

VISCO VISION INC.AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report

For the Three Months Ended March 31, 2025 and 2024

Address: No. 1, Xingye St., Guishan Dist., Taoyuan City
Telephone: 886-3-359-6868

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.

Table of Contents

Item	Page
1. Cover Page	1
2. Table of Contents	2
3. Independent Auditors' Report	3
4. Consolidated Balance Sheets	4
5. Consolidated Statements of Comprehensive Income	5
6. Consolidated Statements of Changes in Equity	6
7. Consolidated Statements of Cash Flows	7~8
8. Notes to Consolidated Financial Statements	
(1) Organization and business	9
(2) Authorization of the consolidated financial statements	9
(3) Application of new and revised accounting standards and interpretations	9~11
(4) Summary of significant accounting policies	11~12
(5) Critical accounting judgments and key sources of estimation and assumption uncertainty	12
(6) Significant account disclosures	13~34
(7) Related party transactions	34~37
(8) Pledged assets	37
(9) Significant commitments and contingencies	37
(10) Significant loss from disaster	38
(11) Significant subsequent events	38
(12) Others	38
(13) Additional disclosures	
(a) Information on significant transactions	38~40
(b) Information on investees	40
(c) Information on investments in Mainland China	40~41
(14) Segment information	41

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 March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 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 March 31, 2025 and 2024, its financial performance and its cash flows for the three months ended March 31 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)

May 7, 2025

VISCO VISION INC. AND SUBSIDIARIES
Consolidated Balance Sheets
March 31, 2025, December 31, and March 31, 2024
(Expressed in Thousands of New Taiwan Dollars)

		2025.3.31		2024.12.31		2024.3.31				2025.3.31		2024.12.31		2024.3.31	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (Note 6 (a))	\$ 786,839	14	757,453	15	511,268	10	2100	Short-term borrowings (Note 6 (k))	\$ -	-	-	-	33,840	1
1137	Financial assets measured at amortized cost - current (Notes 6 (b) and 8)	48,278	1	47,808	1	164,194	4	2130	Contract liabilities - current (Note 6 (s))	72,361	1	35,750	1	21,075	-
1170	Accounts receivable, net (Notes 6 (d) and (s))	542,515	10	375,796	7	463,604	9	2170	Notes and accounts payable	194,370	3	168,052	3	140,583	3
1180	Accounts receivable from related parties (Notes 6 (d), (s) and 7)	75,552	1	64,977	1	100,670	2	2180	Accounts payable to related parties (Note 7)	41,712	1	36,636	1	26,654	1
1200	Other receivables (Notes 6 (e) and 7)	12,387	-	557	-	574	-	2213	Payables on equipment	128,581	2	95,684	2	181,510	4
130X	Inventories (Note 6 (f))	669,943	12	593,496	11	634,606	13	2216	Dividends payable (Note 6 (q) and 7)	321,300	6	-	-	151,200	3
1479	Prepayments and other current assets	56,929	1	58,730	1	64,641	1	2219	Other payables (Notes 6 (t) and 7)	380,780	7	367,276	7	290,662	6
Total current assets		2,192,443	39	1,898,817	36	1,939,557	39	2250	Provisions- current (Note 6 (l))	36,910	1	31,037	-	20,788	-
Non-current assets:								2280	Lease liabilities - current (Notes 6 (m), and 7)	6,818	-	7,894	-	11,093	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 6 (c))	-	-	-	-	285,231	6	2322	Current portion of long-term debt (Notes 6 (n), and 8)	323,913	6	331,322	6	237,865	5
1550	Investments accounted for using the equity method (Notes 6 (c) and (g))	450,076	8	451,501	8	-	-	2399	Other current liabilities	13,653	-	2,536	-	8,695	-
1600	Property, plant, and equipment (Notes 6 (h), and 8)	2,232,753	40	2,196,824	41	1,927,880	39	Total current liabilities		1,520,398	27	1,076,187	20	1,123,965	23
1755	Right-of-use assets (Notes 6 (i), 7 and 8)	407,071	7	405,596	8	393,471	8	Non-current liabilities:							
1780	Intangible assets (Note 6 (j))	89,328	1	86,883	2	92,432	2	2540	Long-term loans (Notes 6 (n), and 8)	435,215	8	496,835	10	820,965	17
1840	Deferred income tax assets	212,607	4	219,747	4	201,148	4	2570	Deferred income tax liabilities	3,927	-	4,154	-	6,386	-
1915	Prepayments for construction and equipment	46,951	1	37,242	1	123,150	2	2580	Lease liabilities - non-current (Notes 6 (m))	6,693	-	8,265	-	12,305	-
1980	Other financial assets - non-current	6,225	-	6,054	-	6,587	-	2670	Other non-current liabilities	1,530	-	1,443	-	803	-
1990	Other non-current assets	420	-	600	-	1,140	-	Total non-current liabilities		447,365	8	510,697	10	840,459	17
Total non-current assets		3,445,431	61	3,404,447	64	3,031,039	61	Total liabilities		1,967,763	35	1,586,884	30	1,964,424	40
Total assets		\$ 5,637,874	100	5,303,264	100	4,970,596	100	Equity attributable to shareholders of the Parent (Notes 6 (c) and (q))							
								3110	Common stock	630,000	11	630,000	12	630,000	13
								3200	Capital surplus	1,431,007	25	1,431,007	27	1,431,007	29
								Retained earnings:							
								3310	Legal reserve	188,770	3	188,770	4	158,609	3
								3320	Special reserve	194,181	4	194,181	4	119,796	2
								3350	Unappropriated earnings	1,109,606	20	1,238,990	23	838,881	17
										1,492,557	27	1,621,941	31	1,117,286	22
								3400	Other equity	97,211	2	14,099	-	(188,448)	(4)
								Total equity attributable to shareholders of the Parent		3,650,775	65	3,697,047	70	2,989,845	60
								36XX	Non-controlling interests (Note (q))	19,336	-	19,333	-	16,327	-
								Total equity		3,670,111	65	3,716,380	70	3,006,172	60
								Total liabilities and equity		\$ 5,637,874	100	5,303,264	100	4,970,596	100

(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 March 31, 2025, and 2024
(Expressed in Thousands of New Taiwan Dollars)

		January to March 2025		January to March 2024	
		Amount	%	Amount	%
4000	Net sales (Notes 6 (s), and 7)	\$ 947,118	100	815,946	100
5000	Cost of sales (Notes 6 (f), (h), (i), (l), (o), (t), 7 and 12)	(562,419)	(59)	(461,911)	(57)
	Operating margin	384,699	41	354,035	43
	Operating expenses (Notes 6 (d), (h), (i), (j), (m), (o), (t), 7 and 12):				
6100	Selling expenses	(66,622)	(7)	(39,465)	(5)
6200	Administrative expenses	(69,096)	(7)	(60,155)	(7)
6300	Research and development expenses	(51,030)	(6)	(49,222)	(6)
6450	Expected credit impairment gain on reversal (loss)	1,486	-	(1,210)	-
	Total operating expenses	(185,262)	(20)	(150,052)	(18)
	Net operating profit	199,437	21	203,983	25
	Non-operating income and loss (Notes 6 (g), (m), (u), and 7):				
7100	Interest income	2,976	-	1,578	-
7010	Other income	940	-	636	-
7020	Other gains and losses	26,120	3	(2,564)	-
7050	Finance costs	(5,488)	-	(7,448)	(1)
7070	Share of profit or loss of associates recognized using the equity method	4,004	-	-	-
	Total non-operating income and expenses	28,552	3	(7,798)	(1)
7900	Net profit before tax	227,989	24	196,185	24
7950	Income tax expenses (Notes 6 (p))	(34,073)	(4)	(26,963)	(3)
8200	Net profit for the year	193,916	20	169,222	21
	Other comprehensive income (Note 6 (q)):				
8310	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	-	-	(10,324)	(1)
8349	Income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		-	-	(10,324)	(1)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Foreign currency translation differences	83,112	9	16,057	1
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		83,112	9	16,057	1
	Other comprehensive income for the period	83,112	9	5,733	-
8500	Total comprehensive income for the period	\$ 277,028	29	174,955	21
	Net income attributable to for the period:				
8610	Shareholders of the Parent	\$ 193,913	20	170,372	21
8620	Non-controlling interests	3	-	(1,150)	-
		\$ 193,916	20	169,222	21
	Total comprehensive income attributable to:				
8710	Shareholders of the Parent	\$ 277,025	29	176,105	21
8720	Non-controlling interests	3	-	(1,150)	-
		\$ 277,028	29	174,955	21
	Earnings per share (Note 6 (r))				
9750	Basic earnings per share (NTD)	\$	3.08		2.70
9850	Diluted earnings per share (NTD)	\$	3.06		2.70

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

VISCO VISION INC.AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2025, and 2024
(Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company											
	Retained earnings						Other equity		Total	Total equity of the Parent	Non-controlling interests	Total Equity
							Unrealized gains (losses) from financial assets at fair value through other comprehensive income					
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Foreign currency translation differences					
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 Income (Loss)	-	-	-	-	170,372	170,372	-	-	-	170,372	(1,150)	169,222
Other comprehensive income for the period	-	-	-	-	-	-	16,057	(10,324)	5,733	5,733	-	5,733
Total comprehensive income for the period	-	-	-	-	170,372	170,372	16,057	(10,324)	5,733	176,105	(1,150)	174,955
Distribution of earnings:												
Cash dividends of common stock	-	-	-	-	(151,200)	(151,200)	-	-	-	(151,200)	-	(151,200)
Balance as of March 31, 2024	\$ 630,000	1,431,007	158,609	119,796	838,881	1,117,286	(208,009)	19,561	(188,448)	2,989,845	16,327	3,006,172
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	-	-	-	-	193,913	193,913	-	-	-	193,913	3	193,916
Other comprehensive income for the period	-	-	-	-	-	-	83,112	-	83,112	83,112	-	83,112
Total comprehensive income for the period	-	-	-	-	193,913	193,913	83,112	-	83,112	277,025	3	277,028
Distribution of earnings:												
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	-	-	-	-	(1,997)	(1,997)	-	-	-	(1,997)	-	(1,997)
Balance as of March 31, 2025	\$ 630,000	1,431,007	188,770	194,181	1,109,606	1,492,557	97,211	-	97,211	3,650,775	19,336	3,670,111

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

VISCO VISION INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the three months ended March 31, 2025, and 2024
(Expressed in Thousands of New Taiwan Dollars)

	<u>January to March 2025</u>	<u>January to March 2024</u>
Cash flows from operating activities:		
Income before income tax	\$ 227,989	196,185
Items for adjustments:		
Adjustments:		
Depreciation expenses	123,483	99,266
Amortization expenses	1,853	3,501
Expected credit impairment (gain on reversal) loss	(1,486)	1,210
Interest expenses	5,488	7,448
Interest income	(2,976)	(1,578)
Share of profit of associates recognized using the equity method	(4,004)	-
Gains on lease modifications	(4)	(106)
Total adjustments for profit or loss	<u>122,354</u>	<u>109,741</u>
Changes in operating assets and liabilities:		
Changes in net operating assets:		
Accounts receivable	(166,719)	(143,944)
Accounts receivable from related parties	(9,089)	(47,135)
Other receivables	(262)	17,424
Inventories	(76,447)	(28,539)
Prepayments and other current assets	1,785	(14,253)
Other non-current assets	180	180
Total changes in net operating assets	<u>(250,552)</u>	<u>(216,267)</u>
Changes in net operating liabilities:		
Contract liabilities	36,611	(10,242)
Notes and accounts payable	26,318	(1,562)
Accounts payable to related parties	5,076	(3,496)
Other payables	(4,346)	(52,266)
Provisions	5,873	2,213
Other current liabilities	11,117	(1,531)
Other non-current liabilities	87	-
Total changes in net operating liabilities	<u>80,736</u>	<u>(66,884)</u>
Total changes in net operating assets and liabilities	<u>(169,816)</u>	<u>(283,151)</u>
Total items for adjustments	<u>(47,462)</u>	<u>(173,410)</u>
Cash inflows generated from operations	180,527	22,775
Interest received	3,090	1,578
Interest paid	(5,582)	(7,469)
Income tax paid	(5,615)	(287)
Net Cash Flows Generated from Operating Activities	<u>172,420</u>	<u>16,597</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 three months ended March 31, 2025, and 2024
(Expressed in Thousands of New Taiwan Dollars)

	<u>January to March 2025</u>	<u>January to March 2024</u>
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(30,179)
Acquisition of financial assets at amortized cost	(470)	-
Disposal of financial assets measured at amortized cost:	-	49,889
Acquisition of investments accounted for using the equity method	(8,250)	-
Acquisition of property, plant, and equipment (including prepayments for constructions and equipment)	(86,555)	(79,615)
Acquisition of intangible assets	(174)	(27)
Increase in other financial assets	(171)	(1,440)
Net Cash Flows Used in Investing Activities	<u>(95,620)</u>	<u>(61,372)</u>
Cash flows from financing activities:		
Decrease in short-term borrowings	-	(8,548)
Increase in long-term loans	-	75,000
Repayments of long-term loans	(75,040)	(27,777)
Decrease in guarantee deposits received	-	(13)
Repayment of lease liabilities	(2,604)	(5,060)
Net cash inflows (outflows) generated from financing activities	<u>(77,644)</u>	<u>33,602</u>
Impact of exchange rate changes on cash and cash equivalents	<u>30,230</u>	<u>1,672</u>
Increase (decrease) in cash and cash equivalents for the period	<u>29,386</u>	<u>(9,501)</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>\$ 786,839</u>	<u>511,268</u>

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

VISCO VISION INC.AND SUBSIDIARIES
Notes to Consolidated Financial Statements
For the Three Months Ended March 31, 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 May 7, 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.

- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" regarding the application guidance of IFRS 9 paragraph 4.1 and related disclosure requirements of IFRS 7

- (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:

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

New and Amended Standards	Amended Contract Content	Effective Date of Issuance by the IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	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.	January 1, 2027
IFRS 18 "Presentation and Disclosure in Financial Statements"	<ul style="list-style-type: none"> <li data-bbox="735 741 1238 1294">• 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 data-bbox="735 1294 1238 1742">• 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 data-bbox="735 1742 1238 2078">• 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. 	January 1, 2027

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 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 17 “Insurance Contracts,” and amendments to IFRS 17
- IFRS 19 “Subsidiaries without Public Accountability: Disclosures”
- Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” regarding the application guidance of IFRS 9 paragraphs 3.1 and 3.3 and related disclosure requirements of IFRS 7
- Annual improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”

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.

(a) Basis of consolidation

(i) Subsidiaries included in the consolidated financial statements

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Subsidiary	Main Business and Products	Percentage of Ownership		
			2025.3.31	2024.12.31	2024.3.31
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.

(b) 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>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Cash on hand	\$ 32	31	31
Demand deposits and checking deposits	503,466	257,000	510,556
Cash equivalent	2,548	2,324	681
Time deposits with original maturity date less than three months	<u>280,793</u>	<u>498,098</u>	<u>-</u>
	<u>\$ 786,839</u>	<u>757,453</u>	<u>511,268</u>

(b) Financial assets measured at amortized cost - current

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Restricted bank deposits	\$ 23,278	22,808	14,194
Time deposits with original maturity date over three months	<u>25,000</u>	<u>25,000</u>	<u>150,000</u>
	<u>\$ 48,278</u>	<u>47,808</u>	<u>164,194</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.

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

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Equity investments at fair value through other comprehensive income:			
Listed stocks	<u>\$ -</u>	<u>-</u>	<u>285,231</u>

As of March 31, 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, 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 March 31, 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.

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

The financial assets mentioned above have not been provided as pledged collaterals. Please refer to Note 6 (22) for information on market risks.

(d) Accounts receivable

	2025.3.31	2024.12.31	2024.3.31
Accounts receivable	\$ 542,515	375,796	463,604
Accounts receivable from related parties	88,066	78,977	128,726
	630,581	454,773	592,330
Less: Loss allowances	(12,514)	(14,000)	(28,056)
	\$ 618,067	440,773	564,274

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:

	2025.3.31		
	Carrying amount of accounts receivable	Weighted average loss rate	Loss allowance
Current	\$ 537,636	0%	-
Past due less than 30 days	58,015	0%	-
Past due 31 to 90 days	16,738	0%	-
Past due 61 to 90 days	5,678	0%	-
	618,067		-
Individually	12,514	100%	12,514
	\$ 630,581		12,514

	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 90 days	24,311	0%	-
Past due 61 to 90 days	770	0%	-
	440,773		-
Individually	14,000	100%	14,000
	\$ 454,773		14,000

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

	2024.3.31		
	Carrying amount of accounts receivable	Weighted average loss rate	Loss allowance
Current	\$ 442,003	0%	-
Past due less than 30 days	78,633	0%	-
Past due 31 to 90 days	35,835	0%	-
Past due 61 to 90 days	661	0%	-
Past due 91-120 days	-	0%	-
Overdue for 121 days	6,888	0%	-
	564,020		-
Individually	28,310	99.10%	28,056
	\$ 592,330		28,056

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

	January to March 2025	January to March 2024
Balance at January 1	\$ 14,000	26,846
Impairment loss recognized	-	1,210
Impairment loss reversal	(1,486)	-
Balance at March 31	\$ 12,514	28,056

(e) Other receivables

	2025.3.31	2024.12.31	2024.3.31
Dividends receivable - related parties	\$ 11,682	-	-
Others	990	842	574
Less: Loss allowances	(285)	(285)	-
	\$ 12,387	557	574

As of March 31, 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.

(f) Inventories

	2025.3.31	2024.12.31	2024.3.31
Raw materials	\$ 175,870	134,268	126,416
Work in process	279,877	259,284	353,127
Finished goods	214,196	199,944	155,063
	\$ 669,943	593,496	634,606

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

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

	January to March 2025	January to March 2024
Costs of inventories sold	\$ 556,339	460,019
Warranty costs estimated	5,126	2,028
Write-downs of inventories (reversal gain)	547	(153)
Loss on scrap of inventories	407	17
	<u>\$ 562,419</u>	<u>461,911</u>

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.

(g) 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:

	2025.3.31	2024.12.31	2024.3.31
Associates	<u>\$ 450,076</u>	<u>451,501</u>	<u>-</u>

(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	2025.3.31		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	20.49%	<u>\$ 450,076</u>	20.11%	<u>\$ 451,501</u>

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(c).

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

	2025.3.31	2024.12.31
Crystalvue	<u>\$ 427,302</u>	<u>432,566</u>

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

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

I) Summarized Financial Information of Crystalvue

	2025.3.31	2024.12.31
Current assets	\$ 695,096	699,861
Non-current assets	1,307,036	1,300,566
Current liabilities	(274,091)	(233,215)
Non-current liabilities	(11,454)	(13,174)
Net assets	<u>\$ 1,716,587</u>	<u>1,754,038</u>

	January to March 2025
Operating revenue	<u>\$ 224,492</u>
Net profit for the year	\$ 19,567
Other comprehensive income	-
Total comprehensive income	<u>\$ 19,567</u>

	January to March 2025
Beginning carrying amount of the Group's net assets in associates	\$ 451,501
Additions to investments for the current period	8,250
Difference between investment share price and carrying value of new investments for the current period	(1,997)
Total comprehensive income attributable to the Group for the current period	4,004
Dividends received from associates for the current period	(11,682)
Ending carrying amount of the Group's net assets in associates	<u>\$ 450,076</u>

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

(h) Property, plant, and equipment

	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
Additions	-	2,023	199	2,296	105,225	109,743
Disposals	-	(51)	(7,619)	-	-	(7,670)
Reclassifications	-	57,072	-	-	(57,072)	-
Effect of exchange rate changes	10,215	62,214	-	653	7,505	80,587
Balance at March 31, 2025	\$ 505,778	3,281,645	32,870	35,654	371,776	4,227,723
Balance at January 1, 2024	\$ 481,784	2,507,031	39,651	24,819	174,003	3,227,288
Additions	-	1,123	195	3,213	110,037	114,568
Disposals	-	(1,087)	-	-	-	(1,087)
Reclassifications	1,562	66,529	-	293	(68,384)	-
Effect of exchange rate changes	3,801	19,592	-	(125)	2,117	25,385
Balance at March 31, 2024	\$ 487,147	2,593,188	39,846	28,200	217,773	3,366,154
Accumulated depreciation:						
Balance at January 1, 2025	\$ 88,097	1,711,712	27,254	21,176	-	1,848,239
Depreciation for the period	5,014	109,712	1,343	964	-	117,033
Disposals	-	(51)	(7,619)	-	-	(7,670)
Effect of exchange rate changes	1,920	34,954	-	494	-	37,368
Balance at March 31, 2025	\$ 95,031	1,856,327	20,978	22,634	-	1,994,970
Balance at January 1, 2024	\$ 62,212	1,237,449	21,402	16,261	-	1,337,324
Depreciation for the period	4,642	83,838	1,759	800	-	91,039
Disposals	-	(1,087)	-	-	-	(1,087)
Effect of exchange rate changes	577	10,553	-	(132)	-	10,998
Balance at March 31, 2024	\$ 67,431	1,330,753	23,161	16,929	-	1,438,274
Carrying amounts:						
March 31, 2025	\$ 410,747	1,425,318	11,892	13,020	371,776	2,232,753
January 1, 2025	\$ 407,466	1,448,675	13,036	11,529	316,118	2,196,824
Balance at March 31, 2024	\$ 419,716	1,262,435	16,685	11,271	217,773	1,927,880

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

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

(i) Right-of-use assets

	Land	Buildings	Machinery	Transportation equipment	Total
Cost of right-of-use assets:					
Balance at January 1, 2025	\$ 443,302	46,883	-	-	490,185
Disposals	-	(17,710)	-	-	(17,710)
Effect of exchange rate changes	9,137	191	-	-	9,328
Balance at March 31, 2025	\$ 452,439	29,364	-	-	481,803
Balance at January 1, 2024	\$ 406,467	65,532	17,455	1,201	490,655
Disposals	-	(6,524)	-	-	(6,524)
Effect of exchange rate changes	3,181	(94)	-	-	3,087
Balance at March 31, 2024	\$ 409,648	58,914	17,455	1,201	487,218
Accumulated depreciation:					
Balance at January 1, 2025	\$ 53,502	31,087	-	-	84,589
Depreciation for the period	3,821	2,629	-	-	6,450
Disposals	-	(17,594)	-	-	(17,594)
Effect of exchange rate changes	1,182	105	-	-	1,287
Balance at March 31, 2025	\$ 58,505	16,227	-	-	74,732
Balance at January 1, 2024	\$ 35,040	37,773	15,710	700	89,223
Depreciation for the period	3,465	3,739	872	151	8,227
Disposals	-	(3,944)	-	-	(3,944)
Effect of exchange rate changes	341	(100)	-	-	241
Balance at March 31, 2024	\$ 38,846	37,468	16,582	851	93,747
Carrying amounts:					
March 31, 2025	\$ 393,934	13,137	-	-	407,071
January 1, 2025	\$ 389,800	15,796	-	-	405,596
Balance at March 31, 2024	\$ 370,802	21,446	873	350	393,471

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.

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

(j) 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	-	-	174	-	-	174
Write off	-	-	(28)	-	-	(28)
Effect of exchange rate changes	3,762	1,610	3	-	-	5,375
Balance at March 31, 2025	\$ 75,754	28,223	35,448	4,093	18,660	162,178
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	(1,776)	(761)	(221)	-	-	(2,758)
Balance at March 31, 2024	\$ 72,467	26,816	41,993	4,093	18,660	164,029
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	-	840	595	134	284	1,853
Write off	-	-	(28)	-	-	(28)
Effect of exchange rate changes	-	1,250	1	-	-	1,251
Balance at March 31, 2025	\$ 4,730	22,049	33,496	1,619	10,956	72,850
Balance at January 1, 2024	\$ 4,730	17,235	36,409	932	9,535	68,841
Amortization for the period	-	847	2,232	138	284	3,501
Write off	-	-	(40)	-	-	(40)
Effect of exchange rate changes	-	(484)	(221)	-	-	(705)
Balance at March 31, 2024	\$ 4,730	17,598	38,380	1,070	9,819	71,597
Carrying amounts:						
Balance at March 31, 2025	\$ 71,024	6,174	1,952	2,474	7,704	89,328
Balance at January 1, 2025	\$ 67,262	6,654	2,371	2,608	7,988	86,883
Balance at March 31, 2024	\$ 67,737	9,218	3,613	3,023	8,841	92,432

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 March 31, 2025, the Group has assessed the expected operating revenue and income before tax profit performance of cash-generating unit of which the goodwill belongs, as well as the budget estimates of the future operating revenue and profitability. There were no indications of impairment.

(k) Short-term borrowings

	2025.3.31	2024.12.31	2024.3.31
Unsecured bank loans	\$ -	-	33,840
Unused credit facilities	\$ 443,122	439,424	389,035
Interest rate	-	-	1.08%~1.30%

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

(l) Warranty provisions

	January to March 2025	January to March 2024
Balance at January 1	\$ 31,037	18,575
Provisions added in the current period	5,126	2,028
Effect of exchange rate changes	747	185
Balance at March 31	<u>\$ 36,910</u>	<u>20,788</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.

(m) Lease liabilities

The carrying amount of lease liabilities were as follows:

	2025.3.31	2024.12.31	2024.3.31
Current	<u>\$ 6,818</u>	<u>7,894</u>	<u>11,093</u>
Non-current	<u>\$ 6,693</u>	<u>8,265</u>	<u>12,305</u>

Please refer to Note 6 (22) Financial Instruments for a detailed maturity analysis.

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

	January to March 2025	January to March 2024
Interest expenses on lease liabilities	<u>\$ 53</u>	<u>137</u>
Expenses relating to short-term leases	<u>\$ 464</u>	<u>449</u>

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

	January to March 2025	January to March 2024
Total cash outflows for leases	<u>\$ 3,121</u>	<u>5,646</u>

(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.

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

(n) Long-term loan

2025.3.31				
	Currency	Interest rate%	Maturity year	Amount
Unsecured bank loans	NTD	1.98%~2.16%	114~117	\$ 461,357
Secured bank loans	MYR	4.31%	117	297,771
				759,128
Less: Current portion of long-term debt				(323,913)
Total				<u>\$ 435,215</u>
Unused credit facilities				<u>\$ 700,000</u>

2024.12.31				
	Currency	Interest rate%	Maturity year	Amount
Unsecured bank loans	NTD	1.98%~2.16%	114~117	\$ 516,123
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>

2024.3.31				
	Currency	Interest rate%	Maturity year	Amount
Unsecured bank loans	NTD	1.84%~2.12%	114~117	\$ 715,422
Secured bank loans	MYR	4.31%	117	343,196
Other	NTD	4.06%	113	212
				1,058,830
Less: Current portion of long-term debt				(237,865)
Total				<u>\$ 820,965</u>
Unused credit facilities				<u>\$ 236,000</u>

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

(o) 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

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 January 1 to March 31 in 2025 and 2024 amounted to NT\$7,162 thousand and NT\$5,632 thousand, respectively.

(p) Income tax

	<u>January to March 2025</u>	<u>January to March 2024</u>
Current income tax expenses		
Current period	\$ 23,256	15,672
Deferred income tax expenses	<u>10,817</u>	<u>11,291</u>
Income tax expenses	<u>\$ 34,073</u>	<u>26,963</u>

No income tax was directly recognized in equity or other comprehensive income from January 1 to March 31 in 2025 and 2024.

(i) Income tax assessment

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

(q) Capital and other equity

(i) Common stock

As of March 31, 2025, December 31 and March 31, 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

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</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

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

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 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

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

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:

	2024		2023	
	Dividends per share (NTD)	Amount	Dividends per share (NTD)	Amount
Dividends per share:				
Cash dividends	\$ 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>83,112</u>	<u>-</u>	<u>83,112</u>
Balance at March 31, 2025	<u>\$ 97,211</u>	<u>-</u>	<u>97,211</u>
Balance at January 1, 2024	\$ (224,066)	29,885	(194,181)
Foreign exchange differences arising from translation of foreign operations	<u>16,057</u>	<u>-</u>	<u>16,057</u>
Unrealized losses from financial assets at fair value through other comprehensive income	<u>-</u>	<u>(10,324)</u>	<u>(10,324)</u>
Balance at March 31, 2024	<u>\$ (208,009)</u>	<u>19,561</u>	<u>(188,448)</u>

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

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

	<u>January to March 2025</u>	<u>January to March 2024</u>
Beginning balance	\$ 19,333	17,477
Equity attributable to non-controlling interests:		
Net profit (loss) for the period	3	(1,150)
Ending balance	<u>\$ 19,336</u>	<u>16,327</u>

(r) Earnings per share ("EPS")

(i) Basic earnings per share

	<u>January to March 2025</u>	<u>January to March 2024</u>
Net income attributable to shareholders of the Parent	\$ 193,913	170,372
Weighted average number of outstanding common shares (in thousands)	<u>63,000</u>	<u>63,000</u>
Basic earnings per share (NTD)	<u>\$ 3.08</u>	<u>2.70</u>

(ii) Diluted earnings per share

	<u>January to March 2025</u>	<u>January to March 2024</u>
Net income attributable to shareholders of the Parent	\$ 193,913	170,372
Weighted average number of outstanding common share (basic) (in thousands)	63,000	63,000
Effect of dilutive potential common shares (in thousands)		
Remuneration to employees in stock	316	132
Weighted average number of outstanding common stocks (in thousands) (including the effect of dilutive potential common shares)	<u>63,316</u>	<u>63,132</u>
Diluted earnings per share (NTD)	<u>\$ 3.06</u>	<u>2.70</u>

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

(s) Revenue from contracts with customers

(i) Disaggregation of revenue

	January to March 2025	January to March 2024
Primary sales regions and markets:		
Asia	\$ 698,469	627,952
Europe	184,794	151,072
Americas	63,855	36,922
	<u>\$ 947,118</u>	<u>815,946</u>
Main product/service lines:		
Contact lenses	\$ 946,590	813,641
Others	528	2,305
	<u>\$ 947,118</u>	<u>815,946</u>

(i) Contract balance

	2025.3.31	2024.12.31	2024.3.31
Accounts receivable (including related parties)	\$ 630,581	454,773	592,330
Less: Loss allowances	(12,514)	(14,000)	(28,056)
	<u>\$ 618,067</u>	<u>440,773</u>	<u>564,274</u>
Contract liabilities	<u>\$ 72,361</u>	<u>35,750</u>	<u>21,075</u>

Please refer to Note 6 (4) 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 contract liabilities of January 1, 2025 and 2024 and from January 1 to March 31, 2025, and 2024 recognized as revenue were NT\$17,769 thousand and NT\$22,782 thousand, respectively.

(t) Remuneration to employees and directors

According to the Company's Articles of Incorporation, 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 January 1 to March 31, 2025, and 2024 were NT\$18,781 thousand and NT\$15,792 thousand, respectively. The estimated amounts for the director's remuneration were NT\$1,360 thousand and NT\$1,163 thousand, respectively. These estimates are based on the Company's net income before tax for the

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

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.

(u) Non-operating income and expenses

(i) Interest income

	January to March 2025	January to March 2024
Interest income from bank deposits	\$ 2,976	1,578

(ii) Other income

	January to March 2025	January to March 2024
Others	\$ 940	636

(iii) Other gains and losses

	January to March 2025	January to March 2024
Gains on lease modifications	\$ 4	106
Net foreign exchange gains (losses)	26,154	(2,670)
Others	(38)	-
	\$ 26,120	(2,564)

(iv) Finance costs

	January to March 2025	January to March 2024
Interest expenses:		
Bank loans	\$ (5,435)	(7,311)
Lease liabilities	(53)	(137)
	\$ (5,488)	(7,448)

(v) 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

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

relevant information, please refer to Note 6 (23) and (24) of the 2024 Consolidated Financial Statements.

(i) Category of financial instruments

1) Financial assets

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Financial assets measured at fair value through other comprehensive income - non-current	\$ -	-	285,231
Financial assets measured at amortized cost:			
Cash and cash equivalents	\$ 786,839	757,453	511,268
Accounts receivable and other receivables (including related parties)	630,454	441,330	564,848
Financial assets measured at amortized cost - current	48,278	47,808	164,194
Other financial assets - non-current	6,225	6,054	6,587
Subtotal	<u>1,471,796</u>	<u>1,252,645</u>	<u>1,246,897</u>
Total	<u>\$ 1,471,796</u>	<u>1,252,645</u>	<u>1,532,128</u>

2) Financial liabilities

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings	\$ -	-	33,840
Notes and accounts payable (including related parties)	236,082	204,688	167,237
Payables on equipment and other payables	429,210	400,720	413,608
Dividends payable	321,300	-	151,200
Lease liabilities (including current and non-current)	13,511	16,159	23,398
Long-term loans (including current portion)	<u>759,128</u>	<u>828,157</u>	<u>1,058,830</u>
	<u>\$ 1,759,231</u>	<u>1,449,724</u>	<u>1,848,113</u>

(ii) Information on fair value

1) Financial instruments not measured at fair value

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 financial assets measured at fair value through other comprehensive income by the Group are measured at fair value 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).

2024.3.31				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through other comprehensive income:				
Domestically listed stocks	\$ 285,231	-	-	285,231

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 March 31, 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

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

liquidity risk. The unused credit line for the Group as of March 31, 2025, December 31, and March 31, 2024 were NT\$1,143,122 thousand, NT\$1,139,424 thousand, and NT\$625,035 thousand, respectively.

	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 year(s)</u>	<u>2-5 years</u>	<u>Over 5 Years</u>
March 31, 2025						
Non-derivative financial liabilities						
Notes and accounts payable (including related parties)	\$ 236,082	236,082	-	-	-	-
Payables on equipment and other payables (including related parties)	429,210	429,210	-	-	-	-
Dividends payable	321,300	321,300	-	-	-	-
Lease liabilities (including current and non-current)	13,713	3,680	3,275	4,177	2,581	-
Long-term loans (including current portion)	793,383	226,866	115,443	248,700	202,374	-
	\$ 1,793,688	1,217,138	118,718	252,877	204,955	-
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 loans (including current portion)	867,754	136,420	215,131	237,485	278,718	-
	\$ 1,489,577	746,470	218,548	242,399	282,160	-
March 31, 2024						
Non-derivative financial liabilities						
Short-term borrowings	\$ 33,922	33,922	-	-	-	-
Notes and accounts payable (including related parties)	167,237	167,237	-	-	-	-
Dividends payable	151,200	151,200	-	-	-	-
Payables on equipment and other payables (including related parties)	413,608	413,608	-	-	-	-
Lease liabilities (including current and non-current)	23,852	6,564	4,787	5,743	6,758	-
Long-term Loans (including the current portion due within one year)	1,118,550	127,559	136,606	384,437	469,948	-
	\$ 1,908,369	900,090	141,393	390,180	476,706	-

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

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

reporting date were as follows (including the monetary items that have been eliminated in the consolidated financial statements):

2025.3.31					
	Foreign currency	Exchange rate	NTD	Changes in magnitude	Impact of the profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	21,061	33.205	699,331	1% 6,993
EUR		1,576	35.964	56,679	1% 567
CNY		44,847	4.5787	205,341	1% 2,053
JPY		3,460,982	0.2226	770,415	1% 7,704
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		14,790	33.205	491,102	1% 4,911
CNY		14,179	4.5783	64,916	1% 649
JPY		1,315,309	0.2226	292,788	1% 2,928
2024.12.31					
	Foreign currency	Exchange rate	NTD	Changes in magnitude	Impact of the profit or loss (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
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>					
<u>Monetary items</u>					
USD		21,763	32.785	713,500	1% 7,135

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

	2024.3.31					
	Foreign currency	Exchange rate	NTD	Changes in magnitude	Impact of the profit or loss (before tax)	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	20,397	32.000	652,704	1%	6,527
EUR		2,072	34.467	71,416	1%	714
CNY		25,149	4.4296	111,400	1%	1,114
JPY		1,360,740	0.2115	287,797	1%	2,878
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		18,724	32.000	599,168	1%	5,992

The net foreign exchange losses (including realized and unrealized) from January 1 to March 31, 2025 and 2024, were NT\$26,154 thousand and NT\$(2,670) 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 of equity instruments' price risk is calculated based on the changes in fair value as of the end of the financial reporting period. If the price of the equity instruments increase/decrease by 5%, the amount of other comprehensive income on March 31, 2024, will change by NT\$14,262 thousand.

(w) 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.

(x) 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.

(y) Investing and financing activities not affecting cash flows

(i) The Group acquires the right-of-use assets through lease. Please refer to Note 6 (9) for more details.

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

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

			<u>Non-cash changes</u>		
	<u>2025.1.1</u>	<u>Cash flow</u>	<u>Derecognition of lease liabilities</u>	<u>Exchange rate changes</u>	<u>2025.3.31</u>
Long-term debt (including current portion)	\$ 828,157	(75,040)	-	6,011	759,128
Lease liabilities (including current portion)	16,159	(2,604)	(120)	76	13,511
Total liabilities from financing activities	<u>\$ 844,316</u>	<u>(77,644)</u>	<u>(120)</u>	<u>6,087</u>	<u>772,639</u>

			<u>Non-cash changes</u>		
	<u>2024.1.1</u>	<u>Cash flow</u>	<u>Derecognition of lease liabilities</u>	<u>Exchange rate changes</u>	<u>2024.3.31</u>
Short-term borrowings	\$ 43,500	(8,548)	-	(1,112)	33,840
Long-term debt (including current portion)	1,009,142	47,223	-	2,465	1,058,830
Lease liabilities (including current portion)	31,135	(5,060)	(2,686)	9	23,398
Guarantee deposits received	816	(13)	-	-	803
Total liabilities from financing activities	<u>\$ 1,084,593</u>	<u>33,602</u>	<u>(2,686)</u>	<u>1,362</u>	<u>1,116,871</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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
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)
BenQ Dialysis Technology Corp. (BDT)	Other related party (the subsidiary of Qisda)

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

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:

	January to March 2025	January to March 2024
Entity with significant influence over the Group - BMC	\$ 96,537	141,048

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:

	January to March 2025	January to March 2024
Entity with significant influence over the Group - BMC	\$ 57,155	39,189

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.

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

	January to March 2025	January to March 2024
Entity with significant influence over the Group - Qisda	\$ 2	14

The lease income from leasing offices to other related parties (QLPG) for January 1 to March 31, 2025, and 2024, amounted to NT\$15,000 and NT\$14,000, respectively.

(iv) Management service revenue

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

The Group recognized management service revenue of NT\$286 thousand and NT\$2,000 thousand for providing relevant medical management services to substantive related parties from January 1 to March 31, 2025 and 2024.

(v) Dividends

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

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Associates	\$ 11,682	-	-

- 2) The details of dividends payable to related parties by the Group as of March 31, 2025, December 31, and March 31, 2024 are as follows:

	<u>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Entity with significant influence over the Group - BMC	\$ 47,602	-	22,401

(vi) Operating expenses

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

	<u>January to March 2025</u>	<u>January to March 2024</u>
Entity with significant influence over the Group - Qisda	\$ 61	62
Substantive related party	300	300
Other related party	31	29
	<u>\$ 392</u>	<u>391</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>2025.3.31</u>	<u>2024.12.31</u>	<u>2024.3.31</u>
Accounts receivable	Entity with significant influence over the Group - BMC	\$ 75,552	64,977	100,416
Accounts receivable	Substantive related party	-	-	254
		<u>\$ 75,552</u>	<u>64,977</u>	<u>100,670</u>

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

(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	2025.3.31	2024.12.31	2024.3.31
Accounts payable	Entity with significant influence over the Group - BMC	\$ 41,712	36,636	26,654
Other payables	Entity with significant influence over the Group - Qisda	\$ 769	797	747
Other payables	Substantive related party	88	88	-
Other payables	Other related party	32	163	30
		<u>\$ 889</u>	<u>1,048</u>	<u>777</u>
Lease liabilities - current	Entity with significant influence over the Group - Qisda	\$ -	756	2,990

(c) Remuneration for key management personnel

	January to March 2025	January to March 2024
Short-term employee benefits	\$ 6,126	5,930
Post employment benefits	27	27
	<u>\$ 6,153</u>	<u>5,957</u>

8. Pledged assets

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

Name of asset	Pledged collaterals	2025.3.31	2024.12.31	2024.3.31
Restricted bank deposits	Performance guarantee	\$ 23,278	22,808	14,194
Land-use rights and buildings	Bank loans	771,384	763,725	756,971
		<u>\$ 794,662</u>	<u>786,533</u>	<u>771,165</u>

9. Significant commitments and contingencies

Contractual commitments unrecognized by the Group are as follows:

	2025.3.31	2024.12.31	2024.3.31
Acquisition of property, plant, and equipment	\$ 155,903	184,673	216,821

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 Nature	January to March 2025			January to March 2024		
	Operation costs	Operation expenses	Total	Operation costs	Operation expenses	Total
Employee benefits						
Salaries	132,929	80,764	213,693	103,355	70,197	173,552
Insurance	2,119	4,651	6,770	1,314	3,824	5,138
Pension	4,260	2,902	7,162	3,202	2,430	5,632
Other employee benefits	2,572	2,768	5,340	1,789	2,030	3,819
Depreciation expenses	111,267	12,216	123,483	86,835	12,431	99,266
Amortization expenses	-	1,853	1,853	-	3,501	3,501

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:

(i) Financing provided to other parties:

Expressed in Thousands of New Taiwan Dollars/Malaysian Ringgit

Financing No.	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)	13,467 (MYR1,800)	13,467 (MYR1,800)	5%	2	-	Operating turnover	-	-	-	1,300,381	1,300,381

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.

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- (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)		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	From-eyes	Parent company and subsidiaries	(Sales)	(251,643)	(28)%	Payment made in 60 days	(Note 1)	(Note 1)	285,439	37%	(Note 4)
From-eyes	The Company	Parent company and subsidiaries	Purchases	251,643	93%	Payment made in 60 days	(Note 1)	(Note 1)	(285,439)	95%	(Note 4)
VVM	The Company	Parent company and subsidiaries	(Sales)	(682,146)	(100)%	Payment made in 60 days	(Note 3)	(Note 1)	560,129	100%	(Note 4)
The Company	VVM	Parent company and subsidiaries	Purchases	682,146	100%	Payment made in 60 days	(Note 2)	(Note 1)	(560,129)	(98)%	(Note 4)
The Company	TYC	Parent company and subsidiaries	(Sales)	(133,536)	(15)%	Payment made in 60 days	(Note 1)	(Note 1)	127,011	16%	(Note 4)
TYC	The Company	Parent company and subsidiaries	Purchases	133,536	100%	Payment made in 60 days	(Note 1)	(Note 1)	(127,011)	(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.

- (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	Amount of Loss Allowances Set Aside
					Amount	Handling Method		
The Company	From-eyes	Parent company and subsidiaries	285,439	3.90	-	-	66,077	-
The Company	TYC	Parent company and subsidiaries	127,011	6.16	19,819	-	4,164	-
VVM	The Company	Parent company and subsidiaries	560,129	5.04	-	-	157,178	-

Note: The aforementioned transactions between From-eyes, 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)				Percentage of Consolidated Total Operating Revenue or Total Assets (Note 4)
				Account	Amount	Transaction Term		
0	The Company	From-eyes	I	(Sales)	(251,643)	Payment made in 60 days		(26.57)%
0	The Company	From-eyes	I	Accounts receivable	285,439	Payment made in 60 days		5.06%
0	The Company	TYC	I	(Sales)	(133,536)	Payment made in 60 days		(14.10)%
0	The Company	TYC	I	Accounts receivable	127,011	Payment made in 60 days		2.25%
I	VVM	The Company	2	(Sales)	(682,146)	Payment made in 60 days		(72.02)%
I	VVM	The Company	2	Accounts receivable	560,129	Payment made in 60 days		9.94%

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:

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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.

(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%	3,258,940	108,101	108,101	Parent company and subsidiaries (Note)
The Company	From-eyes	Japan	Sale of contact lenses	220,441	220,441	1	100.00%	253,956	11,598	11,016	Parent company and subsidiaries (Note)
The Company	VCT	Taiwan	Medical management consulting services	44,000	44,000	4,400	55.00%	28,742	331	3	Parent company and subsidiaries (Note)
The Company	Crystalvue	Taiwan	Design, manufacture, and sale of medical-related instruments	458,139	449,888	5,192	20.49%	450,076	36,931	4,004	Associates
VVM	VMM	Malaysia	Lease and management service	3,696	3,696	500	100.00%	1,498	(56)	(56)	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)	16,025 (CNY3,500)	-	-	16,025 (CNY3,500)	(7,013)	100.00%	(7,013)	(46,593)	-

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 4.5787 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	120,953 (Note 2) (USD3,160 and CNY 3,500)	122,281 (Note 2) (USD3,200 and CNY 3,500)	2,202,067

Note 1: It is converted using the exchange rate of 33.205 from USD to NTD and

VISCO VISION INC. AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

the exchange rate of 4.5787 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.

(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)
		Types	Amount	Price	Payment Terms	Difference with Regular Transactions	Balance	Percentage	
Trend Young Trading (Shanghai) Co., Ltd.	The Company's subsidiary	Sales	133,536	(Note 1)	Payment made in 60 days	(Note 1)	127,011	16.49%	(48,072)

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.