

Visco Vision Inc. 2024 Annual Report

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mops.twse.com.tw

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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None.

VI. Company Website: www.viscovision.com.tw

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Chapter I Letter to Shareholders

Dear Shareholders

Welcome to the annual shareholders' meeting. The Company's 2024 operating results and this year's business plan will be reported to each shareholder:

I. 2024 Operating Results

Unit: Expressed in thousands of New Taiwan Dollars

Item	2024	2023	Annual growth rate (%)
Operating revenue	3,671,640	2,397,675	53
Gross margin	39%	36%	8
Operating expenses	636,106	525,060	21
Net operating profit	790,252	332,096	138
Net profit attributable to owners of parent	636,471	301,613	111
Earnings per share (NT\$)	10.10	4.79	111

During fiscal year 2024, the Company experienced stable growth in its operational performance, reaching a historic high. The economic conditions in Europe, America, and Japan continue to recover. Additionally, the acquisition of new clients and the introduction of new products have contributed to our ongoing revenue growth. Despite the relatively weak economic conditions in the Chinese market and a noticeable trend of consumption downgrade, which led to annual revenue falling slightly below our expected target, we still managed to achieve year-on-year growth through the joint efforts of our team. In the fiscal year 2024, total revenue reached NT\$3.67 billion, representing a growth of 53% compared to the previous year. Earnings per share were NT\$10.10, an increase of 111% from last year's NT\$4.79.

In terms of production and supply, due to changes in the product structure of orders and the growing demand for colored contact lenses, we undertook a phased transformation of the transparent lens production line in the first half of 2024, converting it into a production line capable of manufacturing colored contact lenses to meet market order demands. As order volume has increased, we have successfully raised the average capacity utilization rate to over 90% in the second half of the 2024. We also continue to optimize the efficiency of our production equipment, resulting in a monthly production capacity of 42 million pieces.

In the realm of product development, after years of dedicated effort, we successfully launched our presbyopia glasses into the European market during the second half of 2024. Additionally, we introduced astigmatism products in the Japanese market, further enhancing our silicone hydrogel product line. The launch of these new products will positively impact the Company's future business growth.

All colleagues will persist in upholding the spirit of craftsmanship, consistently striving for excellence. We will concentrate on the continuous development of technology, products, and

markets, progressing towards the Company's vision of "reproducing the truth, goodness and beauty of the vision" to generate greater value for our shareholders.

II. Summary of the Business Plan for 2025

1. Operating Policy

The Company adheres to the corporate vision of "reproducing the truth, goodness and beauty of the vision", with a focus on the eye wellness industry while always paying close attention to patient needs and market dynamics. We are continuously committed to researching, developing, and producing world-class high-quality medical products. At the same time, the Company adheres to integrity and conscientious management, prioritizing the interests of all stakeholders. We continuously expand our global market by providing high-quality products and services.

2. Sales Forecast and its Basis

Looking ahead to this year, we anticipate that easing inflationary pressures in the European and American markets, coupled with the emergence of a rate-cutting environment, will lead to a gradual recovery in end consumer spending, leading to a stable increase in customer sales volume. Driven by new customers and new products, the demand in the Japanese market is expected to grow robustly. In contrast, the Chinese market has not demonstrated significant recovery, and we maintain a cautious outlook for growth this year.

In such a market context, the Company will continue to operate steadily in accordance with its annual plan and actively respond to market changes. In the European, American, and Japanese markets, we will actively promote presbyopia and astigmatism silicone hydrogel contact lenses to expand our customer base. For the Asia-Pacific market, we will intensify the promotion of silicone hydrogel colored contact lenses and blue light blocking products. We expect that revenue and profits for the fiscal year 2025 will continue to grow.

3. Important Production and Sales Strategy

- (1) We will closely monitor the competitive dynamics in various national markets and establish closer collaborations with our clients to better meet their product demands and order requirements.
- (2) We are committed to providing the most comprehensive product line and continuously improving the safety and comfort of long-term wear to fulfill our commitment to high-quality products.
- (3) The Company will properly utilize its resources to support continuous growth and gradually implement sustainable business development in accordance with ESG guidance policies. In 2024, we installed the third phase of solar power generation system at our factory and commenced operations, thereby continuously increasing the proportion of green power. Simultaneously, we are gradually completing carbon inventory and carbon reduction plans for all organizations.

III. Future Development Strategy

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

IV. The Impact from the External Competitive Environment, Regulatory Environment, and Overall Business Environment

The recovery of China's economic momentum will be the biggest variable in market demand this year. Fortunately, according to the market status report published by Contact Lens Spectrum in January 2025, which referenced data from Baird, the global contact lens market experienced a growth of approximately 4.13% in 2024 compared to 2023. The overall market demand is expected to continue to grow.

Given the global scope of the Company's product sales, we inevitably encounter direct competition from international corporations and other contact lens manufacturers. International corporations not only offer a comprehensive product line but also possess strong marketing resources. They engage in close collaboration with professional sales channels such as ophthalmology clinics and optical shops. These factors have created significant pressure on the Company's market development. The Company is currently the leading manufacturer of silicone hydrogel contact lenses in Asia. However, as competitors continue to launch silicone hydrogel products, we will face greater challenges in business development.

The Company adheres to the spirit of continuous improvement by closely monitoring market competition trends and changes. We aim to transform customer needs and competitive pressures into the driving force for growth. We will continuously improve our capacity to respond promptly to competitive threats and actively seize market opportunities to provide high-quality products that meet consumer demands. At the same time, we will rigorously control operational efficiency and costs, continuously optimizing our operational model to ensure the Company's long-term stable growth and profitability.

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

Chairman:



General manager:



Accounting supervisor:



Chapter 2 Corporate Governance Report

I. Information on the Company's Directors, Independent Director, General Manager, Deputy General Managers, Associate Managers, and the Supervisors of all the Company's divisions and branch units

(I) Director

I. Basic Information

March 30, 2025; Unit: share(s)

Position	Name	Gender Age	Nationality/Place of Incorporation	Date First Elected	Date of Election	Term	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees Arrangement		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
							Share(s)	%	Share(s)	%	Share(s)	%	Share(s)	%			Position	Name	Relationship	
Chairman	Chung-I Li	Male 51-60	R.O.C.	2018.08.23	2023.05.30	3 years	411,625	0.65%	211,625	0.34%	340,000	0.54%	1,280,000	2.03%	Ph.D. in Electrical Engineering, University of California Senior Associate and President of Mobile Product Division, BenQ Corporation.	Note 1	-	-	-	Note 7
Director	Ke-Yung Yu	Male 61-70	R.O.C.	2020.06.30	2023.05.30	3 years	835,036	1.33%	779,036	1.24%	917,056	1.46%	-	-	MBA, University of Strathclyde President, BenQ Materials Corp. Director, AUO Corp. Deputy General Manager of Finance, Qisda Corp.	Note 2	-	-	-	-
Director	BenQ Materials Corp.	-	R.O.C.	2007.11.30	2023.05.30	3 years	9,983,773	15.85%	9,333,773	14.82%	-	-	-	-	Master's in Photonics, National Chiao Tung University CTO, BenQ Materials Corp.	Note 3	-	-	-	-
	Representative Pei-I Liu	Male 61-70		2014.06.27	2023.05.30	3 years	393,683	0.62%	380,683	0.60%	100,000	0.16%	-	-	Director of Polarization R&D, Factory Director, DAXON TECHNOLOGY INC.					
Director	Sheng-Wen Chen	Male 61-70	R.O.C.	2020.06.30	2023.05.30	3 years	100,000	0.16%	100,000	0.16%	30,000	0.05%	-	-	Ph.D. in Electrical Engineering, University of Maryland Ph.D. Candidate in Economics, National Taiwan University Senior Vice President and President of Netcom Business Division, BenQ Corporation Director of R&D, Qualcomm Inc.	-	-	-	-	-
Independent Director	Chiu-Jui Wei	Female 61-70	R.O.C.	2020.06.30	2023.05.30	3 years	-	-	-	-	-	-	-	-	MBA, University of Washington CFO and Senior Vice President, Toppoly Optoelectronics Corp. Executive Director, BNP Paribas Executive Director, Bankers Trust New York Corporation Vice President of ABM Amro and American Continental Bank	Note 4	-	-	-	-
Independent Director	Ying-Chou Yang	Male 61-70	R.O.C.	2023.05.30	2023.05.30	3 years	-	-	-	-	-	-	-	-	Department of Business Administration, Soochow University CFO of Continental Holdings Corporation Chairman of Kaimei Electronic Corp. CFO/CSO of YAGEO Corporation	Note 5	-	-	-	-
Independent Director	Kuo-Kuang Chao	Male 61-70	R.O.C.	2023.05.30	2023.05.30	3 years	-	-	-	-	-	-	-	-	MBA, Thunderbird School of Global Management CEO, International Industry-Academia Alliance of NTUT Chairman Assistant, Fwusow Industry Co., Ltd. General Manager, OU Jie Technology Co., Ltd. Deputy General Manager, Posiflex Technology, Inc.	Note 6	-	-	-	-
Independent Director	Wei-Ting Lai	Male 51-60	R.O.C.	2023.05.30	2023.05.30	3 years	66,517	0.11%	66,517	0.11%	-	-	-	-	NTU, School of Medicine Director, EyePlus Supervisor, Chih Chien Investment Co. Director of Ophthalmology Department, Min Sheng General Hospital Chief Medical Officer of EyePlus Group	-	-	-	-	-

Note 1: President of Visco Vision Inc., Director of Visco Technology Sdn. Bhd. Bhd. Director, Chairman and Representative, From eyes Co., Ltd, Corporate Director Representative of Crystalvue Medical Co., Ltd.

Note 2: Chairman and Representative, From eyes Co., Ltd.

Note 3: Vice President of BenQ Materials Corp, Director of BenQ Materials Corp, Director of Daxin Biomedical (Suzhou) Corp, Director of BenQ Materials (Wuhu) Corp, Director of Cenefom Corp, Director of Genejet Biotech Co., Ltd.

Note 4: Senior Vice President of Compal Electronics Inc, President of Compal Ruifang Health Assets Development Corporation, Corporate Director Representative of General Life Biotechnology Co., Ltd, Corporate Director Representative of CDIB & Partners Investment Holding Corporation, Corporate Director Representative of Shengbao Precision Electron (Taicang) Limited Company, Corporate Director Representative of Jubao Precision Processing (Jiangsu) Limited Company, Corporate Director Representative of Ju Teng Electronic Technology (Vietnam) Limited, Corporate Director Representative of Changbao Electronic Technology Co., Ltd, Corporate Director Representative of Rayonnant Technology Co., Ltd, Corporate Director Representative of Hua Vi Venture Capital Corporation, Corporate Director Representative of Hua Qi Venture Capital Corporation, Corporate Director Representative of IIH Biomedical Venture Fund I Co., Ltd, Corporate Director Representative of Chenfeng Optronics Co., Ltd, Corporate Director Representative of Arce Therapeutics Inc., Corporate Director Representative of Compal Americas (US) Inc., Corporate Director Representative of Compal Electronics N.A. Inc. Supervisor of Infsitronix Technology Corp., Corporate Supervisor Representative of Ripal Optotronics Co., Ltd, Supervisor of Mactech Corporation, Corporate Supervisor Representative of Rayonnant Technology Co., Ltd, Corporate Supervisor Representative of Ruihong Precision Electron (Taicang) Co., Ltd, Supervisor of Aco Healthcare Co., Ltd, Supervisor of Taiwan Intelligent Robotics Company Ltd., Corporate Supervisor Representative of Ray-Kwong Medical Management Consulting Co., Ltd, Corporate Supervisor Representative of Unicore Biomedical Co., Ltd., Supervisor of Precisely Printed Medical Ltd., Independent Director of Continental Holdings Corporation

Note 5: Independent Director of TSRC Corporation.

Note 6: Independent Director of Panram International Corporation.

Note 7: In the event that the Chairman, President, or any role of a similar level (executive manager) is a single person, spouses, or direct relatives, information relating to the reasoning, appropriateness, and future improvement measures shall be disclosed:

This Company's appointment of the Chairman as President is for the purpose of improving operating efficiency and the execution of decision, effectively facilitate the participation of Directors in Company decisions to achieve consensus, and to achieve the Board of Directors' resolutions. Additionally, the number of Chairman-and-Presidents at the Company is a minority while four Independent Directors have been implemented to enhance the Board of Directors' duties and responsibilities and strengthen supervisory functions.

2. Major shareholders of legal person shareholders

April 1, 2024

Name of legal person shareholder	Major shareholders of legal person shareholders	%
BenQ Materials Corp.	BenQ Corporation	25.21%
	Qisda Corporation	13.61%
	Darly Venture Inc.	4.73%
	K. Y. Lee	1.43%
	BenQ Materials employee shareholding trust property account under the custody of Taishin International Bank	1.14%
	Dongmu Association	1.04%
	Chen Chien-Chih	0.46%
	Li Hsi-hua	0.36%
	Hung Chung-Yao	0.33%
	UBS Europe SE Investment Account under the custody of Citibank (Taiwan)	0.32%

Note: Data for BenQ Materials Corp. sourced from transfer closure information dated April 1, 2024

3. If the major shareholder of a legal person is a legal person, its major shareholder

March 31, 2024

Name of legal person shareholder	Major shareholders of the legal person shareholder	%
BenQ Corporation	Qisda Corporation	100.00%
Qisda Corporation	AUO Corporation	11.96%
	Acer Inc.	4.53%
	Qisda Corporation employee shareholding trust property account under the custody of Taishin International Bank	3.97%
	Fuh Hwa Taiwan Technology Dividend Highlight ETF Investment Trust Account under the custody of Taipei Fubon Bank	3.73%
	Kang Li Investment Co., Ltd	2.55%
	Darfon Electronics Corporation	2.03%
	Yuanta Taiwan Value High Dividend ETF Investment Trust Account under the custody of Hua Nan Commercial Bank	1.49%
	J.P. Morgan Taiwan Investment Account under the custody of J.P. Morgan Chase Bank Taipei Branch	1.25%
	Chunghwa Post Co., Ltd.	0.98%
	Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, Investment Account under the custody of J.P. Morgan Chase Bank Taipei Branch	0.95%
Darly Venture Inc.	Qisda Corporation	100.00%

Note: Data for Qisda Corp sourced from the Company's transfer closure information dated March 31, 2024, BenQ Corporation and Darly Venture Inc. are subsidiaries 100% held by Qisda Corp.

4. Disclosure of information related to the professional qualifications of current Directors and the independence of Independent Directors

Criteria Name	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chung-I Li	1. Possesses experience required for R&D, business, and the biomedical industry 2. The Company's current Chairman and President; has experience as this Company's Vice President as well as Senior Director and President of the Mobile Product Division at BenQ Corporation	Not applicable	0
Ke-Yung Yu	1. Possesses experience required in finance, business, and the biomedical industry 2. Current Chairman and Representative of From eyes Co., Ltd previous experience as Chairman of BenQ Materials Corp, Director of AUO Corp	Not applicable	0
BenQ Materials Corp. Representative: Pei-I Liu	1. Possesses experience required for R&D, business, and the biomedical industry 2. Current Vice President of BenQ Materials Corp; former CTO of BenQ Materials Corp	Not applicable	0
Sheng-Wen Chen	1. Possesses experience required for R&D and business 2. Current Independent Director of Crystalvue Medical Corporation; former Senior Vice President and President of Netcom Business Division at BenQ Corporation	Not applicable	0
Chiu-Jui Wei	1. Possesses experience required for finance and business 2. Current Senior Vice President, Compal Electronics Inc.; former CFO and Senior Vice President of Toppoly Optoelectronics Corp, Executive Director of BNP Paribas	Meets qualifications	1
Ying-Chou Yang	1. Possesses experience required for finance and business 2. Current Independent Director, TSRC Corporation; former Director of Kaimei Electronic Corp., CFO/CSO of YAGEO Corporation	Meets qualifications	1
Kuo-Kuang Chao	1. Possesses experience required for finance and business 2. Current Independent Director of Panram International Corporation, CEO of Gloria Taipei Tech. NTUT, former Chairman Assistant of Fwusow Industry Co., Ltd., General Manager of OU Jie Technology Co., Ltd	Meets qualifications	1
Wei-Ting Lai	1. Possesses experience required for business and the biomedical industry 2. Current Director of Ophthalmology Department of Taoyuan Min Sheng General Hospital, Chief Medical Officer of EyePlus Group, Director of EyePlus, Supervisor of Chih Chien Investment Co.	Meets qualifications	0

Note 1: No Directors at this Company are involved in matters relating to Article 30 of the Company Act.

Note 2: Independent Directors should clarify their qualifications of independence, including but not limited to

- (1) Neither the director themselves, their spouse, nor any relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises.
- (2) The Independent Director, their spouses, as well as relatives within the second degree (or through using the name of others) do not hold shares in this Company.
- (3) Is not appointed as a director, supervisor, or employee of a company that is affiliated with this Company (refer to 5-8 of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)
- (4) Received no remuneration from providing business, legal, financial, or accounting services to the Company or any of its affiliates in the last two years.

5. Board Diversity and Independence

The nomination and appointment of this Company's directors utilizes a nomination system that evaluates the education and experience of candidates, considers the opinions of various stakeholders, and complies with "Election Method of Directors" and "Best Practice Principles of Corporate Governance" to ensure the diversity and independence of directors.

The Company's "Best Practice Principles of Corporate Governance" stipulates the Board of Directors' composition must consider diversity and no more than one third of directors can concurrently act as managers in the Company. An appropriate

policy of diversity shall be adopted based on operational and development requirements without restrictions to gender, age, nationality, and culture. The Board of Directors shall possess the knowledge, skills, and competence generally needed to perform their duties. In order to accomplish the preferred governance goals of the Company, the Board of Directors shall generally be equipped with the following capabilities: (1) Operational judgment ability. (2) Accounting and financial analysis ability. (3) Operational management ability. (4) Crisis management. (5) Industrial knowledge. (6) Global market perspective. (7) Leadership ability. (8) Decision-making ability.

The Company continues to promote gender diversity among the members of the Board of Directors. However, during the actual implementation process, there may still be situations where members of a single gender do not account for one-third of the board. The possible reasons for this include: (1) Gender differences in specific professional fields. (2) Limitations of the high-level talent pool. (3) Considerations for the current composition of the Board of Directors.

Implementation of the Company's current Directors and diversity policy are as follows:

Diversity criteria Name of Director	Basic composition							Industry experience and professional capabilities								
	Nationality	Gender	Concurrently employed	Age			Independent Director office term		Operational judgment	Finance and accounting	Operational management	Crisis management	Industrial knowledge	Global market perspective	Leadership ability	Decision-making ability
				51 to 60	61 to 70	71 to 80	Less than 3 terms	More than 3 terms								
Chung-I Li	R.O.C.	Male	✓	✓	-	-	-	-	✓	-	✓	✓	✓	✓	✓	✓
Ke-Yung Yu	R.O.C.	Male	-	-	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓	✓
BenQ Materials Corp. Representative: Pei-I Liu	R.O.C.	Male	-	-	✓	-	-	-	✓	-	✓	✓	✓	✓	✓	✓
Sheng-Wen Chen	R.O.C.	Male	-	-	✓	-	-	-	✓	-	✓	✓	-	✓	✓	✓
Chiu-Jui Wei	R.O.C.	Female	-	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓	✓	✓
Ying-Chou Yang	R.O.C.	Male	-	-	✓	-	✓	-	✓	✓	✓	✓	-	✓	✓	✓
Kuo-Kuang Chao	R.O.C.	Male	-	-	✓	-	✓	-	✓	-	✓	✓	-	✓	✓	✓
Wei-Ting Lai	R.O.C.	Male	-	✓	-	-	✓	-	✓	-	✓	✓	✓	✓	✓	✓

Of this Company's directors, 1 is concurrently an employee (accounts for 13% of all directors), 4 are independent directors (accounts for 50% of all directors), and no member has served more than 3 terms. There is 1 female director (accounts for 13% of all directors), 2 directors between the ages of 51-60, 6 directors between the ages of 61-70; the management goal of at least 1 female director and independent directors accounting for more than one third of all directors has been achieved.

The Company's Independent Directors are fully compliant with the independence requirements set forth in "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies". The Company has obtained written declarations and other documents from Independent Directors confirming their independence and the independence of their relatives within the required scope. The Board of Directors complies with Paragraphs 3, 4, Article 26-3 of the Securities and Exchange Act in terms of spouses or relatives within the second degree of kinship; as such, the Company has determined that the board meets all requirements of independence.

(II) Information on the Management Team

March 30, 2025; Unit: share(s)

Position	Name	Gender	Nationality	Date of appointment	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or Within the Second Degree of Kinship			Remark
					Share(s)	%	Share(s)	%	Share(s)	%			Position	Name	Relationship	
General Manager	Chung-I Li	Male	R.O.C.	2013.09.01	211,625	0.34%	340,000	0.54%	1,280,000	2.03%	Ph.D. in Electrical Engineering, University of California Senior Associate and President of Mobile Product Division, BenQ Corporation	Note 1	-	-	-	Note 4
Vice President and Director of Sales Division and Global Quality Assurance Division.	Tsang-Sung Wu	Male	R.O.C.	2011.03.01	256,578	0.41%	129,163	0.21%	-	-	National Chengchi University Executive Master of Business Administration (EMBA) MBA, Royal Roads University R&D Director, BenQ Materials Corp	-	-	-	-	-
Technology & Product Center Director (R&D Director)	Kun-Hui Chen	Male	R.O.C.	2011.03.01	2,000	0.00%	-	-	-	-	Department of Applied Mathematics, Chung Yuan Christian University Assistant Production Manager, BenQ Materials Corp	-	-	-	-	-
Director of Eye Care Products Department	Chi-Shun Ma	Male	R.O.C.	2018.04.17	30,000	0.05%	-	-	-	-	MBA, National Chung Hsing University BenQ Corporation Senior Manager, Consumer Cloud Product Division	-	-	-	-	-
Director, Logistics Management Division	Chin-Chang Pan	Male	R.O.C.	2021.07.19	20,000	0.03%	-	-	-	-	Master of Mechanical Engineering, National Cheng Kung University Senior Manager, United Aggregates Corporation	-	-	-	-	-
Director of the Business Division	Yueh-Min Liu	Male	R.O.C.	2020.02.01	61,000	0.10%	-	-	-	-	Master of Science M.S., National Sun Yat-sen University Section Chief, Qisda Corp	Note 2	-	-	-	-
Finance Director and Corporate Governance Director	Pei-Ching Cheng	Female	R.O.C.	2014.03.01	113,892	0.18%	190,000	0.30%	-	-	MBA, Tatung University Finance Director, BenQ Materials Corp	Note 3	-	-	-	-

Position	Name	Gender	Nationality	Date of appointment	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees Arrangement		Experience (Education)	Other Position	Managers Who are Spouses or Within the Second Degree of Kinship			Remark
					Share(s)	%	Share(s)	%	Share(s)	%			Position	Name	Relationship	
Supervisor, Management Department	Chia-Sheng Tsai	Male	R.O.C.	2020.03.02	20,000	0.03%	-	-	-	-	Master of Human Resource Management, National Changhua University of Education Assistant HR Manager, Tripod Technology Corporation	-	-	-	-	-
Supervisor, Information Management Department and Chief Security Officer	Chia-Hsing Yang	Male	R.O.C.	2022.04.06	22,000	0.03%	-	-	-	-	Master of Business Administration, National Central University Procurement Manager, Qisda Corp	-	-	-	-	-
Audit Supervisor	Tzu-Chun Chang	Male	R.O.C.	2016.08.01	-	-	-	-	-	-	Department of Economics, National Central University Auditor, Foxconn Interconnect Technology Ltd	-	-	-	-	-
Supervisor, Business Development Division	Kai-Yu Cheng	Male	R.O.C.	2020.04.13	21,000	0.03%	-	-	-	-	Master of Mechanical Engineering, National Chiao Tung University Intellectual Property Manager, ALi Corporation	-	-	-	-	-

Note 1:Visco Technology Sdn. Bhd. Director, Chairman and Representative, From eyes Co., Ltd, Corporate Director Representative of Crystalvue Medical Co., Ltd.

Note 2:General Manager, From eyes Co., Ltd.

Note 3:Visco Technology Sdn. Bhd., Supervisor of From eyes Co., Ltd., Supervisor of From eyes Trading (Shanghai) Co., Ltd.

Note 4:In the event that the Chairman, President, or any role of a similar level (executive manager) is a single person, spouses, or direct relatives, information relating to the reasoning, appropriateness, and future improvement measures shall be disclosed:

This Company's appointment of the Chairman as President is for the purpose of improving operating efficiency and the execution of decision, effectively facilitate the participation of Directors in Company decisions to achieve consensus, and to achieve the Board of Directors' resolutions. Additionally, the number of Chairman-and-Presidents at the Company is a minority while four Independent Directors have been implemented to enhance the Board of Directors' duties and responsibilities and strengthen supervisory functions.

(III) Remuneration to Directors, Supervisors, President, and Vice Presidents

I. Remunerations to Directors, Supervisors, President, and Vice Presidents in the most recent year

(I) Remuneration of Directors

December 31, 2024; Unit: Expressed in thousands of New Taiwan Dollars

Position	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received By Directors Who are Also Employees								Ratio of total compensation (A+B+C+D+E+G) and to net profit after tax		Compensation from Ventures Other Than Subsidiaries or from the Parent Company
		Base Compensation (A)		Severance Pay and Pension (B)		Director Remuneration (C) (Note 1)		Business Execution Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G) (Note 1)						
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	Cash	Stock	Cash	Stock	The Company	All Companies in the Financial Statements	
Chairman	Chung-I Li	2,400	2,400	-	-	-	-	40	40	2,440 / 0.38%	2,440 / 0.38%	8,338	8,338	-	-	4,583	-	4,583	-	15,361 / 2.41%	15,361 / 2.41%	None
Director	BenQ Materials Corp. Representative: Pei-I Liu	800	800	-	-	639	639	40	40	1,479 / 0.23%	1,479 / 0.23%	-	-	-	-	-	-	-	-	1,479 / 0.23%	1,479 / 0.23%	None
	Ke-Yung Yu	800	800	-	-	639	639	40	40	1,479 / 0.23%	1,479 / 0.23%	-	-	-	-	-	-	-	-	1,479 / 0.23%	1,479 / 0.23%	None
	Sheng-Wen Chen	800	800	-	-	639	639	40	40	1,479 / 0.23%	1,479 / 0.23%	-	-	-	-	-	-	-	-	1,479 / 0.23%	1,479 / 0.23%	None
Independent Director	Chiu-Jui Wei	1,120	1,120	-	-	639	639	40	40	1,799 / 0.28%	1,799 / 0.28%	-	-	-	-	-	-	-	-	1,799 / 0.28%	1,799 / 0.28%	None
	Ying-Chou Yang	1,040	1,040	-	-	639	639	40	40	1,719 / 0.27%	1,719 / 0.27%	-	-	-	-	-	-	-	-	1,719 / 0.27%	1,719 / 0.27%	None
	Kuo-Kuang Chao	1,040	1,040	-	-	639	639	40	40	1,719 / 0.27%	1,719 / 0.27%	-	-	-	-	-	-	-	-	1,719 / 0.27%	1,719 / 0.27%	None
	Wei-Ting Lai	960	960	-	-	639	639	40	40	1,639 / 0.26%	1,639 / 0.26%	-	-	-	-	-	-	-	-	1,639 / 0.26%	1,639 / 0.26%	None

1. Please specify the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and the factors, such as their job responsibilities, risks, and time contributed: In addition to the fixed remuneration determined according to the Director and Functional Committee Members Remuneration Regulations, the remuneration for company directors should not exceed one percent of the annual profit, as defined in the Company's Articles of Incorporation. Profit refers to pre-tax income after deducting employee and director remuneration. The allocation of remuneration should be based on the board of directors' actual performance and the results of performance evaluations, and should be distributed to directors who do not hold executive positions.

2. Other than disclosures in the table above, remuneration paid to directors for providing services (such as consulting services as a non employee) for all companies in the consolidated financial statements in the most recent year: None.

Note 1: The proposal to issue Director and employee remunerations according to this table was ratified by the Remuneration Committee and Board of Directors on March 12, 2025.

(2) Remuneration of Supervisors: Not applicable

(3) Remuneration to the President and Vice Presidents

December 31, 2024; Unit: Expressed in thousands of New Taiwan Dollars

Position	Name	Salary (A)		Severance Pay and Pension (B)		Bonuses and Allowances (C)		Employee Compensation (D) (Note 2)				Total Amount of A+B+C+D / Ratio to Net Income (%)		Compensation from Ventures Other Than Subsidiaries or from the Parent Company
		The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company	All Companies in the Financial Statements	The Company		All Companies in the Financial Statements		The Company	All Companies in the Financial Statements	
								Cash	Stock	Cash	Stock			
General Manager	Chung-I Li	3,660	3,660	-	-	4,678	4,678	4,583	-	4,583	-	12,921 / 2.03%	12,921 / 2.03%	None
Vice President	Tsang-Sung Wu	2,520	2,520	108	108	2,800	2,800	2,361	-	2,361	-	7,789 / 1.22%	7,789 / 1.22%	None

(4) Names and Distributions of Employee Profit-Sharing Compensation to Managerial Officers

Unit: Expressed in thousands of New Taiwan Dollars

Position	Name (Note 1)	Stock	Cash (Note 2)	Total (Note 2)	Ratio of Total Amount to Net Income (%)
General Manager	Chung-I Li	-	8,064	8,064	8,064 / 1.27%
Vice President	Tsang-Sung Wu				
Director of Finance and Accounting	Pei-Ching Cheng				

Note 1: Serving as the manager of the Company as of the end of 2024.

Note 2: The proposal to issue employee remunerations according to this table was ratified by the Remuneration Committee and Board of Directors on March 12, 2025.

2. Separate Comparisons and Descriptions of Total Remuneration, as a Percentage of Net Income Stated in the Parent Company-Only Financial Reports or Individual Financial Reports, as Paid by the Company and All Other Companies Included in the Consolidated Financial Statements During the Past Two Fiscal Years to Directors, Supervisors, the General Manager, and Deputy General Managers, with Analysis and Description of Remuneration Policies, Standards, and Packages, Procedure for Determining Remuneration, and Linkage Thereof to Operating Performance and Future Risk Exposure
- (1) Percentage of remuneration paid to the Company's Directors, Supervisors, President, and Vice Presidents in the last 2 years to net profit after tax of individual or consolidated financial statements

Unit: Expressed in thousands of New Taiwan Dollars

Item	2023		2024	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Total amount of remunerations to Directors	10,942	10,942	13,753	13,753
Ratio of Total Remuneration Paid to Directors to Net Income After Tax	3.63%	3.63%	2.16%	2.16%
Total amount of remunerations to the President and Vice Presidents	16,173	16,173	20,710	20,710
Ratio of Total Remuneration Paid to the President and Vice Presidents to Net Income After Tax	5.36%	5.36%	3.25%	3.25%

- (2) The policies and standards of paying remunerations, and packages of remuneration; the procedure for making such decisions; and relation to business performance and future risks

The remuneration of Directors and executives is regularly evaluated based on the assessment results of the "Board Performance Evaluation Measures" and the "Performance Management Measures".

The fixed remuneration determined according to the Director and Functional Committee Members Remuneration Regulations, the remuneration for company directors should not exceed one percent of the annual profit, as defined in the Company's Articles of Incorporation. (Profit refers to profits before tax minus remuneration distributed to employees and Directors.) The allocation of remuneration should be based on the Board of Directors' actual performance and the results of performance evaluations, and should be distributed to directors who do not hold executive positions.

The remuneration of managers includes salary, bonuses, and employee remuneration. Salary standards are determined by the Company's earnings per share, job title, responsibilities, contribution to the Company, and by referencing standards set by industry peers; The remuneration of Directors and managers is determined by the Remuneration Committee and submitted to the Board of Directors for approval before issuing. Managerial bonuses are based on financial indicators, the overall profitability of the Company, as well as the achievement rate of managerial goals and contribution. Non-financial

indicators, such as corporate culture practices, operational management capabilities, complexity of management, sustainable business operations, and future development, are also considered for annual salary adjustments and bonus distribution. The remuneration system is regularly reviewed by the Compensation Committee, taking into account market conditions and actual business operations.

In summarization of the above, the remuneration of this Company's Directors and managers considers operating circumstances and potential liability from future operating risks. Competitive remuneration is provided to attract, retain, and cultivate talents. Compensation and performance evaluation indicators prioritize the Company's medium to long-term operational development and shareholder value rather than short-term profit, in pursuit of a balance between risk management and sustainable operations at this Company.

II. Implementation of Corporate Governance

(I) Board of Directors

The Board of Directors met 6 times in 2024. The details of attendance are as follows:

Position	Name	Attendance in Person	By Proxy	Attendance Rate	Remark
Chairman	Chung-I Li	4	0	100%	-
Director	BenQ Materials Corp. Representative: Pei-I Liu	4	0	100%	-
Director	Ke-Yung Yu	4	0	100%	-
Director	Sheng-Wen Chen	4	0	100%	-
Independent Director	Chiu-Jui Wei	4	0	100%	-
Independent Director	Ying-Chou Yang	4	0	100%	-
Independent Director	Kuo-Kuang Chao	4	0	100%	-
Independent Director	Wei-Ting Lai	4	0	100%	-

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

(1) Matters referred to in Article 14-3 of the Securities and Exchange Act: The Company has implemented an Audit Committee and Article 14-3 is not applicable. For details related to matters listed in Article 14-5 of the Securities and Exchange Act, please refer to the operations of the Audit Committee (Page 17).

(2) Any recorded or written Board resolutions to which independent directors have dissenting or qualified opinions to be noted in addition to the above: None.

2. Regarding recusals of directors due to conflicts of interests, the names of the directors, contents of motions, reasons for recusal, and results of voting shall be specified:

Board of Directors Meeting: February 27, 2024

Cases are regularly reviewed according to the "Indicators and Principles for Rewarding Managers" to ratify the proposal of remunerations to employees and Directors in 2023; The board and meeting chair Mr. Chung-I Li as well as Vice President Tsang-Sung Wu were in attendance but recused themselves from voting due to their affiliation with

the case. The board nominated Mr. Ke-Yung Yu to act as deputy chair for this proposal, which was ratified after seeking opinions from the remaining 7 Directors in attendance.

Board of Directors Meeting: November 7, 2024

Ratification of proposal to issue bonuses to managers in 2024; The proposal for the establishment of an employee stock trust and the manager's participation in the employee stock trust reward scheme; The board and meeting chair Mr. Chung-I Li as well as Vice President Tsang-Sung Wu were in attendance but recused themselves from voting due to their affiliation with the case. The Board nominated Mr. Ke-Yung Yu to act as deputy chair for this proposal, which was ratified after seeking opinions from the remaining 7 Directors in attendance.

3. TWSE/TPEX listed companies shall disclose the frequency and period, scope, method and content of evaluation of their board of directors' self- (or peer) evaluation, as well as evaluation of the board of directors:

The Company's Board of Directors established and ratified the "Guideline of Performance Evaluations for the Board of Directors" on November 17, 2020; On November 8, 2022, the Board approved an amendment to the guidelines, stipulating that an external professional independent organization must conduct an evaluation at least once every three years. Additionally, performance evaluations for the Board of Directors, individual Directors, and functional committees are to be conducted annually, with the results reported to the Board of Directors.

Performance evaluation reports for the internal and external Board of Directors have been completed for 2024 and have been reported at the Board of Directors meeting on March 12, 2025. The results of the internal evaluation are as follows (including individual assessments of the Board of Directors, board members, and functional committees). The evaluation results indicate that the overall operations are excellent.

The evaluation results of the Board of Directors and Directors fall mostly between "highly agree" (5 points) and "agree" (4 points).

The evaluation results of the Audit Committee fall mostly between "highly agree" (5 points) and "agree" (4 points).

The evaluation results of the Remuneration Committee fall mostly between "highly agree" (5 points) and "agree" (4 points).

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once a year	January 2024 to December 2024	The Board of Directors, its individual members, and functional committees (including the Audit Committee and Remuneration Committee)	Internal self-evaluation of Directors, the Board of Directors, and functional committees (including the Audit Committee and Remuneration Committee)	<ul style="list-style-type: none"> • Performance evaluations of the Board of Directors and its individual members includes 5 major criteria: Level of participation in the Company's operations, improving the quality of the board's decision-making, board composition and structure, appointment of directors and their continuing development, and internal controls. • Performance evaluations of Board members includes 6 major criteria: Familiarity of goals and missions of the Company, understanding of director's responsibilities, level of participation in the Company's operations, internal relationship management and communication, and professionalism and continued development, and internal controls. • Performance evaluations of functional committees includes 5 major criteria: Participation level in the Company's operations, understanding of the roles and responsibilities of the functional committee, improvement of the quality of committee decisions, composition of the functional committee and the selection of its members, and internal controls.

The external performance evaluation of the Board of Directors for 2024 was conducted, and the evaluation report was obtained on October 9, 2024. The results are as follows:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Implemented once every three years	From August 1, 2023, to July 31, 2024.	Board of Directors	An independent professional external team from the Taiwan Corporate Governance Association (which has provided an independence declaration) was appointed to assess the operation of the Board of Directors in writing, based on the Company's development situation. The team interacted directly with the board members and assisted the Company in exploring how the board's functions were being carried out. They also collaboratively identified opportunities for board improvement that best reflect the Company's culture and characteristics, while aligning with the Company's phased development goals.	<ol style="list-style-type: none"> 1. Composition and Division of Responsibilities of the Board of Directors 2. Guidance and Supervision of the Board of Directors 3. Authorization and Risk Management of the Board of Directors 4. Communication and Collaboration of the Board of Directors 5. Self-Discipline and Enhancement of the Board of Directors

Overall Assessment

1. On November 8, 2022, the Board of Directors' performance evaluation guidelines were revised, with external assessments to be conducted at least once every three years. In 2024, the Company entrusted an external organization to conduct the evaluation for the first time, demonstrating the Company's commitment to enhancing the effectiveness of the Board of Directors.
2. The Board of Directors is composed of a diverse group of professionals who meet the necessary qualifications for the Company's development. Independent Directors conduct regular closed-door meetings with the internal audit supervisor and the accountant, fostering effective interaction between the accountant and the Independent Directors.
3. The Company has implemented a comprehensive orientation program for newly appointed Directors to ensure they fully understand the Company's operational goals and business strategies.
4. The Company has established a procedure for reporting significant unexpected events, clearly defining the criteria for assessing their impact on operations, as well as the corresponding response measures and responsible personnel.

Recommendation

1. It is advisable to establish a functional committee for Sustainable Development and Risk Management under the Board of Directors to oversee the implementation of sustainable development and risk management at the management level.
2. It is advisable to formalize the succession plan in writing and to provide regular reports to the Board of Directors, as well as to appropriately disclose it to external parties.
3. It is advisable to establish a reporting channel that Independent Directors can access simultaneously, thereby enhancing the whistle-blower mechanism.

4. Objectives (such as establishing an audit committee and enhancing information transparency) for enhancing the functions of the board and performance in the current year and the most recent year:
 - (1) The Board of Directors operates well according to the provisions of "Rules of Procedure for the Board of Directors"; Auditing supervisors of finance and accounting regularly report the status of finances and audits to the board of directors, thereby improving the board's grasp of operations.
 - (2) The Independent Directors communicate with CPAs and audit supervisors through the Audit Committee. This includes reports on the execution of audit plans (including deficiencies and the state of improvements), annual self-evaluation reports on internal controls, the establishment and revision of internal control systems, review of financial statements, reports of reviews, detailing and communicating changes to laws and regulations, and organizing communication meetings without the attendance of Directors and managers.
 - (3) In order to implement sustainable development and enhance risk management, the Company has established the Sustainable Development and Risk Management Committee. This committee reports directly to the Board of Directors and is chaired by the Chairman. Its responsibilities include management and supervision, and it is comprised of department heads from various units. In 2024, 2 meetings were conducted, and a report was presented to the Board of Directors on August 7, 2024, regarding the overall operation aimed at improving command and control of the risk management organization as well as the efficiency of self-evaluation and execution.

(II) Audit Committee

The Audit Committee convened 4 times in 2024. The details of attendance by Independent Directors is as follows:

Position	Name	Attendance in Person	By Proxy	Attendance Rate	Remark
Independent Director	Chiu-Jui Wei	4	0	100%	-
Independent Director	Ying-Chou Yang	4	0	100%	-
Independent Director	Kuo-Kuang Chao	4	0	100%	-
Independent Director	Wei-Ting Lai	4	0	100%	-

Other information required to be disclosed:

1. With regard to the implementation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act:

The following motion as listed in Article 14-5 of the Securities and Exchange Act has been approved through a majority vote by all members in the Audit Committee and submitted to the Board of Directors for ratification; there have been no instances where the Board of Directors has ratified a motion without approval by the Audit Committee.

Date	Term	Contents of Motions
2024.02.27	First meeting in 2024	a) Discuss the 2023 Declaration of Internal Control Systems and self-evaluation report on its execution and results b) Recognize the 2023 financial statements, operating report, and 2024 operating plans c) Proposal to appoint CPA and review budget for auditing services of the 2024 financial reports d) Proposal for release the prohibition on Directors and the representative from participation in competitive business
2024.05.09	Second meeting in 2024	a) Proposed revision of certain provisions of the "Internal Control System" b) Subsidiary Visco Technology Sdn. Bhd. to purchase equipment for the contact lens production line c) Proposed of capital increase to the subsidiary Visco Technology Sdn. Bhd. d) Proposed acquisition of common stock case of Crystalvue Medical Corporation
2024.11.07	Fourth meeting in 2024	a) Proposed addition of certain provisions to the "Internal Control System" b) Proposed acquisition of common stock case of Crystalvue Medical Corporation c) Proposal to acquire the right to use real estate from Qisda Corporation

(2) Other matters that were not approved by the Audit Committee but were approved by two-thirds or more of all Directors: None.

2. Regarding recusals of Independent Directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None.

3. Communication between the Independent Directors and the chief internal audit officer and the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the Company's finances and business and the method(s) and outcomes of the communication):

(1) Once a year, the Independent Director, internal audit manager, and accountant are required to convene a separate communication meeting to discuss the status of internal audits and the opinions of external audits.

(2) Meetings may be convened at any time when a significant abnormality has occurred, and the personnel mentioned above believe it is necessary to communicate relevant matters separately. Direct communication channels are established between each Independent Director, internal audit manager, and accountant for prompt discussion and communication as required.

Communication between Independent Directors and Accountants in 2024

Date	Meeting Name	Main Communication Matters	Communication Result
2024.02.27	KPMG 2023 Communication Meeting	The accountant provided an explanation regarding the audit of the financial statements for the fiscal year 2023 and discussed key audit matters, reminders about significant internal control deficiencies identified by regulatory authorities in publicly listed companies, the firm's quality management system, and updates on relevant laws and regulations.	No opinion.
2024.08.07	Individual Communication Meeting	The accountants discussed and communicated with the attendees about the raised questions.	No opinion.
	KPMG First Half of 2024 Annual Communication Meeting	The accountant provided an explanation of the review of the financial statements for the first half of 2024 and discussed key audit matters, the annual audit plan, the implementation plan for the IFRS sustainability disclosure standards, the main changes in IFRS 18, and updates to relevant regulations.	No opinion.

Communication between Independent Directors and Internal Audit Manager in 2024

Date	Meeting Name	Main Communication Matters	Communication Result
2024.02.27	First Audit Committee	a) Report the 2023 Declaration of Internal Control Systems and self-evaluation on its execution and results b) Internal Audit Operation Results Report from October to December 2023	No opinion.
	Individual Communication Meeting	The internal audit manager discussed and communicated with the attendees about the raised questions.	No opinion.
2024.05.09	Second Audit Committee	Internal Audit Operation Results Report from January to March 2024	No opinion.
2024.08.07	Third Audit Committee	Internal Audit Operation Results Report from April to June 2024	No opinion.
2024.11.07	Fourth Audit Committee	a) Internal Audit Operation Results Report from July to September 2024 b) Audit plan for 2025	No opinion.

4. Annual Work Focus and Operating Status:

- (1) Review financial statements.
- (2) Review and discuss financial statements or audit results with CPAs.
- (3) Discuss audit results with internal audit supervisors according to the annual audit plan.
- (4) Evaluate the effectiveness of internal control systems.
- (5) Evaluate the independence of appointed CPAs.
- (6) Review procedures for assets, derivative products, loans, and endorsement guarantees as well as the subjects and amounts of major asset transactions, loans, and endorsement guarantees.

Proposal for the 2024 Audit Committee has been passed by members without objections from Independent Directors.

(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Does the Company establish and disclose its corporate governance best-practice principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	√		On May 5, 2022, the Company's Board of Directors discussed revisions to the "Best Practice Principles of Corporate Governance" in areas such as meeting convening, control measures for insider stock trading, director remuneration reports, the ratio of female directors, and term period for Independent Directors. The revisions, based on legal and regulatory requirements, can be reviewed by stakeholders at a dedicated area on this Company's website and MOPS.	No significant differences
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedures?	√		The Company has implemented a spokesperson system responsible for external contact and communication to investors. A financial department and stock agency have been appointed to handle affairs related to shareholder doubts and suggestions. Matters relating to shareholder litigations are handled by the legal affairs department or appointed lawyers.	No significant differences
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	√		The Company has appointed a stock agency to regularly monitor the shares held by directors, managers, and major shareholders with more than 10% of all shares and a list of ultimate owners; a monthly report is compiled for shareholding changes of directors and major shareholders.	No differences
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	√		The Company has established a "Procedures for Subsidiary Management" to monitor affiliated companies. Internal control systems and Articles of Incorporation have been established in all affiliates to clearly define the duties and responsibilities of this Company and its affiliates. The appropriate firewalls, continuous execution, and controls should be in place based on risk assessment.	No differences
(IV) Has the Company established internal rules against insiders trading with undisclosed information?	√		Aside from requiring employees and directors to comply with the Securities and Exchange Act, this Company has established procedures such as the "Code of Ethical Conduct", "Code of Ethical Operations", "Management Procedures of Trade Secrets", and "Procedure for Handling Material Inside Information to Prevent Insider Trading" to prevent insiders from using information that is not publicly available to buy and sell securities.	No significant differences

III. Composition and responsibilities of the Board of Directors			
(I) Has the Board developed, and does it implement, a diversity policy for the composition of its members?	V	<p>The Company's diversity policy is established in the "Best Practice Principles of Corporate Governance" which outlines the Board of Directors' composition including experience and background in finance, operational management, and industries as well as the knowledge and skills to carry out business.</p> <p>When considering and selecting candidates for Directors, the Company adopts a policy of diversity, evaluating each candidate's academic background, work experience, integrity, professional background, and qualifications. The Company has achieved the management goal of having at least one female Director and Independent Directors making up more than one-third of the total board seats. The Company will continue to promote gender diversity on the board, working towards the goal of having one-third of the board seats held by a single gender.</p>	No differences
(II) Does the Company voluntarily establish other functional committees in addition to the legally-required Remuneration Committee and Audit Committee?	V	The Company has implemented an Audit Committee and Remuneration Committee; additional functional committees may be implemented in the future based on the Company's operating scale and requirements.	As detailed in the summary.
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually, and report the results of evaluations to the Board, and use them as a reference for individual directors' remuneration and nomination and renewal?	V	This Company has established a "Guideline of Performance Evaluations for the Board of Directors" to regularly evaluate the Board's performance and propose these results to the Board of Directors.	No significant differences
(IV) Does the Company regularly evaluate the independence of the CPAs?	V	The CPAs and accounting firms appointed by this Company have no affiliation, interests, and do not violate the requirement of independence. Each year, CPAs must submit a declaration of independence to the Audit Committee and Board of Directors for evaluation. During the board and audit committee meeting on March 12, 2025, to discuss the appointment of the auditors for the 2025, the accounting firm had already provided an independence declaration and an Audit Quality Indicator (AQI). The AQI includes five dimensions (professionalism, quality control, independence, supervision, innovation capability) and 13 indicators (including audit experience, training hours, accountant workload, audit input, non-audit service fees, client familiarity, external inspection deficiencies and penalties, innovative planning or initiatives, etc.) for evaluation. In addition to case-specific and firm-level information, it also includes comparisons with industry averages, allowing for appointment after thorough evaluation.	No differences
IV. Has the publicly listed company allocated an appropriate number of qualified personnel to corporate governance and appointed a supervisor responsible for the Company's corporate governance affairs? (Including but not limited to providing Directors and supervisors with the necessary information to conduct business, assisting directors and supervisors with legal compliance when handling matters related to the Board of Directors and shareholders' meeting, producing meeting minutes for Board of Director and shareholders' meetings, etc.)	V	On May 5, 2022, the Company appointed Section Chief Pei-Ching Cheng as the Company's Governance Director and assigned personnel from the Finance Department to assist Directors with legal compliance. Affairs relating to the Board of Directors, shareholders' meeting, the Company's change of registration, and meeting minutes for the Board of Directors and shareholders' meeting were conducted in compliance with laws and regulations. Additionally, corporate governance courses were scheduled for members of the Board.	No significant differences

V.	Has the Company established channels for communicating with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a dedicated stakeholder area on the Company website, as well as responded appropriately to important corporate social responsibility (CSR) issues of concern to stakeholders?	√	<p>This Company's website discloses the communication channels and methods stakeholders may utilize to receive timely responses to the CSR issues of their concern; a stakeholder area has been established in this Company's website.</p> <p>By law, the Company regularly discloses information related to finances and business on MOPS for stakeholder review. Timely announcements are made for material information that may result in event that impact stakeholders.</p>	No significant differences
VI.	Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	√	The Company has appointed Taishin Securities Co., Ltd to handle all affairs relating to stocks and shareholders' meetings.	No differences
VII. Information disclosure				
(I)	Does the Company have a corporate website to disclose both the Company's financial standings and corporate governance status?	√	The Company discloses financial, business, governance, and material information on MOPS; an investor area is provided at the Company's website for the timely disclosure of company information.	No significant differences
(II)	Has the Company adopted other means of information disclosure? (e.g., creating a website in English, appointing a dedicated staff to gather and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company website)	√	The Company's offers both Chinese and English website. A dedicated spokesperson and deputy spokesperson are responsible for the Company's gathering and disclosure of information; an investor's e-mail address has been setup to answer investor questions. Furthermore, Chinese and English presentations and audio files will be uploaded after corporate briefings in compliance with regulations to provide diverse channels for information disclosure and communication.	No significant differences
(III)	Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit?	√	The Company announces and submits the annual financial statements within 2 months of the previous fiscal year; financial statements and monthly operations for the first three quarters are announced earlier than the required period of publicly listed companies.	No significant differences

<p>VIII. Does the Company have other information that contributes to better understanding of its corporate governance standing? (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer policies, liability insurance policies purchased for directors and supervisors)</p>	<p>V</p>	<p>(I) Employee rights and care: The Company has implemented an Employee Welfare Committee. Each department nominates representatives who are appointed to the committee through an election by all employees. The Employee Welfare Committee convenes regularly to establish various benefit programs, such as: concern for weddings and funerals, regular department gatherings, afternoon tea, club subsidies, holiday gift sets, event souvenirs, and the employee welfare network.</p> <p>(II) Investor relations, supplier relations, and the rights of stakeholders: The Company has implemented a spokes person system to maintain good communications with stakeholders. The Company's website includes various channels and other methods for stakeholder communication.</p> <p>(III) Directors' continuing education: The Company conducts training in accordance with provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". For detailed information regarding the training courses, please refer to page 28 of this annual report.</p> <p>(IV) The implementation of the risk management policy and assessment standards: The Company based on "Sustainable Development and Risk Management Policy" to set up sustainable development strategy and evaluate relevant risks. The President acts as Chair and convenes for two meetings annually; meetings were conducted in 2024 as follows:</p> <p>(1) Completed the 2024 risk self-assessment, identifying a total of 34 items classified as medium or higher risk. After improvement measures, the risks have been mitigated to a manageable level.</p> <p>(2) Completed the greenhouse gas inventory for the parent company and its subsidiaries for 2023 and obtained the Company's first assurance certificate in the first quarter of 2024.</p> <p>(V) Implementation of the customer policy: The Company is centered in ethical operations. Customers in each region enjoy dedicated sales services to properly handle their complaints and demands. The continuous improvement of service quality is for the purpose of forming long term partnerships.</p> <p>(VI) Purchase of liability insurance for Directors: The Company has purchased liability insurance for Directors and key personnel as reported to the Board of Directors.</p> <p>(VII) Succession planning of directors and key executives and the state of their implementation: The Company nominates candidates for the Board of Directors in accordance with the requirements of future development plans and the board's diversity policy, subsequently selecting a suitable candidate for the position of chairman of the board. In addition, based on operational needs, meetings will be held periodically to discuss and review succession planning and development for key management personnel within the Company. This includes talent evaluation of supervisors (including management capabilities and temperament), utilizing annual performance interviews to understand their willingness for personal development, rotating the jobs of senior executives, overseas assignment to subsidiaries, and implementing a deputy system. Training includes but is not limited to EMBA</p>	<p>No significant differences</p>
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			continuing education, leadership management, and communication for developing the management, leadership, and decision-making abilities of key executives. The Management Committee focuses on the assessment and development of talent, who are submitted to the Board of Directors to promote high level executives.	
Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved (no information is required for companies not included in the evaluation):				
1. In 2023, the Company participated for the first time in the 10th Corporate Governance Evaluation, jointly organized by the Taiwan Stock Exchange and Taipei Exchange. We ranked within the 51st to 65th percentile among listed companies.				
2. The Company complies with regulations by timely disclosing information on the Market Observation Post System. Additionally, comprehensive information is provided in the annual report and on the Company website, ensuring high transparency and timeliness. In 2024, significant progress was made in protecting shareholder rights and ensuring equitable treatment of shareholders, strengthening the structure and operations of the Board of Directors, and enhancing information transparency. The Company will continue to promote sustainable development.				

(IV) Composition and operating status of the Remuneration Committee

1. The Company's Remuneration Committee was founded on June 30, 2020. Independent Directors were appointed as members of the current committee serving the term of May 30, 2023 to May 29, 2026.
2. As of December 31, 2024, the Compensation Committee consists of a total of three members. The details of the members are as follows:

Criteria Identity and Name	Professional Qualifications and Experiences	Independence (Note 1)	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Independent Director Chiu-Jui Wei	1. Possesses experience required for finance and business 2. Current Senior Vice President of Compal Electronics Inc., Independent Director of Continental Holdings Corporation; former CFO and Senior Vice President of Toppoly Optoelectronics Corp, Executive Director of BNP Paribas	Meets qualifications	1
Independent Director Ying-Chou Yang	1. Possesses experience required for finance and business 2. Current Independent Director, TSRC Corporation; former Director of Kaimei Electronic Corp., CFO/CSO of YAGEO Corporation	Meets qualifications	1
Independent Director Kuo-Kuang Chao	1. Possesses experience required for finance and business 2. Current Independent Director of Panram International Corporation, CEO of Gloria Taipei Tech. NTUT, former Chairman Assistant of Fwusow Industry Co.,Ltd., General Manager of OU Jie Technology Co., Ltd	Meets qualifications	1

Note 1: Independent Directors should clarify their qualifications of independence, including but not limited to

- (1) Neither the director themselves, their spouse, nor any relatives within the second degree of kinship serve as directors, supervisors, or employees of the Company or its affiliated enterprises.
- (2) The Independent Director, their spouses, as well as relatives within the second degree (or through using the name of others) do not hold shares in this Company.
- (3) Is not appointed as a director, supervisor, or employee of a company that is affiliated with this Company (refer to 5-8 of Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)
- (4) Received no remuneration from providing business, legal, financial, or accounting services to the Company or any of its affiliates in the last two years.

3. The 2024 Remuneration Committee convened 2 times with member attendance as follows:

Position	Name	Attendance in Person	By Proxy	Attendance Rate	Remark
Convener	Chiu-Jui Wei	2	0	100%	
Committee Member	Ying-Chou Yang	2	0	100%	
Committee Member	Kuo-Kuang Chao	2	0	100%	

Other information required to be disclosed:

1. If the Board of Directors refuses to adopt or amend a recommendation from the Remuneration Committee, the date of the meeting, session, contents of the motions, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., the circumstances and cause for the difference if the remuneration passed by the Board of Directors exceeds the recommended amount by the Remuneration Committee) shall be specified: None.
2. If there were resolutions by the Remuneration Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: None.

4. Discussion and resolution of proposals

Remuneration Committee meeting dates	Contents of Motions	Resolution Result
February 27, 2024	(1) Proposal to regularly review "Indicators and Principles for Rewarding Managers" (2) Distribution of employee and director remunerations for 2023	Passed with the consent of all members present and proposed to the Board of Directors for resolution.
November 7, 2024	(1) Proposal to issue bonuses to managers in 2024 (2) The proposal for the establishment of an employee stock trust and the manager's participation in the employee stock trust reward scheme	

(V) Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reason for such deviations

Implementation items	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the Board of Directors authorized senior management to handle related matters under the supervision of the board?	V		The Company's "Sustainable Development and Risk Management Committee" (referred to as the Committee) operates directly under the Board of Directors and is overseen by the Chairman. The Committee consists of department heads from different units. It conducted two meetings on March 28 and September 26, 2024 and provided a report on the overall operations to the Board of Directors on August 7, 2024.	No significant differences
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish relevant risk management policies or strategies?	V		<p>The Company conducted risk assessments on environmental, social, and corporate governance aspects in accordance with the major principles of sustainable development. These assessments cover all major subsidiaries, and the risk levels are measured based on criteria such as frequency of occurrence, impact, and control. The strategies for addressing significant risks this year are as follows:</p> <p>(1) Completed the 2024 risk self-assessment, identifying a total of 34 items classified as medium or higher risk. After improvement measures, the risks have been mitigated to a manageable level.</p> <p>(2) Completed the greenhouse gas inventory for the parent company and its subsidiaries for 2023 and obtained the Company's first assurance certificate in the first quarter of 2024.</p> <p>(3) In alignment with the Taiwanese government and leading enterprises, established greenhouse gas reduction targets and published them in the annual report as well as on the Company website.</p> <p>(4) Initiated the preparation of the Company's sustainability report, signed a consulting contract, and commenced training sessions.</p> <p>(5) The Company's total solar power generation for the 2024 was 4.12 million kWh, representing a 37% increase compared to 2023. The total annual carbon reduction amounted to 3,200 metric tons of CO₂e. In 2025, an additional investment of NT\$20 million is planned for the construction of solar power panels at the plant in Malaysia. The estimated increase in power generation will be 2.15 million kWh per year, a 52% increase compared to 2024. The overall reduction in carbon emissions is expected to reach 4,800 metric tons of CO₂e.</p>	No significant differences
III. Environmental issues				
(I) Has the Company established environmental management systems based on its industry's characteristics?	V		The industrial waste, such as organic solvents, manufacturing waste, and waste containers, of this Company's plant in Penang, Malaysia is handled by a regulatory approved local waste management supplier. Additionally, workers dedicated to environmental safety and health handle all relevant affairs to prevent pollution to the environment.	No significant differences
(II) Is the Company committed to	V		The Company encourages employees to adopt practices such	No significant

Implementation items	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons																											
	Yes	No	Description																												
achieving efficient use of resources, and using renewable materials that produce less impact on the environment?			as sorting recyclable materials and reusing waste paper. All daily and manufacturing waste is handled by approved recycling and waste management suppliers to decrease the environmental impact of operating activities.	differences																											
(III) Does the Company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	V		<p>The Company's Sustainable Development and Risk Management Committee, in line with the "Sustainable Development and Risk Management Policy", has incorporated climate change into the evaluation of strategic and environmental risk management matters. Following the assessment results, the greenhouse gas inventory has been finalized, and subsequent actions to reduce carbon emissions have been initiated.</p> <p>The Company continues to accelerate its investment in renewable energy, with a total investment of NT\$ 55.6 million in constructing new solar power generation systems. The annual electricity generation capacity is expected to reach 4.12 million kWh, resulting in an annual reduction of 3,200 metric tons of CO₂e.</p> <p>In 2025, an additional investment of NT\$20 million is planned for the construction of solar power panels at the plant in Malaysia. The estimated increase in power generation will be 2.15 million kWh per year, a 52% increase compared to 2024. The overall reduction in carbon emissions is expected to reach 4,800 metric tons of CO₂e.</p>	No significant differences																											
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the total weight of waste in the last two years, and formulate policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	V		<p>I. The Company has obtained the group's 2024 and 2023 statistics on greenhouse gas emissions, water usage, and total waste as shown in the following:</p> <p>(1) The total greenhouse gas emissions and intensity for 2024, including subsidiaries covered by consolidated financial statements, have been verified by a third party and are provided in the table below.</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Scope one</td> <td>14 metric tons</td> <td>13 metric tons</td> </tr> <tr> <td>Scope two</td> <td>21,095 metric tons</td> <td>18,217 metric tons</td> </tr> <tr> <td>Scope three</td> <td>4,176 metric tons</td> <td>-</td> </tr> <tr> <td>Total Emissions</td> <td>25,285 metric tons</td> <td>18,230 metric tons</td> </tr> <tr> <td>Density (per NT\$ million of revenue)</td> <td>6.9 metric tons</td> <td>7.6 metric tons</td> </tr> </tbody> </table> <p>(2) Total volume of water consumption and intensity of the factory are as follows in the table below:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Volume of water consumption</td> <td>269,612 metric tons</td> <td>218,627 metric tons</td> </tr> <tr> <td>Density (per NT\$ million of revenue)</td> <td>74 metric tons</td> <td>91 metric tons</td> </tr> </tbody> </table>	Item	2024	2023	Scope one	14 metric tons	13 metric tons	Scope two	21,095 metric tons	18,217 metric tons	Scope three	4,176 metric tons	-	Total Emissions	25,285 metric tons	18,230 metric tons	Density (per NT\$ million of revenue)	6.9 metric tons	7.6 metric tons	Item	2024	2023	Volume of water consumption	269,612 metric tons	218,627 metric tons	Density (per NT\$ million of revenue)	74 metric tons	91 metric tons	No significant differences
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			<p>(3) The total quantity of waste in the factory are as follows in the table below:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2024</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Hazardous waste</td> <td>63 metric tons</td> <td>44 metric tons</td> </tr> <tr> <td>Non-hazardous waste</td> <td>2,388 metric tons</td> <td>2,001 metric tons</td> </tr> <tr> <td>Total Amount</td> <td>2,450 metric tons</td> <td>2,045 metric tons</td> </tr> <tr> <td>Recycling Rate</td> <td>73.41%</td> <td>71.55%</td> </tr> </tbody> </table> <p>2. The Company is committed to the greenhouse gas reduction targets in line with the global temperature control goal of 1.5°C set by the Paris Agreement in 2015. The commitments are as follows:</p> <p>(1) 2030: The Company had projected a continuous expansion of production capacity before 2030, but the total carbon emissions remained unchanged from 2023.</p> <p>(2) 2050: Achieve net zero carbon emissions. To accomplish the goals mentioned above, the Company continues to accelerate its investment in renewable energy, with a total investment of NT\$ 55.6 million in constructing new solar power generation systems. The annual electricity generation capacity is expected to reach 4.12 million kWh, resulting in an annual reduction of 3,200 metric tons of CO₂e. In 2025, an additional investment of NT\$20 million is planned for the construction of solar power panels at the plant in Malaysia. The estimated increase in power generation will be 2.15 million kWh per year, a 52% increase compared to 2024. The overall reduction in carbon emissions is expected to reach 4,800 metric tons of CO₂e.</p> <p>3. The Company continues to promote water conservation improvement initiatives by installing water resource recycling systems on designated production lines within the factory. This system recycles wastewater generated during the production process, redirecting it for reuse in the facility's cooling towers. In 2024, a total investment of 100,000 NTD was made in the water resource recycling system. It is expected that in 2025, this system will save 216 metric tons of water used for air conditioning, achieving a recycling rate of 20% to 30%.</p>	Item	2024	2023	Hazardous waste	63 metric tons	44 metric tons	Non-hazardous waste	2,388 metric tons	2,001 metric tons	Total Amount	2,450 metric tons	2,045 metric tons	Recycling Rate	73.41%	71.55%	
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IV. Social issues																			
(I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		The Company guarantees employee's rights and interests by complying with the Labor Standards Act in the establishment of work guidelines and various management policies.	No differences															
(II) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately employee compensation based on operating	V		<p>1. According to the Articles of Incorporation, the Company distributes 5% - 20% of annual profits for employee remuneration. Since 2019, employee remunerations have been distributed for 6 consecutive years to reward colleagues.</p> <p>2. Aside from holiday bonuses, the Company allows</p>	No differences															

Implementation items	Implementation			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
performance or results?			<p>managers from each department to adjust remuneration and bonus budgets. Department managers may issue bonuses, issued after approval by authorized supervisors, based on the performance of colleagues.</p> <p>3. Each year, the Company regularly conducts investigations on salaries, price index, the market rate of salaries, company operations, and individual performance to assess and adjust salaries in April. In 2024, the average rate of salary adjustment outperformed industry-wide averages by 3.2%.</p> <p>4. Employee benefits appropriated by the Company and Welfare Committee include meal subsidies for department gatherings, subsidies for weddings and funerals, birthday and holiday shopping allowances, club subsidies, employee family days, and year-end parties, as well as discounts for employees on purchases.</p> <p>5. Salary discussions for new employees, performance evaluations, salary adjustments, training, and variable compensation will be conducted without regard to gender. Once approved by the responsible supervisor, external training programs will be fully reimbursed for training expenses. In addition to enhancing professional capabilities, we continued to hold corporate culture seminars in 2024 to encourage employees to develop their personal skills and engage in continuous learning and growth.</p>	

<p>(III) Does the company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?</p>	V	<p>The Company values employee safety and healthy work environments by biannually conducting health examinations, disinfecting work environments in various work areas, inspecting and maintaining safety equipment, conducting fire safety drills every half year, and health and safety training for new employees.</p> <table border="1" data-bbox="651 309 1305 1621"> <thead> <tr> <th data-bbox="651 309 794 398">Protecting items</th> <th data-bbox="794 309 930 398">Hours / Fees</th> <th data-bbox="930 309 1070 398">Frequency / Number of people</th> <th data-bbox="1070 309 1305 398">Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 398 794 555">Risk Management Committee</td> <td data-bbox="794 398 930 555">6 hours</td> <td data-bbox="930 398 1070 555">Once every six months</td> <td data-bbox="1070 398 1305 555">Evaluate the Company's environmental safety and provide regular reports to senior executives.</td> </tr> <tr> <td data-bbox="651 555 794 734">Regular Employee Health Check-ups</td> <td data-bbox="794 555 930 734">3 hours</td> <td data-bbox="930 555 1070 734">Biannually</td> <td data-bbox="1070 555 1305 734">Provides employees in Taiwan with regular health check-ups every two years, which exceed the requirements of the law.</td> </tr> <tr> <td data-bbox="651 734 794 891">Fire Inspection</td> <td data-bbox="794 734 930 891">-</td> <td data-bbox="930 734 1070 891">Once a month</td> <td data-bbox="1070 734 1305 891">Monthly self-checks are conducted, along with the maintenance and management of safety equipment.</td> </tr> <tr> <td data-bbox="651 891 794 1048">Evacuation Drill</td> <td data-bbox="794 891 930 1048">-</td> <td data-bbox="930 891 1070 1048">Once every six months</td> <td data-bbox="1070 891 1305 1048">Conduct regular evacuation drills in compliance with regulations to ensure safety</td> </tr> <tr> <td data-bbox="651 1048 794 1435">Accident Investigation and Prevention</td> <td data-bbox="794 1048 930 1435">-</td> <td data-bbox="930 1048 1070 1435">Irregularly scheduled/ 3 person-times</td> <td data-bbox="1070 1048 1305 1435">To address work-related injuries or traffic accidents, it is necessary to complete an accident report. Once the report has been reviewed and approved by the unit supervisor and management, appropriate measures will be implemented to prevent future occurrences.</td> </tr> <tr> <td data-bbox="651 1435 794 1621">Health Care</td> <td data-bbox="794 1435 930 1621">72 hours</td> <td data-bbox="930 1435 1070 1621">3 times per month</td> <td data-bbox="1070 1435 1305 1621">Arrange on-site nursing staff to implement health service plans every month, ensuring labor health management.</td> </tr> </tbody> </table>	Protecting items	Hours / Fees	Frequency / Number of people	Description	Risk Management Committee	6 hours	Once every six months	Evaluate the Company's environmental safety and provide regular reports to senior executives.	Regular Employee Health Check-ups	3 hours	Biannually	Provides employees in Taiwan with regular health check-ups every two years, which exceed the requirements of the law.	Fire Inspection	-	Once a month	Monthly self-checks are conducted, along with the maintenance and management of safety equipment.	Evacuation Drill	-	Once every six months	Conduct regular evacuation drills in compliance with regulations to ensure safety	Accident Investigation and Prevention	-	Irregularly scheduled/ 3 person-times	To address work-related injuries or traffic accidents, it is necessary to complete an accident report. Once the report has been reviewed and approved by the unit supervisor and management, appropriate measures will be implemented to prevent future occurrences.	Health Care	72 hours	3 times per month	Arrange on-site nursing staff to implement health service plans every month, ensuring labor health management.	No differences
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<p>(IV) Has the Company established effective career development and training plans for its employees?</p>	V	<p>The Company has established training guidelines to cultivate employees' professional knowledge and skills, allowing them to perform their duties, increase work efficiency, and ensure work quality to achieve the Company's sustainable operation and development goals. The Company offers diverse training programs and professional on the job training. This includes new employee training, on the job training, management functions training courses, professional courses, and external training programs related to various duties. Also, we also invite external professional training institutions to conduct training courses on medical device regulations and quality tools for colleagues, and hold regulatory study groups combining regulatory study and practical exercises. These training and education channels comprehensively strengthens employees to increase their professional capabilities</p>	No differences																												

		and core competitiveness. Aside from the programs in the preceding paragraph, the Company began hosting corporate culture seminars in 2024 to encourage autonomous learning amongst employees, thereby expanding their knowledge and learn new forms of soft power.	
(V) Do the Company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?	V	All medical devices produced by the Company are compliant with all laws, regulations, and international standards. Customers are provided with safe, high quality products as well as customer complaint channels that ensure their rights and interests.	No differences
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights?	V	<p>1. The Company will determine risk levels based on the influence of raw material suppliers on lenses and regulations, and will implement appropriate management measures for different risks.</p> <p>(1) Suppliers must obtain the ISO internationally recognized quality management certificate. The Company utilizes an internal supplier management system known as WEBISO. This system is responsible for verifying the validity of ISO certificates for all direct raw material suppliers, ensuring their effectiveness.</p> <p>(2) The Company conducts a verification process for all new raw materials. This process includes both external and internal verification, and it is evaluated using the supplier evaluation form. If the manufacturer is deemed high-risk, an on-site audit or self-assessment must be scheduled.</p> <p>(3) High-risk suppliers are obligated to perform annual on-site audits or self-assessments. The checklist comprises 14 items, including the operation of the supply chain quality system, personnel education and training, document retention integrity, process equipment control, inspection and calibration management, warehouse management, and environmental management. If any areas for improvement are identified in the suppliers' performance, they will be required to submit improvement plans, which will be reviewed and monitored by the Company.</p> <p>(4) All incoming raw materials undergo quality and delivery evaluation each time. If improvements are needed, suppliers are required to provide corrective and preventive measures within a specified time frame, and on-site audits may be arranged if necessary.</p> <p>2. Supplier Management Process:</p>  <pre> graph LR A[Supplier Evaluation] --> B[Sample Inspection Passed] B --> C[Supplier Audit Passed] C --> D[Qualified Supplier] D --> E[Regular Reassessment] </pre> <p>During 2024, the Company performed on-site audits of 7 direct raw material suppliers and conducted self-assessments of 9 suppliers, taking into account the level of risk. No significant deficiencies were identified, and the suppliers were asked to submit improvement plans for areas that require enhancement. The Company has verified that the suppliers have implemented the necessary improvements, and all supplier evaluations have been satisfactory. Suppliers who fail the evaluation will be counseled and given an opportunity to improve. If they still fail the audit or self-evaluation, they will be removed from the list of qualified suppliers. These suppliers will then need to undergo a re-evaluation process in accordance with the Company's requirements.</p>	No differences

<p>V. Does the Company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Are the reports certified or assured by a third party accreditation body?</p>	<p>V</p>	<p>The Company intends to publish 2024 annual sustainability report in 2025.</p>	<p>As detailed in the summary.</p>
<p>VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies: The Company has established and is gradually implementing a "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practices Principles for TWSE/TPEX Listed Companies".</p>			
<p>VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:</p> <p>(I) Sustainable environment development:</p> <ol style="list-style-type: none"> 1. Environmental protection is promoted in offices by adopting electronic forms, replacing single sided printing with double side printing, and comprehensive recycling. 2. The Company complies with government policies through the sorting of trash, recycling, and reducing waste. 3. The Company advocates for turning off lights when not in use, air conditioning management, and paperless operations. <p>(II) Maintaining social welfare:</p> <ol style="list-style-type: none"> 1. The Company ensures the legal rights and interests of all employees by complying with various labor laws and regulations and provides employees with safe and healthy work environments. 2. In our ongoing efforts to support philanthropic causes, we regularly buy charity gift boxes from the Taiwan Foundation for the Blind during the Mid-Autumn Festival and distribute them to our suppliers and clients. 3. We continuously establish industry-academia collaborations with universities and research institutions to enhance our technical capabilities and product competitiveness. Our investment in these collaborations amounts to NT\$ 3.45 million. 4. In addition to donating medical supplies during the pandemic, the Company also supports vulnerable groups by organizing events that feature disadvantaged and visually impaired organizations. Furthermore, the establishment of the Caring Society brings together the collective efforts of colleagues to provide care for the underprivileged. <p>The Company provides employees with safe and healthy work environments. The Company is committed to inspecting the requirements of corporate social responsibility guidelines through the highest standards. We comply with all 10 principles of the UN Global Compact including corporate support and respect for internationally recognized human rights, making sure we are not complicit in human rights abuses, upholding the freedom of association and recognizing the right to collective bargaining, elimination of all forms of forced and compulsory labor, abolition of child labor, eliminating discrimination in respect of employment and occupation, supporting a precautionary approach to environmental challenges, undertaking initiatives to promote greater environmental responsibility, encouraging the development and diffusion of environmentally friendly technologies, and working against corruption in all its forms, including extortion and bribery. Looking ahead, we will adopt a more assertive attitude while pursuing world class enterprise goals by fulfilling our responsibilities as a corporate citizen. We will utilize internal training and experience inheritance mechanisms to cultivate even more professional talent in the fields of physics, chemistry, polymer materials, optometry, machinery, electrical machinery, and electronics.</p> <p>(III) Greenhouse Gas Appendix:</p>			
<p>Basic Information of the Company</p> <p><input type="checkbox"/> Companies with a capital of over NT\$ 10 billion, including those in the steel and cement industries.</p> <p><input type="checkbox"/> Companies with a capital exceeding NT\$ 5 billion but not reaching NT\$ 10 billion</p> <p><input checked="" type="checkbox"/> Companies with a capital less than NT\$ 5 billion</p>		<p>In accordance with the regulations outlined in the Sustainable Development Roadmap for listed companies, it is imperative to at least disclose</p> <p><input type="checkbox"/> Individual Investigation of Parent Company</p> <p><input checked="" type="checkbox"/> Individual Investigation of Parent Company</p> <p><input type="checkbox"/> Consolidated Financial Report Subsidiary Investigation</p> <p><input checked="" type="checkbox"/> Consolidated Financial Report Subsidiary Investigation</p>	
<p>Scope one</p>	<p>Total Emissions (metric tons of CO₂e)</p>	<p>Density (Metric tons of CO₂e / NT\$ million)</p>	<p>Agency</p> <p>Explanation of the Agency Situation</p>
<p>Visco Vision Inc.</p>	<p>5.3033</p>	<p>0.0016</p>	<p>KPMG Taiwan</p> <p>The Company has disclosed that the total emissions of Scope 1 greenhouse gases amount to 13.6722 metric tons of CO₂e, which represents 100% of the total emissions. This confirmation has been</p>
<p>Visco Technology Sdn. Bhd.</p>	<p>8.3689</p>	<p>0.0033</p>	
<p>From-eyes Co., Ltd.</p>	<p>0</p>	<p>0</p>	
<p>Trend Young Trading (Shanghai) Co., Ltd.</p>	<p>0</p>	<p>0</p>	
<p>Trend Young Vision Care Inc.</p>	<p>0</p>	<p>0</p>	
<p>Visco Med Sdn. Bhd.</p>	<p>0</p>	<p>0</p>	

Total	13.6722	0.0037		obtained from a reliable institution in accordance with the ISAE 3410 standard, and the assurance opinion is limited.
Scope two	Total Emissions (metric tons of CO2e)	Density (Metric tons of CO2e / NT\$ million)	Agency	Explanation of the Agency Situation
Visco Vision Inc.	195.1445	0.0577	KPMG Taiwan	The Company has disclosed that the total emissions of Scope 2 greenhouse gases amount to 21,094.5741 metric tons of CO2e, which represents 100% of the total emissions. This confirmation has been obtained from a reliable institution in accordance with the ISAE 3410 standard, and the assurance opinion is limited.
Visco Technology Sdn. Bhd.	20,888.9465	8.1917		
From-eyes Co., Ltd.	2.4773	0.0020		
Trend Young Trading (Shanghai) Co., Ltd.	2.3933	0.0072		
Trend Young Vision Care Inc.	5.6125	1.1693		
Visco Med Sdn. Bhd.	0	0		
Total	21,094.5741	5.7525		
Scope three	Total Emissions (metric tons of CO2e)	Density (Metric tons of CO2e / NT\$ million)	Agency	Explanation of the Agency Situation
Visco Vision Inc.	0.0000	0.0000	KPMG Taiwan	The Company has disclosed that the total emissions of Scope 3 greenhouse gases amount to 4,175.9056 metric tons of CO2e, which represents 100% of the total emissions. This confirmation has been obtained from a reliable institution in accordance with the ISAE 3410 standard, and the assurance opinion is limited.
Visco Technology Sdn. Bhd.	4,175.9056	1.6376		
From-eyes Co., Ltd.	0.0000	0.0000		
Trend Young Trading (Shanghai) Co., Ltd.	0.0000	0.0000		
Trend Young Vision Care Inc.	0.0000	0.0000		
Visco Med Sdn. Bhd.	0.0000	0.0000		
Total	4,175.9056	1.1388		

(VI) Ethical corporate management and measures adopted

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have a Board approved ethical corporate management policy and stated in its regulations and external	V		The Company's Board of Directors has approved the "Code of Integrity Management" and the "Operating Procedures and Conduct Guidelines for Integrity	No differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and senior executives towards implementation of such policy?			Management." Adhering to the principle of integrity-based management, the Directors, managers, employees, and entrusted individuals actively implement integrity management, strictly preventing dishonest behavior to protect the rights and interests of stakeholders and to foster a positive corporate culture for sustainable development.	
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risks of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct accordingly and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?	V		The contents of this Company's "Guideline for Ethical Operating Procedures and Conduct" include the preventative measures listed in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies. During inspections, the internal auditing unit evaluates the potential for unethical conduct and proposes corrective recommendations.	No differences
(III) Does the Company define the operating procedures, code of conduct, disciplinary actions, and grievance procedures in the programs against unethical conduct? Does the paid enforce the programs effectively and perform regular reviews and amendments?	V		The Company's "Guideline for Ethical Operating Procedures and Conduct" provides specific guidelines for various operating procedures, code of conduct, disciplinary actions for violations, and a grievance system as well as performing ethical operations tests for all internal employees. It also regularly advocates the importance of ethical conduct.	No differences
II. Fulfillment of ethical corporate management				
(I) Does the Company evaluate business partners' ethical records and include ethics related clauses in the business contracts?	V		During business dealings, the Company considers whether customers, suppliers, or other parties of businesses exhibit a record of legality and unethical conduct to prevent dealings with unethical parties. When signing contracts with other parties, provisions are in place to terminate or cancel contracts based on confidentiality clauses and unethical conduct involving the counterparty.	No differences
(II) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	V		In order to promote a dedicated unit towards ethical operations, the most recent Company's office of the president provides the report to the Board of Directors was on August 7, 2024 on the progress of implementing internal controls in various departments. Auditing units and the Board of Directors are responsible for supervising operations and achieve mechanisms of mutual supervision and delegation of duties through organization design. This Company's execution of the code of ethical operations in 2024 is as the following: I. Training Upon arrival at the Company, new employees undergo training and testing conducted by the Human Resources unit; half an hour for each time, 309 participants in total. Each year, training is given to the Board of Directors and all employees on the importance of ethical operations based on current events. All personnel have completed the training, and an online test was conducted and announced on the electronic bulletin board. A total of 1,341	No differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
			<p>people have completed the training. Regarding the annual advocacy focus, such as insider trading prevention advocacy and business secret management, announcements or courses will be conducted by the legal department.</p> <p>II. Case studies From time to time, social news reports of incidents involving ethical conduct are collected and analyzed by the legal affairs unit. They track the reasons of occurrence and verdicts in these cases to assist the Company in prevention and adjustments to relevant policies.</p> <p>III. Whistleblowing system The Company has established guidelines for whistleblowing, clearly defining the handling and reporting method of whistleblowing. The Company's website provides a whistleblowing e-mail and contact number as well as protective measures for whistleblowers to encourage relevant units in disclosing unethical conduct. In 2024, no cases of whistleblowing were received.</p>	
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	Y		The Company's "Code of Ethical Operations" and "Code of Ethical Conduct" include a clearly defined policy for conflict of interests and offers an unobstructed channel for all parties to state their opinions.	No differences
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit devise audit plans based on the results of unethical conduct risk assessments and audit the systems accordingly to prevent unethical conduct, or hire external CPAs to perform the audits?	Y		The Company's has established an effective accounting and internal control system, for which the auditing committee plans and implements an annual auditing plan as well as provides regular reports to the Board of Directors.	No differences
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	Y		Upon arrival at the Company, new employees undergo training and testing conducted by the Human Resources unit; each year, training is given to the Board of Directors and all employees on the importance of ethical operations based on current events.	No differences
III. Operation of the whistle-blowing system				
(I) Has the Company established both a reward/whistle blowing system and convenient whistle blowing channels? Are appropriate personnel assigned to the accused party for the follow up?	Y		The Company has established a "Guideline for Ethical Operating Procedures and Conduct" that encourages employees to actively report any questionable unethical conduct and conflict of interests. Employees can directly report any misconduct to their direct supervisor or e-mail (Integrity@viscovision.com.tw) and the Company will appoint a manager to personally handle the issue.	No significant differences
(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow up actions and relevant post investigation confidentiality measures?	Y		The Company has established guidelines for handling whistleblower cases, including operating procedures for investigations and relevant confidentiality mechanisms; cases of accusations are personally handled by managers. All investigation procedures and results are confidential and recorded while review and improvement measures are conducted for matters of accusations. In the event of severe violations, a report is immediately submitted to	No significant differences

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Yes	No	Description	
			the Audit Committee.	
(III) Does the Company provide proper whistleblower protection?	√		The Company has protective measures in place for whistleblowers to prevent undue treatment due to whistleblowing.	No differences
IV. Strengthening information disclosure				
(I) Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	√		The Company disclosed all ethical corporate management policies as well as the results of their implementation on the Company's website and MOPS.	No significant differences
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe the implementation and any deviations from the Principles: The Company has established a "Guideline for Ethical Operating Procedures and Conduct" based on ethical operations so that all employees may comply and practice these principles. There are no significant deviations between the implementation of these practices and the guideline.				
VI. Other important information to facilitate a better understanding of the Company's ethical corporate management (e.g., review of and amendments to ethical corporate management policies): In addition to a code of ethical operations, the Company has established other internal policies (e.g.: Procedure for Handling Material Inside Information to Prevent Insider Trading). Also, the Company's Directors attend corporate governance courses while employees advocacy of ethical operating policies are given to employees from time to time. The policies are disclosed in the corporate governance area of the Company's website (http://www.viscoveision.com.tw).				

(VII) Other significant information which may improve the understanding of corporate governance and operation:

- I. Directors, finance and accounting executives, corporate governance executives, and audit executives attendance in courses related to corporate governance in the most recent year and up to the publication date of this annual report

Position	Name	Date	Organizer	Course	Training Hours
Chairman	Chung-I Li	2024.09.30	Taiwan Stock Exchange	Strengthening Taiwan's Capital Market Summit	3
		2024.10.26	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis of 'Corporate Control Disputes'	3
		2024.11.08	Taiwan Corporate Governance Association	Practical Analysis of Mergers and Acquisitions, Equity Investment Planning, and Joint Venture Agreements	3
Director	Pei-I Liu	2024.03.12	Taiwan Corporate Governance Association	International Trends and Experience Sharing on Corporate Integrity Management and Senior Accountability Systems	3
		2024.05.17	Taiwan Corporate Governance Association	Board of Directors' Information Security Governance Oversight Strategy	3
Director	Sheng-Wen Chen	2024.11.06	Accounting Research and Development Foundation	Practical Investigation and Case Studies of Corporate Fraud	6
Director	Ke-Yung Yu	2024.10.09	Accounting Research and Development Foundation	Latest Analysis of Regulations on "Annual Reports/Sustainability Information/Financial Report Preparation" and Practical Internal Control Management	6
Independent Director	Chiu-Jui Wei	2024.09.26	Securities and Futures Institute	NVIDIA's Trillion-Dollar Miracle: New Thinking Behind the Semiconductor Industry Revolution Driven by Artificial Intelligence	3
		2024.11.07	Securities and Futures Institute	From the Perspective of the Board and Supervisors: Development of Global Anti-Tax Base Erosion and Profit Shifting (BEPS) and Its Impact on Companies	3
		2024.11.12	Taiwan Corporate Governance Association	Examining Mergers and Acquisitions from the Perspective of the Board of Directors and Supervisors	3
Independent Director	Ying-Chou Yang	2024.11.07	Securities and Futures Institute	From the Perspective of the Board and Supervisors: Development of Global Anti-Tax Base Erosion and Profit Shifting (BEPS) and Its Impact on Companies	3
		2024.11.12	Taiwan Corporate Governance Association	In the Age of AI: Innovative Thinking for Business Growth and Development	3
Independent Director	Kuo-Kuang Chao	2024.05.28	Taiwan Project Management Association	Applications of Generative AI and ChatGPT	3
		2024.07.16	Taiwan Corporate Governance Association	Zero-Carbon Strategy: ESG Mindset and Energy Practices Businesses Should Adopt	3
Independent Director	Wei-Ting Lai	2024.12.03	Accounting Research and Development Foundation	Latest Revisions to the "Guidelines for Establishing Internal Control Systems" and Practical Compliance with Internal Audit and Internal Control Regulations Related to Financial Reporting	6
Financial and Accounting Manager	Pei-Ching Cheng	2024.11.14	Accounting Research and Development Foundation	Continuing Education Program for Accounting Supervisors of Issuers, Securities Dealers, and Stock Exchanges	12
		2024.11.15			
Corporate Governance Director	Pei-Ching Cheng	2024.11.28	Accounting Research and Development Foundation	How to Analyze Key Financial Information of a Business and Strengthen Crisis Warning Capabilities	6
		2024.10.04	Accounting Research and Development Foundation	Mastering the Essentials of Corporate Governance and Legal Compliance: Internal Control through Court Cases	6
Audit Supervisor	Tzu-Chun Chang	2024.07.10	The Institute of Internal Auditors-Chinese Taiwan	New Challenges for Internal Auditors: Analysis of Sustainability Information Disclosure, Management Policies, and Related Audit Points	6
		2024.08.20		Enhancing Corporate Sustainability and Strengthening Risk Management Systems	6

2. This Company appointed Section Chief Pei-Ching Cheng as the Company's Governance Director in May 2022 to establish a comprehensive corporate governance structure and advance affairs related to governance.
3. For more information on the Company's governance operations, please refer to the corporate governance area on the Company's website,
URL:<http://www.viscovision.com.tw>

(VIII) Status of implementation of the internal control system

1. Statement on Internal Control: Please refer to page 38.
2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: N/A.

Visco Vision Inc.
Statement on Internal Control

Date: March 12, 2025

The Company hereby states the results of the self evaluation of the internal control system for 2024 as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established an internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.
- II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.
- III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The criteria adopted by the Regulations identify 5 components of internal control based on the process of management control: 1. Control Environment; 2. Risk Assessment; 3. Control Activities; 4. Information and Communication; and 5. Monitoring Operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.
- IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.
- V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2024, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.
- VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
- VII. This statement has been approved on March 12, 2025, by the Board of Directors, and out of the 8 Board members in attendance, none has objected to this statement and all consented to the content expressed herein.

Visco Vision Inc.



Chairman: Chung I Li



Signature

President: Chung I Li



Signature

(IX) Important resolutions of the shareholders' meeting and Board of Directors in the most recent year and up to the publication date of this annual report

Date	Meeting Name	Major Resolutions
2024.02.27	First Board of Directors meeting in 2024	I. Ratification of 2023 Declaration of Internal Control Systems and self evaluation report on its execution and results. II. Ratification of 2023 financial statements, operating report, and 2024 operating plans. III. Ratification of 2023 earnings distribution proposal. IV. Ratification of budget proposal for the CPA and auditing services of the 2024 financial reports. V. Ratification of proposal to request the abolishment of restrictions on Directors and their representatives from engaging in competitive businesses at the shareholders' meeting.
2024.05.09	Second Board of Directors meeting in 2024	I. Ratification of 2024 Q1 financial statements. II. Ratification of proposal and investment to retrofit production line equipment for contact lenses in subsidiary Visco Technology Sdn. Bhd. to purchase equipment for the contact lens production line. III. Ratification of capital increase to the subsidiary Visco Technology Sdn. . IV. Ratification of proposal to obtain common stock of Crystalvue Medical Corporation.
2024.05.24	2024 Shareholders' Meeting	I. Ratification of the 2023 financial statements and business report. <u>Implementation:</u> The resolution was passed through a majority vote and both publicly announced and reported in accordance with regulations. II. Ratification of 2023 earnings distribution proposal. <u>Implementation:</u> The resolution was passed through a majority vote. Cash dividends of NT\$2.4 per share were issued on August 15, 2024; the total amount of cash dividends was NT\$151,200 thousand. III. Ratification of proposal to abolish restrictions on competitive businesses to Directors and their representatives. <u>Implementation:</u> The resolution was passed through a majority vote.
2024.08.07	Third Board of Directors meeting in 2024	I. Ratification of first half of 2024 financial statements. II. Ratification of 2023 earnings distribution proposal. III. Ratification of first half of 2024 earnings distribution proposal.
2024.11.07	Forth Board of Directors meeting in 2024	I. Ratification of Audit plan for 2025. II. Ratification of 2024 Q3 financial statements. III. Ratification of proposal to obtain common stock of Crystalvue Medical Corporation. IV. Ratification of proposal to acquire the right to use real estate from Qisda Corporation.

(X) Dissenting or qualified opinions of directors or supervisors against an important resolution passed by the Board of Directors that are on record or stated in a written statement in the past year and up to the printing date of this annual report: None.

III. Information on CPA Professional Fees

Unit: Expressed in thousands of New Taiwan Dollars

Accounting Firm	Name of CPA	Audit Period	Audit Fee	Non-audit Fee					Remark
				System of Design	Company Registration	Human Resources	Others Note:	Subtotal	
KPMG Taiwan	Ching-Wen Kao Hsu Shih-Chun	2024.01.01~2024.12.31	1,910	-	-	-	470	470	Note: Transfer pricing and fees for taxes and signing.

- (I) When non-audit fees paid to the CPA, the CPA's accounting firm, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non audit fees as well as details of non audit services shall be disclosed: None.
- (II) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: N/A.
- (III) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) thereof shall be disclosed: None.

IV. Information on Replacement of CPAs

(I) About Former CPAs

Replacement date	FEBRUARY 27, 2024		
Details and reasoning of replacement	Internal Position Adjustment at the Accounting Firm: The roles of Accountants Ching-Wen Kao and Mei-Yen Chen have been changed to Ching-Wen Kao and Shih-Chun Hsu.		
Indicates that the appointee or CPA either suspended or refused to accept appointment	Counterparty	CPA(s)	Appointee
	Status	Not applicable	
	Initiated a termination of appointment		
Refusal to accept (extend) appointment			
Audit reports, excluding those with unqualified opinion, issued in the past 2 years and their reasoning	Not applicable		
Has there been a difference of opinion with the issuer	Yes		Accounting principles or practices
			Disclosure of financial statements
			Audit scope or procedure
			Others
	None	√	
	Note: Not applicable		
Additional Disclosures (under Subparagraphs 1-4 to 1-7, Paragraph 6, Article 10 of the Guidelines)	Not applicable		

(II) About the CPA successor

NAME OF ACCOUNTING FIRM	KPMG TAIWAN
Name of CPA	Ching-Wen Kao and Shih-Chun Hsu
Date of appointment	February 27, 2024
Consultation and results of accounting methods or principles for specific transactions and the potential issuance of financial statements prior to appointment	Not applicable
Written statement of CPA successor on matters related to a difference of opinion to their CPA predecessor	Not applicable

(III) Response of CPA predecessor to Items 1-2, Paragraph 5, Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies: N/A.

V. The Company's Chairman, President, and managers responsible for finance or accounting have served in the accounting firm or affiliate enterprises of the CPAs: None.

VI. Net change in Equity Transfer and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report) by Directors, Supervisor, Managerial Officer, or Shareholder with more than 10% Shareholding.

(I) Changes in equity

Unit: Share(s)

Position	Name	2024		As of March 30, 2025	
		Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)
Chairman and President	Chung-I Li	—	-	—	—
Director and 10% major shareholder	BenQ Materials Corp.	—	—	—	—
	Representative: Pei-I Liu	—	—	—	—
Director	Ke-Yung Yu	—	—	—	—
Director	Sheng-Wen Chen	—	—	—	—
Independent Director	Chiu-Jui Wei	—	—	—	—
Independent Director	Ying-Chou Yang	—	—	—	—
Independent Director	Kuo-Kuang Chao	—	—	—	—
Independent Director	Wei-Ting Lai	—	—	—	—
Vice President	Tsang-Sung Wu	(180,000)	—	—	—
Financial and Accounting Manager	Pei-Ching Cheng	—	—	4,000	—

Note: Incumbent on the publication date of the annual report

(II) Information on the related parties of equity transfers: None.

Name	Reason for equity transfer	Transaction date	Counterparty	The related party's relationship to the Company, directors, supervisors, executives, and Major shareholders owning more than 10% of shares	Share(s)	Transaction price
Tsang-Sung Wu	Gifted	2024/12/12	Lin Shan-ju	Spouse	180,000	Not applicable

(III) Information on where the counterparties of equity pledges are related parties: None.

VII. Relationship among the Company's Top 10 Shareholders who are Related to, Spouse of, or a Relative Within the Second Degree of Kinship of Another

March 30, 2025; Unit: share(s)

Name	Current Shareholding		Spouse & Minor Shareholding		Total Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship		Remark
	Share(s)	%	Share(s)	%	Share(s)	%	Title (or name)	Relationship	
BenQ Materials Corp. Representative Chien-Chih Chen	9,333,773	14.82%	—	—	—	—	—	—	—
K.Y. Lee	3,146,731	4.99%	83,000	0.13%	—	—	—	—	—
Di An Mai International Co., Ltd Representative Chih-Yu Yu	2,966,859	4.71%	—	—	—	—	Chih-Yu Yu	Person in charge	—
Hsiang-Ya Huang	1,540,644	2.45%	—	—	—	—	Ting-Tso Huang	Father and Daughter	—
							Bi-Zhu Lin	Mother and Daughter	
Ting-Tso Huang	1,398,188	2.22%	800,211	1.27%	—	—	Hsiang-Ya Huang	Father and Daughter	—
							Bi-Zhu Lin	Spouse	
Shang Dong Investment Co., Ltd Representative Hsiang-Yu Chiu	1,280,000	2.03%	—	—	—	—	—	—	—
Li-Fang Li	917,056	1.46%	779,036	1.24%	—	—	Ke-Yung Yu	Spouse	—
							Chih-Yu Yu	Mother and Son	
Bi-Zhu Lin	800,211	1.27%	1,398,188	2.22%	—	—	Ting-Tso Huang	Spouse	—
							Hsiang-Ya Huang	Mother and Daughter	
Chih-Yu Yu	790,812	1.26%	—	—	—	—	Di An Mai International Co., Ltd	Person in charge	—
							Li-Fang Li	Mother and Son	
							Ke-Yung Yu	Father and Son	
Ke-Yung Yu	779,036	1.24%	917,056	1.46%	—	—	Li-Fang Li	Spouse	—
							Chih-Yu Yu	Father and Son	

VIII. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors, Managers, and Any Companies Controlled Either Directly or Indirectly by the Company

December 31, 2024; Unit: Share(s)

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Managers		Total Ownership	
	Share(s)	Ownership (%)	Share(s)	Ownership (%)	Share(s)	Ownership (%)
Visco Technology Sdn. Bhd.	289,760,802	100.00%	-	-	289,760,802	100.00%
Visco Med Sdn. Bhd.	500,000	100.00%	-	-	500,000	100.00%
From-eyes Co., Ltd.	1,000	100.00%	-	-	1,000	100.00%
Trend Young Trading (Shanghai) Co., Ltd.	-	100.00%	-	-	-	100.00%
Trend Young Vision Care Inc.	4,400,000	55.00%	-	-	4,400,000	55.00%
Crystalvue Medical Corporation	5,095,000	20.01%	-	-	5,095,000	20.01%

Chapter 3 Capital Overview

I. Capital and Shares

(I) Sources of Capital

1. Share Type

March 30, 2025; Unit: share(s)

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total	
Registered common stock	63,000,000	27,000,000	90,000,000	November 28, 2022 Stock Listed

2. Capital formulation process

March 30, 2025; Unit: Share(s); NT\$

Year/Month	Issue price	Authorized Capital		Paid-in Capital		Remark		
		Share(s)	Amount	Share(s)	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
1998.11	10	1,000,000	10,000,000	1,000,000	10,000,000	Set up capital	—	Note 1
1999.06	10	3,000,000	30,000,000	3,000,000	30,000,000	Cash capital increase of 2,000,000 shares	—	Note 2
2001.07	10	3,300,000	33,000,000	3,300,000	33,000,000	Cash capital increase of 300,000 shares	—	Note 3
2002.06	10	4,300,000	43,000,000	4,300,000	43,000,000	Cash capital increase of 1,000,000 shares	—	Note 4
2003.08	10	7,900,000	79,000,000	7,900,000	79,000,000	Cash capital increase of 3,600,000 shares	—	Note 5
2004.05	10	20,000,000	200,000,000	13,900,000	139,000,000	Cash capital increase of 6,000,000 shares Approved share capital increase of 12,100,000 shares.	—	Note 6
2005.04	10	20,000,000	200,000,000	16,900,000	169,000,000	Cash capital increase of 3,000,000 shares	—	Note 7
2005.07	10	20,000,000	200,000,000	18,800,000	188,000,000	Cash capital increase of 1,900,000 shares	—	Note 8
2005.08	10	20,000,000	200,000,000	20,000,000	200,000,000	Increased shares by 1,200,000 through conversion of stock warrants	—	Note 9
2006.01	10	30,000,000	300,000,000	25,000,000	250,000,000	Cash capital increase of 5,000,000 shares Approved share capital increase of 10,000,000 shares.	Debt payment of NT\$ 6,990,810 with shares	Note 10
2006.05	10	30,000,000	300,000,000	28,500,000	285,000,000	Cash capital increase of 3,500,000 shares	—	Note 11
2006.11	10	40,000,000	400,000,000	32,000,000	320,000,000	Cash capital increase of 3,500,000 shares	—	Note 12
2007.06	10	40,000,000	400,000,000	26,800,000	268,000,000	Capital reduction of 11,200,000 shares to cover losses Cash capital increase of 6,000,000 shares	—	Note 13
2007.07	10	40,000,000	400,000,000	29,300,000	293,000,000	Cash capital increase of 2,500,000 shares	—	Note 14
2008.01	10	40,000,000	400,000,000	36,300,000	363,000,000	Cash capital increase of 7,000,000 shares	—	Note 15
2008.04	10	50,000,000	500,000,000	41,300,000	413,000,000	Cash capital increase of 5,000,000 shares	—	Note 16

Year/Month	Issue price	Authorized Capital		Paid-in Capital		Remark		
		Share(s)	Amount	Share(s)	Amount	Sources of Capital	Capital Increase by Assets Other than Cash	Others
						Approved share capital increase of 10,000,000 shares.		
2008.09	10	50,000,000	500,000,000	44,300,000	443,000,000	Cash capital increase of 3,000,000 shares		Note 17
2008.12	10	50,000,000	500,000,000	45,800,000	458,000,000	Cash capital increase of 1,500,000 shares		Note 18
2009.07	10	50,000,000	500,000,000	16,129,400	161,294,000	Capital reduction of 34,670,600 shares to cover losses Cash capital increase of 5,000,000 shares		Note 19
2009.12	11	50,000,000	500,000,000	20,000,000	200,000,000	Capital reduction of 6,129,400 shares to cover losses Cash capital increase of 10,000,000 shares		Note 20
2010.10	20	50,000,000	500,000,000	26,000,000	260,000,000	Cash capital increase of 6,000,000 shares		Note 21
2011.08	21	50,000,000	500,000,000	38,060,000	380,600,000	Cash capital increase of 12,000,000 shares Increased shares by 60,000 through conversion of stock warrants		Note 22
2013.02	21	50,000,000	500,000,000	41,869,524	418,695,240	Cash capital increase of 3,809,524 shares		Note 23
2014.02	28	50,000,000	500,000,000	44,726,666	447,266,660	Cash capital increase of 2,857,142 shares		Note 24
2014.11	32	50,000,000	500,000,000	48,726,666	487,266,660	Cash capital increase of 4,000,000 shares		Note 25
2015.09	32	60,000,000	600,000,000	53,726,666	537,266,660	Cash capital increase of 5,000,000 shares	—	Note 26
2019.07	10	90,000,000	900,000,000	53,726,666	537,266,660	Approved share capital increase of 30,000,000 shares.	—	Note 27
2020.03	35	90,000,000	900,000,000	54,726,666	547,266,660	Increased shares by 1,000,000 through conversion of stock warrants	—	Note 28
2022.11	168	90,000,000	900,000,000	63,000,000	630,000,000	Cash capital increase of 8,273,334 shares	-	Note 29

Note 1: Provincial Department of Construction No. 256473, November 9, 1998.

Note 2: Taipei Construction No. 88305433, June 23, 1999.

Note 3: Taipei Construction No. 90291041, July 4, 2001.

Note 4: Government Construction No. 091629901, June 25, 2002.

Note 5: Document No. 09232579080, August 27, 2003.

Note 6: Document No. 09332080680, May 7, 2004.

Note 7: Document No. 09431974850, April 18, 2005.

Note 8: Document No. 09432485740, July 19, 2005.

Note 9: Document No. 09432688780, August 18, 2005.

Note 10: Document No. 09531639190, January 26, 2006.

Note 11: Document No. 09532219820, May 25, 2006.

Note 12: Document No. 09533179760, November 23, 2006.

Note 13: Document No. 09632253570, June 12, 2007.

Note 14: Document No. 09632410790, July 12, 2007.

Note 15: Document No. 09731545110, January 14, 2008.

Note 16: Document No. 09731999270, April 1, 2008.

Note 17: Document No. 09732959850, September 1, 2008.

Note 18: Document No. 09734262390, December 30, 2008.

Note 19: Document No. 09832690000, July 20, 2009.

Note 20: Document No. 09835188060, December 25, 2009.

Note 21: Document No. 09932736980, October 22, 2010.

Note 22: Document No. 10032373880, August 11, 2011.

Note 23: Document No. 10233160760, February 7, 2013.

Note 24: Document No. 10333118230, February 24, 2014.

Note 25: Document No. 10333854790, November 7, 2014.

Note 26: Business Authorization No. 10401198230, September 23, 2015.

Note 27: Business Authorization No. 10801088450, July 30, 2019.

Note 28: Business Authorization No. 10901046320, March 20, 2020.

Note 29: Business Authorization No. 11101237340, December 12, 2022.

3. Shelf Registration for Issuing Bonds: None.

(II) List of Major Shareholders

March 30, 2025; Unit: share(s)

Name of Major Shareholders	Shares	Ownership (%)
BenQ Materials Corp.	9,333,773	14.82%
K.Y. Lee	3,146,731	4.99%
Di An Mai International Co., Ltd	2,966,859	4.71%
Hsiang-Ya Huang	1,540,644	2.45%
Ting-Tso Huang	1,398,188	2.22%
Shang Dong Investment Co., Ltd	1,280,000	2.03%
Li-Fang Li	917,056	1.46%
Bi-Zhu Lin	800,211	1.27%
Chih-Yu Yu	790,812	1.26%
Ke-Yung Yu	779,036	1.24%

(III) Dividend Policy and Its Implementation

I. Dividend policy

According to this Company's Articles of Incorporation, any surplus in the final accounts of a fiscal year should be first applied to tax payments and cover previous losses before allocating 10% to statutory surplus reserve and set aside or reverse the special surplus reserve in accordance with laws and regulations. If surplus and accumulated undistributed surplus remain, the Board of Directors shall formulate an earnings distribution plan and submit it to a shareholders' meeting for resolution. The profit distribution and loss allocation of this Company are conducted after the end of each 6 months in the fiscal year. Once the operating report and financial statement are submitted to the Audit Committee for review, it is proposed at the Board of Directors meeting and reported at a shareholders' meeting. If the Company's surplus distribution is made in cash dividends, the provisions of the preceding paragraph shall apply; if distributed through the issue of new shares, it shall be handled in accordance with 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 method of the preceding paragraph shall be distributed in cash, the Board of Directors is authorized to resolve the matter and submit a report at the shareholders' meeting.

This Company is involved in a technology intensive business and currently undergoing a growth phase. As such, the Company has adopted a residual dividend policy to ensure sound growth and sustainable operations in addition to the purpose of long term capital planning and satisfying the cash flow requirements of shareholders.

When planning to distribute dividends in consideration of future expansion needs, operating scale, and cash flow, the proportion of cash dividends distributed each year shall not be less than 10% of the total amount of cash and stock dividends in the current year; also, the total amount of dividends distributed shall not be below 10% of accumulated undistributed surplus.

2. Proposed Dividend Distribution for the Current Year

The Company's proposal to distribute 2024 earnings was ratified according to the following table by the Board of Directors on March 12, 2025; it has yet to be reported at the annual shareholders' meeting and issued.

	Unit: NT\$
2024 net profit after tax	636,471,209
Add: Equity investments at fair value through other comprehensive income:	38,556,163
Less: Legal reserve (10%)	(67,502,737)
Add: Reverse for special reserve	194,181,052
Surplus available for distribution in 2024	801,705,687
Add: Undistributed surplus from previous year	563,962,977
Cumulative surplus available for distribution up to 2024	1,365,668,664
Less: Distributed item - cash dividend to shareholders (NT\$ 5.1 distributed per share)	(321,300,000)
Undistributed surplus at end of period	\$1,044,368,664

(IV) Effect upon Business Performance and Earnings per Share of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting:

The 2024 earnings distribution proposal planned at the Board of Directors meeting on March 12, 2025 did not involve free allotment of shares and is therefore not applicable.

(V) Compensation of Employees, Directors, and Supervisors

1. The percentages or ranges with respect to employee, Director, and supervisor compensation, as set forth in the Company's Articles of Incorporation.

If the Company is profitable within a fiscal year (profit refers to profits before tax minus remuneration distributed to employees and Directors), distribution must be conducted according to the following rules. If the Company has accumulated losses, an amount shall be reserved in advance to cover the losses:

- (1) An amount between 5% - 20% shall be appropriated for employee remuneration. These subjects must meet the qualifications of being the Company's domestic or foreign employees. The conditions and distribution is authorized by the Board of Directors or by another person authorized to perform this decision.
- (2) Director remuneration may not exceed 1%.

2. The basis for estimating the amount of employee, Director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

Estimation of employee and director remuneration at this Company are calculated and estimated in accordance with the appropriation ratio provided in the Articles of Incorporation and are recognized as salary expenses. Articles of Incorporation and are recognized as salary expenses. In the event that distributed amounts differ from estimates, it shall be treated as a change in accounting estimates and adjustments shall be made to profit and loss for the year.

3. Distribution of Compensation of Employees, Directors, and Supervisors Approved in the Board of Directors Meeting

- (1) The amount of any employee compensation distributed in cash or stock and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed.

The proposal to disburse NT\$ 44,726,565 and NT\$ 4,472,808 as employee and Director remuneration, in the form of cash, was passed by this Company's Board of Directors on March 12, 2025. The amount in the preceding paragraph contains no differences to the amount recognized for employee and director remuneration in 2024.

- (2) The amount of any employee compensation distributed in stock, and the size of that amount as a percentage of the sum of the after tax net income for the current period and total employee compensation.

Since the employee compensation and Director remuneration distribution plan for 2024, approved by the Board of Directors on March 12, 2025, did not include employee compensation distributed in the form of stocks, therefore, it is not applicable.

4. Report of remuneration distribution at the shareholders' meeting and their results

The proposed amount to distribute as employee and Director remuneration for 2024 was approved by the Company's Board of Directors on March 12, 2025 and shall be reported at the 2025 annual shareholders' meeting; The Company has included details related to the distribution of employee and Director remuneration in 2023 approved in the Board of Directors meeting on February 27, 2024 in the May 24, 2024 report to the annual shareholders' meeting; the determined amount was issued in August 2024.

5. Information on distribution of compensation of employees, Directors, and supervisors (with an indication of the number of distributed shares, monetary amount, and stock price) and, if there is any discrepancy between the actual distribution and the recognized employee, Director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated

The Company's Board of Directors ratification of the proposal to distribute employee and Director remuneration on February 27, 2024 distributed cash of NT\$ 24,813,836 to employees and NT\$ 2,354,799 to Directors. The amounts were distributed in August 2024 and there was no difference from the expenses recognized in 2023.

(VI) Share Repurchases: None.

II. Corporate Bonds: None.

III. Preferred Shares: None.

IV. Global Depository Receipts: None.

V. Employee Stock Options: None.

VI. Employee Restricted Stock: None.

VII. Issuance of New Shares in Connection with Mergers or Acquisitions: None.

VIII. Implementation of the Capital Allocation Plans: N/A.

Chapter 4 Operational Highlights

I. Business Activities

(I) Business Scope

1. The Company's Principal Business Activities

The Company's principle business activities are the production, design, and sale of disposable contact lenses.

Primary scope of operations is as follows:

- A. Medical Devices Manufacturing
- B. Wholesale of Medical Devices
- C. Retail Sale of Medical Apparatus
- D. International Trade
- E. Wholesale of Glasses
- F. Retail Sale of Glasses
- G. Optometry Services
- H. Optical Instruments Manufacturing
- I. Wholesale of Precision Instruments
- J. Retail Sale of Precision Instruments
- K. Instrument and Meters Installation Engineering

2. Operating ratio of primary products

Unit: Expressed in thousands of New Taiwan Dollars

Product Category \ Year	2023		2024	
	Amount of operating income	Proportion	Amount of operating income	Proportion
Contact lens	2,388,862	99.63%	3,666,494	99.86%
Other income	8,813	0.37%	5,146	0.14%
Total	2,397,675	100.00%	3,671,640	100%

3. Current Product Categories

The Company focuses on the production and sale of disposable soft contact lenses. Currently, the Company independently designs and produces disposable contact lenses of varying water content and breathability with differing usage cycles such as lenses that can be disposed daily, biweekly, and monthly. Based on lens function, products can be divided into lenses for general myopia correction, astigmatism, multi-focal, anti-blue light, and cosmetic lenses that can change the color of the iris.

4. New Products Under Development

(I) Monthly Progressive Multifocal Contact Lenses: As the demand for contact lenses among middle-aged and older consumers gradually increases, our company has successfully developed optical design products featuring a multifocal center for near vision. We are committed to continuously improving product design and expanding our range of short- and long-term products to meet diverse market needs and enhance customer satisfaction.

- (2) Monthly Toric Contact Lenses: With consideration to market size and consumer demand, contact lenses with astigmatism correction are one of the primary functional products in the market. To meet customer demands, different types of astigmatism lenses and lenses with various wearing cycles are developed to increase product diversity.
- (3) Cosmetic Contact Lenses: We are continuously enhancing our printing technology to develop lenses featuring multi-layered colors, ultra-fine patterns, and fixed pattern positions. Our commitment to ensuring product consistency allows us to meet the diverse demands of the color contact lens market.
- (4) Toric Colored Contact Lenses: These lenses have been developed to enable consumers with astigmatism to wear cosmetic contact lenses while enjoying both clear vision and aesthetic appeal. This development ensures consistency between printing standards and product design, thereby meeting customer quality requirements and expanding market demand.
- (5) High Moisturizing Formula: When wearing contact lenses, long periods of using electronic devices can lead to dry eyes, affecting the comfort of wearing the lenses. For this specific issue, the Company has developed a long lasting moisturizing lens whose technology and formula shall be continuously advanced to ensure comfort during prolonged periods of wear.

(II) Industry Overview

I. Current Status and Development

The most important functions of contact lenses are vision correction which includes myopia, hyperopia, presbyopia, and astigmatism. The growing trend of cosmetic lenses in recent years have seen the addition of effects such as pupil enlargement and color change, establishing these products as a fashion trend. Also, Also, the increasing health consciousness of people today has resulted in further emphasis on comfort and eyecare, thereby advancing the general design and manufacturing of lenses, as detailed in the following:

(I) Materials

Contact lenses can be divided into the two major categories of hard and soft lenses. The primary material of hard contact lenses is acrylic combined with highly breathable materials such as fluorine and silicon; these lenses feature no water content, high hardness, and improved clarity and breathability. Due to the hardness of materials, the shape and arc does not conform to the cornea when worn, causing greater lens movement when blinking. Hard lenses are less comfort able than soft lenses while also featuring a greater feeling of having a foreign object sensation in the eyes.

Soft contact lenses are popular in markets due to their soft material that conforms to the cornea, the ability to stay in place, and less notable feeling of a foreign object sensation in the eyes. Wearers can adapt to them quickly as their overall comfort far exceeds hard contact lenses.

The materials of soft contact lenses can be divided into the two major categories of hydrogel and silicone hydrogel. The former features higher water content and high comfort which is why many people unconsciously wear them too long, depriving the eyes of oxygen and causing discomfort such as red eyes, soreness, and dry eyes. Also, hydrogel contact lenses further exacerbate the severity of patients with dry eye syndrome.

Silicone hydrogel products rectify the issue of insufficient breathability in hydrogel lenses by making breathability its greatest requirement. The latest generation of

silicone hydrogel lenses feature five times the breathability of hydrogel products. With the rise of health consciousness in the public, popularity of silicone hydrogel products is surging to become the mainstream contact lens product for the next era.

(2) Lens Design

Similar to eyeglasses, contact lenses serve the primary function of correcting refractive errors such as myopia, hyperopia, presbyopia, and astigmatism. Each symptom corresponds to specific optical principles and lens designs, making lens design a crucial aspect of competition among manufacturers. For example, lenses for astigmatism must be designed for a precise diopter and axis to prevent excessive lens rotation on the eye, thereby preventing decrease precision in the axis. Compared to eyeglasses, the technology threshold of contact lenses is much higher. Furthermore, various manufacturers have released contact lenses of hybrid design that combine myopia and astigmatism, or myopia with both presbyopia and astigmatism to satisfy various requirements.

(3) Advanced Functionality Development

Aside from correcting vision, there is demand for a variety of different lenses such as those that protect against blue light or automatically change color. Other lenses include smart lenses that feature virtual images, lenses with integrated biometric measurements for medical monitoring, and automatic drug delivery lenses. These many special requirements have made contact lens products a significant part of human life.

2. Relationship Amongst Upstream, Midstream, and Downstream Sections of the Industry

The contact lenses industry chain can be divided into upstream materials, midstream manufacturing and branding, and downstream distribution channels. In terms of materials, there are vast differences between hard (GP) and soft materials. As mentioned in preceding paragraphs, soft lenses can be divided into the two major categories of hydrogel and silicone hydrogel, the latter of which can only be fully grasped by a handful of manufacturers. Therefore, the ability to grasp the latest material technologies is of utmost importance.

Midstream consists primarily of manufacturing and branding; some brands available in the market possess manufacturing ability while others rely on outsourcing. Some companies focus on their own brands (e.g., Johnson & Johnson, Alcon), while others prioritize both branding and OEM (e.g., CooperVision). Taiwan has long been a net export country of contact lenses. Markets are familiar with lenses produced in Taiwan and through the advancement efforts of industry peers, Taiwan will become a major base of production for the world's contact lenses.

Downstream distribution channels are divided into retailers and eye care professionals (ECP); retail channels are further divided into in-person and online. In-person channels include eyeglass shops, drug stores, and wholesalers; online channels include shopping websites, online drug stores, and e-commerce brands. As contact lenses are categorized as a medical device, some countries have strict regulations towards online sales. Eye care professionals (ECP) are a key distribution channel in the U.S. and Europe due to laws in many countries requiring prescriptions to purchase contact lenses. These professional optometry or ophthalmology clinics are qualified to issue prescriptions, establishing the critical and unique role of ECP in the contact lens industry.

3. Product Development Trends

(1) The trend of silicone hydrogel has been established

While hydrogel lenses feature high water content and comfortable wear, their low breathability are prone to causing corneal hypoxia as well as indirectly causing symptoms of discomfort. As such, the high breathability advantage of silicone hydrogel lenses has allowed them to quickly gain market share and wide acceptance. Statistical data of doctor and optometrist lens prescriptions at Contact Lens Spectrum shows that due to health considerations, silicone hydrogel lenses have surpassed hydrogel lenses to become the mainstream lens prescription in ECP channels.

(2) Daily Disposables are Mainstream

Based on their wear cycle, disposable contact lenses are divided into daily, weekly, biweekly, and monthly product offerings. Lenses with longer wear cycles require extra attention in terms of cleaning and safekeeping to prevent sediment and foreign residue while maintaining optimal vision corrective effects. Compared to other products, daily disposable lenses can be discarded after use and eliminates issues arising from cleaning and safekeeping. With considerations to factors such as health, hygiene, and convenience, daily disposable products have displayed annual growth to become the most popular product category; additionally, its proportion continues to rise.

(3) Colored Lenses Hold Solid Position in Asian Markets

Based on appearance, contact lenses are divided into colored and standard transparent lenses. Currently, transparent lenses are still mainstream in U.S. and European markets; however, the opposite is true in Asian markets. Aside from gradually becoming main stream in markets, demand for continued innovation in colored lenses have led to the release of lenses that enlarge or change the color of pupils, feature special patterns, or are designed specifically for men. The innovation and marketing by manufacturers have catapulted colored lenses from accessories into a part of fashion and cosmetics. For manufacturers, the abilities to identify trends and design fashionable products have become critical in addition to materials, optics, and surface treatments.

4. Product Competition

Currently, the global contact lens industry is an oligopoly in which the 4 major brands of Johnson & Johnson, Alcon, Cooper, and Bausch & Lomb hold the majority market share. Also, ECP channels have long been controlled by these 4 major brands. In order to expand market share, other manufacturers have attempted to develop new channels, such as online, to diversify competition for contact lenses.

As contact lenses are categorized as a medical device, their product certification and license registration in many countries is far more rigorous compared to non medical products. Furthermore, the accumulated technologies, experience, and time required for material technologies, craftsmanship, and clinical testing have resulted in the contact lens industry's high barrier of entry.

For Taiwanese manufacturers, many are taking the parallel route of branding and OEM. They are maintaining steady growth and good relationships with major global manufacturers, regional brands (Local Kings), and front line distribution channels. Aside from sufficient production capacity, current technology standards have caught up to major global manufacturers; Taiwan has become a major base of production for the

world's contact lens industry.

(III) Technology and R&D Overview

1. Annual R&D expenditure in the last five years

Unit: Expressed in thousands of New Taiwan Dollars

Item	2020	2021	2022	2023	2024
R&D expense	100,589	121,831	160,675	153,083	201,477
Net operating revenue	1,526,389	1,964,499	2,777,524	2,397,675	3,671,640
Percentage of net turnover	6.59%	6.20%	5.78%	6.38%	5.49%

2. Successfully developed technologies or products in the past five years

Year	R&D Results	Main Benefits
2020	<ul style="list-style-type: none"> • Obtained USFDA approval for daily disposable high water content hydrogel lenses • Improved design of astigmatism lenses • Optimized production technology of colored lenses • Developed anti-blue light lenses 	<p>Market:</p> <ol style="list-style-type: none"> 1. Product diversity, increased the number of choices for customers 2. Strengthened market competitiveness <p>Manufacturing processes:</p> <ol style="list-style-type: none"> 1. Reduced human error and improved shipment quality 2. Enhanced production technologies and efficiency
2021	<ul style="list-style-type: none"> • Developed daily disposable high water content silicone hydrogel lenses • Developed silicone hydrogel UVI resistant lenses • Designed and developed decompression silicone hydrogel lenses • Designed and developed new silicone hydrogen presbyopic lenses • Developed ultra-precision lens processing technology • Introduced automatic inspection machines based on AI • Introduced automatic print transfer technology and equipment for silicone hydrogel lenses 	
2022	<ul style="list-style-type: none"> • Completed new design for silicone hydrogel presbyopic lenses and submitted sample for testing • Completed development of multi curve precision processing technology for lenses • Completed development on new designs of astigmatism lenses • Completed development of next generation optical inspection machines • Developed automatic color adjustment technology for color printing • Completed optimization of surface treatment process for silicone hydrogel 	
2023	<ul style="list-style-type: none"> • Completed development and samples of 	

Year	R&D Results	Main Benefits
	<p>large-sized silicone hydrogel color lenses</p> <ul style="list-style-type: none"> • Completed development of a new generation of silicone hydrogel daily disposable anti-blue light lenses • Completed European outsourced trial of a new generation of silicone hydrogel daily disposable presbyopic lenses • Completed development of a new generation of silicone hydrogel monthly disposable presbyopic lenses • Sample verification of the new generation of silicone hydrogel daily disposable contact lenses for astigmatism. • Completed development of a new generation of daily disposable high water content silicone hydrogel lenses • Introduction of next-generation color gel cap printing technology. • Introduction to Automatic Control of Color Depth in Next Generation Color Plate Printing • Introduction to Optical Inspection Technology of Colored Lenses • Introduction to Next-Generation Automated Equipment for Silicone Hydrogel Surface Treatment • Introducing the Next Generation Packaging Automation Line 	
2024	<ul style="list-style-type: none"> • Customer verification completed for large-size silicone hydrogel colored contact lenses and ready for shipment. • Completed development and samples of large-size silicone hydrogel colored contact lenses • Completed development of a new generation of silicone hydrogel blue light-blocking monthly contact lenses • New generation of silicone hydrogel presbyopia daily contact lenses have been shipped to customer • Completed verification for the new generation of silicone hydrogel presbyopia monthly contact lenses • New generation of silicone hydrogel toric daily contact lenses have been shipped to customers • Completed development of a new generation of silicone hydrogel toric monthly contact lenses 	

Year	R&D Results	Main Benefits
	<ul style="list-style-type: none"> • Introduction of next-generation colored lens material • Introduction of the New Generation Color Film Printing Optimization Program • Introduction of the Automated Optical Inspection Optimization Program • Introduction to Next-generation Optical Inspection Technology of Colored Lenses • Introduction of next-generation silicone hydrogel surface treatment process • Introduction of automated packaging optical inspection 	

(IV) Long-term and Short-term Business Development Plans

I. Short-term Business Development Plan

(1) Asian market (excluding Japan)

In the 2024, the overall economic situation in the Chinese market remains sluggish, with a more pronounced trend of consumption downgrade, and the unemployment rate remains high. The overall order situation from our Chinese clients aligns closely with our expectations. Both in the first and second half of the year, launched promotional campaigns for new silicone hydrogel colored lenses, which contributed to revenue growth. Furthermore, during the most important sales event of the year, Double Eleven shopping festival, there were also clients introducing new products and promotions, leading to an overall increase in sales compared to 2023. The manufacturing capabilities of domestic contact lens manufacturers in China are gradually improving, leading to intensified market competition. In addition to continuously launching new colored disposable products for existing customers, efforts are also being made to develop new clients. High oxygen permeability silicone hydrogel products have become a key focus for brand clients, with a priority on introducing transparent lens items. Additionally, the diversification of online e-commerce channels and promotional activities around major holiday events have significantly boosted the Company's performance, driving revenue growth momentum. Furthermore, the acquisition of new certifications for silicone hydrogel colored lenses has become an opportunity for the Company to deepen strategic cooperation with brands. This initiative will gradually enhance the diversity of colored lens products, expand the selection of silicone hydrogel colored lenses available in the market, and meet the needs of both brands and consumers.

(2) Japanese market

Continued work with existing partners, expand shipments of current silicone hydrogel transparent products, introduced new brand series of products and increased the number of patterns and shipment volume of silicone hydrogel colored lenses; by working closely with customers, revenue in the Japanese market exhibited a significant trend of upward growth in 2024. Japan remains the largest single market for daily contact lenses globally. In addition to transparent and colored lenses, customers also have a clear demand for high-end vision correction products. Silicone hydrogel toric lenses are progressing as planned in the Japanese market, with shipments and product launches underway. This will provide

customers with a more comprehensive product portfolio, further meeting the diverse needs of consumers across different market segments.

Japanese brands are finely positioned. The advantages of a comprehensive silicone hydrogel product line satisfies various customer demands in market segments and further expands partnerships with new customers. By utilizing the various distribution channels and markets held by customers, mutual benefit can be attained by expanding the market share of silicone hydrogel products in Japan.

After obtaining registration of silicone hydrogel products in Japan, we will continue to register differentiated products to satisfy the market's diverse demands. Meanwhile, we will continue to partner with existing and potential customers to develop markets and enhance the market penetration of silicone hydrogel colored lenses in the Japanese market while strengthening our operating niche.

The Company's Japanese brand Refrear continued to launch promotional campaigns in 2024 to increase the brand's reputation.

(3) European market

The Company has long been dedicated to European markets and established partnerships with many large scale distributors. The European contact lens market is mainly based on silicone hydrogel, accounting for nearly 70% market share. The Company has developed unique silicone hydrogel contact lenses utilizing proprietary technology, providing a diverse range of customized products and services. We have maintained stable, long-term operations, establishing a strong reputation in the European market and earning the enduring trust of our customers. Utilize the close relations with customers to strengthen our competitiveness and advantages to form obstacles preventing the entry of other companies.

European customers are very familiar with in-house brand operations. All major distribution channels are operated with a set proportion of in house brands; aside from working with the 4 largest contact lens manufacturers, companies still hope to obtain unique products. This Company utilizes this fact in our long term development strategy to supplement customer's product lines based on their requirements, thereby providing them with unique value. Aside from silicone hydrogel and hydrogel lenses, the Company also offers toric, multifocal lenses, and other functional lenses to satisfy the various demands of different customers.

In 2024, the European economy is gradually stabilizing; however, it continues to confront several challenges. Major economies, including Germany and France, remain in a weakened state, adversely impacting the overall economic landscape in Europe. Although the inflation rate has significantly decreased, economic growth has yet to demonstrate a substantial increase. In the context of overall economic growth slowing down, some clients are still digesting their inventory from 2023, leading to a more conservative approach to procurement in 2024. The clients continue to implement marketing initiatives in their local markets, resulting in significant outcomes. As a result, additional orders for shipment have been placed for the second half of the year. Overall, the European market is progressing towards stable growth.

(4) The Americas market

Due to the differences in market scale, the Americas market is primarily based on North America. The U.S. is the world's largest single market and silicone hydrogel products account for over 70% market share. Compared to other Asian manufacturers, the Company was the first silicone hydrogel contact lens supplier from Asia to obtain USAN and FDA certification. Compared to other markets, the

U.S. possesses the highest barriers of entry. The top 4 contact lens manufacturers offer pricing rewards and utilize various plans to lock in customers, creating an extremely high barrier of entry. The Company contacted potential customers prior to obtaining a license. We upheld the principles of integrity and obtained customer trust by partnering in clinical trials to prove our capabilities with results. After years of dedication, we have partnered with leading manufacturers in various channels for the joint release of silicone hydrogel products. When unable to meet customers directly for discussions, the Company utilizes communication software with excellent reputation for security to increase the frequency of regular meetings with customers. An in-depth understanding of customer demands and product gaps allows us to provide customers with the most immediate services.

2. Mid and long term business development plan

With over a decade of expertise in producing and selling silicone hydrogel lenses, we are committed to continuously developing and optimizing our products to meet the diverse needs of our customers in different markets. Our silicone hydrogel products offer a superior and more comfortable wearing experience, catering to the various demands of the market. Develop silicone hydrogel colored lenses for Asian markets. Aside from single and multi-colored lenses, implement finer categorizations such as lenses to change the color or enlarge pupils to satisfy the demands of various market segments. In western markets, demand for colored lenses is lower while it is higher for multi-focal and astigmatism lenses. As such, the Company has invested resources into the development of multi-focal and astigmatism lenses. Servicing customers and end consumers with different needs and preferences. In addition to the products above, the Company has also developed unique anti-blue light lenses to satisfy the requirements of heavy electronic product users. As contact lenses are a medical product, a key aspect of customer service in various countries is product and quality licenses. In recent years, license regulations in various countries have become stricter, thereby greatly increasing the cost of obtaining licenses. The Company continues to invest resources into the application of licenses to provide customers with comprehensive and diverse products as well as the most complete services.

In terms of mid and long-term strategy, additional effort will be invested into cosmetic and fashion colored products for Asian markets. This aims to increase market penetration rate into the markets of Japan, Korea, and China. Additionally, customer requirements and feedback will be utilized to grasp fashion trends and create colored lenses that will allow customers to establish trends. Furthermore, we will utilize our manufacturing facilities in Malaysia to support our customers in expanding and promoting their presence in the Southeast Asian market. To cater to the European and American markets, we will not only introduce multi-focal and astigmatism lenses but also strengthen our long-term partnership with customers by deepening our cooperation in obtaining licenses and complying with regulations. This is in response to the increasing difficulty in obtaining licenses and the changing regulatory landscape.

Silicone hydrogel contact lenses enjoy high market penetration in western markets. The Company's silicone hydrogel products are unique and offer excellent comfort. Partnerships have been formed with customers who represent their regions and the Company has established a good reputation through a period of dedicated effort. Aside from successful entry into western markets, the Company has established solid footing in Asia to become Asia's number 1 and the world's number 5 manufacturer of silicone hydrogel contact lenses. As operational scale continues to grow, the Company will continue to provide services to various global markets and customers to spread risk by decreasing over reliance on a single market. Through successful experiences, the

Company's global strategy is to provide professional knowledge and recommendations to customers. We assist customers with establishing themselves in domestic markets before further expanding to foreign markets.

Product quality stems from good design and production capability. The Company continues to strengthen production capability and increase the yield rate of various products, thereby providing customers with the greatest flexibility and shipment speeds that meet their requirements. We assist customers with effective management of inventory and improved flexibility in their use of capital in the hopes of increasing the Company's revenue and constructing higher walls to obstruct competitors. This is one of the mid and long-term operating goals of the Company.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales regions of primary products

The Company's revenue in proportion to various regions in the past two years is as follows:

Unit: Expressed in thousands of New Taiwan Dollars

Region \ Year		2023		2024	
		Amount	Ratio	Amount	Ratio
Domestic		398,235	16.61%	459,014	12.50%
Overseas	Europe	511,678	21.34%	707,855	19.28%
	Asia	1,293,796	53.96%	2,239,204	60.99%
	The Americas	193,966	8.09%	265,567	7.23%
	Others	-	-	-	-
	Subtotal	1,999,440	83.39%	3,212,626	87.50%
Total		2,397,675	100.00%	3,671,640	100.00%

2. Market Share

In January 2025, Contact Lens Spectrum published an overview of the contact lens market. In data referenced from Baird, it's seen that the global contact lens market had a continuous growth in 2024; compared to 2023, the market grew by approximately 4%. The market size has surpassed USD\$ 10 billion. The Company's 2024 revenue was approximately NT\$ 37 billion, accounting for approximately 1% of the global market, establishing us as Asia's number 1 and the world's number 5 manufacturer of silicone hydrogel contact lenses.

3. Future Market Supply and Demand Growth Potential

Since 2023, the global economy has encountered several challenges, characterized by a slowdown in economic growth in both the Eurozone and China. Additionally, the Russia-Ukraine war further contributed to the rise in raw material prices. The Chinese market has seen a decline in consumption after the pandemic, with online promotions proving less effective than in previous years. The client side has relatively high inventory levels, which are affecting growth momentum. The Japanese market currently remains the largest single market for colored lenses, and in 2024, it continued to show a growth trend. Compared to 2023, the overall demand has still maintained its growth. Japan remains the largest market for colored contact lenses. In 2024, alongside a rebound in demand for colored lenses, there was also a significant increase in the demand for daily disposable lenses.

In terms of the overall situation for 2024, revenue from the European and American markets has grown compared to the previous year. The North American market has experienced stable growth in customer demand. In 2024, we successfully secured new orders from previously developed potential clients, resulting in continued revenue growth compared to the previous year. An overview of the top 4 brands shows that growth has come from new daily disposable products. It's worth noting that new products from the top 4 brands are all based in silicone hydrogel are disposed of daily. As an expert of silicone hydrogel, the Company possesses the market's most comprehensive line of silicone hydrogel products. The silicone hydrogel contact lenses produced by the Company feature high breathability and low elastic modulus which are comparable to the products manufactured by the top 4 brands. In some product comparisons, we have surpassed the silicone hydrogel products of the top 4 brands and become the top choice for OEM. The Company's shipment volume of silicone

hydrogel products has reached number 1 in Asia and number 5 in the world. These are clear indicators that the Company is in control of the silicone hydrogel trend and will continue to satisfy the expanding demands of the global silicone hydrogel market.

Short term trends and demand also meet the Company's product development strategy of only producing products with wear cycles less than monthly (including) disposable and effectively focusing resources to meet market demand. Aside from partnering with customers to launch differentiated silicone hydrogel products in western markets, we also work with customers through online and physical channels to deliver products more quickly and conveniently to the hands of consumers. Also, silicone hydrogel products are extremely competitive in the areas of optic design, product materials, and comfort, making them the best choice for customers seeking OEM products. Next generation multi-focal lenses provide enhanced vision correction effects and satisfies the market's short-term demand for silicone hydrogel multi-focal products. In addition to continuously developing new markets and customers in the Asian market, we continue to work with existing customers to educate markets and further broaden the market share of silicone hydrogel. As transparent lenses continue to exhibit stable growth, we will strengthen promotions of colored lens products, especially the unique demands health and fashion that are met by silicone hydrogel products. Providing customers with powerfully differentiated products also offers better choices to consumers. Also, improvements shall be made to manufacturing processes and inventory management in the hopes of solving the industry's pain point of colored lens inventory issues. We will work with customers to utilize e-commerce channels and holiday promotions to rapidly increase product reach and market share.

4. Competitive Niches

(1) R&D and improvement of contact lens products

The Company has dedicated itself into the field for many years and possesses the most comprehensive line of silicone hydrogel products as well as product licenses for the world's most important markets. These are competitive advantages that cannot be replaced. Silicone hydrogel has become mainstream in western markets; demand for silicone hydrogel have significantly increased in Asian markets. When considering their in house brands, customers include silicone hydrogel products into their product combinations as direct comparisons and compete with the top 4 brands. The high breathability and low elastic modulus properties of the Company's silicone hydrogel products, in addition to their excellent quality make them the best choice for customer brands. Building on this foundation, the Company constantly improves and refines the properties of existing silicone hydrogel products; we continue to develop new materials to address market changes and demand.

Aside from materials and products, the Company continues to refine management models to further optimize testing and production equipment. Not only have we implemented automated machinery, an ERP system has been introduced to better coordinate between production and sales. Furthermore, customer feedback will be used as a source of design input to develop products that can satisfy customers, thereby deepening partnerships and producing mutual benefit.

(2) Experience and grasp of global markets

The Company's customers span the globe in primary markets such as Europe, the Americas, and Asia. This is utilized to observe and track changes in the global market, allowing for rapid response and adjustments to decrease impact of over reliance on a single market. Each customer the Company works with are

extremely influential within their region; of these customers, some have actively expanded abroad after solidifying their position in the domestic market. This Company can offer assistance with global product licensing as well as professional knowledge, allowing customers to further understand market conditions and features to successfully expand their business, thereby creating a mutually beneficial situation.

(3) Brand market and local services

As the world's second largest contact lens market, Japan more than capable of allowing multiple brands to coexist and grow. Our experience in operating brands in the Japanese market allows direct access to distribution channels and end consumers. Aside from a brand's value and benefits, Japanese colored lenses have a leading position and are capable of guiding trends in the industry; they will undoubtedly become the main driving force of growth for colored lenses in Asia. Also, Japan's business community usually value local services and are not against proxy models. Aside from directly communicating and working with customers with in house brands, they also utilize Japanese subsidiaries to conduct business. Both models simultaneously service customers with varying demands to continuously expand markets.

5. Favorable and unfavorable factors of development prospects and their countermeasures

(1) Favorable Factors

A. Silicone hydrogel holds a leading position.

B. Highly competent teams and professionals.

The Company's teams and colleagues have more than a decade of experience with talent hailing from industries such as electronics, optometry, and other industries. They have allowed the Company to perform with excellence and professionalism in areas such as in-house material development, product design and improvement, improving manufacturing processes, implementing automation, international standards and quality management systems, product certifications, product testing, managing in-house and outsourced clinical trials, marketing and sales strategy, packaging, and designing patterns for colored lenses. The Company is Asia's first manufacturer of contact lenses to pass the Medical Device Single Audit Program (MDSAP) certification.

C. Malaysia's production capacity and trade advantage

The Company's base of productions is located in Penang, Malaysia. It features close proximity to an airport and harbor to facilitate the arrangement of customer shipments. Malaysia offers plentiful human resources and the advantages of being multiracial and multilingual. Also, compared to Taiwan, Malaysia has signed tariff free agreements for contact lenses with many countries, thereby increasing the Company's competitive advantage.

D. Preparedness of global licenses and market familiarity

Contact lenses are categorized as medical devices that are highly regulated products in many countries. In many countries, obtaining product registration requires rigorous product testing and clinical trials as well as massive time and resource costs. The Company's global strategy has obtained quality system certification and product licenses in all primary markets. Development of silicone hydrogel is difficult with unique challenges in

manufacturing processes. Even after developing silicone hydrogel products, market competitors must invest time and resources to pass certification in order to obtain product registration; this forms another barrier of entry and competition. The Company's involvement in the world's major markets has helped develop a level of familiarity and sensitivity that can be referenced by customers seeking to enter new markets, thereby decreasing customers' additional costs and risks of failure.

(2) Unfavorable factors

A. Highly concentrated market with 4 top brands holding most of the market share

Countermeasures:

Due to a market oligopoly and concentration of resources, silicone hydrogel products released by the 4 top brands have become the industry benchmark. Brands owned by local companies or large distribution channels require quality products with excellent specifications to strengthen their competitive advantage and negotiation power to use as leverage in obtaining resources and negotiations. The Company's silicone hydrogel products meet all of the requirements above. If the operating flexibility of the top 4 brands cannot match the agility of brands from local companies or distribution channels, the rise of e-commerce and change in consumer behavior will gradually decrease the level of oligopoly in the long-term.

Next, the top 4 brands are all U.S. companies and have a lesser grasp of Asian markets compared to western markets. Asia is mostly a non-prescription market, meaning the top 4 brands cannot control local markets as tightly as they do in the U.S. The emergence of new e-commerce distribution channels and brands have shifted consumer behavior and thinking; they provide emerging and local brands with excellent opportunities. Finally, the features and trends of Asia's colored lens market is a relatively weak point for the top 4 brands; this will act as the sales focus of this Company's future products and an excellent tool for breaking the oligopoly.

B. 4 Top contact lens manufacturers rely on their resources in conducting price wars

Countermeasures:

The top 4 contact lens manufacturers are all U.S. companies and each have long-standing partnerships with eye care professionals (ECP) in the primary sales channels of their markets. The emergence of e-commerce and other new forms of sales and distribution channels in recent years impacts existing systems to a certain degree and offers opportunities to emerging brands and their manufacturers. The Company has grasped this fact and successfully entered the Americas which will hopefully lead to continued future growth.

Additionally, the Company's silicone hydrogel products can stand head to head with the quality and specifications of premium silicone hydrogel products offered by top of the line brands. The uniqueness of silicone hydrogel colored lenses also offers excellent differentiation to drive this Company and partner customers to develop even more exclusive products. By featuring these selling points and market segmentation while improving consumer experiences, it's possible to surpass obstacles and gain footing in

this highly competitive market.

C. Latecomers develop silicone hydrogel products and conduct price wars

Countermeasures:

For many years, various manufacturing plants have gradually invested in the research and development of silicone hydrogel products. After the development of these products, it remains essential to invest time in obtaining certifications in various countries. Furthermore, once the products officially enter mass production, numerous challenges will still need to be addressed, which may impact production efficiency and product quality. Currently available silicone hydrogel products differ in wearing experience from those offered by our company, and these will be subject to market evaluation.

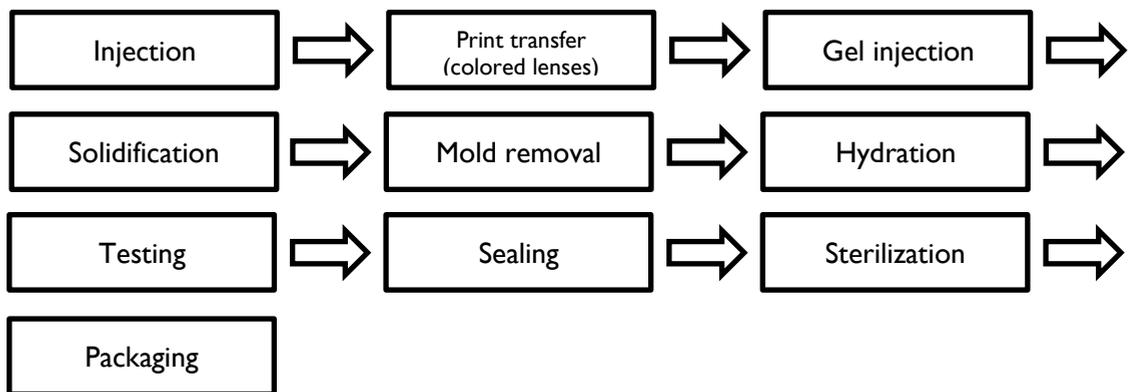
Customers utilizing our company's silicone hydrogel products are primarily positioned to compete directly with the global silicone hydrogel brands, thereby creating and enhancing the value of their own brands and their market competitiveness. Our company is also actively fostering customer relationships, building mutual understanding and trust in the collaboration. On the product and factory sides, we continue to make improvements and refinements, becoming the strongest support in areas such as supply, inventory management, and other customer service aspects. With a complete line of silicone gel products, we aim to meet diverse customer needs and anticipate the development of comprehensive cooperation, creating a one-stop shopping service.

(II) Functions and Manufacturing Processes for Main Products

1. Important Functions of Main Products

The Company's main products are contact lenses which function to correct myopia, hyperopia, astigmatism, and presbyopia; other products include fashionable and trendy colored lenses.

2. Manufacturing Process of Main Products



(III) Supply status of main raw materials

The Company's main raw materials include HEMA, silicone acrylic, polypropylene plastic, aluminum foil, and packaging materials. The supply of each raw material is in excellent state without any occurrences of shortages or interruptions.

(IV) Names of suppliers (customers) who accounted for more than 10% of the purchases (sales) in any of the last two years and the amount and percentage of their purchase (sales)

1. Information of main suppliers

Unit: Expressed in thousands of New Taiwan Dollars

Item	2023				2024			
	Company Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with Issuer	Company Name	Amount	Proportion to Annual Net Purchases (%)	Relationship with Issuer
1	BenQ Materials Corp.	164,518	22.35%	Other affiliates of the Company	BenQ Materials Corp.	205,003	21.16%	Other affiliates of the Company
2	-	-	-	-	-	-	-	-
	Others	571,626	77.65%	-	Others	763,717	78.84%	-
	Net purchase	736,144	100.00%	-	Net purchase	968,720	100.00%	-

Details of changes: Increase/decrease of purchase amount due to changes in product requirements and timely adjustment to spread supplier sources.

2. Information of sales customers

Unit: Expressed in thousands of New Taiwan Dollars

Item	2023				2024			
	Company Name	Amount	Percentage of annual net sales (%)	Relationship with Issuer	Company Name	Amount	Percentage of annual net sales (%)	Relationship with Issuer
1	C	470,436	19.62%	-	C	599,552	16.33%	-
2	BenQ Materials Corp.	384,708	16.05%	Other affiliates of the Company	BenQ Materials Corp.	439,572	11.97%	Other affiliates of the Company
3	-	-	-	-	-	-	-	-
	Others	1,542,531	64.33%	-	Others	2,632,516	71.70%	-
	Net sales	2,397,675	100.00%	-	Net sales	3,671,640	100.00%	-

Details of changes: Changes in the sales of new and existing customers resulting in a change to the ratio of major customers.

III. Employee Data

Unit: Person; Age; Years

Year		2023	2024	As of March 30, 2025
Number of Employees	General personnel	1,281	1,655	1,610
	R&D personnel	62	67	67
	Total	1,343	1,722	1,677
Average Age (years)		31.1	30.5	30.67
Average Years of Service (years)		3.1	3.0	3.1
Distribution ratio of education background	ph.D.	0.15%	0.12%	0.12%
	MA	3.87%	3.66%	3.76%
	University	28.82%	25.61%	26.36%
	Senior High School	66.49%	70.09%	69.23%
	Below Senior High School	0.67%	0.52%	0.53%

IV. Disbursements for Environmental Protection

Any losses suffered by the Company in the most recent fiscal year and during the current fiscal year up to the publication date of the annual report due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in the environmental inspection, the disposition dates, disposition reference numbers, the articles of law violated, the contents of law violated, and the content of the dispositions), and an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken shall be disclosed. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

V. Labor Relations

- (l) The Company's employee welfare measures, continuing education, training, retirement regulations and their actual implementation, along with employer-employee agreements, and measures for protecting employee rights

I. Employee welfare measures and their implementation

The Company's welfare measures are categorized as welfare measures provided by the Company and those provided by the Employee Welfare Committee:

- (1) Welfare measures provided by the Company: Labor and health insurance, group insurance, labor pension, regular employee health examinations, business travel subsidies, employee meals, food subsidies, year end bonus, performance bonus, employee dividends, designated parking spots, and parking subsidies.
- (2) Welfare measures provided by the Employee Welfare Committee: In 2024, the amount of disposable benefits belonging to the Employee Welfare Committee was approximately NT\$1.7 million excluding the year end banquet, birthday bonus points, Dragon Boat Festival bonus points, Mid Autumn Festival bonus points, Labor Day bonus points, Lunar New Year bonus points, employee discounts, and subsidies for weddings, funerals, and club activities; also, employees are encouraged to form clubs and have formed a total of 6 clubs involving sports, language study, and recreation. Actual expenditures amounted to approximately NT\$1.7 million, with primary expenditures as listed in the following.

Item	Description	Invested Amount (Expressed in thousands of New Taiwan Dollars)
Year end Banquet and department socialization	Expenditure for year end banquet and its activities, each quarter a budget is allocated for department meal gatherings to improve the interaction and friendship between colleagues.	860
Holidays and birthday gifts	Shopping credits are issued through PayEasy for Labor Day, Dragon Boat Festival, Mid Autumn Festival, Lunar New Year, and employee birthdays.	450
Weddings and funerals	Subsidies are provided to colleagues for marriage, childbirth, childcare, hospitalization, and funerals expenses.	90
Subsidies for club activities	Employees are encouraged to form clubs; those approved by the Employee Welfare Committee receive subsidies. A total of 6 clubs involving sports, language study, and recreation have been formed, each receiving an annual subsidy of NT\$ 16,000 paid out according to actual spending.	96
Employee benefits	Production of shirts, hats, and other souvenirs to commemorate public listing; providing employees with vaccines and insurance subsidies.	204

2. Employee advancement and training

The Company has established training guidelines to cultivate employees' professional knowledge and skills, allowing them to perform their duties, increase work efficiency, and ensure work quality to achieve the Company's sustainable operation and

development goals. The Company offers diverse training programs and professional on the job training. This includes new employee training, on the job training, professional courses, and external training programs related to various duties. These training and education channels comprehensively strengthens employees to increase their professional capabilities and core competitiveness. Aside from the courses above, a corporate culture seminar was also organized in 2024 to encourage colleagues to improve their individual capabilities through continued learning and growth.

3. Employee retirement system and its implementation

Since July 1, 2005, pensions have been paid each month based on employee salaries into individual pension accounts established by the Bureau of Labor Insurance in accordance with the Labor Pension Act (new system). Based on the employee's total salary income, 6% is disbursed to their individual pension account. In 2024, employer disbursed pension amounted to NT\$ 5.76 million; also, employees can voluntarily contribute to their pension. The voluntary contribution amount is withheld from the employee's monthly salary and paid into the individual pension account established by the Bureau of Labor Insurance. By law, the amount will be fully deducted from comprehensive individual income for the current year.

The Company applies the following provisions in accordance with the Labor Pension Act:

(1) Voluntary Retirement:

Employees with any of the following circumstances may apply for voluntary retirement:

- A. Individuals who have served for 15 years or more and are above the age of 55.
- B. Individuals who have served for over 25 years.
- C. Individuals who have served for more than 10 years and are above the age of 60.

(2) Compulsory Retirement

The Company shall not force employees to retire unless they fall under any of the following circumstances:

- A. Individuals over the age of 65.
- B. Individuals with physical or mental disabilities that prevent them from fulfilling their duties.

The age qualification of the first item above requires the Company to submit a report to the competent authority to approve workers for jobs involving danger, physical strength, or other special qualities; however, it cannot be below 55 years of age.

(3) Standards of employee pensions:

- A. The pension standards shall be in accordance with Article 84-2 and 55 of the Labor Standards Act for those who continue to apply the pension provisions of the Labor Standards Act for the years worked before and after the application of the act.
- B. An additional 20% shall be added in accordance with Item 2, Paragraph 1 of Article 55 in the Labor Standards Act for employees with the qualification in number of years worked and are forced to retire due to mental or physical

disability, resulting in the inability to carry out their duties.

- C. For employees in which the provisions of the Labor Pension Act can be applied, the Company will issue an amount equal to 6% of their monthly salary to their individual pension account.

(4) Pension Payment:

Any pension as required by the provisions of the Labor Standards Act shall be paid to the employee within 30-days of their retirement date.

The statute of limitations for claiming pensions is as follows:

Employees for whose pension is subject to the provisions of the Labor Standards Act may claim the rights to their pension starting the month following their retirement; this right shall be terminated if not exercised within 5 years. The right to claim pension shall not be assigned, offset, seized, or used for guarantee.

Employees claiming pension in accordance to the provisions of the Labor Standards Act must setup a dedicated account at a financial institute and provide documentation proving the account is solely for the use of depositing pension. Savings in the dedicated account shall not be offset, seized, used for guarantee, or be subject to enforcement.

(5) Implementation of maternity/paternity leave

In order to guarantee employee work life balance and practice the Act of Gender Equality in Employment, the Company complies with laws and regulations in the implementation of a maternity/paternity paid leave system. Maternity/paternity leave is not restricted by gender and male employees may also submit application. The number of applicants in the past two years is as follows:

Description	Male	Female	Total
Number of applicants in 2023	0	3	3
Number of reinstatements in 2023	0	2	2
Number of applicants in 2024	3	1	4
Number of reinstatements in 2024	2	0	2

- Note: 1. In 2023, one colleague did not return to work in 2024 due to personal planning after their term ended.
2. In 2024, two colleagues applied for parental leave and are expected to return to work after their leave ends in 2025.

4. The state of employer employee negotiations

All rules and regulations at the Company are compliant with the Labor Standards Act. This Company values employee's opinion and has adopted an open, two-way method to communicate with employees. A labor representative collects opinions from their colleagues to discuss issues in a meeting; internal communications are unobstructed as employer-employee meetings are regularly held every 3 months. Themes include but are not limited to issues related to management systems, labor conditions, and work

efficiency; representatives from both sides meet to discuss and maintain good interactions between both parties. In 2024, employer employee meetings for two-way communications were conducted in January, April, July, and October.

5. Various measures for protecting employee rights

The Company has established comprehensive documents clearly defining various management guidelines. Employee's work procedures are established and revised in accordance to labor laws; these work procedures have been submitted to the Taoyuan City Government 's Department of Labor for review and approval on April 6, 2022. The contents clearly define the rights, obligations, and benefits of employees; all provisions within are regularly reviewed and revised to comply with laws and regulations as well as protect the rights of all employees.

- (II) Any losses suffered by the Company in the past two fiscal years and up to the publication date of the annual report due to labor disputes (labor inspections resulting in violations of the Labor Standards Act must include the date and number of disciplinary actions, violated Article, contents of the Article, and contents of disciplinary action) and an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken shall be disclosed. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Information Security Management

(I) Information Security Policy and Its Purpose

In order to ensure the effective and continuous operations of information security management systems, the Company has established reliable computer operating environments according to the regulation of "Cyber Security Management Act" to ensure the security of computer data, systems, equipment, and networks. The Company complies with all relevant laws and regulations in the protection of our rights and interests as well as sustainable operations.

(II) Information security management structure

To implement the information security policy, the Company has appointed one Chief Information Security Officer and an Information Security Specialist, who are responsible for promoting information security-related matters. They collaborate with the Information and Communication Security Management Team to ensure the smooth operation of the Company's information systems. Additionally, a management review meeting was convened once in 2024, with the General Manager serving as the convener. The key tasks of the management team are as follows:

- Manage technologies: Handling external technologies, maintain information security, provide tools for information safety, monitoring and planning, compliance to information security guidelines, gather information and investigate information security incidents.
- Training: Shape the culture of information security, new employee information security training, internal/external information security training and seminars.
- Auditing & risk management: Internal audit of information security management systems and management of information related risks.
- Document management: The security management, categorization, and preservation of informational documents.
- Regulatory compliance: Compliance to laws and regulations related to information security management, business secrets management, and personal data protections.

(III) Information Security Management Plan

The Company continuously monitors news and developments related to information security management, carefully assessing and implementing necessary information security measures. The detailed operational guidelines for internal information security are stipulated in the "Information Security Management Regulations," summarized as follows:

- Employee security management and training: Employees are given access to the appropriate systems, data, and undergo security training based on their job scope and duties.
- Security management of computer systems: The management and maintenance of various computer systems and servers must be password protected (passwords must be regularly changed) and shall be conducted by dedicated personnel; software from unauthorized and unknown sources are prohibited.
- Data security management: Stored data must be regularly backed up and categorized according to their level of confidentiality; access should be managed to prevent the loss, destruction, forgery, or tempering of data.
- Security management of systems development and maintenance: When developing new or enhancing the functionality of existing information systems, their requirements and evaluation to information security must be considered and included into system functionality.
- Network security management: Network equipment must be managed by dedicated personnel who must monitor network conditions at all times and establish firewalls for the security management of internal and external networks.
- Security controls for network access: The connections with which users access networks shall be restricted based on their authorization and must comply with all relevant security regulations; if violated, user rights to access network resources shall be revoked and they will be dealt with in accordance with all relevant laws and regulations.
- Handling of system and network intrusions: Review network security measures and modify firewall settings to protect against network intrusions and attacks.
- Security management of equipment: Critical data equipment should be placed and protected in appropriate locations to reduce dangers arising from unsafe environments as well as opportunities for unauthorized access to systems.
- Security management of physical environments: The foundations for various information facilities in physical environments must be planned in advance to place necessary obstacles (e.g.: security doors requiring identity cards) to achieve the goal of security management. Server rooms should consider physical protective measures against disasters such as fire, flood, and earthquakes as well as potential security threats from nearby spaces.
- Management of sustainable operating plans: Various back up related tasks must be conducted appropriately in response to various artificial and natural disasters that may impact business operations. Each department must establish an emergency response plan based on the nature of their business for the purpose of sustainable operations.
- Response measures for information and communication security measures: In the event of major security incidents or other disasters involving information and communications, they must be handled immediately in accordance with the grading method set forth by the "Cyber Security Management Act".

- Backup operations: Procedures for regular backup must be conducted to swiftly restore operations in the event of disaster or failure of storage media.

(IV) Implementation of Information Security System

The Company is attentive to the latest information security measures in the industry and conducts timely assessments to implement appropriate information security systems. The information security measures introduced in 2024 were as follows:

- The operating system has been fully upgraded to Windows 11 to avoid security vulnerabilities caused by Microsoft's end of support for older versions.
- We have implemented the information security health check service provided by Acer Cyber Security Inc. and have made improvements to the information environment based on their recommendations.
- The vulnerability scanning service for the website and servers provided by Acer Cyber Security Inc. has completed both the initial and retesting operations.
- The penetration testing service provided by Acer Cyber Security Inc. has completed both the initial and retesting operations.
- The information security training has introduced the online learning platform for information security, jointly promoted by the Taoyuan City Government and Yuan Ze University.

(V) Hazardous Events Relating to Information Security

The Company has suffered no losses due to major security incidents relating to communication and information in 2024.

VII. Intellectual Property Management

Each year, the Company establishes plans for developing products and technologies based on operating goals. Both qualitative and quantitative methods are utilized in the dynamic adjustment of planning patent strategies and protect trade secrets based on varying products and core technologies. Patent applications are submitted at any time to supplement gaps in the Company's patent strategy.

The Company has established a management policy and goals for intellectual property based on operating strategy, including "respecting the intellectual property rights of others, pursuing exceptional development and innovation, and decreasing the operating risks of intellectual property." A system and provisions, including "Procedures for Patent Management" and "Procedures for Managing Business Secrets", are in place to manage intellectual property. Details of the Company's protective measures for patents and business secrets are as follows:

(I) Protective Measures for Patents

The Company established the "Procedures for Patent Management" in 2020 for the purpose of protecting the innovative technologies developed by the Company. A Patent Review Committee was established to review patent proposals, determine countries for patent application, and determine whether to maintain patents. The Patent Review Committee is composed of a chair and members in the fields of technology, markets, and intellectual property to rigorously protect the decision making quality of patent applications. In order to encourage employees to continue proposing innovative technology and patent applications, the Company has setup a patent award system, including a patent application award, patent approval award, business secrets award, information award, and patent application award in the Procedures for Patent Management. From time to time, the Company's Business Development will also organize patent rights training for employees to

enhance their understanding of patent rights.

(II) Protective Measures for Business Secrets

The Company established the "Procedures for Business Secret Management" in 2019 to protect the business secrets related to various technologies and operations. Departments within the Company are required to begin identification of secret information during their output phase; the procedure also includes classification grading of secret information, personnel authorization for access to secret information, management of secret information in paper and electronic forms, various password control measures, and data security measures to prevent infiltration by hackers. The procedure also provides measures for whistleblowing, reward, disciplinary action to decrease the risk of leaks involving business secrets. From time to time, the Company's Business Department will also organize business secret related training for employees to enhance their understanding of business secrets.

- The Company has submitted matters related to intellectual property to the Board of Directors, with the most recent report being on August 7, 2024. The main implementation status of the intellectual property management plan in recent years is as follows: In 2022, a training course titled "Introduction to Design Patents and Methods and Cases of Infringement Judgment" was held.
- Implemented management optimization tasks such as the inventory, classification grading, and authorizations of business secrets in 2022.
- Organized the "Business Secrets Management" training program in 2022.
- Organized the "R&D Innovation to Patent Proposal" training program in 2023.
- Organized the "Introduction to the Malaysian Patent System" training program in 2023.
- Organized the "Business Secrets Advance Management and Propaganda" training program in 2023.
- Organized the "Patent Search and Analysis" training program in 2024.
- Organized the "Business Secrets Education and Training: Management of Environment and Equipment for Reasonable Confidentiality Measures" training program in 2024.
- Acquisition of Intellectual Property Inventory and Achievements (as of December 31, 2024):

Patents: Obtained 15 invention patents, 1 utility model patent, 12 design patents. 29 invention patents and 4 design patents pending approval.

VIII. Important Contracts

March 30, 2025

Type of Contract	Counterparty	Start and End Date	Major Contents	Restrictions
Property lease agreement	Qisda Corp	2015/04/01~2031/03/31	Office lease	None
Property lease agreement	Fu Lin Co., Ltd	2021/12/01~2027/12/31	Office lease	None
Property lease agreement	Heh Lih Electrical Corporation	2023/08/01~2026/07/31	Office lease	None
Bank loans	Bank of Taiwan	2022/03/21~2027/03/18	Medium-term loan	None
Bank loans	First Commercial Bank	2022/10/07~2027/08/07	Medium-term loan	None
Bank loans	Taiwan Cooperative Bank	2022/03/11~2027/03/11	Medium-term loan	None
Bank loans	Export-Import Bank of the Republic of China	2021/09/22~2026/09/22	Medium-term loan	None
Bank loans	Export-Import Bank of the Republic of China	2023/03/23~2028/03/23	Medium-term loan	None
Bank loans	Yuanta Commercial Bank	2022/08/10~2025/08/10	Medium-term loan	None
Bank loans	Mega International Commercial Bank	2022/11/24~2027/11/24	Medium-term loan	None
Bank loans	OCBC Bank	2020/08/11~2028/06/30	Long-term loan	None

Chapter 5 Financial Status and Analysis of Operating Results

I. Financial Analysis - Consolidated Statement

Unit: Expressed in thousands of New Taiwan Dollars

Item	2024	2023	Difference	
			Amount increase (decrease)	Change
Current assets	1,898,817	1,783,674	115,143	6.5%
Property, plant, and equipment	2,196,824	1,889,964	306,860	16.2%
Intangible assets	86,883	97,959	(11,076)	(11.3%)
Other non-current assets	1,120,740	952,361	168,379	17.7%
Total assets	5,303,264	4,723,958	579,306	12.3%
Current liabilities	1,076,187	884,926	191,261	21.6%
Non-current liabilities	510,697	856,615	(345,918)	(40.4%)
Total liabilities	1,586,884	1,741,541	(154,657)	(8.9%)
Capital stock	630,000	630,000	-	-
Capital surplus	1,431,007	1,431,007	-	-
Retained earnings	1,621,941	1,098,114	523,827	47.7%
Other equity	14,099	(194,181)	208,280	107.3%
Non-controlling interests	19,333	17,477	1,856	10.6%
Total equity	3,716,380	2,982,417	733,963	24.6%
<p>Details of changes: (Changes such as an increase/decrease exceeding 20% whose amount surpasses NT\$ 10 million in the past two years)</p> <ol style="list-style-type: none"> 1. Current Liabilities: Primarily due to the increase in long-term loans due within one year. 2. Non-current liabilities: Primarily due to a decrease in long-term loans. 3. Retained Earnings: Primarily due to an increase in undistributed earnings. 4. Other equity: Primarily due to the currency exchange difference from the conversion of net assets of foreign subsidiaries. 5. Total equity: Primarily due to the increase in retained earnings. 				

II. Financial Performance Analysis - Consolidated Statement

Unit: Expressed in thousands of New Taiwan Dollars; %

Item	2024	2023	Difference	
			Amount increase (decrease)	Change
Operating revenue	3,671,640	2,397,675	1,273,965	53.1%
Operating costs	(2,245,282)	(1,540,519)	(704,763)	45.7%
Operating margin	1,426,358	857,156	569,202	66.4%
Operating expenses	(636,106)	(525,060)	(111,046)	21.1%
Net operating profit	790,252	332,096	458,156	138.0%
Non-operating income and expenses	(50,484)	(36,015)	(14,469)	40.2%
Net profit before tax	739,768	296,081	443,687	149.9%
Net profit for the year	638,327	294,562	343,765	116.7%

Details of changes: (Changes such as an increase/decrease exceeding 20% whose amount surpasses NT\$ 10 million in the past two years)

1. Operating revenue: Primarily due to the increase in sales.
2. Operating costs: Primarily due to the increase in sales.
3. Operating margin: Primarily due to the increase in sales.
4. Operating expenses: Primarily due to the increase in sales.
5. Net operating profit: Primarily due to the increase in sales.
6. Non-operating income and expenses: Primarily due to exchange rate fluctuations.
7. Net profit before tax and net profit for the year: Primarily due to the increase in sales.

III. Cash Flow Analysis

(I) Analysis of changes in cash flow in the past two years

Unit: Expressed in thousands of New Taiwan Dollars

Item	Year	2024	2023	Change, by amount	
		Amount	Amount	Amount	Percentage
Operating activities		1,115,758	353,057	762,701	216.0%
Investment activities		(512,414)	(938,847)	426,433	45.4%
Financial activities		(418,095)	(666,818)	248,723	37.3%

Analysis of change in cash flow:

1. Operating activities: The increase in net cash inflow is mainly due to the increase in net profit before tax.
2. Investment Activities: The decrease in net cash outflow is primarily due to the reduction in time deposits.
3. Fundraising activities: The decrease in net cash outflow is mainly due to the reduction in long-term loan repayments and the decrease in cash dividend payments.

- (II) Improvement plan for insufficient liquidity: The Company's business is currently in a growth phase with sufficient cash inflow from operations. As of the publication date of the annual report, there is no lack of liquidity as funding needs for investments shall be covered by working capital and bank loans.
- (III) Cash Flow Analysis for the Coming Year: N/A.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

In 2024, the Company's significant capital expenditures primarily focused on upgrading certain existing production lines, adding pad printing equipment, and modifying the lines for the production of silicone gel color sheets, in response to the growing demand for these products. The investment funds are supported with operating inflows and bank financing; therefore, the capital expenditures do not have any significant impact towards the Company's finances or operations.

V. Reinvestment Policy in the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Improvement Plans in the Most Recent Fiscal Year and Investment Plans for the Coming Year

(I) Reinvestment Policy

The Company's reinvestment policy primarily focuses on realizing the vision of "reproducing the truth, goodness and beauty of the vision" and is mainly based on long term investment strategies related to eyecare related businesses. These strategies are handled and executed by each department in accordance to internal control systems or procedures for the acquisition and disposal of assets.

(II) Main reasons for profit or loss of reinvested businesses in the most recent year and their improvement plans

Unit: Expressed in thousands of New Taiwan Dollars

Name of reinvestment business	Investment profit and loss in 2024	Main reasons for profit or loss	Improvement plan
Visco Technology Sdn. Bhd.	252,946	Production with Economies of Scale	-
Visco Med Sdn. Bhd.	(184)	Lease management services	-
From-eyes Co., Ltd.	71,867	Increase in sales revenue	-
Trend Young Vision Care Inc.	2,269	Growth in sales of autologous serum	-
Crystalvue Medical Corporation	1,613	Increase in sales revenue, with effective cost control	-

(III) Investment plan for the coming year

Looking towards the future, this Company's investment plans shall coordinate with long-term development strategy and strategic investments in the core business. We will continue to monitor existing re investment companies to achieve expected re-investment targets and strengthen overall investment performance.

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report

- (l) The effects that interest rates, exchange rate fluctuations, and inflation have on earnings and losses of the Company as well as response measures

Unit: Expressed in thousands of New Taiwan Dollars

Item/Year	2023	2024
Net operating revenue	2,397,675	3,671,640
Net Interest Income (expenses)	(20,327)	(21,440)
Ratio of interest income (expenditure) to operating income	0.85%	0.58%
Exchange gains and losses	(9,862)	(39,208)
Ratio of exchange (loss) to operating income	0.41%	1.07%

1. Impact of interest rate fluctuations and future response measures

The Company's ratio of interest income (expenditure) to operating income in 2023 and 2024 are 0.85% and 0.58%, respectively. Interest expenditures mainly stem from interest generated by the Company's financing loans from financial institutions. In order to reduce the impact of changes in interest rate to the Company, we remain vigilant towards global economic development trends and changes in interest rate as well as maintain good relationships with financial institutions to obtain better interest rate conditions and adopt alternative measures at any time. Considering future development and funding requirements, the Company will evaluate the cost of various funding sources and select an appropriate financing method in response to growth requirements. In summary of the above, changes in interest rate do not have a significant impact to the Company's earnings and losses.

2. The effect of exchange rate fluctuations on earnings and losses of the Company as well as future response measures

The Company's ratio of net gains or losses from foreign currency exchange to operating income in 2023 and 2024 are 0.41% and 1.07%, respectively. As the Company's customers are spread across the world, receivables from sales include currencies such as the US Dollar, Euro, Yen, and New Taiwan Dollar; the purchase of raw materials, machinery, and equipment are primarily paid with the Malaysian Ringgit and US Dollar. In 2024, due to the continued depreciation of the Japanese yen, the Company, considering its long-term cooperation with Japanese clients, provided appropriate subsidies to mitigate the impact of exchange rate fluctuations. The Company will continue to maintain a policy by utilizing the appreciation and depreciation of various currencies, receiving payment in multiple currencies can reduce and balance the overall exchange rate risk; however, severe fluctuations in exchange rate may still negatively impact the Company. The Company continues to monitor foreign exchange trends and performs timely adjusts foreign currency positions in the spot market to reduce the impact of fluctuations in exchange rate. In summary of the above, changes in foreign currency exchange rate do not have a significant impact to the Company's earnings and losses.

3. The effect of inflation on earnings and losses of the Company as well as future response

measures

The Company maintains good and close relationships with both suppliers and customers. We maintain vigilance towards the price fluctuations of raw materials and inflation to perform timely adjustments to procurement and pricing strategy and decrease the impact of inflation. As such, inflation has no significant impact on the Company's earnings and losses.

- (II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, and transaction of derivative products, profit/loss analysis of their main factors and future response measures:

1. Policies of engaging in high risk, high leverage investments, main factors of their profit or loss, and future response measures

The Company upholds integrity as the ultimate principle and focuses on the operation of our core business as well as development of technologies and expansion of business sales. The establishment of all policies are based in sound operations and the assumption of sound financial development. As such, the Company has not participated in any high risk, high leverage investments as of the publication date of this annual report.

2. Policies of lending to others, providing endorsement and guarantee, and transaction of derivative products, main factors of their profit or loss, and future response measures

As of the publication date of this annual report, the Company's activities in capital loans to other parties and endorsement guarantees have all been towards subsidiaries of the Company. Also, compliance to this Company's "Operating Procedures for Capital Loans to Others", "Operating Procedures for Endorsement Guarantees", "Procedures for the Acquisition and Disposal of Assets", and "Procedures for the Transaction of Derivative Products" is conducted in all relevant affairs.

- (III) Future R&D projects and estimated R&D expenditure

1. Future R&D projects

The Company plans to conduct R&D based on market product demands in coordination with operating plans and industry development trends to develop future oriented products and technologies that are marketable. Primary development is as follows:

- (1) Products

- A. Improved lens designs for presbyopia and astigmatism, improving the optical quality of products.
- B. Develop silicone hydrogel anti-blue light products to safeguard eye health.
- C. Develop a moisturizing formula and improve surface treatment technologies to increase wear satisfaction.
- D. Develop silicone hydrogel lenses that are breathable and offer varying water content to increase product strategy in markets.
- E. Design and develop diffuse color lenses that meet customer requirements.
- F. Optimizing the design of product packaging materials for ESG sustainable development.

- (2) Manufacturing Processes

- A. Improve injection molding technology to enhance product quality.
- B. Strengthen mold design and technology to improve product yield rate.

- C. Improve automated production facilities to increase production capacity.
- D. Implement AI testing technologies to enhance quality controls.
- E. Improve the automatic print adjustment production technologies of colored lenses to enhance product competitiveness.
- F. Optimize surveillance systems for production lines to steadily increase the reliability of production.
- G. Enhance manufacturing efficiency and optimize processes by improving the automation mechanisms of each station and connecting them.
- H. Minimize plastic consumption, mitigate environmental pollution, and reduce carbon emissions.

2. Estimated expenditures for R&D

The Company's R&D expenditure in 2024 exceeded NT\$ 200 million, approximately 5.5% of consolidated revenue. Plans for R&D expenditure will gradually increase in the future to support the development of new products and technologies. Aside from improving relevant software and hardware, the recruitment of experienced and creative talent in R&D shall be continued to improve the Company's R&D capabilities and competitive advantage.

(IV) Major changes in domestic/foreign government policies and laws and the impact on finance and business of the Company and response measures

The operations of this Company and its subsidiaries are conducted in compliance with all relevant laws and regulations, both domestic and foreign; we maintain vigilance towards changes in policies, development trends, and regulations to maintain control over changes in market environments and actively propose response measures. As of the publication date of this annual report, the Company and its subsidiaries have not received significant impacts to both finances and operations due to changes in key policies and regulations, both domestic and abroad.

(V) Impact of recent technological and market changes on finance and business of the Company, and response measures

The primary risk of market changes is in the development of alternative products. Currently, alternative products to contact lenses include: Laser surgery, intraocular lenses, implantable contact lenses, and eyeglasses. Aside from eyeglasses, all other alternatives involve invasive surgery that carry risk and a recovery period. Post-surgical adjustments are highly difficult, unlike contact lenses whose prescription can be adjusted at any time. As such, the 3 options above are deemed as solutions ranked after contact lenses and currently pose no threat.

Eyeglasses are much more similar to contact lenses but include disadvantages as inconvenience and restricted viewing angles. However, they offer the advantage of being healthier for the eyes without issues such as corneal hypoxia due to prolonged periods of wear. Therefore, the advantages and disadvantages of both eyeglasses and contact lenses have created their own following over many years; in some instances, the products supplement each other in different scenarios. As such, the general overview is that no alternative products available in markets are a threat to contact lenses.

(VI) Impact of change in corporate image on risk management and response measures

Since founding, this Company and its subsidiaries have focused on our core business, complied with laws and regulations, and are proactive in strengthening internal management for the purpose of providing excellent products and win the affirmation of customers. This

is in addition to maintaining harmonious labor-management relations and an excellent corporate image. As of the publication date of this annual report, the Company and its subsidiaries have not suffered any crisis due to negative impact to corporate image.

- (VII) Expected benefits and potential risks of mergers and acquisitions, and response measures

The Company did not engage in any merger or acquisition activities in 2024.

- (VIII) Expected benefits and potential risks of capacity expansion, and response measures

The Company did not engage in any capacity expansion activities in 2024.

- (IX) Risks associated with over-concentration in purchases or sales, and response measures

1. Sales

The Company's customers consist mainly of large regional distributors or contact lens brands. The proportion of revenue from a single customer in 2023 - 2024 has not exceeded 20% which is evidence that there is no over-concentration in sales. Also, the Company emphasizes balanced development in all sales regions spanning the European, American, and Asian continents.

2. Purchases

From 2023 to 2024, the Company's purchases from a single supplier has not exceeded the proportion of 25%, evidence that there is no risk of over concentration in purchases due to distributed sourcing. The Company maintains good and reliable partnerships with various suppliers to ensure a stable supply of raw materials; additionally, a suitable amount of inventory is held to avoid the risk of supply shortages and interruptions.

- (X) The effects and risks of large-scale share transfers or conversions by Directors or major shareholders holding more than 10% of the Company's shares, and response measures

There have been no instances of large-scale share transfers or conversions by Directors or major shareholders holding more than 10% of the Company's shares.

- (XI) The impact and risk of a change in ownership on the Company, and response measures

There are no instances of a change in ownership in the Company.

- (XII) Litigious or non-litigious matters

Events in which the Company's Directors, supervisors, Presidents, substantial persons-in-charge, major shareholders holding more than 10% of shares, or subordinate companies are involved that have been determined by verdict of the court or are still pending in a major litigation, non-litigation, or administrative litigation in the last two fiscal years and up to the publication date of this Annual Report, the outcome of which may have a significant impact on shareholder equity or securities prices: None.

- (XIII) Information Security Risks

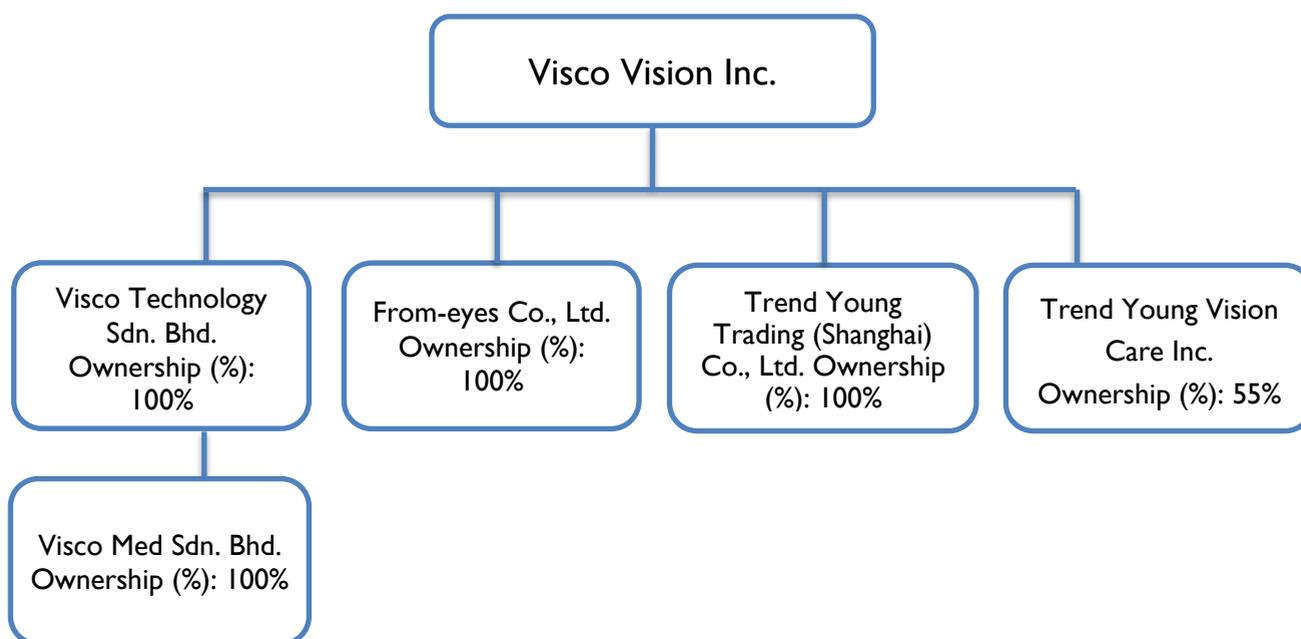
The Company has implemented the "Information Security Management Regulations" and has enhanced operations in accordance with the guidelines for information security control applicable to publicly listed companies. In recent years, no significant information security incidents have occurred. The necessity of purchasing information security insurance will be carefully reevaluated, and the Company will continue to adopt stringent operational practices, stay updated on the latest developments and incidents in information security, and implement corresponding security measures to mitigate the risks associated with being uninsured to ensure the Company's sound operation.

- (XIV) Other Important Risks and Mitigation Measures: None.

Chapter 6 Special Disclosure

I. Information on Affiliates

(I) Overview of Affiliated Enterprises (as of December 31, 2024)



(II) Affiliate Profiles

Unit:NT\$thousands

Name of affiliate	Date of establishment	Location	Paid-in capital	Major business activities
Visco Technology Sdn. Bhd.	2009.11.12	Malaysia	MYR 289,761	Manufacturing, processing, and sale of contact lenses
Visco Med Sdn. Bhd.	2017.05.22	Malaysia	MYR 500	Lease and management service
From-eyes Co., Ltd.	2011.07.06	Japan	Yen 10,000	Sale of contact lenses
Trend Young Trading (Shanghai) Co., Ltd.	2021.12.14	China	RMB 3,500	Sale of contact lenses
Trend Young Vision Care Inc. (Note 1)	2018.03.27	Taiwan	NTD 80,000	Medical management consulting services

Note 1: Originally named Sheng Guang Medical Technology Co., Ltd. In April 2022, the Company acquired a 55% stake, and in July 2022, it was renamed From eyes Co., Ltd.

Note 2: Address of affiliates are as follows

- (1) Visco Technology Sdn. Bhd. & Visco Med Sdn. Bhd. : 2686, Jalan Todak, Seberang Jaya, 13700 Prai, Penang, Malaysia
- (2) From-eyes Co., Ltd. : Ohashi Bldg. 4F, 2-7 kandatacho, Chiyoda-ku, Tokyo, 101-0046 Japan
- (3) From-eyes Trading (Shanghai) Co., Ltd.: Room 500C05, 5th Floor, No. 7399-7405 Hu Min Road, Minhang District, Shanghai
- (4) From-eyes Co., Ltd: No. 181, Section 4, Nanjing E Road, Songshan District, Taipei City

(III) Presumed to be in control and subordination according to Article 369-3 of the Company Act: None.

(IV) Overall businesses covered by affiliates

The businesses covered by affiliates are primarily involved with the manufacturing and sales of contact lenses.

(V) Information on directors of affiliates

Name of affiliate	Position	Name	Shareholding (shares)	Ownership (%)
Visco Technology Sdn. Bhd.	Director	Chin-Lung Hsu	289,760,802	100%
		Jing-Wei Huang		
		Chung-I Li		
		Pei-Ching Cheng		
Visco Med Sdn. Bhd.	Director	Chin-Lung Hsu	500,000	100%
		Jing-Wei Huang		
From-eyes Co., Ltd.	Director	Takeshi Sugiura	1,000	100%
Trend Young Trading (Shanghai) Co., Ltd.	Director	Yu-Shuo Chu	-	100%
Trend Young Vision Care Inc.	Director	Chung-I Li	4,400,000	55%
		Ke-Yung Yu		
		Wen-Hao Li	2,260,000	28%

(VI) Overview of Operations of Affiliates

Unit: Expressed in thousands of New Taiwan Dollars

Name of affiliate	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit or loss	Income (after tax) for the current period
Visco Technology Sdn. Bhd.	2,102,783	3,856,904	778,618	3,078,286	2,550,493	283,386	252,946
Visco Med Sdn. Bhd.	3,696	15,204	13,680	1,524	1,090	512	(184)
From-eyes Co., Ltd.	2,806	483,145	271,512	211,633	1,265,690	111,237	74,200
Trend Young Trading	15,533	65,848	57,394	8,454	332,205	(14,886)	(9,934)
Trend Young Vision Care Inc.	80,000	36,087	1,590	34,497	4,806	8,059	5,424

(VII) Consolidated Financial Statements of Affiliated Enterprises: Not Applicable.

(VIII) Affiliation Report: N/A.

II. Private Placement of Securities During the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report: None.

III. Other Supplementary Information: None.

IV. Corporate events with Material Impact on shareholders' equity or stock prices set forth in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report: None.