOEA. The related investees companies have completed the liquidation process in 2019 and have already submitted a cancellation report to the Investment Commission, MOEA regarding the investment in mainland China.

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(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	322,718	(Note I)	Payment made in 60 days	(Note I)	118,292	14.67%	(14,683)

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.