

**Universal Vision Biotechnology Co., Ltd.
and Subsidiaries**

**Consolidated Financial Statements for the
Years Ended December 31, 2024 and 2023 and
Independent Auditors' Report**

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates of Universal Vision Biotechnology Co., Ltd. as of and for the year ended December 31, 2024, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with the International Financial Reporting Standards No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements of affiliates has all been disclosed is included in the consolidated financial statements of parent and subsidiary companies. Consequently, Universal Vision Biotechnology Co., Ltd. and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD.

By

SHU-FANG OU
Chairman

March 6, 2025

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Universal Vision Biotechnology Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Universal Vision Biotechnology Co., Ltd. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of for the Group's consolidated financial statements for the year ended December 31, 2024 is described stated as follows:

Ophthalmology Business Division - Accuracy of Technical Service Revenue

The Group's ophthalmology business division 2024 operating revenue - technical service revenue is the main revenue and is growing year by year, which has a significant impact on the consolidated financial statements; thus, we listed the accuracy of ophthalmology business division - technical service revenue as a key audit matter. For additional information on the accounting policy of revenue recognition, refer to Note 4.n. to the consolidated financial statements.

We have performed principal audit procedures for confirming the accuracy of the ophthalmology business division - technical service revenue as below:

1. We obtained an understanding of the design and tested the implementation effectiveness of internal control of the ophthalmology business division - technical service revenue.
2. We obtained the subsidiary ledger of the ophthalmology business division - technical service revenue and examined the contents, checked the contracts, relevant supporting documents and the collection of receivables to confirm the authenticity of the recognized technical service revenue.

Other Matter

We have also audited the parent company only financial statements of Universal Vision Biotechnology Co., Ltd. as of and for the years ended December 31, 2024 and 2023 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Nai-Hua Kuo and Chung-Cheng Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 6, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

ASSETS	2024		2023	
	Amount	%	Amount	%
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	\$ 506,854	9	\$ 1,062,545	21
Financial assets at fair value through profit or loss - current (Notes 4 and 7)	1,295,373	22	-	-
Financial assets at amortized cost - current (Notes 4, 9 and 10)	115,216	2	578,363	11
Trade receivables (Notes 4, 11 and 23)	565,569	10	584,252	11
Other receivables (Note 25)	11,897	-	2,165	-
Inventories (Notes 4 and 12)	289,725	5	294,521	6
Other current assets	<u>57,187</u>	<u>1</u>	<u>58,030</u>	<u>1</u>
Total current assets	<u>2,841,821</u>	<u>49</u>	<u>2,579,876</u>	<u>50</u>
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 10)	111,073	2	-	-
Property, plant and equipment (Notes 4, 14 and 32)	1,756,259	31	1,592,350	31
Right-of-use assets (Notes 4 and 15)	917,162	16	731,066	14
Intangible assets (Notes 4 and 16)	22,790	-	22,981	1
Deferred tax assets (Notes 4 and 25)	72,259	1	67,251	1
Prepayments for equipment	-	-	94,085	2
Refundable deposits (Note 32)	41,202	1	39,093	1
Other non-current assets (Note 32)	<u>136</u>	<u>-</u>	<u>3,882</u>	<u>-</u>
Total non-current assets	<u>2,920,881</u>	<u>51</u>	<u>2,550,708</u>	<u>50</u>
TOTAL	<u>\$ 5,762,702</u>	<u>100</u>	<u>\$ 5,130,584</u>	<u>100</u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 17 and 32)	\$ 92,012	2	\$ 8,670	-
Trade payables (Note 18)	268,070	5	312,308	6
Payables for equipment (Note 20)	91,080	1	93,036	2
Other payables (Note 19)	277,453	5	260,815	5
Current tax liabilities (Notes 4 and 25)	154,445	3	162,567	3
Lease liabilities - current (Notes 4 and 15)	178,399	3	155,272	3
Current portion of long-term borrowings (Notes 17 and 32)	-	-	1,301	-
Other current liabilities (Note 23)	<u>29,265</u>	<u>-</u>	<u>29,119</u>	<u>1</u>
Total current liabilities	<u>1,090,724</u>	<u>19</u>	<u>1,023,088</u>	<u>20</u>
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 25)	60,930	1	58,386	1
Lease liabilities - non-current (Notes 4 and 15)	783,828	14	613,018	12
Long-term accounts payable (Note 20)	70,908	1	92,574	2
Guarantee deposits	<u>584</u>	<u>-</u>	<u>543</u>	<u>-</u>
Total non-current liabilities	<u>916,250</u>	<u>16</u>	<u>764,521</u>	<u>15</u>
Total liabilities	<u>2,006,974</u>	<u>35</u>	<u>1,787,609</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 22)				
Share capital				
Ordinary shares	<u>847,249</u>	<u>15</u>	<u>847,249</u>	<u>17</u>
Capital surplus	<u>381,924</u>	<u>7</u>	<u>381,924</u>	<u>7</u>
Retained earnings				
Legal reserve	378,623	6	278,614	5
Special reserve	11,384	-	5,042	-
Unappropriated earnings	<u>1,998,328</u>	<u>35</u>	<u>1,676,197</u>	<u>33</u>
Total retained earnings	<u>2,388,335</u>	<u>41</u>	<u>1,959,853</u>	<u>38</u>
Other equity	<u>4,505</u>	<u>-</u>	<u>(11,384)</u>	<u>-</u>
Total equity attributable to owners of the Company	3,622,013	63	3,177,642	62
NON-CONTROLLING INTERESTS	<u>133,715</u>	<u>2</u>	<u>165,333</u>	<u>3</u>
Total equity	<u>3,755,728</u>	<u>65</u>	<u>3,342,975</u>	<u>65</u>
TOTAL	<u>\$ 5,762,702</u>	<u>100</u>	<u>\$ 5,130,584</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 23)	\$ 4,228,302	100	\$ 4,082,256	100
OPERATING COSTS (Notes 12 and 24)	<u>(1,695,016)</u>	<u>(40)</u>	<u>(1,633,886)</u>	<u>(40)</u>
GROSS PROFIT	<u>2,533,286</u>	<u>60</u>	<u>2,448,370</u>	<u>60</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing expenses	(726,754)	(17)	(704,486)	(17)
General and administrative expenses	(406,181)	(10)	(427,670)	(11)
Expected credit loss	<u>(2,444)</u>	<u>-</u>	<u>(4,363)</u>	<u>-</u>
Total operating expenses	<u>(1,135,379)</u>	<u>(27)</u>	<u>(1,136,519)</u>	<u>(28)</u>
PROFIT FROM OPERATIONS	<u>1,397,907</u>	<u>33</u>	<u>1,311,851</u>	<u>32</u>
NON-OPERATING INCOME AND EXPENSES				
Interest income (Note 24)	39,576	1	19,158	-
Other income (Note 24)	8,117	-	8,069	-
Other gains and losses (Note 24)	(106,611)	(3)	(4,666)	-
Finance costs (Note 24)	<u>(20,948)</u>	<u>-</u>	<u>(15,833)</u>	<u>-</u>
Total non-operating income and expenses	<u>(79,866)</u>	<u>(2)</u>	<u>6,728</u>	<u>-</u>
PROFIT BEFORE INCOME TAX	1,318,041	31	1,318,579	32
INCOME TAX EXPENSE (Notes 4 and 25)	<u>(267,816)</u>	<u>(6)</u>	<u>(254,555)</u>	<u>(6)</u>
NET PROFIT FOR THE YEAR	<u>1,050,225</u>	<u>25</u>	<u>1,064,024</u>	<u>26</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations (Note 22)	30,233	-	(10,275)	-
Unrealized loss on investments in debt instruments at fair value through other comprehensive income (Note 22)	(3,559)	-	-	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 25)	<u>(3,972)</u>	<u>-</u>	<u>1,587</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>22,702</u>	<u>-</u>	<u>(8,688)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 1,072,927</u>	<u>25</u>	<u>\$ 1,055,336</u>	<u>26</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,064,721	25	\$ 1,045,094	26
Non-controlling interests	<u>(14,496)</u>	<u>-</u>	<u>18,930</u>	<u>-</u>
	<u>\$ 1,050,225</u>	<u>25</u>	<u>\$ 1,064,024</u>	<u>26</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	\$ 1,080,610	25	\$ 1,038,745	26
Non-controlling interests	<u>(7,683)</u>	<u>-</u>	<u>16,591</u>	<u>-</u>
	<u>\$ 1,072,927</u>	<u>25</u>	<u>\$ 1,055,336</u>	<u>26</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 12.57</u>		<u>\$ 12.34</u>	
Diluted	<u>\$ 12.53</u>		<u>\$ 12.31</u>	

The accompanying notes are an integral part of the consolidated financial statements.

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

	Equity Attributable to Owners of the Company						Other Equity		Non-controlling Interests (Note 27)	Total Equity
	Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translating of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings				
BALANCE AT JANUARY 1, 2023	79,929	\$ 799,292	\$ 381,924	\$ 193,575	\$ 10,367	\$ 1,284,172	\$ (5,035)	\$ -	\$ 165,019	\$ 2,829,314
Appropriation of 2022 earnings										
Legal reserve	-	-	-	85,039	-	(85,039)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(479,575)	-	-	-	(479,575)
Share dividends distributed by the Company	4,796	47,957	-	-	-	(47,957)	-	-	-	-
Reversal of special reserve	-	-	-	-	(5,325)	5,325	-	-	-	-
Actual acquisition of interests in subsidiaries (Note 27)	-	-	-	-	-	(45,823)	-	-	(21,277)	(67,100)
Non-controlling interests	-	-	-	-	-	-	-	-	5,000	5,000
Net profit for the year ended December 31, 2023	-	-	-	-	-	1,045,094	-	-	18,930	1,064,024
Other comprehensive loss for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	(6,349)	-	(2,339)	(8,688)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,045,094	(6,349)	-	16,591	1,055,336
BALANCE AT DECEMBER 31, 2023	84,725	847,249	381,924	278,614	5,042	1,676,197	(11,384)	-	165,333	3,342,975
Appropriation of 2023 earnings										
Legal reserve	-	-	-	100,009	-	(100,009)	-	-	-	-
Special reserve	-	-	-	-	6,342	(6,342)	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(593,074)	-	-	-	(593,074)
Actual acquisition of interests in subsidiaries (Note 27)	-	-	-	-	-	(43,165)	-	-	(23,935)	(67,100)
Net profit for the year ended December 31, 2024	-	-	-	-	-	1,064,721	-	-	(14,496)	1,050,225
Other comprehensive income for the year ended December 31, 2024, net of income tax	-	-	-	-	-	-	18,736	(2,847)	6,813	22,702
Total comprehensive income (loss) for the year ended December 31, 2024	-	-	-	-	-	1,064,721	18,736	(2,847)	(7,683)	1,072,927
BALANCE AT DECEMBER 31, 2024	84,725	\$ 847,249	\$ 381,924	\$ 378,623	\$ 11,384	\$ 1,998,328	\$ 7,352	\$ (2,847)	\$ 133,715	\$ 3,755,728

The accompanying notes are an integral part of the consolidated financial statements.

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars)

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 1,318,041	\$ 1,318,579
Adjustments for:		
Depreciation expense	518,053	441,766
Amortization expense	3,437	4,380
Expected credit loss recognized on trade receivables	2,444	4,363
Net loss on fair value changes of financial assets at fair value through profit or loss	100,222	-
Finance costs	20,948	15,833
Interest income	(39,576)	(19,158)
Loss on disposal of property, plant and equipment	7,464	1,385
Costs transferred from property, plant, and equipment to expenses	1,332	-
Loss (gain) on disposal of intangible assets	1,452	(16)
Write-down of inventories	2,965	541
Net unrealized gain on foreign currency exchange	(1,155)	-
Gain and relief from lease modifications	(572)	(1,719)
Changes in operating assets and liabilities		
Trade receivables	16,103	(6,764)
Other receivables	(390)	(241)
Inventories	1,800	(89,849)
Other current assets	4,595	11,320
Trade payables	(44,238)	57,756
Other payables	16,499	16,241
Other current liabilities	146	2,496
Cash generated from operations	1,929,570	1,756,913
Interest received	31,080	18,850
Interest paid	(5,048)	(1,467)
Income taxes paid	(283,536)	(220,704)
Net cash generated from operating activities	1,672,066	1,553,592
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(113,521)	-
Purchase of financial assets at amortized cost	-	(1,743)
Proceeds from sale of financial assets at amortized cost	463,147	-
Purchase of financial assets at fair value through profit or loss	(1,395,595)	-
Payments for property, plant and equipment	(434,646)	(400,861)
Proceeds from disposal of property, plant and equipment	863	79
Increase in refundable deposits	(2,808)	(947)
Payments for intangible assets	(2,446)	(1,748)
Proceeds from disposal of intangible assets	-	70
Increase in other non-current assets	-	(130)
Increase in prepayments for equipment	-	(71,671)
Decrease in prepayments for equipment	878	-
Net cash used in investing activities	(1,484,128)	(476,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	82,524	8,848
Repayments of long-term borrowings	(1,353)	(9,202)
Proceeds from guarantee deposits received	40	8
Repayments of the principal portion of lease liabilities	(184,076)	(168,633)
Dividends paid to owners of the Company	(593,074)	(479,575)
Acquisition of additional interests in subsidiaries	(67,100)	(67,100)
Changes in non-controlling interests	-	5,000
Net cash used in financing activities	(763,039)	(710,654)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	19,410	(6,461)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(555,691)	359,526
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,062,545	703,019
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 506,854	\$ 1,062,545

The accompanying notes are an integral part of the consolidated financial statements.

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Universal Vision Biotechnology Co., Ltd. (the “Company”) was incorporated in Taipei under the laws of the Republic of China (“ROC”) in August 1994 and is mainly engaged in operating the business of (1) sales of optical devices, glasses, lens and other vision aid products (2) optometric services (3) sales and leasing of medical devices (4) providing of hospital management and technical consultancy services.

The Company’s shares have been listed on the mainboard of the Taipei Exchange (“TPEX”) since November 2004.

The consolidated financial statements are presented in the Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on March 6, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the accounting policies of the Company and entities controlled by the Company (collectively the “Group”).

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

Amendments to IAS 21 “Lack of Exchangeability”

The amendments stipulate that a currency is exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. An entity shall estimate the spot exchange rate at a measurement date when a currency is not exchangeable into another currency to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. In this situation, the Group shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

- 1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate or joint venture, i.e., the Group’s share of the gain or loss is eliminated.

2) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

3) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if,

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

The Group shall apply the amendments retrospectively but is not required to restate prior periods. The effect of initially applying the amendments shall be recognized as an adjustment to the opening balance at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the other impacts of the above amended standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

- 1) Assets held primarily for the purpose of trading;
- 2) Assets expected to be realized within 12 months after the reporting period; and
- 3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- 1) Liabilities held primarily for the purpose of trading;
- 2) Liabilities due to be settled within 12 months after the reporting period; and
- 3) Liabilities for which the Group does not have the substantial right at the end of the reporting period to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Notes 13 and 35, Tables 4 and 5 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items denominated on a foreign currency that are measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company and its foreign operations (including subsidiaries in other countries) that are translated into the presentation currency, the New Taiwan dollar as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

g. Cash and cash equivalents

Cash and cash equivalents include cash on hand, bank deposits and short-term, highly liquid investments that are readily convertible into fixed amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held for short-term cash commitments rather than investment or other purposes are presented as cash equivalents. Time deposits that do not meet the preceding definition include financial assets at amortized cost - current and non-current.

h. Inventories

Inventories consist of merchandise inventory and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Before that asset reaches its intended use are measured at the lower of cost or net realizable value, and any proceeds from selling price and the cost are recognized in profit or loss. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Intangible assets

1) Intangible assets acquired separately

Intangible assets with definite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, they are measured on the same basis as intangible assets that are acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill and assets related to contract costs

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

Before the Group recognizes an impairment loss from assets related to contract costs, any impairment loss on inventories, property, plant and equipment and intangible assets related to the contract applicable under IFRS 15 shall be recognized in accordance with applicable standards. Then, impairment loss from the assets related to the contract costs is recognized to the extent that the carrying amount of the assets exceeds the remaining amount of consideration that the Group expects to receive in exchange for related goods or services less the costs which relate directly to providing those goods or services and which have not been recognized as expenses. The assets related to the contract costs are then included in the carrying amount of the cash-generating unit to which they belong for the purpose of evaluating impairment of that cash-generating unit.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract cost is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

1. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in debt instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 30.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, trade receivables at amortized cost, other receivables and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial asset; and
- ii) Financial assets that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit impaired financial asset is refers to the fact that the issuer or the debtor have occurred significant financial difficulty, breach of contract, such as a default, it is becoming probable that the debtor will enter bankruptcy or undergo a financial reorganization, or the disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

- i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- ii) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables), investments in debt instruments at FVTOCI and contract assets.

The Group always recognizes lifetime expected credit loss (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

- i. Internal or external information shows that the debtor is unlikely to pay its creditors.
- ii. Financial asset is more than 120 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

m. Provisions

Provisions are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Warranties

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods and medical consumables

Revenue from the sale of goods and medical devices comes from the sales of optometry products for vision correction and the sale of ophthalmic medicines and medical devices provided to the operations of the optometric segment department. Sales of goods and medical devices are recognized as revenue and accounts receivable when the customer has full discretion over the manner of distribution and use of the goods and bears the risks of the goods.

2) Revenue from brand licensing, technical services and consultancy services

The customary contracts signed by the ophthalmology business division include brand licensing, technical services and consultancy services regarding professional instruments, and brand licensing, technical and consulting services for vision medical and vision biomedical departments in ophthalmic medical institutions. Revenue from technical and medical services is recognized based on the actual operation of the optometric segment department, revenue from consultancy services is recognized as revenue and accounts receivable when the services are provided; revenue from brand licensing revenue is recognized as revenue and accounts receivable at a certain proportion during the licensing period.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on the straight-line basis over the lease terms.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or lease payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

r. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Law in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of climate change and related government policies and regulations on the cash flow projection, growth rates, discount rates, profitability and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Estimated impairment of financial assets

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Notes 10 and 11. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2024	2023
Cash on hand	\$ 2,105	\$ 3,227
Checking accounts and demand deposits	435,486	1,028,613
Cash equivalents		
Time deposits	43,328	30,705
Repurchase agreements collateralized by bonds	<u>25,935</u>	<u>-</u>
	<u>\$ 506,854</u>	<u>\$ 1,062,545</u>

The market rate intervals for time deposits and repurchase agreements collateralized by bonds at the end of the reporting period were as follow:

	December 31	
	2024	2023
Time deposits	1.50%	5.52%
Repurchase agreements collateralized by bonds	1.47%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2024	2023
<u>Financial assets at fair value through profit or loss (FVTPL) - current</u>		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	\$ 1,295,373	\$ -

Refer to Note 35, Table 2 for financial instruments measured at fair value through profit or loss. These financial assets are not pledged as collateral.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in debt instruments

	December 31	
	2024	2023
<u>Non-current</u>		
Foreign investments		
U.S. Treasury bonds	\$ 111,073	\$ -

- a. In 2024, the Group bought 20-year and 30-year U.S. Treasury bonds with a coupon rate of 4.75% and an effective interest rate of 4.47%-4.69%.
- b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in debt instruments at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2024	2023
<u>Current</u>		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	\$ 115,216	\$ 578,363

- a. The ranges of interest rates for time deposits with original maturities of more than 3 months were approximately 1.58%-2.00% and 1.40%-5.60% per annum as of December 31, 2024 and 2023, respectively.
- b. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

December 31, 2024

	<u>At FVTOCI</u>	<u>At Amortized Cost</u>
Gross carrying amount	\$ 114,632	\$ 115,216
Less: Allowance for impairment loss	<u>-</u>	<u>-</u>
Amortized cost	114,632	<u>\$ 115,216</u>
Adjustment to fair value	<u>(3,559)</u>	
	<u>\$ 111,073</u>	

December 31, 2023

	<u>At Amortized Cost</u>
Gross carrying amount	\$ 578,363
Less: Allowance for impairment loss	<u>-</u>
Amortized cost	<u>\$ 578,363</u>

The policy adopted by the Group is to invest only in debt instruments with low credit risks. The Group takes into account the historical default loss rate and the expected prospect of the industry in which its business operates in the measurement of 12-month expected credit loss or expected lifetime credit loss of debt instruments. As of December 31, 2024 and 2023, due to the low credit risk of debtors and sufficient cash flow for contract settlements, provision for expected credit loss has not been made for financial assets at amortized cost and FVTOCI.

11. TRADE RECEIVABLES

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
At amortized cost		
Gross carrying amount	\$ 581,144	\$ 597,249
Less: Allowance for impairment loss	<u>(15,575)</u>	<u>(12,997)</u>
	<u>\$ 565,569</u>	<u>\$ 584,252</u>

For the optometric segment, the sales of goods are paid by cash or with credit card. The average credit period for the ophthalmology business was 120 days from the end of the month and between 30-120 day from the date of the invoice; receivables are evaluated for any sign of impairment on the balance sheet date. If there is objective evidence that the estimated cash flow of accounts receivable will be adversely affected, such accounts receivable shall be assessed for impairment.

In order to minimize credit loss, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecasted direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2024

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 150 Days	Over 151 Days	Total
Expected credit loss rate	0-33.79%	0-100%	0-100%	0-100%	0-100%	
Gross carrying amount	\$ 539,688	\$ 8,228	\$ 5,144	\$ 12,992	\$ 15,092	\$ 581,144
Loss allowance	<u>(48)</u>	<u>(181)</u>	<u>(258)</u>	<u>(1,654)</u>	<u>(13,434)</u>	<u>(15,575)</u>
Amortized cost	<u>\$ 539,640</u>	<u>\$ 8,047</u>	<u>\$ 4,886</u>	<u>\$ 11,338</u>	<u>\$ 1,658</u>	<u>\$ 565,569</u>

December 31, 2023

	Not Past Due	1 to 30 Days	31 to 60 Days	61 to 150 Days	Over 151 Days	Total
Expected credit loss rate	0-13.58%	0-50.00%	0-50.00%	0-50.00%	0-100%	
Gross carrying amount	\$ 551,586	\$ 14,257	\$ 5,987	\$ 9,594	\$ 15,825	\$ 597,249
Loss allowance	<u>(72)</u>	<u>(181)</u>	<u>(211)</u>	<u>(1,072)</u>	<u>(11,461)</u>	<u>(12,997)</u>
Amortized cost	<u>\$ 551,514</u>	<u>\$ 14,076</u>	<u>\$ 5,776</u>	<u>\$ 8,522</u>	<u>\$ 4,364</u>	<u>\$ 584,252</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 12,997	\$ 8,670
Add: Net remeasurement of loss allowance	2,444	4,363
Less: Amounts written off	(2)	-
Foreign exchange gains and losses	<u>136</u>	<u>(36)</u>
Balance at December 31	<u>\$ 15,575</u>	<u>\$ 12,997</u>

12. INVENTORIES

	December 31	
	2024	2023
Merchandise inventory	\$ 39,525	\$ 32,874
Consumables	<u>250,200</u>	<u>261,647</u>
	<u>\$ 289,725</u>	<u>\$ 294,521</u>

The cost of goods sold for the years ended December 31, 2024 and 2023 was \$1,234,166 thousand and \$1,221,897 thousand, respectively.

The cost of goods sold included write-down of inventories in the amounts of \$2,965 thousand and \$541 thousand, respectively.

13. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership		Remark
			(%)		
			December 31		
			2024	2023	
Universal Vision Biotechnology Co., Ltd.	Taixue Investment Holdings Co., Ltd.	Investment	100.00	100.00	1)
Taixue Investment Holdings Co., Ltd.	Taixue Jinghua Co., Ltd.	Wholesale and retail of medical equipment, western medicine	100.00	58.33	3)
Taixue Investment Holdings Co., Ltd.	Taixue Jhongdou Co., Ltd.	Wholesale and retail of medical equipment, western medicine	100.00	58.33	4)
Taixue Investment Holdings Co., Ltd.	Eyeseer Medical Inc.	Wholesale and retail of medical equipment	100.00	100.00	2)
Taixue Investment Holdings Co., Ltd.	Taixue Jhongke Co., Ltd.	Wholesale and retail of medical equipment, western medicine	16.67	16.67	5)
Universal Vision Biotechnology Co., Ltd.	Universal Group (BVI) Inc.	Investment	100.00	100.00	-
Universal Group (BVI) Inc.	Universal Group Holding Co., Ltd.	Investment	100.00	100.00	-
Universal Group Holding Co., Ltd.	Universal International (Samoa) Co., Ltd.	Investment	100.00	100.00	-
Universal International (Samoa) Co., Ltd.	Universal Vision Biotechnology (Shanghai) Co., Ltd.	Purchase and sale of ophthalmic surgical investments, medical optical instruments, etc.	100.00	100.00	-
Universal Vision Biotechnology (Shanghai) Co., Ltd.	Taixue (Jiangsu) Investment Co., Ltd.	Investment	100.00	100.00	1)
Taixue (Jiangsu) Investment Co., Ltd.	Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Enterprise and medical project investment	70.00	70.00	-
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Kunshan Universal Trading Co., Ltd.	Import and export of medical devices and related services	100.00	100.00	-
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Taixue (Jiangsu) Glasses Co., Ltd.	Wholesale and retail of glasses	100.00	100.00	-
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	Ophthalmology diagnosis and eyeglasses wholesale and retail	100.00	100.00	-
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Taixue (Jiangsu) Medical Investment Management Co., Ltd.	Enterprise and medical project investment management and consulting services	100.00	100.00	2)
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	Healthcare investment management	100.00	100.00	-
Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Ophthalmology diagnosis and eyeglasses wholesale and retail	100.00	100.00	-
Taixue (Jiangsu) Medical Investment Management Co., Ltd.	Suzhou Haiweishi Ophthalmic Clinic (LP)	The scope of ophthalmology and surgery is limited to outpatient surgery, and it also engages in spectacles and retail	80.00	80.00	2)
Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	Suzhou Haiweishi Ophthalmic Clinic (LP)	The scope of ophthalmology and surgery is limited to outpatient surgery, and it also engages in spectacles and retail	20.00	20.00	2)
Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Hangzhou Lingping Taixue Ophthalmic Hospital Ltd.	Retail, medical device sales and medical services	100.00	100.00	1), 2)
Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Taixue (Hangzhou) Glasses Co., Ltd.	Wholesale and retail of glasses and sale of medical devices	100.00	100.00	6)
Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Hangzhou Taixue (II) Ophthalmic Outpatient Department Ltd.	Ophthalmic medical services and sale of medical devices	100.00	100.00	7)

- 1) Universal Vision Biotechnology Co., Ltd. has increased its capital to Taixue Investment Holdings Co., Ltd. by \$140,000 thousand in 2023. Universal Vision Biotechnology (Shanghai) Co., Ltd. 2023 has increased capital of Taixue (Jiangsu) Investment Co., Ltd. by RMB29,000 thousand, Hangzhou Taixue Ophthalmic Outpatient Department Ltd. has increased the capital of Hangzhou Lingping Taixue Ophthalmic Hospital Ltd. by RMB3,500 thousand in 2023.

- 2) Taixue Investment Holdings Co., Ltd. has increased the capital of Eyeseer Medical Inc. by \$10,000 thousand in 2024. Taixue Medical Investment Management (Zhejiang) Co., Ltd. has increased the capital of Taixue (Jiangsu) Medical Investment Management Co., Ltd. by RMB5,500 thousand in 2024. Taixue (Jiangsu) Medical Investment Management Co., Ltd. and Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd. has increased the capital of Suzhou Haiweishi Ophthalmic Clinic (LP) by RMB1,000 thousand and RMB250 thousand, respectively, in 2024. Hangzhou Taixue Ophthalmic Outpatient Department Ltd. has increased the capital of Hangzhou Lingping Taixue Ophthalmic Hospital Ltd. by RMB5,000 thousand in 2024.
- 3) Taixue Investment Holdings Co., Ltd. invested in Taixue Jinghua Co., Ltd. in 2020, and held 100,000 preferred shares A, \$10 per share, with 20 voting rights per share, or more than half (80%) of the voting rights; therefore, Taixue Jinghua Co., Ltd. is a controlled subsidiary of the Company. On December 15, 2023, Taixue Investment Holdings Co., Ltd. acquired 41.66% of the shares in Taixue Jinghua Co., Ltd., resulting in an increase of its shareholding from 16.67% to 58.33%. On January 19, 2024, Taixue Investment Holdings Co., Ltd. acquired 41.67% of the shares in Taixue Jinghua Co., Ltd., resulting in an increase of its shareholding from 58.33% to 100%.
- 4) Taixue Investment Holdings Co., Ltd. invested in Taixue Jhongdou Co., Ltd. in 2022, and held 1,000,000 preferred shares A, \$1 per share, with 20 voting rights per share, or more than half (80%) of the voting rights; therefore, Taixue Jhongdou Co., Ltd. is a controlled subsidiary of the Company. On December 15, 2023, Taixue Investment Holdings Co., Ltd. acquired 41.66% of the shares in Taixue Jhongdou Co., Ltd., resulting in an increase of its shareholding from 16.67% to 58.33%. On January 19, 2024, Taixue Investment Holdings Co., Ltd. acquired 41.67% of the shares in Taixue Jhongdou Co., Ltd., resulting in an increase of its shareholding from 58.33% to 100%.
- 5) Taixue Investment Holdings Co., Ltd. invested in Taixue Jhongke Co., Ltd. in 2023, and held 1,000,000 preferred shares A, \$1 per share, with 20 voting rights per share, or more than half (80%) of the voting rights; therefore, Taixue Jhongke Co., Ltd. is a controlled subsidiary of the Company.
- 6) Hangzhou Taixue Ophthalmic Outpatient Department Ltd. invested RMB3,000 thousand in Taixue (Hangzhou) Glasses Co., Ltd. in 2023. Hangzhou Taixue Ophthalmic Outpatient Department Ltd. invested RMB1,000 thousand in Taixue (Hangzhou) Glasses Co., Ltd. in 2024.
- 7) Hangzhou Taixue Ophthalmic Outpatient Department Ltd. invested RMB500 thousand in Hangzhou Taixue (II) Ophthalmic Outpatient Department Ltd. in 2023. Hangzhou Taixue Ophthalmic Outpatient Department Ltd. invested RMB1,000 thousand in Hangzhou Taixue (II) Ophthalmic Outpatient Department Ltd. in 2024.

b. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests	
	December 31	
	2024	2023
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	30%	30%

See Note 35, Tables 4 and 5 for the information on the places of incorporation and principal place of business.

Name of Subsidiary	(Loss) Profit Allocated to Non-controlling Interests For the Year Ended December 31		Accounted Non-controlling Interests December 31	
	2024	2023	2024	2023
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	\$ (30,561)	\$ (4,908)	\$ 113,793	\$ 137,541

Summarized financial information of the Group's subsidiary with material non-controlling interests is set out below. The summarized financial information below represents amounts before intragroup eliminations.

Taixue Medical Investment Management (Zhejiang) Co., Ltd. and its' subsidiaries

	December 31	
	2024	2023
Current assets	\$ 307,853	\$ 282,624
Non-current assets	280,457	381,217
Current liabilities	(162,016)	(123,355)
Non-current liabilities	<u>(46,985)</u>	<u>(82,016)</u>
Equity	<u>\$ 379,309</u>	<u>\$ 458,470</u>
Equity attributable to:		
Owners of Universal Vision Biotechnology Co., Ltd.	\$ 265,516	\$ 320,929
Non-controlling interests of Taixue Medical Investment Management (Zhejiang) Co., Ltd.	<u>113,793</u>	<u>137,541</u>
	<u>\$ 379,309</u>	<u>\$ 458,470</u>
	For the Year Ended December 31	
	2024	2023
Revenue	<u>\$ 593,663</u>	<u>\$ 757,787</u>
Loss for the year	\$ (101,871)	\$ (16,362)
Other comprehensive income (loss) for the year	<u>22,710</u>	<u>(7,797)</u>
Total comprehensive loss for the year	<u>\$ (79,161)</u>	<u>\$ (24,159)</u>
Loss attributable to:		
Owners of Universal Vision Biotechnology Co., Ltd.	\$ (71,310)	\$ (11,454)
Non-controlling interests of Taixue Medical Investment Management (Zhejiang) Co., Ltd.	<u>(30,561)</u>	<u>(4,908)</u>
	<u>\$ (101,871)</u>	<u>\$ (16,362)</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Total comprehensive loss attributable to:		
Owners of Universal Vision Biotechnology Co., Ltd.	\$ (55,413)	\$ (16,911)
Non-controlling interests of Taixue Medical Investment Management (Zhejiang) Co., Ltd.	<u>(23,748)</u>	<u>(7,248)</u>
	<u>\$ (79,161)</u>	<u>\$ (24,159)</u>
Cash inflow (outflow) from:		
Operating activities	\$ 38,443	\$ 98,679
Investing activities	(2,340)	(41,729)
Financing activities	<u>(5,773)</u>	<u>(35,155)</u>
Net cash inflow	<u>\$ 30,330</u>	<u>\$ 21,795</u>
		(Concluded)

c. Subsidiaries excluded from the consolidated financial statements: None.

14. PROPERTY, PLANT AND EQUIPMENT

								December 31	
								2024	2023
Assets used by the Group								\$ 1,756,259	\$ 1,592,350
	Land	Buildings	Machine	Transport Equipment	Office Equipment	Leasehold Improvements	Unfinished Construction and Equipments Pending Acceptance	Total	
Cost									
Balance at January 1, 2024	\$ 179,865	\$ 67,108	\$ 1,914,186	\$ 5,157	\$ 245,581	\$ 615,674	\$ 32,822	\$ 3,060,393	
Additions	-	-	256,659	-	25,529	33,516	95,487	411,191	
Disposals	-	-	(96,469)	(2,113)	(17,913)	(40,874)	-	(157,369)	
Reclassified	-	-	88,235	-	3,007	28,555	(32,385)	87,412	
Effect of foreign currency exchange differences	-	-	18,699	173	917	6,818	90	26,697	
Balance at December 31, 2024	\$ 179,865	\$ 67,108	\$ 2,181,310	\$ 3,217	\$ 257,121	\$ 643,689	\$ 96,014	\$ 3,428,324	
Accumulated depreciation									
Balance at January 1, 2024	\$ -	\$ 22,177	\$ 1,022,164	\$ 3,339	\$ 145,885	\$ 274,478	\$ -	\$ 1,468,043	
Depreciation expense	-	1,297	207,109	572	38,564	93,130	-	340,672	
Disposals	-	-	(94,528)	(1,796)	(16,605)	(36,113)	-	(149,042)	
Reclassified	-	-	(3,195)	-	-	-	-	(3,195)	
Effect of foreign currency exchange differences	-	-	10,517	115	737	4,218	-	15,587	
Balance at December 31, 2024	\$ -	\$ 23,474	\$ 1,142,067	\$ 2,230	\$ 168,581	\$ 335,713	\$ -	\$ 1,672,065	
Carrying amount at December 31, 2024	\$ 179,865	\$ 43,634	\$ 1,039,243	\$ 987	\$ 88,540	\$ 307,976	\$ 96,014	\$ 1,756,259	
Cost									
Balance at January 1, 2023	\$ 179,865	\$ 66,755	\$ 1,679,520	\$ 5,222	\$ 199,314	\$ 473,073	\$ 91,836	\$ 2,695,585	
Additions	-	353	241,634	-	49,540	74,170	32,863	398,560	
Disposals	-	-	(15,035)	-	(10,771)	(13,254)	-	(39,060)	
Reclassified	-	-	14,276	-	7,809	84,032	(91,845)	14,272	
Effect of foreign currency exchange differences	-	-	(6,209)	(65)	(311)	(2,347)	(32)	(8,964)	
Balance at December 31, 2023	\$ 179,865	\$ 67,108	\$ 1,914,186	\$ 5,157	\$ 245,581	\$ 615,674	\$ 32,822	\$ 3,060,393	

(Continued)

	Land	Buildings	Machine	Transport Equipment	Office Equipment	Leasehold Improvements	Unfinished Construction and Equipments Pending Acceptance	Total
Accumulated depreciation								
Balance at January 1, 2023	\$ -	\$ 20,820	\$ 867,718	\$ 2,661	\$ 120,716	\$ 219,068	\$ -	\$ 1,230,983
Depreciation expense	-	1,357	172,974	723	35,258	69,528	-	279,840
Disposals	-	-	(15,035)	-	(9,841)	(12,720)	-	(37,596)
Effect of foreign currency exchange differences	-	-	(3,493)	(45)	(248)	(1,398)	-	(5,184)
Balance at December 31, 2023	<u>\$ -</u>	<u>\$ 22,177</u>	<u>\$ 1,022,164</u>	<u>\$ 3,339</u>	<u>\$ 145,885</u>	<u>\$ 274,478</u>	<u>\$ -</u>	<u>\$ 1,468,043</u>
Carrying amount at December 31, 2023	<u>\$ 179,865</u>	<u>\$ 44,931</u>	<u>\$ 892,022</u>	<u>\$ 1,818</u>	<u>\$ 99,696</u>	<u>\$ 341,196</u>	<u>\$ 32,822</u>	<u>\$ 1,592,350</u>

(Concluded)

No impairment loss or reversal of impairment loss was recognized for the years ended December 31, 2024 and 2023 as there was no indication of impairment.

The above items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives as follows:

Building	
Main buildings	50 years
Decoration and partition works	3-6 years
Machine	3-11 years
Transport equipment	4-5 years
Office equipment	1-10 years
Leasehold improvements	Whichever is shorter, the lease term or useful term

Property, plant and equipment used by the Group and pledged as collateral for bank borrowings are set out in Note 32.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2024	2023
Carrying amount		
Buildings	\$ 907,954	\$ 721,565
Transportation equipment	<u>9,208</u>	<u>9,501</u>
	<u>\$ 917,162</u>	<u>\$ 731,066</u>
	For the Year Ended December 31	
	2024	2023
Additions to right-of-use assets	<u>\$ 373,232</u>	<u>\$ 175,323</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 171,862	\$ 156,989
Transportation equipment	<u>5,519</u>	<u>4,937</u>
	<u>\$ 177,381</u>	<u>\$ 161,926</u>

(Continued)

	For the Year Ended December 31	
	2024	2023
Income from the subleasing of right-of-use assets (presented in operating revenue)	<u>\$ (184,506)</u>	<u>\$ (159,083)</u> (Concluded)

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the years ended December 31, 2024 and 2023.

b. Lease liabilities

	December 31	
	2024	2023
<u>Carrying amount</u>		
Current	<u>\$ 178,399</u>	<u>\$ 155,272</u>
Non-current	<u>\$ 783,828</u>	<u>\$ 613,018</u>

Ranges of discount rates for lease liabilities were as follows:

	December 31	
	2024	2023
Buildings	1.195%-4.75%	1.195%-4.75%
Transportation equipment	1.195%-2.32%	1.195%-2.19%

c. Material leasing activities and terms

The Group leases buildings for use as offices and retail stores with lease terms of 1 to 15 years. Lease contracts for part of retail stores contain variable payments which are determined at a specific percentage of sales generated from the respective stores. The Group does not have bargain purchase options to acquire the leasehold buildings at the end of the lease term. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Subleases

The Group subleases its right-of-use assets for buildings under operating leases. The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31	
	2024	2023
Year 1	\$ 188,853	\$ 169,428
Year 2	106,337	156,367
Year 3	15,162	81,072
Year 4	<u>-</u>	<u>686</u>
	<u>\$ 310,352</u>	<u>\$ 407,553</u>

e. Other lease information

	For the Year Ended December 31	
	2024	2023
Expenses relating to short-term leases	\$ 6,264	\$ 6,960
Expenses relating to low-value asset leases	\$ 471	\$ 218
Expenses relating to variable lease payments not included in the measurement of lease liabilities	\$ 1,545	\$ 1,489
Total cash outflow for leases	\$ (192,356)	\$ (177,300)

The Group's leases of certain buildings and office equipment qualify as short-term leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INTANGIBLE ASSETS

	Computer Software	Other Intangible Assets	Total
<u>Cost</u>			
Balance at January 1, 2023	\$ 32,772	\$ 16,337	\$ 49,109
Additions	1,748	-	1,748
Reclassified	88	-	88
Disposals	(542)	-	(542)
Effect of foreign currency exchange differences	(88)	(275)	(363)
Balance at December 31, 2023	\$ 33,978	\$ 16,062	\$ 50,040
<u>Accumulated amortization</u>			
Balance at January 1, 2023	\$ 23,201	\$ -	\$ 23,201
Amortization expense	4,380	-	4,380
Disposals	(488)	-	(488)
Effect of foreign currency exchange differences	(34)	-	(34)
Balance at December 31, 2023	\$ 27,059	\$ -	\$ 27,059
Carrying amount at December 31, 2023	\$ 6,919	\$ 16,062	\$ 22,981
<u>Cost</u>			
Balance at January 1, 2024	\$ 33,978	\$ 16,062	\$ 50,040
Additions	2,446	-	2,446
Reclassified	1,268	-	1,268
Disposals	(5,493)	-	(5,493)
Effect of foreign currency exchange differences	249	837	1,086
Balance at December 31, 2024	\$ 32,448	\$ 16,899	\$ 49,347

(Continued)

	Computer Software	Other Intangible Assets	Total
<u>Accumulated amortization</u>			
Balance at January 1, 2024	\$ 27,059	\$ -	\$ 27,059
Amortization expense	3,437	-	3,437
Disposals	(4,041)	-	(4,041)
Effect of foreign currency exchange differences	<u>102</u>	<u>-</u>	<u>102</u>
Balance at December 31, 2024	<u>\$ 26,557</u>	<u>\$ -</u>	<u>\$ 26,557</u>
Carrying amount at December 31, 2024	<u>\$ 5,891</u>	<u>\$ 16,899</u>	<u>\$ 22,790</u>
			(Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Computer software 3-10 years

Other intangible assets

The Group acquired Suzhou Haiweishi Ophthalmic Clinic (LP) and recognized intangible assets which consisted of the expected benefits from obtaining the medical license approved by the government.

	For the Year Ended December 31	
	2024	2023
An analysis of amortization by function		
Operating costs	\$ 114	\$ 113
Selling and marketing expenses	824	835
General and administrative expenses	<u>2,499</u>	<u>3,432</u>
	<u>\$ 3,437</u>	<u>\$ 4,380</u>

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2024	2023
<u>Unsecured borrowings</u>		
Line of credit borrowings	<u>\$ 92,012</u>	<u>\$ 8,670</u>
Range of interest rate	1.91%-3.45%	3.80%

b. Long-term borrowings

	December 31	
	2024	2023
<u>Secured borrowings (Note 32)</u>		
Other loans	\$ -	\$ 1,301
Less: Current portion	<u>-</u>	<u>(1,301)</u>
Long-term borrowings	<u>\$ -</u>	<u>\$ -</u>

Other borrowings were fixed-rate loans from a finance company. Such loans are due in June 2024. The terms set forth in the loan agreement include loan repayment every 3 months in the next 3 years. The borrowings were secured by the Group's freehold land and buildings, see Note 32.

18. TRADE PAYABLES

	December 31	
	2024	2023
<u>Trade payable</u>		
Operating	<u>\$ 268,070</u>	<u>\$ 312,308</u>

The Group's credit terms with suppliers are net 30-90 days.

19. OTHER PAYABLES

	December 31	
	2024	2023
Payables for salaries or bonuses	\$ 117,415	\$ 116,263
Payables for remuneration of employees and directors	58,426	60,585
Payables for advertising fees	30,628	26,390
Payables for commodity tax	15,628	15,715
Payables for maintenance fees	15,128	11,347
Payables for professional service fees	4,245	7,584
Others	<u>35,983</u>	<u>22,931</u>
	<u>\$ 277,453</u>	<u>\$ 260,815</u>

20. PAYABLES FOR EQUIPMENT AND LONG-TERM ACCOUNTS PAYABLES

Items	Period	December 31		Repayment Agreement
		2024	2023	
Purchase of equipment	May 2019 - August 2029	\$ 161,988	\$ 185,610	Installment by contract
Less: Current portion		<u>(91,080)</u>	<u>(93,036)</u>	
		<u>\$ 70,908</u>	<u>\$ 92,574</u>	

Long-term payables include the Group's installments payable for purchase of equipment. The payment period ends in August 2029. The long-term payables due in future years are as follows:

Payment Period	Amount
2026.01.01-2026.12.31	\$ 32,757
2027.01.01-2027.12.31	23,651
2028.01.01-2028.12.31	10,884
2029.01.01-2029.08.30	<u>3,616</u>
	<u>\$ 70,908</u>

21. RETIREMENT BENEFIT PLANS

Defined contribution plans

The pension plan under the Labor Pension Act LPA for the Group's resident employees in the ROC is a government-managed defined contribution plan. Based on the LPA, the Company and its subsidiaries makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

The employees of the Group's subsidiary in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

An analysis by function of the amount recognized in profit or loss in respect the defined contribution plans is as follows:

	For the Year Ended December 31	
	2024	2023
Operating expenses	<u>\$ 14,579</u>	<u>\$ 13,322</u>

22. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2024	2023
Shares authorized (in thousands of shares)	200,000	200,000
Shares authorized	\$ 2,000,000	\$ 2,000,000
Shares issued and fully paid (in thousands of shares)	84,725	84,725
Shares issued	\$ 847,249	\$ 847,249

The ordinary shares have a par value of \$10 (in dollars). Holder of each share is entitled to one vote and right to dividend.

On June 21, 2023, the shareholders of the Company resolved to distribute share dividends of 4,796 thousand shares, with a face value of \$10 per share. On July 20, 2023, the above transaction was approved by the FSC, and the subscription base date was determined by the board of directors to be September 2, 2023.

b. Capital surplus

	December 31	
	2024	2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	\$ 185,652	\$ 185,652
Consideration received over the carrying amount of issued convertible bonds	168,011	168,011
Treasury share transactions	1,829	1,829
Expired employee share options and conversion differences on exercised employee share options	26,432	26,432
	\$ 381,924	\$ 381,924

* Such capital surplus may be used to offset a deficit; when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit in accordance with the laws and regulations until the amount of legal reserve is equivalent to the paid-in capital, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

If the Company distributes dividends and bonuses or all or part of the legal reserve and capital reserve in the form of cash distribution, the Company's board of directors is authorized to do so with the presence of more than two-thirds of the directors and the consent of more than half of the directors present and report to the shareholders meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 24-g.

The Company is currently in the growing stage. The Company shall consider meeting future capital demand for business operations and its long-term financial plan, as well as satisfying the shareholders' demand for cash inflow, when deciding to distribute dividends. The Company's Articles of Incorporation provide that shareholders' dividends may be distributed in the form of shares or cash where cash dividends to be distributed may not be less than 30% of total dividends distributed.

Appropriations of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company in accordance with the law when a special reserve is appropriated for cumulative net increases in fair value measurement of investment properties from prior period and cumulative net debit balance reserves from prior period, the sum of net profit for current period and items other than net profit that are included directly in the unappropriated earnings for current period is used if the prior unappropriated earnings is not sufficient.

The appropriations of earnings for 2023 and 2022 were as follows:

	Appropriation of Earnings	
	For the Year Ended December 31	
	2023	2022
Legal reserve	\$ 100,009	\$ 85,039
Special reserve (reverse)	\$ 6,342	\$ (5,325)
Cash dividends	\$ 593,074	\$ 479,575
Share dividends	\$ -	\$ 47,957
Cash dividends per share (NT\$)	\$ 7.00	\$ 6.00
Share dividends per share (NT\$)	\$ -	\$ 0.60

The above 2023 and 2022 appropriations for cash dividends were resolved by the Company's board of directors on March 13, 2024 and March 27, 2023, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 19, 2024 and June 21, 2023, respectively.

The appropriations of earnings for 2024, which were proposed by the Company's board of directors on March 6, 2025, were as follows:

	For the Year Ended December 31, 2024
Legal reserve	\$ 102,156
Special reserve	\$ (11,384)
Cash dividends	\$ 635,437
Cash dividends per share (NT\$)	\$ 7.5

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 26, 2025.

d. Special reserve

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 5,042	\$ 10,367
Appropriations in respect of		
Debits to other equity items	6,342	-
Reversals		
Reversal of the debits to other equity items	<u>-</u>	<u>(5,325)</u>
Balance at December 31	<u>\$ 11,384</u>	<u>\$ 5,042</u>

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ (11,384)	\$ (5,035)
Recognized for the year		
Exchange differences on the translation of the financial		
statements of foreign operations	23,420	(7,936)
Relevant income taxes (loss) profit	<u>(4,684)</u>	<u>1,587</u>
Balance at December 31	<u>\$ 7,352</u>	<u>\$ (11,384)</u>

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Nine Months Ended	
	September 30	
	2024	2023
Balance at January 1	\$ -	\$ -
Recognized for the year		
Unrealized loss - debt instruments	(3,559)	-
Relevant income taxes profit	<u>712</u>	<u>-</u>
Balance at December 31	<u>\$ (2,847)</u>	<u>\$ -</u>

f. Non-controlling interests

	For the Year Ended December 31	
	2024	2023
Balance at January 1	\$ 165,333	\$ 165,019
Non-controlling interest arising from acquisition of Taixue Jhongke Co., Ltd.	-	5,000
Non-controlling interest disposal of Taixue Jinghua Co., Ltd. and Taixue Jhongdou Co., Ltd. (Note 27)	(23,935)	(21,277)
Share in (loss) profit for the year	(14,496)	18,930
Other comprehensive income (loss) during the year		
Exchange difference on translating the financial statements of foreign entities	<u>6,813</u>	<u>(2,339)</u>
Balance at December 31	<u>\$ 133,715</u>	<u>\$ 165,333</u>

23. REVENUE

	For the Year Ended December 31	
	2024	2023
Revenue from contract with customers		
Sale of goods	\$ 994,478	\$ 879,507
Brand licensing and technical services	2,359,588	2,345,512
Medical consumables	577,274	565,393
Consultancy services	<u>109,313</u>	<u>129,332</u>
	4,040,653	3,919,744
Rental income	<u>187,649</u>	<u>162,512</u>
	<u>\$ 4,228,302</u>	<u>\$ 4,082,256</u>

a. Revenue from sales

1) Revenue from the sale of goods and medical consumables

Revenue from the sale of goods and medical devices comes from the sales of optometry products for vision correction and the sale of ophthalmic medicines and medical devices provided to the operations of the optometric segment department. Sales of goods and medical devices are recognized as revenue and accounts receivable when the customer has full discretion over the manner of distribution and use of the goods and bears the risks of the goods.

2) Revenue from brand licensing, technical services and consultancy services

The customary contracts signed by the ophthalmology business division include brand licensing, technical services and consultancy services regarding professional instruments, and brand licensing, technical and consulting services for vision medical and vision biomedical departments in ophthalmic medical institutions. Revenue from technical and medical services is recognized based on the actual operation of the optometric segment department, revenue from consultancy services is recognized as revenue and accounts receivable when the services are provided; revenue from brand licensing revenue is recognized as revenue and accounts receivable at a certain proportion during the licensing period.

b. Contract balances

	December 31, 2024	December 31, 2023	January 1, 2023
Trade receivables (Note 11)	<u>\$ 565,569</u>	<u>\$ 584,252</u>	<u>\$ 581,815</u>
Contract liabilities (presented in other current liabilities)			
Sale of goods	<u>\$ 25,117</u>	<u>\$ 24,185</u>	<u>\$ 23,321</u>

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year and from the performance obligations satisfied during the periods is summarized as follows:

	For the Year Ended December 31	
	2024	2023
From contract liabilities at the start of the year		
Sale of goods	<u>\$ 23,238</u>	<u>\$ 21,914</u>

c. Disaggregation of revenue

For the year ended December 31, 2024

	Reportable Segments		
	Ophthalmology Business Division	Optometry Business Division	Total
<u>Type of goods or services</u>			
Sale of goods	\$ -	\$ 994,478	\$ 994,478
Brand licensing and technical services	2,359,588	-	2,359,588
Medical consumables	577,274	-	577,274
Consultancy services	<u>109,313</u>	<u>-</u>	<u>109,313</u>
	<u>\$ 3,046,175</u>	<u>\$ 994,478</u>	<u>\$ 4,040,653</u>

For the year ended December 31, 2023

	Reportable Segments		
	Ophthalmology Business Division	Optometry Business Division	Total
<u>Type of goods or services</u>			
Sale of goods	\$ -	\$ 879,507	\$ 879,507
Brand licensing and technical services	2,345,512	-	2,345,512
Medical consumables	565,393	-	565,393
Consultancy services	<u>129,332</u>	<u>-</u>	<u>129,332</u>
	<u>\$ 3,040,237</u>	<u>\$ 879,507</u>	<u>\$ 3,919,744</u>

24. NET PROFIT FROM CONTINUING OPERATIONS

a. Interest income

	For the Year Ended December 31	
	2024	2023
Bank deposits	\$ 15,463	\$ 18,726
Financial assets at FVTPL	20,816	-
Investments in debt instruments at FVTOCI	2,779	-
Others	<u>518</u>	<u>432</u>
	<u>\$ 39,576</u>	<u>\$ 19,158</u>

b. Other income

	For the Year Ended December 31	
	2024	2023
Rental income	\$ 2,749	\$ 2,967
Others	<u>5,368</u>	<u>5,102</u>
	<u>\$ 8,117</u>	<u>\$ 8,069</u>

c. Other gains and losses

	For the Year Ended December 31	
	2024	2023
Loss on disposal of property, plant and equipment	\$ (7,464)	\$ (1,385)
(Loss) gain on disposal of intangible assets	(1,452)	16
Valuation loss of financial assets at FVTPL	(100,222)	-
Net foreign exchange gains (losses)	7,903	(55)
Gain from lease modifications	572	1,234
Others	<u>(5,948)</u>	<u>(4,476)</u>
	<u>\$(106,611)</u>	<u>\$ (4,666)</u>

d. Finance costs

	For the Year Ended December 31	
	2024	2023
Interest on bank loans	\$ 5,011	\$ 1,468
Interest on lease liabilities	15,928	14,357
Others	<u>9</u>	<u>8</u>
	<u>\$ 20,948</u>	<u>\$ 15,833</u>

e. Depreciation and amortization

	For the Year Ended December 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	\$ 356,448	\$ 306,028
Operating expenses	<u>161,605</u>	<u>135,738</u>
	<u>\$ 518,053</u>	<u>\$ 441,766</u>
An analysis of amortization by function		
Operating costs	\$ 114	\$ 113
Operating expenses	<u>3,323</u>	<u>4,267</u>
	<u>\$ 3,437</u>	<u>\$ 4,380</u>

For information on the amortization of intangible assets allocated to individual line items, see Note 16.

f. Employee benefits expense

	For the Year Ended December 31	
	2024	2023
Short-term benefits	\$ 650,054	\$ 657,143
Post-employment benefits (Note 21)		
Defined contribution plan	<u>14,579</u>	<u>13,322</u>
Total employee benefits expense	<u>\$ 664,633</u>	<u>\$ 670,465</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 33,363	\$ 41,320
Operating expenses	<u>631,270</u>	<u>629,145</u>
	<u>\$ 664,633</u>	<u>\$ 670,465</u>

g. Compensation of employees and remuneration of directors and supervisors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at the rates of 1% to 10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for the years ended December 31, 2024 and 2023, which were approved by the Company's board of directors on March 6, 2025, and March 13, 2024, respectively, are as follows:

Amount

	For the Year Ended December 31	
	2024	2023
	Cash	Cash
Compensation of employees	\$ 41,315	\$ 40,390
Remuneration of directors	17,111	20,195

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website.

25. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2024	2023
Current tax		
In respect of the current year	\$ 275,328	\$ 261,587
Income tax on unappropriated earnings	7,769	3,418
Adjustments for prior year	<u>(9,009)</u>	<u>(14,761)</u>
	274,088	250,244
Deferred tax		
In respect of the current year	<u>(6,272)</u>	<u>4,311</u>
Income tax expense recognized in profit or loss	<u>\$ 267,816</u>	<u>\$ 254,555</u>

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2024	2023
Profit before tax from continuing operations	<u>\$ 1,318,041</u>	<u>\$ 1,318,579</u>
Income tax expense calculated at the statutory rate	\$ 277,306	\$ 268,860
Change in deferred tax	59	(1,986)
Tax-exempt income	(8,035)	(976)
Income tax on unappropriated earnings	7,769	3,418
Loss carryforwards	(274)	-
Adjustments for prior years' tax	<u>(9,009)</u>	<u>(14,761)</u>
Income tax expense recognized in profit or loss	<u>\$ 267,816</u>	<u>\$ 254,555</u>

Applicable tax rate in Taiwan is 20%. Applicable tax rate for the subsidiaries in mainland China is 25%. Taxes in other jurisdictions shall be calculated at the applicable tax rates in relevant jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2024	2023
<u>Deferred tax</u>		
In respect of the current period:		
Translation of foreign operations	\$ 4,684	\$ (1,587)
Unrealized gain on financial assets at FVTOCI	<u>(712)</u>	<u>-</u>
Total income tax (benefit) recognized in other comprehensive loss (income)	<u>\$ 3,972</u>	<u>\$ (1,587)</u>

c. Current tax assets and liabilities

	December 31	
	2024	2023
Current tax assets		
Income tax receivable (presented in other receivables)	<u>\$ 1,689</u>	<u>\$ 379</u>
Current tax liabilities		
Income tax payable	<u>\$ 154,445</u>	<u>\$ 162,567</u>

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2024

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Exchange Difference	Closing Balance
Temporary differences					
Write-downs of inventory	\$ 194	\$ 200	\$ -	\$ -	\$ 394
Unrealized exchange loss	371	(371)	-	-	-
Payables for annual leave	1,094	123	-	-	1,217
Warranty cost	176	18	-	-	194
Amount exceeding allowance for bad debts	1,121	12	-	-	1,133
Unappropriated earnings of subsidiaries	38,002	13,338	-	-	51,340
Unrealized gain on financial assets at FVTOCI	-	-	712	-	712
Exchange differences on translation of the financial statements of foreign operations	2,845	-	(2,845)	-	-
Deferred expenses	1,393	(93)	-	72	1,372
Lease liabilities	<u>22,055</u>	<u>(7,224)</u>	<u>-</u>	<u>1,066</u>	<u>15,897</u>
	<u>\$ 67,251</u>	<u>\$ 6,003</u>	<u>\$ (2,133)</u>	<u>\$ 1,138</u>	<u>\$ 72,259</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Depreciation expense financial and tax differences	\$ 38,060	\$ 6,630	\$ -	\$ -	\$ 44,690
Unrealized exchange gain	-	524	-	-	524
Exchange differences on translation of the financial statements of foreign operations	-	-	1,839	-	1,839
Right of use asset	<u>20,326</u>	<u>(7,423)</u>	<u>-</u>	<u>974</u>	<u>13,877</u>
	<u>\$ 58,386</u>	<u>\$ (269)</u>	<u>\$ 1,839</u>	<u>\$ 974</u>	<u>\$ 60,930</u>

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Write-downs of inventory	\$ 98	\$ 96	\$ -	\$ -	\$ 194
Unrealized exchange loss	-	371	-	-	371
Payables for annual leave	1,011	83	-	-	1,094
Warranty cost	180	(4)	-	-	176
Amount exceeding allowance for bad debts	291	830	-	-	1,121
Unappropriated earnings of subsidiaries	37,486	516	-	-	38,002
Exchange differences on translation of the financial statements of foreign operations	1,258	-	1,587	-	2,845
Deferred expenses	-	1,421	-	(28)	1,393
Lease liabilities	<u>15,586</u>	<u>6,868</u>	<u>-</u>	<u>(399)</u>	<u>22,055</u>
	<u>\$ 55,910</u>	<u>\$ 10,181</u>	<u>\$ 1,587</u>	<u>\$ (427)</u>	<u>\$ 67,251</u>

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre- hensive Income	Exchange Difference	Closing Balance
Temporary differences					
Depreciation expense financial and tax differences	\$ 29,404	\$ 8,656	\$ -	\$ -	\$ 38,060
Unrealized exchange gain	461	(461)	-	-	-
Right of use asset	<u>14,396</u>	<u>6,297</u>	<u>-</u>	<u>(367)</u>	<u>20,326</u>
	<u>\$ 44,261</u>	<u>\$ 14,492</u>	<u>\$ -</u>	<u>\$ (367)</u>	<u>\$ 58,386</u>

e. Income tax assessments

The income tax returns through 2022 of the Company, Taixue Investment Holding Co., Ltd., Taixue Jinghua Co., Ltd., Taixue Jhongdou Co., Ltd. and Eyeseer Medical Inc., respectively, in Taiwan have been assessed by Taiwan's tax authorities. All other companies have prepared their tax returns according to local law.

26. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Year Ended December 31	
	2024	2023
Basic earnings per share	\$ <u>12.57</u>	\$ <u>12.34</u>
Diluted earnings per share	\$ <u>12.53</u>	\$ <u>12.31</u>

The earning and weighted average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Year Ended December 31	
	2024	2023
Profit for the year attributable to owners of the Company	\$ 1,064,721	\$ 1,045,094
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>-</u>	<u>-</u>
Earnings used in the computation of diluted earnings per share	\$ <u>1,064,721</u>	\$ <u>1,045,094</u>

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2024	2023
Weighted average number of ordinary shares used in the computation of basic earnings per share	84,725	84,725
Effect of potentially dilutive ordinary shares:		
Compensation of employees	<u>234</u>	<u>168</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>84,959</u>	<u>84,893</u>

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

- a. On December 15, 2023, the Group purchased 41.66% of the shares in Taixue Jinghua Co., Ltd. and Taixue Jhongdou Co., Ltd. shares, increasing its interest from 16.67% to 58.33%.

The above transactions were accounted as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Taixue Jinghua Co., Ltd.	Taixue Jhongdou Co., Ltd.
Consideration paid	\$ (35,000)	\$ (32,100)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>8,697</u>	<u>12,580</u>
Equity transaction difference	<u>\$ (26,303)</u>	<u>\$ (19,520)</u>
	Taixue Jinghua Co., Ltd.	Taixue Jhongdou Co., Ltd.
	Total	

Line items adjusted for equity transactions

Unappropriated earnings	<u>\$ 26,303</u>	<u>\$ 19,520</u>	<u>\$ 45,823</u>
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- b. On January 19, 2024, the Group purchased 41.67% of the shares in Taixue Jinghua Co., Ltd. and Taixue Jhongdou Co., Ltd., increasing its interest from 58.33% to 100%.

The above transactions were accounted as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Taixue Jinghua Co., Ltd.	Taixue Jhongdou Co., Ltd.
Consideration paid	\$ (35,000)	\$ (32,100)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	<u>9,190</u>	<u>14,745</u>
Equity transaction difference	<u>\$ (25,810)</u>	<u>\$ (17,355)</u>
	Taixue Jinghua Co., Ltd.	Taixue Jhongdou Co., Ltd.
	Total	

Line items adjusted for equity transactions

Unappropriated earnings	<u>\$ 25,810</u>	<u>\$ 17,355</u>	<u>\$ 43,165</u>
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28. CASH FLOW INFORMATION

The Group's operating, investing and financing activities with only partial cash receipts and payment in 2024 and 2023 were as follows:

a. Non-cash transactions

1) Purchase of property, plant and equipment

	For the Year Ended December 31	
	2024	2023
Purchase of property, plant and equipment		
Increase in property, plant and equipment	\$ 411,191	\$ 398,560
Add: Payables for equipment and long-term accounts payable at the beginning of the year	185,610	187,911
Less: Payables for equipment and long-term accounts payable at the end of the year	(161,988)	(185,610)
Purchase taxes	<u>(167)</u>	<u>-</u>
Cash payments	<u>\$ 434,646</u>	<u>\$ 400,861</u>

2) Interest received

	For the Year Ended December 31	
	2024	2023
Interest income	\$ 39,068	\$ 18,734
Add: Interest receivable at the beginning of the period	1,188	1,304
Bonds premium amortization	44	-
Less: Interest receivable at the end of the period	<u>(9,220)</u>	<u>(1,188)</u>
Interest received	<u>\$ 31,080</u>	<u>\$ 18,850</u>

3) Interest paid

	For the Year Ended December 31	
	2024	2023
Interest expenses	\$ 5,020	\$ 1,476
Add: Interest payable at the beginning of the period	72	63
Less: Interest payable at the end of the period	<u>(44)</u>	<u>(72)</u>
Interest expense paid	<u>\$ 5,048</u>	<u>\$ 1,467</u>

b. Changes in liabilities arising from financing activities

For the year ended December 31, 2024

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ 8,670	\$ 82,524	\$ -	\$ 818	\$ 92,012
Long-term borrowings	1,301	(1,353)	-	52	-
Guarantee deposits received	543	40	-	1	584
Lease liabilities	<u>768,290</u>	<u>(184,076)</u>	<u>372,052</u>	<u>5,961</u>	<u>962,227</u>
	<u>\$ 778,804</u>	<u>\$ (102,865)</u>	<u>\$ 372,052</u>	<u>\$ 6,832</u>	<u>\$ 1,054,823</u>

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes		Closing Balance
			New Leases	Others	
Short-term borrowings	\$ -	\$ 8,848	\$ -	\$ (178)	\$ 8,670
Long-term borrowings	10,495	(9,202)	-	8	1,301
Guarantee deposits received	535	8	-	-	543
Lease liabilities	<u>773,151</u>	<u>(168,633)</u>	<u>174,670</u>	<u>(10,898)</u>	<u>768,290</u>
	<u>\$ 784,181</u>	<u>\$ (168,979)</u>	<u>\$ 174,670</u>	<u>\$ (11,068)</u>	<u>\$ 778,804</u>

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued capital, reserves, retained earnings, other equity and non-controlling interests).

The Group is not subject to any externally imposed capital requirements.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management of the Group considers that the carrying amount of the financial assets and liabilities not measured at fair value approximated the fair value.

- b. Fair value of financial instruments that are measured at fair value

Fair value hierarchy

December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at FVTPL				
Mutual funds	\$ <u>1,295,373</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>1,295,373</u>
Financial assets at FVTOCI				
Investments in debt instruments				
Overseas government bonds	\$ <u>111,073</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>111,073</u>

December 31, 2023: None.

- c. Categories of financial instruments

	<u>December 31</u>	
	<u>2024</u>	<u>2023</u>
<u>Financial assets</u>		
Amortized cost (Note 1)	\$ 1,239,185	\$ 2,266,169
Financial assets at FVTPL		
Financial assets mandatorily classified as at FVTPL	1,295,373	-
Financial assets at FVTOCI		
Debt instruments	111,073	-

Financial liabilities

Amortized cost (Note 2)	800,107	770,302
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Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise, short-term borrowings, trade payable, payables for equipment, other payable, current portion of long-term loans payable, long-term accounts payable and guarantee deposits.

- d. Financial risk management objectives and policies

The Group's major financial instruments included equity and debt instrument investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price risks (see (c) below).

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the year for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit and other equity associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity, and the balances below would be negative.

	For the Year Ended December 31	
	2024	2023
Profit or loss	\$ 1,298*	\$ 1,115*

* The result was mainly attributable to the exposure on outstanding deposits in USD that were not hedged at the end of the year.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds and hold deposits at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows.

	December 31	
	2024	2023
Fair value interest rate risk		
Financial assets	\$ 297,657	\$ 276,695
Financial liabilities	-	1,301
Cash flow interest rate risk		
Financial assets	435,622	1,364,343
Financial liabilities	92,012	8,670

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 0.1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 0.1% higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2024 and 2023 would have increased by \$344 thousand and \$1,356 thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in funds and beneficiary certificates. The Group's equity price risk is mainly concentrated in equity instruments that are from investments classified as financial assets measured at fair value through profit or loss. If the prices of the above investments decrease by 1% as of the reporting period end date, the Group net income for the year ended December 31, 2024, would decrease by \$12,954 thousand.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

In addition, the Group would review the recoverable amount of each receivable one by one on the balance sheet date to ensure that impairment loss is recognized for unrecoverable receivables. As such, the Group's management concludes that the credit risk has been significantly reduced.

The important financial activities of the Group are reviewed by the board of directors in accordance with relevant rules and internal control systems. The Group follows the relevant financial and operating procedures for the overall financial risk management and segregation of responsibility.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the Group's short-, medium- and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, and continuously monitoring forecasted and actual cash flows as well as matching the maturity profiles of financial assets and liabilities. As of December 31, 2024 and 2023, the Group had available unutilized short-term bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The table have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are floating rate, the undiscounted amount was derived from the average interest rate at the end of the reporting period.

December 31, 2024

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years
Non-interest bearing				
Accounts payable	\$ 268,070	\$ -	\$ -	\$ -
Payables for equipment	91,080	-	-	-
Long-term accounts payable	-	32,757	38,151	-
Guarantee deposits	584	-	-	-
Lease liabilities	195,229	178,044	350,533	308,959
Fixed interest rate liabilities				
Short-term borrowings	<u>92,857</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 647,820</u>	<u>\$ 210,801</u>	<u>\$ 388,684</u>	<u>\$ 308,959</u>

December 31, 2023

	Less than 1 Year	1-2 Years	2-5 Years	5+ Years
Non-interest bearing				
Accounts payable	\$ 312,308	\$ -	\$ -	\$ -
Payables for equipment	93,036	-	-	-
Other current liabilities	1,055	-	-	-
Long-term accounts payable	-	36,149	56,425	-
Guarantee deposits	543	-	-	-
Lease liabilities	167,132	159,139	304,522	174,605
Fixed interest rate liabilities				
Short-term borrowings	8,807	-	-	-
Long-term borrowings	<u>1,673</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 584,554</u>	<u>\$ 195,288</u>	<u>\$ 360,947</u>	<u>\$ 174,605</u>

b) Financing facilities

	December 31	
	2024	2023
Unsecured bank overdraft facilities:		
Amount used	\$ 92,012	\$ 8,670
Amount unused	<u>914,812</u>	<u>1,044,682</u>
	<u>\$ 1,006,824</u>	<u>\$ 1,053,352</u>
Secured bank overdraft facilities:		
Amount used	\$ -	\$ -
Amount unused	<u>400,000</u>	<u>400,000</u>
	<u>\$ 400,000</u>	<u>\$ 400,000</u>

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Taixue (Jiangsu) Investment Co., Ltd.	The Company's subsidiary
Kunshan Universal Trading Co., Ltd.	The Company's subsidiary
Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	The Company's subsidiary

b. Endorsements and guarantees

Endorsements and guarantees provided by the Group

Related Party Category/Name	December 31	
	2024	2023
Ultimate parent		
Amount endorsed	\$ 98,355	\$ 276,345
Amount utilized	<u>-</u>	<u>-</u>
	<u>\$ 98,355</u>	<u>\$ 276,345</u>
The Company's subsidiary/Kunshan Universal Trading Co., Ltd.		
Amount endorsed	\$ 45,608	\$ 43,352
Amount utilized	<u>(22,804)</u>	<u>(8,670)</u>
	<u>\$ 22,804</u>	<u>\$ 34,682</u>

Endorsements and guarantees given by related parties

Related Party Category/Name	December 31	
	2024	2023
The Company's subsidiary/Taixue (Jiangsu) Investment Co., Ltd.		
Amount endorsed	\$ -	\$ 92,115
Amount utilized	<u>-</u>	<u>-</u>
	<u>\$ -</u>	<u>\$ 92,115</u>
The Company's subsidiary/Kunshan Universal Trading Co., Ltd.		
Amount endorsed	\$ 98,355	\$ 184,230
Amount utilized	<u>-</u>	<u>-</u>
	<u>\$ 98,355</u>	<u>\$ 184,230</u>
The Company's subsidiary/Hangzhou Taixue Ophthalmic Outpatient Department Ltd.		
Amount endorsed	\$ 45,608	\$ 43,352
Amount utilized	<u>(22,804)</u>	<u>(8,670)</u>
	<u>\$ 22,804</u>	<u>\$ 34,682</u>

c. Remuneration of key management personnel

	For the Year Ended December 31	
	2024	2023
Short-term employee benefits	\$ 32,330	\$ 25,902
Post-employment benefits	<u>336</u>	<u>336</u>
	<u>\$ 32,666</u>	<u>\$ 26,238</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collaterals for quota application and for bank borrowings or other restricted use:

	December 31	
	2024	2023
Property, plant and equipment	\$ 223,499	\$ 242,476
Other financial assets - non-current (presented in other non-current assets)	136	130
Refundable deposits	<u>-</u>	<u>2,384</u>
	<u>\$ 223,635</u>	<u>\$ 244,990</u>

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2024 and 2023 were as follows:

- a. As of December 31, 2024 and 2023, the contracts signed by the Group for purchase of equipment and application software systems were \$199,397 thousand and \$294,187 thousand, respectively, and the outstanding amounts were \$103,383 thousand and \$167,280 thousand, respectively.
- b. The Company, in response to Civil Judgment of Zhi-Zi No. 2, Year 2023 issued by the Taipei District Court, has retained legal counsel to file an appeal. On October 23, 2024, the Company received Judgment of Chongshang-Zi No. 000615, Year 2023 from the Taiwan High Court. The Company sought punitive damages of \$2,000 thousand from Li-Ju Lai due to breach of contract by opening another clinic during the contract period of Chiayi Universal Eye Center. This claim was dismissed by the Taiwan High Court. Li-Ju Lai subsequently filed a countersuit against the Company for unjust enrichment in the amount of \$21,924 thousand, which was also dismissed by the Taiwan High Court. It has been assessed that there is no material impact on the Company's finance and business. Upon receiving the court judgment, the Company has appointed legal counsel to handle the relevant legal proceedings.

34. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

Currency Unit: In Thousands of New Taiwan Dollars and Foreign Currencies

December 31, 2024

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,961	32.7850 (USD:NTD)	\$ 129,846
USD	118	7.1884 (USD:RMB)	<u>3,853</u>
			<u>\$ 133,699</u>

December 31, 2023

	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>Carrying Amount</u>
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,633	30.7050 (USD:NTD)	\$ 111,540
USD	167	7.0827 (USD:RMB)	5,143
RMB	2	4.3270 (RMB:NTD)	<u>8</u>
			<u>\$ 116,691</u>

The Group is mainly exposed to the USD and the RMB. The following information was aggregated by the functional currency of the Group, and the exchange rates between the functional currency and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Foreign Currency	For the Year Ended December 31			
	2024		2023	
	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
NTD	1.0000 (NTD:NTD)	\$ 7,814	1.0000 (NTD:NTD)	\$ (200)
RMB	4.4780 (RMB:NTD)	<u>89</u>	4.3270 (RMB:NTD)	<u>145</u>
		<u>\$ 7,903</u>		<u>\$ (55)</u>

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

- 1) Financing provided to others. (None)
- 2) Endorsements/guarantees provided. (Table 1)
- 3) Marketable securities held. (Table 2)
- 4) Marketable securities acquired or disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital. (None)
- 5) Acquisition of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital. (None)
- 6) Disposal of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital. (None)
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital. (None)
- 9) Trading in derivative instruments. (None)
- 10) Intercompany relationships and significant intercompany transactions. (Table 3)

b. Information on investees (Table 4)

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 5)

- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)
- The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - The amount of property transactions and the amount of the resultant gains or losses.
 - The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
 - The highest balance, the end of period balance, the interest rate range, and total current year interest with respect to financing of funds.
 - Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6)

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Specifically, the Group's reportable segments were as follows:

Ophthalmology Business segment - This department is responsible for providing ophthalmic clinics and hospital technical services and consultancy services and leasing services.

Optometry Business segment - This department is responsible for the sales of glasses and peripheral equipment.

Segment revenues and results

a. Segment revenues and results

The following was an analysis of the Group's revenue and results by reportable segments:

	Ophthalmology Business Division	Optometry Business Division	Reportable Segment Income	Adjustment and Elimination	Total
<u>For the year ended December 31, 2024</u>					
Revenue					
Revenues from external customers	\$ 3,233,824	\$ 994,478	\$ 4,228,302	\$ -	\$ 4,228,302
Inter-segment revenue	206,992	1,489	208,481	(208,481)	-
Interest revenue	39,576	-	39,576	-	39,576
Consolidated revenue	<u>\$ 3,480,392</u>	<u>\$ 995,967</u>	<u>\$ 4,476,359</u>	<u>\$ (208,481)</u>	<u>\$ 4,267,878</u>

(Continued)

	Ophthalmology Business Division	Optometry Business Division	Reportable Segment Income	Adjustment and Elimination	Total
Interest expense	\$ 20,948	\$ -	\$ 20,948	\$ -	\$ 20,948
Depreciation and amortization expense	\$ 430,766	\$ 90,724	\$ 521,490	\$ -	\$ 521,490
Profit before tax (continuing operations)	\$ 1,075,760	\$ 242,281	\$ 1,318,041	\$ -	\$ 1,318,041
<u>For the year ended December 31, 2023</u>					
Revenue					
Revenues from external customers	\$ 3,202,749	\$ 879,507	\$ 4,082,256	\$ -	\$ 4,082,256
Inter-segment revenue	269,583	1,283	270,866	(270,866)	-
Interest revenue	19,158	-	19,158	-	19,158
Consolidated revenue	\$ 3,491,490	\$ 880,790	\$ 4,372,280	\$ (270,866)	\$ 4,101,414
Interest expense	\$ 15,833	\$ -	\$ 15,833	\$ -	\$ 15,833
Depreciation and amortization expense	\$ 365,538	\$ 80,608	\$ 446,146	\$ -	\$ 446,146
Profit before tax (continuing operations)	\$ 1,133,626	\$ 184,953	\$ 1,318,579	\$ -	\$ 1,318,579
(Concluded)					

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs and directors' salaries, lease income, interest income, gains or losses on disposal of property, plant and equipment, gains or losses on disposal of financial instruments, exchange gains or losses, valuation gains or losses on financial instruments, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Geographical information

The Group operates in two principal geographical area - Taiwan and China.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2024	2023	2024	2023
Taiwan	\$ 3,634,639	\$ 3,324,469	\$ 2,640,207	\$ 2,168,702
China	593,663	757,787	280,674	382,006
	<u>\$ 4,228,302</u>	<u>\$ 4,082,256</u>	<u>\$ 2,920,881</u>	<u>\$ 2,550,708</u>

c. Information on major customers

For the years 2024 and 2023, no single customers contributing 10% or more to the Group's revenue were as follows.

TABLE 1

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Amount Borrowed (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	Universal Vision Biotechnology Co., Ltd.	Taixue (Jiangsu) Investment Co., Ltd.	b.	\$ 1,086,604	\$ 94,740 US\$ 3,000,000	\$ - US\$ -	\$ -	\$ -	-	\$ 1,811,007	Y	N	Y	-
		Kunshan Universal Trading Co., Ltd.	b.	1,086,604 US\$ 6,000,000	189,480 US\$ 3,000,000	-	-	2.72	1,811,007	Y	N	Y	-	
1	Kunshan Universal Trading Co., Ltd.	Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	d.	133,355	46,022 RMB 10,000,000	45,608 RMB 10,000,000	22,804 RMB 5,000,000	-	1.26	133,355	N	N	Y	-

Note 1: Numbering sequence is as follows:

 a. The issuer is numbered 0.

 b. Investees are numbered sequentially starting from 1.

Note 2: The 7 types of relationships between the endorser/guarantor and endorsees/guarantees are as follows:

 a. Company with business transactions.

 b. Company where Universal Vision Biotechnology Co., Ltd. directly or indirectly holds over 50% of its voting shares.

 c. Company that directly or indirectly holds more 50% of the shares in Universal Vision Biotechnology Co., Ltd.

 d. Company where Kunshan Universal Trading Co., Ltd. directly or indirectly holds more than 90% of the voting shares.

 e. Companies fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

 f. For investment purposes, where it is necessary that all investors endorse/guarantee for the Company according to the proportion of shares held.

 g. Joint guarantees for performance of presale housing sales contracts conducted between industry peers in accordance with the Consumer Protection Act.

Note 3: According to Universal Vision Biotechnology Co., Ltd. Endorsement/Guarantee Provided Enforcement Rules, the amount of the guarantee provided by Universal Vision Biotechnology Co., Ltd. shall not exceed 50% of its net worth; to single associated company overseas shall not exceed 30% of its net worth. The limited amount Universal Vision Biotechnology Co., Ltd. provided to individual entity is net worth of \$3,622,013 thousand × 30% = \$1,086,604 thousand; the total amount Universal Vision Biotechnology Co., Ltd. provided is limited to \$3,622,013 thousand × 50% = \$1,811,007 thousand. Kunshan Universal Trading Co., Ltd. provided to individual entity is net worth of \$266,710 thousand × 50% = \$133,355 thousand.

Note 4: The maximum balance of endorsement guarantees for others in the current year.

Note 5: As of the end of the year, when the amount of the endorsement guarantee contract or bill signed by the Company to the bank is approved, it shall assume the responsibility of endorsement or guarantee; other relevant endorsement guarantees should be included in the balance of the endorsement guarantee.

Note 6: Actual expenditure amount of the endorsed company within the range of the balance of the endorsement guarantee.

Note 7: “Y” must be filled in if endorsement guarantor for parent company is subsidiary company, endorsement guarantor for subsidiary company is parent company, and endorsement certificate is for mainland China company.

TABLE 2

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2024

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note)	Relationship with the Holding Company	Financial Statement Account	December 31, 2024				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Universal Vision Biotechnology Co., Ltd.	Unlisted in domestic shares							
	Zheng Yang Biomedical Technology Co., Ltd.	None	Financial assets at fair value through profit and loss - current	229	\$ -	-	\$ -	
	Aventacell Biomedical Corp. Ltd.	None	Financial assets at fair value through profit and loss - current	22	-	-	-	
	<u>Funds and beneficiary certificates</u>							
	CTBC U.S. Treasury 20+ Year Bond ETF	None	Financial assets at fair value through profit and loss - current	5,100,000	148,410	-	148,410	
	Yuanta U.S. Treasury 20+ Year Bond ETF	None	Financial assets at fair value through profit and loss - current	5,000,000	143,250	-	143,250	
	Cathay U.S. Treasury 20+ Year Bond ETF	None	Financial assets at fair value through profit and loss - current	5,000,000	148,900	-	148,900	
	Yuanta US 20+ Year AAA-A Corporate Bond ETF	None	Financial assets at fair value through profit and loss - current	800,000	27,048	-	27,048	
	Cathay US Corporate A- and Above 10+ Years Liquid ETF	None	Financial assets at fair value through profit and loss - current	250,000	9,145	-	9,145	
	CTBC USD Corporate 10+ Year High Grade Capped Bond ETF	None	Financial assets at fair value through profit and loss - current	500,000	17,695	-	17,695	
	CTBC Banking Senior 10+ Year Bond ETF	None	Financial assets at fair value through profit and loss - current	800,000	29,680	-	29,680	
	Yuanta US 20+ Year BBB Corporate Bond ETF	None	Financial assets at fair value through profit and loss - current	750,000	26,573	-	26,573	
	CAPITAL BofA MERRILL LYNCH 10+ YEAR US BANKING INDEX EXCHANGE TRADED FUND	None	Financial assets at fair value through profit and loss - current	750,000	26,460	-	26,460	
	Cathay US Corporate 10+ Years Banking ETF	None	Financial assets at fair value through profit and loss - current	500,000	8,385	-	8,385	
	Fubon 20+ Years US Treasury Bond ETF	None	Financial assets at fair value through profit and loss - current	4,800,000	148,896	-	148,896	
	CAPITAL ICE 25+ YEAR US TREASURY EXCHANGE TRADED FUND	None	Financial assets at fair value through profit and loss - current	4,900,000	146,706	-	146,706	
	Sinopac ICE 20+ Year US Treasury ETF	None	Financial assets at fair value through profit and loss - current	6,000,000	148,680	-	148,680	
	KGI 25+ Years US Treasury Bond ETF	None	Financial assets at fair value through profit and loss - current	4,500,000	135,585	-	135,585	
	UPAMC US Treasury 20 Plus Year ETF	None	Financial assets at fair value through profit and loss - current	9,000,000	129,960	-	129,960	
					<u>\$ 1,295,373</u>		<u>\$ 1,295,373</u>	
	<u>Foreign bonds</u>							
	U.S. Treasury bonds	None	Financial assets at fair value through other comprehensive income - non-current	US\$3,400,000	<u>\$ 111,073</u>	-	<u>\$ 111,073</u>	

Note: For information on investments in subsidiaries, affiliated companies and joint venture, refer to Tables 4 and 5.

TABLE 3

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
0	Universal Vision Biotechnology Co., Ltd.	Taixue Jinghua Co., Ltd.	a	Receivables	\$ 458	No significant difference from general transaction	0.01
		Taixue Jinghua Co., Ltd.	a	Sales revenue	5,049	No significant difference from general transaction	0.12
		Taixue Jhongdou Co., Ltd.	a	Receivables	5,238	No significant difference from general transaction	0.09
		Taixue Jhongdou Co., Ltd.	a	Sales revenue	27,299	No significant difference from general transaction	0.65
		Taixue Jhongke Co., Ltd.	a	Receivables	1,493	No significant difference from general transaction	0.03
		Taixue Jhongke Co., Ltd.	a	Sales revenue	6,713	No significant difference from general transaction	0.16
1	Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Kunshan Universal Trading Co., Ltd.	c	Sales revenue	5,099	No significant difference from general transaction	0.12
		Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	c	Receivables	1,998	No significant difference from general transaction	0.03
		Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	c	Sales revenue	39,031	No significant difference from general transaction	0.92
		Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	c	Receivables	40,746	No significant difference from general transaction	0.71
		Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	c	Sales revenue	49,658	No significant difference from general transaction	1.17
		Suzhou Haiweishi Ophthalmic Clinic (LP)	c	Receivables	2,155	No significant difference from general transaction	0.04
		Suzhou Haiweishi Ophthalmic Clinic (LP)	c	Sales revenue	9,429	No significant difference from general transaction	0.22
2	Kunshan Universal Trading Co., Ltd.	Taixue Medical Investment Management (Zhejiang) Co., Ltd.	c	Receivables	252	No significant difference from general transaction	-
		Taixue Medical Investment Management (Zhejiang) Co., Ltd.	c	Sales revenue	1,035	No significant difference from general transaction	0.02
		Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	c	Receivables	1,595	No significant difference from general transaction	0.03
		Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	c	Sales revenue	17,623	No significant difference from general transaction	0.42
		Taixue (Jiangsu) Medical Investment Management Co., Ltd.	c	Receivables	6,520	No significant difference from general transaction	0.11
		Taixue (Jiangsu) Medical Investment Management Co., Ltd.	c	Sales revenue	3,997	No significant difference from general transaction	0.09
		Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	c	Receivables	36,140	No significant difference from general transaction	0.63
		Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	c	Sales revenue	38,593	No significant difference from general transaction	0.91
		Suzhou Haiweishi Ophthalmic Clinic (LP)	c	Receivables	57	No significant difference from general transaction	-
		Suzhou Haiweishi Ophthalmic Clinic (LP)	c	Sales revenue	1,124	No significant difference from general transaction	0.03
		Hangzhou Lingping Taixue Ophthalmic Hospital Ltd.	c	Sales revenue	3,041	No significant difference from general transaction	0.07
		Taixue (Hangzhou) Glasses Co., Ltd.	c	Receivables	39	No significant difference from general transaction	-
		Taixue (Hangzhou) Glasses Co., Ltd.	c	Sales revenue	72	No significant difference from general transaction	-
		Hangzhou Taixue Ophthalmology Outpatient Department Co., Ltd.	c	Receivables	54	No significant difference from general transaction	-
		Hangzhou Taixue Ophthalmology Outpatient Department Co., Ltd.	c	Sales revenue	67	No significant difference from general transaction	-
3	Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Taixue (Hangzhou) Glasses Co., Ltd.	c	Sales revenue	13	No significant difference from general transaction	-
		Hangzhou Taixue Ophthalmology Outpatient Department Co., Ltd.	c	Sales revenue	4	No significant difference from general transaction	-

(Continued)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% to Total Sales or Assets (Note 3)
4	Hangzhou Lingping Taixue Ophthalmic Hospital Ltd.	Kunshan Universal Trading Co., Ltd.	c	Receivables	\$ 467	No significant difference from general transaction	0.01
		Hangzhou Taixue Ophthalmology Outpatient Department Co., Ltd.	c	Receivables	201	No significant difference from general transaction	-
		Hangzhou Taixue Ophthalmology Outpatient Department Co., Ltd.	c	Sales revenue	176	No significant difference from general transaction	-
5	Taixue Jhongdou Co., Ltd.	Universal Vision Biotechnology Co., Ltd.	b	Sales revenue	458	No significant difference from general transaction	0.01

Note 1: The Company and its subsidiaries are numbered as follows:

- a. The parent company is numbered 0.
- b. Subsidiaries are numbered sequentially starting from 1.

Note 2: The three types of relationships between transacting parties are as follows, the same transaction between the parent company and its subsidiary or between subsidiaries is listed only once:

- a. Represents the transactions from parent company to subsidiary.
- b. Represents the transactions from subsidiary to parent company.
- c. Represents the transactions between subsidiaries.

Note 3: The rate of the intercompany transactions to total sales or assets is calculated by the balance at the end of the period if it belongs to assets or liabilities or the accumulated amount in the interim period if it belongs to sales.

(Concluded)

TABLE 4

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION OF INVESTEEES
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Shares In Thousands of Shares)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2024			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2024	December 31, 2023	Number of Shares	%	Carrying Amount			
Universal Vision Biotechnology Co., Ltd.	Universal Group (BVI) Inc.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands	Investment	\$ 706,098	\$ 706,098	23,159	100.00	\$ 420,415	\$ (67,513)	\$ (67,513)	
	Taixue Investment Holdings Co., Ltd.	4F., No. 3-1, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan R.O.C.	Investment	150,000	150,000	15,000	100.00	107,433	40,191	40,174	
Taixue Investment Holdings Co., Ltd.	Taixue Jinghua Co., Ltd.	4F., No. 3-1, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan R.O.C.	Wholesale and retail of medical equipment, western medicine	71,000	36,000	600	100.00	26,463	11,739	11,739	
	Taixue Jhongdou Co., Ltd.	4F., No. 3-1, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan R.O.C.	Wholesale and retail of medical equipment, western medicine	65,200	33,100	6,000	100.00	42,299	29,433	29,433	
	Eyeseer Medical Inc.	4F., No. 3-1, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan R.O.C.	Wholesale and retail of medical equipment	15,000	5,000	1,500	100.00	7,625	(4,376)	(4,376)	
	Taixue Jhongke Co., Ltd.	4F., No. 3-1, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan R.O.C.	Wholesale and retail of medical equipment, western medicine	1,000	1,000	1,000	16.67	3,985	19,279	3,213	
Universal Group (BVI) Inc.	Universal Group Holding Co., Ltd.	Vistra (Cayman) Limited, P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman KY1-1205, Cayman Islands	Investment	704,333	704,333	23,209	100.00	420,007	(67,518)	(67,518)	
Universal Group Holding Co., Ltd.	Universal International (Samoa) Co., Ltd.	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investment	697,966	697,966	23,000	100.00	419,845	(67,520)	(67,520)	

TABLE 5

UNIVERSAL VISION BIOTECHNOLOGY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Repatriation of Investment Income as of December 31, 2024
					Outward	Inward						
Universal Vision Biotechnology (Shanghai) Co., Ltd.	Ophthalmic surgical instruments, medical optical instruments, etc.	US\$ 23,000,000	(b) Universal International (Samoa) Co., Ltd.	\$ 697,966	\$ -	\$ -	\$ 697,966	\$ (67,520) RMB (14,971,373)	100.00	\$ (67,520) RMB (14,971,373)	\$ 419,844 RMB 92,054,557	\$ -
Taixue (Jiangsu) Investment Co., Ltd.	Investment	RMB 143,000,000	(b) Universal Vision Biotechnology (Shanghai) Co., Ltd.	-	-	-	-	(70,059) RMB (15,534,316)	100.00	(70,059) RMB (15,534,316)	403,501 RMB 88,471,130	-
Taixue Medical Investment Management (Zhejiang) Co., Ltd.	Enterprise and medical project investment	RMB 150,000,000	(b) Taixue (Jiangsu) Investment Co., Ltd.	-	-	-	-	(101,871) RMB (22,588,193)	70.00	(71,310) RMB (15,811,735)	265,516 RMB 58,216,756	-
Kunshan Universal Trading Co., Ltd.	Import and export of medical devices and related services	RMB 59,140,000	(b) Taixue Medical Investment Management (Zhejiang) Co., Ltd.	6,367	-	-	6,367	(9,099) RMB (2,017,603)	70.00	(6,284) RMB (1,393,475)	186,652 RMB 40,925,121	-
Taixue (Jiangsu) Glasses Co., Ltd.	Wholesale and retail of glasses	RMB 9,800,000	(b) Taixue Medical Investment Management (Zhejiang) Co., Ltd.	-	-	-	-	(3,603) RMB (798,924)	70.00	(2,522) RMB (559,247)	15,458 RMB 3,389,396	-
Ningbo Haishu Taixue Ophthalmic Outpatient Department Ltd.	Ophthalmology diagnosis and eyeglasses wholesale and retail	RMB 12,000,000	(b) Taixue Medical Investment Management (Zhejiang) Co., Ltd.	-	-	-	-	(2,084) RMB (462,107)	70.00	(1,711) RMB (379,370)	36,749 RMB 8,057,465	-
Taixue (Jiangsu) Medical Investment Management Co., Ltd.	Enterprise and medical project investment, management and consulting services	RMB 28,000,000	(b) Taixue Medical Investment Management (Zhejiang) Co., Ltd.	-	-	-	-	(19,251) RMB (4,268,611)	70.00	(13,515) RMB (2,996,652)	16,661 RMB 3,653,099	-
Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	Healthcare investment management	RMB 22,500,000	(b) Taixue Medical Investment Management (Zhejiang) Co., Ltd.	-	-	-	-	(61,705) RMB (13,682,001)	70.00	(42,605) RMB (9,446,994)	(39,548) RMB (8,671,152)	-
Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	Ophthalmology diagnosis and eyeglasses wholesale and retail	RMB 19,500,000	(b) Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	-	-	-	-	(60,534) RMB (13,422,303)	70.00	(42,374) RMB (9,395,612)	(40,394) RMB (8,856,634)	-
Suzhou Haiweishi Ophthalmic Clinic (LP)	The scope of ophthalmology and surgery is limited to outpatient surgery, and it also engages in spectacles and retail	RMB 12,300,000	(b) Taixue (Jiangsu) Medical Investment Management Co., Ltd. and Taixue Dixin Medical Investment Management (Hangzhou) Co., Ltd.	-	-	-	-	(5,641) RMB (1,250,843)	70.00	(3,949) RMB (875,590)	13,322 RMB 2,921,019	-
Hangzhou Lingping Taixue Ophthalmic Hospital Ltd.	Retail, medical device sales and medical services	RMB 27,000,000	(b) Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	-	-	-	-	(45,951) RMB (10,188,835)	70.00	(32,166) RMB (7,132,185)	(2,538) RMB (556,516)	-
Taixue (Hangzhou) Glasses Co., Ltd.	Wholesale and retail of glasses and sale of medical devices	RMB 4,000,000	(b) Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	-	-	-	-	(1,587) RMB (351,930)	70.00	(1,111) RMB (246,351)	10,327 RMB 2,264,323	-
Hangzhou Taixue (II) Ophthalmic Outpatient Department Ltd.	Ophthalmic medical services and sale of medical devices	RMB 1,500,000	(b) Hangzhou Taixue Ophthalmic Outpatient Department Ltd.	-	-	-	-	(2,743) RMB (608,232)	70.00	(1,920) RMB (425,762)	1,520 RMB 333,246	-

(Continued)

Company	Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
Universal Vision Biotechnology Co., Ltd.	\$ 706,098 (US\$ 23,159,000)	\$ 859,241 (US\$ 26,209,000) Exchange rate: 32.7850	\$ 2,173,208

- Note 1: Three methods of investment are as following:
- a. Direct investment.
 - b. Reinvestment in China through a company located in a third region (specify the investment company registered in the third jurisdiction).
 - c. Other methods.
- Note 2: The column of investment profit and loss recognized in the current period:
- a. If it is under preparation and there is no investment profit and loss, it should be indicated.
 - b. The basis for recognition of investment gains and losses is divided into the following three types, which should be indicated.
 - 1) Financial statements certified by an international accounting firm that has a cooperative relationship with an accounting firm in the ROC.
 - 2) The financial statement have been audit by the accountant of the parent company of Taiwan.
 - 3) Other.
- Note 3: According to the “Regulations Governing the Examination of Investment of Technical Cooperation in Mainland China” updated on August 29, 2008, the upper limit of the investment amount is “60% of the net value”.

(Concluded)

TABLE 6**UNIVERSAL VISION BIOTECHNOLOGY CO., LTD.****INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2024**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Pi-Jung Lin	19,274,713	22.74
Rui Li Investment Co., Ltd.	7,626,084	9.00
Quny Development Enterprise Co., Ltd.	7,515,138	8.87

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, refer to Market Observation Post System.