Asia Optical Co., Inc. and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2026 and 2025 and Independent Auditors' Review Report

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Asia Optical Co., Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of Asia Optical Co., Inc. and its subsidiaries (collectively referred to as the "Group") as of June 30, 2026 and 2025, and the related consolidated statements of comprehensive income for the three months ended June 30, 2026 and 2025, and for the six months ended June 30, 2026 and 2025, as well as the consolidated statements of changes in equity and cash flows for the six months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

Except as discussed in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements No. 2410, "Review of Interim Financial Information performed by the Independent auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As described in Note 12, the consolidated financial statements of certain insignificant subsidiaries were prepared and not reviewed by independent auditors for the same reporting periods. Total assets of these subsidiaries amounted to NT$6,004,652 thousand and NT$4,746,666 thousand, representing 20% and 19% of the related consolidated total assets respectively; total liabilities amounted to NT$1,369,810 thousand and NT$1,232,143 thousand, representing 11% and 12% of the related consolidated total liabilities, as of June 30, 2026 and 2025, respectively. Total comprehensive income (loss) for the three months ended June 30, 2026 and 2025, and for the six months ended June 30,2026 and 2025 were NT$143,870 thousand, (NT$211,548) thousand, NT$282,524 thousand, and (NT$78,825) thousand, representing 21%, 15%, 91%, and 10% of the total consolidated comprehensive income respectively. Also, as described in Note 14 to the consolidated financial statements, the financial statements of the investee accounted for using the equity method for the same period were not reviewed by independent auditors. Furthermore, the investments accounted for using equity method amounted to NT$19,144 thousand and NT$51,737 thousand as of June 30, 2026 and 2025 respectively, and the share of profit (loss) of associates recognized for the three months and the six months ended June 30, 2026 and 2025 amounted to (NT$2,607) thousand, NT$2,161 thousand, NT$(5,618) thousand, and NT$4,393 thousand respectively.

Qualified Conclusion

Based on our reviews, except for the possible adjustments to the consolidated financial statements that might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investees been reviewed by independent auditors as described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group and its subsidiaries as of June 30, 2026 and 2025, their consolidated financial performance for the three months ended June 30, 2026 and 2025, and their consolidated financial performance and cash flows for the six months ended June 30, 2026 and 2025,

in accordance with the Regulations Governing the Preparation of Financial Report Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission.

The engagement partners on the reviews resulting in this independent auditors’ review report are Shui-Ching Chiang and Hsiang-Min Wang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 3, 2026

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.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2026, DECEMBER 31 AND JUNE 30 2025
(In Thousands of New Taiwan Dollars)

	June 30, 2026		December 31, 2025		June 30, 2025	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 12,786,405	44	$ 12,151,793	44	$ 11,653,203	47
Financial assets at amortized cost - current (Note 9)	148,310	-	151,632	-	152,138	1
Notes receivable (Note 23)	42,420	-	72,560	-	73,638	-
Trade receivables from unrelated parties (Notes 10 and 23)	6,201,648	21	5,451,803	20	5,259,943	21
Trade receivables from related parties (Notes 23 and 31)	-	-	208	-	174	-
Other receivables	46,031	-	37,564	-	52,548	-
Inventories (Note 11)	5,579,928	19	5,363,715	20	4,195,486	17
Other current assets (Note 13)	198,259	1	158,876	1	110,906	-
Total current assets	25,003,001	85	23,388,151	85	21,498,036	86
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	23,284	-	23,856	-	25,666	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	6,200	-	27,134	-	37,036	-
Investments accounted for using the equity method (Note 14)	19,144	-	23,834	-	51,737	-
Property, plant and equipment (Note 15)	3,427,319	12	3,180,724	12	2,685,742	11
Right-of-use assets (Note 16)	336,045	1	355,043	2	319,629	1
Investment property (Note 17)	248,514	1	260,408	1	257,734	1
Other intangible assets (Note 18)	123,717	-	51,512	-	64,915	-
eferred tax assets (Notes 4 and 25)	35,172	-	24,604	-	18,016	-
Prepayments for equipment	124,240	1	54,578	-	88,325	1
Refundable deposits	18,361	-	18,278	-	14,773	-
Total non-current assets	4,361,996	15	4,019,971	15	3,563,573	14
TOTAL	$ 29,364,997	100	$ 27,408,122	100	$ 25,061,609	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities – current (Note 23)	$ 345,264	1	$ 343,569	1	$ 327,987	1
Notes payable	937	-	2,562	-	1,611	-
Trade payables to unrelated parties	6,271,703	21	5,926,229	22	4,732,034	19
Trade payables to related parties (Note 31)	-	-	3,273	-	12,856	-
Other payables (Note 19)	4,554,992	16	2,905,521	11	4,102,474	16
Current tax liabilities (Notes 4 and 25)	295,483	1	311,897	1	347,013	2
Lease liabilities - current (Note 16)	22,402	-	27,111	-	19,581	-
Other current liabilities (Note 23)	134,828	1	124,132	-	115,583	1
Total current liabilities	11,625,609	40	9,644,294	35	9,659,139	39
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 25)	243,005	1	237,875	1	227,332	1
Lease liabilities - non-current (Note 16)	20,073	-	31,176	-	19,021	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	67,975	-	76,625	-	78,969	-
Guarantee deposits received	7,976	-	7,668	-	7,039	-
Other non-current liabilities (Note 20)	2,373	-	2,362	-	2,351	-
Total non-current liabilities	341,402	1	355,706	1	334,712	1
Total liabilities	11,967,011	41	10,000,000	36	9,993,851	40
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Capital Stock	2,792,439	9	2,792,439	11	2,792,439	11
Capital surplus	5,486,018	19	5,486,514	20	5,476,803	22
Retained earnings						
Legal reserve	2,519,510	9	2,335,641	8	2,335,641	9
Special reserve	29,234	-	5,797	-	5,797	-
Unappropriated earnings	3,615,586	12	4,276,527	16	3,457,267	14
Other equity	420,349	1	(23,437)	-	(1,251,376)	(5)
Total equity attributable to owners of the parent	14,863,136	50	14,873,481	55	12,816,571	51
NON-CONTROLLING INTERESTS	2,534,850	9	2,534,641	9	2,251,187	9
Total equity	17,397,986	59	17,408,122	64	15,067,758	60
TOTAL	$ 29,364,997	100	$ 27,408,122	100	$ 25,061,609	100

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In thousands of New Taiwan dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
NET REVENUES (Notes 23 and 31)	$8,028,375	100	$6,907,660	100	$ 14,237,685	100	$ 12,316,879	100
COSTS OF REVENUES (Notes 11, 21, 24 and 31)	6,551,806	82	5,525,823	80	11,687,129	82	10,008,637	81
GROSS PROFIT	1,476,569	18	1,381,837	20	2,550,556	18	2,308,242	19
OPERATING EXPENSES (Notes 21 and 24)								
Selling and marketing expenses	38,955	-	61,003	1	88,863	1	123,254	1
General and administrative expenses	374,686	5	398,018	6	710,033	5	756,181	6
Research and development expenses	252,784	3	241,615	3	457,328	3	443,595	4
Expected credit loss (Note 10)	3,047	-	5,910	-	5,188	-	4,351	-
Total operating expenses	669,472	8	706,546	10	1,261,412	9	1,327,381	11
INCOME FROM OPERATIONS	807,097	10	675,291	10	1,289,144	9	980,861	8
NON-OPERATING INCOME AND EXPENSES								
Other income (Notes 24 and 31)	25,316	-	10,814	-	42,094	1	25,823	-
Other gains and losses (Note 24)	(115)	-	1,296	-	375	-	892	-
Finance costs (Note 16)	(494)	-	(441)	-	(1,071)	-	(724)	-
Share of profit or loss of associates (Note 14)	(2,607)	-	2,161	-	(5,618)	-	4,393	-
Interest income	74,909	1	89,015	1	149,047	1	191,661	1
Foreign exchange gain (loss)	(91,801)	(1)	324,149	5	(243,371)	(2)	317,627	3
Net gain (loss) on financial asset at FVTPL	2,235	-	(4,151)	-	(784)	-	(6,502)	-
Total non-operating income and expenses	7,443	-	422,843	6	(59,328)	-	533,170	4
INCOME BEFORE INCOME TAX	814,540	10	1,098,134	16	1,229,816	9	1,514,031	12

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ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2026		2025		2026		2025	
	Amount	%	Amount	%	Amount	%	Amount	%
INCOME TAX EXPENSE (Notes 4 and 25)	$ 191,708	2	$ 236,689	4	$ 252,513	2	$ 336,680	3
NET INCOME	622,832	8	861,445	12	977,303	7	1,177,351	9
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	(8,051)	-	(20,934)	-	(17,713)	-
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	57,978	-	(2,219,394)	(32)	535,254	3	(1,970,270)	(16)
Other comprehensive income (loss)	57,978	-	(2,227,445)	(32)	514,320	3	(1,987,983)	(16)
TOTAL COMPREHENSIVE INCOME	$ 680,810	8	($1,366,000)	(20)	$1,491,623	10	($ 810,632)	(7)
NET IMCOME ATTRIBUTE TO:								
Owner of the parent	$ 536,671	7	$ 798,878	11	$ 830,887	6	$1,019,435	8
Non-controlling interests	86,161	1	62,567	1	146,416	1	157,916	1
	$ 622,832	8	$ 861,445	12	$ 977,303	7	$1,177,351	9
TOTAL COMPREHENSIVE INCOME ATTRIBUTE TO:								
Owner of the parent	$ 582,902	7	($1,168,961)	(17)	$1,274,673	9	($ 739,013)	(6)
Non-controlling interests	97,908	1	(197,039)	(3)	216,950	1	(71,619)	(1)
	$ 680,810	8	($1,366,000)	(20)	$1,491,623	10	($ 810,632)	(7)
EARNINGS PER SHARE (Note 26)								
Basic	$ 1.93		$ 2.86		$ 2.98		$ 3.65	
Diluted	$ 1.91		$ 2.84		$ 2.94		$ 3.62	

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Parent									
			Retained Earnings (Note 22)			Other Equity				
	Capital Stock (Note 22)	Capital Surplus (Notes 22 and 27)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Loss on investments in equity instruments measured at FVTOCI	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2025	$ 2,792,439	$ 5,476,803	$ 2,171,975	$ 368,933	$ 3,355,338	$ 532,836	($ 25,764)	$ 14,672,560	$ 2,614,229	$ 17,286,789
Appropriation of 2024 earnings										
Legal reserve	-	-	163,666	-	(163,666)	-	-	-	-	-
Special reserve	-	-	-	(363,136)	363,136	-	-	-	-	-
Cash dividends, NT$4.00 per share	-	-	-	-	(1,116,976)	-	-	(1,116,976)	-	(1,116,976)
Net income for the six months ended June 30, 2025	-	-	-	-	1,019,435	-	-	1,019,435	157,916	1,177,351
Other comprehensive income for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	(1,740,735)	(17,713)	(1,758,448)	(229,535)	(1,987,983)
Total comprehensive income for the six months ended June 30, 2025	-	-	-	-	1,019,435	(1,740,735)	(17,713)	(739,013)	(71,619)	(810,632)
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(291,423)	(291,423)
BALANCE AT JUNE 30, 2025	$ 2,792,439	$ 5,476,803	$ 2,335,641	$ 5,797	$ 3,457,267	($ 1,207,899)	($ 43,477)	$ 12,816,571	$ 2,251,187	$ 15,067,758
BALANCE AT JANUARY 1, 2026	$ 2,792,439	$ 5,486,514	$ 2,335,641	$ 5,797	$ 4,276,527	$ 36,142	($ 59,579)	$ 14,873,481	$ 2,534,641	$ 17,408,122
Appropriation of 2025 earnings										
Legal reserve	-	-	183,869	-	(183,869)	-	-	-	-	-
Special reserve	-	-	-	23,437	(23,437)	-	-	-	-	-
Cash dividends, NT$4.60 per share	-	-	-	-	(1,284,522)	-	-	(1,284,522)	-	(1,284,522)
Net income for the six months ended June 30, 2026	-	-	-	-	830,887	-	-	830,887	146,416	977,303
Other comprehensive income for the six months ended June 30, 2026, net of income tax	-	-	-	-	-	464,720	(20,934)	443,786	70,534	514,320
Total comprehensive income for the six months ended June 30, 2026	-	-	-	-	830,887	464,720	(20,934)	1,274,673	216,950	1,491,623
Actual acquisition of interests in subsidiaries	-	(496)	-	-	-	-	-	(496)	496	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(217,237)	(217,237)
BALANCE AT JUNE 30, 2026	$ 2,792,439	$ 5,486,018	$ 2,519,510	$ 29,234	$ 3,615,586	$ 500,862	($ 80,513)	$ 14,863,136	$ 2,534,850	$ 17,397,986

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,229,816	$ 1,514,031
Adjustments for:		
Depreciation expense	352,708	368,709
Amortization expense	27,526	17,295
Expected credit loss	5,188	4,351
Loss on financial assets at fair value through profit or loss, net	784	6,502
Finance costs	1,071	724
Interest income	(149,047)	(191,661)
Share of profits or loss of associates	5,618	(4,393)
Loss (gain) on disposal of property, plant and equipment, net	(696)	32
Reversal of inventory write-down and obsolescence	(6,371)	(363)
Loss on foreign exchange, net	63,303	33,949
Recognition of provisions	11	13
Changes in operating assets and liabilities:		
Notes receivable	32,939	(1,988)
Trade receivables	(578,856)	(731,779)
Other receivables	(7,044)	(9,099)
Inventories	(86,218)	(966,245)
Other current assets	(36,837)	38,604
Contract liabilities	(367)	(35,116)
Notes payable	(1,579)	(87)
Trade payables	107,322	504,119
Other payables	13,261	287,639
Other current liabilities	9,848	20,106
Net defined benefit liabilities	(8,367)	(7,349)
Cash generated from operations	974,013	847,994
Interest received	149,047	191,661
Interest paid	(1,071)	(724)
Income tax paid	(279,181)	(323,398)
Net cash generated from operating activities	842,808	715,533

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ASIA OPTICAL CO., INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2026	2025
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	($ 24,945)	($ 111,032)
Proceeds from disposal of financial assets at amortized cost	29,815	110,860
Acquisition of property, plant and equipment	(405,527)	(416,498)
Proceeds from disposal of property, plant and equipment	1,988	1,347
Increase in refundable deposits	(242)	(2,010)
Acquisition of intangible assets	(99,738)	(22,723)
Increase in prepayments for equipment	(116,182)	(48,699)
Net cash used in investing activities	(614,831)	(488,755)
CASH FLOWS FROM FINANCING ACTIVITES		
Repayment of the principal portion of lease liabilities	(14,894)	(95,544)
Acquisition of additional interests in subsidiaries	(8,696)	-
Net cash used in financing activities	(23,590)	(95,544)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	430,225	(1,619,811)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	634,612	(1,488,577)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	12,151,793	13,141,780
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 12,786,405	$ 11,653,203

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

1. GENERAL INFORMATION

Asia Optical Co., Inc. (the "Company") was incorporated in the Republic of China (ROC) in October, 1980 according to the Company Law of the ROC. The Company mainly manufactures, processes and sells cameras, riflescopes, photocopier lens, scanner lens and optical components.

The Company's shares were listed on the Taiwan Stock Exchange (TWSE) since August, 2002.

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

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Company's Board of Directors on August 3, 2026.

3. APPLICATION OF NEW 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).

Except for the following, the initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have a material impact on the Group's accounting policies:

Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"

1) The amendments to the application guidance of classification of financial assets

The amendments mainly amend the requirements for the classification of financial assets, including:

a) 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.

b) To clarify that a financial asset has non-recourse features if an entity's ultimate right to receive cash flows is contractually limited to the cash flows generated by specified assets.

c) To clarify that the characteristics of contractually linked instruments include a prioritization of payments to the holders of financial assets using multiple contractually linked instruments (tranches) established through a waterfall payment structure, resulting in concentrations of credit risk and a disproportionate allocation of cash shortfalls from the underlying pool between the tranches.

2) The amendments to the application guidance of derecognition of financial liabilities

The amendments mainly stipulate that a financial liability is derecognized on the settlement date. However, when settling a financial liability in cash using an electronic payment system, the Group can choose to derecognize the financial liability before the settlement date if, and only if, the Group has initiated a payment instruction that resulted in:

- The Group having no practical ability to withdraw, stop or cancel the payment instruction;
- The Group 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 has elected not to restate prior reporting periods for the initial application of the above amendments.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2027

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note 1)
IFRS 19 "Subsidiaries without Public Accountability: Disclosures" (including the 2025 amendments to IFRS 19)	January 1, 2027
Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"	January 1, 2027
Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"	January 1, 2027 (Note 2)

Note 1: IFRS 18 will take effect starting from January 1, 2028 for domestic entities. Earlier application is also permitted.

Note 2: An entity shall apply the amendments when it first applies to IFRS 18.

IFRS 18 "Presentation and Disclosure in Financial Statements" and consequential amendments and Amendments to IAS 28 "Amendments to the Fair Value Option for Investments in Associates and Joint Ventures"

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

- To classify items of income and expenses presented in the statement of profit or loss into the operating, investing, financing, income taxes and discontinued operations categories, the Group shall assess whether it has specified main business activities of investing in particular types of assets and providing financing to customers.
- 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.

Upon initial application of IFRS 18, an entity that holds investments in associates a mutual fund, unit trust or similar entity, including an entity that holds investments in associates or joint ventures indirectly through such entities, my elect to change its measurement basis for investments in associates or joint ventures from equity method to fair value through profit or loss. The amendment to IAS 28 clarify that the term "similar entity" include an entity that under IFRS 18, assess investing in specified type of assets as its main business assess investing in specified type of assets as its main business activity. If the Group meets the foregoing criteria, it may elect to make such a change at the date of initial application of IFRS 18.

In addition, the following consequential amendments have been made to IAS 7 "Statement of Cash Flows":

- The Group shall use operating profit or loss as the starting point when presenting cash flows from operating activities under the indirect method.
- Interest and dividends received by the Group shall be classified as investing activities, while interest and dividends paid shall be classified as financing activities. However, if, after assessment, the Group has a specific main operating activity, it shall determine how to classify dividends received, interest received and interest paid in the statement of cash flows by referring to how it classifies dividend income, interest income and interest expense in the statement of profit or loss. The total of each of these cash flows shall be classified in a single category in the statement of cash flows.

The Group does not expect to adopt IFRS 18 and related consequential amendments early.

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.

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)
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 20 "Regulatory Assets and Regulatory Liabilities"	January 1, 2029

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

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 SIGNIFICANT ACCOUNTING POLICIES

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 IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. The consolidated financial statements do not present all the disclosures required for a complete set of annual consolidated financial statements as required by International Financing Reporting Standards (IFRS).

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for financial instruments that are measured at fair values and defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1) Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date.

2) Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

3) Level 3 inputs: Unobservable inputs for the asset or liability.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (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 date of acquisition up to the effective date of disposal, 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 Company. 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 Group’s interests 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.

For details of subsidiaries, shareholding percentages, and business activities, please refer to Note 12, Table 5 and Table 6.

d. Other Significant Accounting Policies

Except for the following, please refer to the summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2025.

1) Derecognition of financial liabilities

Financial liabilities are derecognized on the settlement date, which is the date on which the liability is extinguished because the Group's obligations are discharged, cancelled or have expired, or the liability is substantially modified or exchanged for a debt instrument with substantially different terms. 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.

2) Defined retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations during the current period, as well as significant plan amendments, settlements, and other significant one-time events.

3) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Income taxes for interim period are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGEMENTS, KEY SOURCES OF ESTIMATION UNCERTAINTY, AND ASSUMPTION

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.

While developing material accounting estimates, the Group considers the possible impacts on the measure in response to the U.S. reciprocal tariffs, including the cash flow projection, growth rates, discount rates, profitabilities, and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. For other information, please refer to the section on critical accounting judgments, key resources of estimation uncertainty, and assumption in the consolidated financial statements for the year ended December 31, 2025.

6. CASH AND CASH EQUIVALENTS

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 34,475	$ 36,520	$ 49,518
Checking and savings accounts	3,365,721	4,048,473	3,200,879
Cash equivalent (Time deposits with original maturities of less than three months)	9,386,209	8,066,800	8,402,806
	$ 12,786,405	$ 12,151,793	$ 11,653,203
Interest rate intervals of cash in bank (%)	0.001-4.22	0.001-5.10	0.001-4.53

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS- NON-CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Unlisted shares			
OTO Brite Electronics, Inc. ("OTO	$ 18,404	$ 19,188	$ 21,394

Brite”)			
Guangdong Xinwei Automobile Technology Co., Ltd (“Guangdong Xinwei”)	4,880	4,668	4,272
B-STORM. CO., LTD. (“B-STORM”)	-	-	-
Shisei Datum Ltd. (“Shisei Datum”)	-	-	-
	$ 23,284	$ 23,856	$ 25,666

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Unlisted shares			
Myrias Optics, Inc. (‘Myrias”）	$ -	$ 20,934	$ 37,036
Chang Hwa Golf Co., Ltd.	6,200	6,200	-
	$ 6,200	$ 27,134	$ 37,036

The Group invests in the aforementioned companies in line with its medium to long-term strategic purposes and expects to make profits through long-term investments. The management level of the Group believes that if the short-term fair value fluctuations of these investments are included in profit and loss, it’d be inconsistent with the long-term investment plan previously mentioned. Therefore, the investment has been specified as financial assets measured at fair value through other comprehensive income.

9. FINANCIAL ASSETS AT AMORTIZED COST – CURRENT

	June 30, 2026	December 31, 2025	June 30, 2025
Time deposits with original maturities of more than 3 months	$ 148,310	$ 151,632	$ 152,138
Market rate intervals of time deposits (%)	0.65-1.71	1.29-1.71	1.05-1.69

10. TRADE RECEIVABLES FROM UNRELATED PARTIES

	June 30, 2026	December 31, 2025	June 30, 2025
At amortized cost			
Gross carrying amount	$ 6,237,191	$ 5,481,629	$ 5,285,664
Less: Loss Allowance	(35,543)	(29,826)	(25,721)
	$ 6,201,648	$ 5,451,803	$ 5,259,943

The average credit period of sales of goods is 30 to 240 days. The Group uses other publicly available financial information or its own trading records to rate its major customers. The Group’s exposure and the credit ratings of its counterparties are continuously monitored and reviewed by the management annually.

In order to minimize credit risk, 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 receivables.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated by reference to 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 forecast 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 days from the invoice date 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:

	Less than 90 days	91 to 120 Days	121 to 150 Days	151 to 180 Days	181 to 210 Days	Over 211 Days	Total
June 30, 2026							
Expected credit loss rate (%)	0-1.00	0-5.66	0-23.91	0-34.47	0-68.8	0-100	
Gross carrying amount	$ 5,977,786	$ 214,557	$ 8,538	$ 24,014	$ 2,849	$ 9,447	$ 6,237,191
Loss allowance (Lifetime ECLs)	(20,427)	(2,067)	(436)	(3,709)	(1,772)	(7,132)	(35,543)
Amortized cost	$ 5,957,359	$ 212,490	$ 8,102	$ 20,305	$ 1,077	$ 2,315	$ 6,201,648
December 31, 2025							
Expected credit loss rate (%)	0-1.00	0-5.56	0-23.91	0-32.63	0-90.78	0-100	
Gross carrying amount	$ 5,226,319	$ 204,847	$ 23,363	$ 10,122	$ 4,207	$ 12,771	$ 5,481,629
Loss allowance (Lifetime ECLs)	(15,989)	(600)	(551)	(328)	(2,556)	(9,802)	(29,826)
Amortized cost	$ 5,210,330	$ 204,247	$ 22,812	$ 9,794	$ 1,651	$ 2,969	$ 5,451,803
June 30, 2025							
Expected credit loss rate (%)	0-1.00	0-5.56	0-16.67	0-32.63	0-68.80	0-100	
Gross carrying amount	$ 5,084,437	$ 169,169	$ 12,349	$ 9,169	$ 1,396	$ 9,144	$ 5,285,664
Loss allowance (Lifetime ECLs)	(16,366)	(1,213)	(59)	(380)	(503)	(7,200)	(25,721)
Amortized cost	$ 5,068,071	$ 167,956	$ 12,290	$ 8,789	$ 893	$ 1,944	$ 5,259,943

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

	Six Months Ended June 30	
	2026	2025
Balance at January 1	$ 29,826	$ 26,178
Add: Provision	5,188	4,351
Less: Written off	-	(2,395)
Effect of exchange rate changes	529	(2,413)
Balance at June 30	$ 35,543	$ 25,721

11. INVENTORIES

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 3,395,639	$ 3,082,448	$ 2,621,738
Supplies	33,655	71,260	42,341
Work in progress	888,774	790,416	472,707
Finished goods	1,261,860	1,419,591	1,058,700
	$ 5,579,928	$ 5,363,715	$ 4,195,486

The nature of the cost of goods sold is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Cost of inventories sold	$ 6,559,432	$ 5,519,425	$ 11,693,500	$ 10,009,000
Inventory write-down and obsolescence loss	(7,626)	6,398	(6,371)	(363)

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
(reversal)				
	$ 6,551,806	$ 5,525,823	$ 11,687,129	$ 10,008,637

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	% of Ownership		
		June 30, 2026	December 31, 2025	June 30, 2025
Asia Optical	Asia Optical International Ltd. (“Asia International”)	100	100	100
	Powerlink Electronic International Ltd. (“Powerlink”)	100	100	100
	Richman International Group Co., Ltd. (“Richman”)	100	100	100
	Taiwan Top Optical Co., Ltd. (“Taiwan Top”)	99	94	94
	Asia Tech Image, Inc. (“Asia Tech”)	26	26	26
	Powerlink Electronic International (Cayman) Ltd. (“Powerlink Cayman”)	100	100	100
	Asia Optical Philippines Inc. (“AOPI”)	100	100	100
Asia Optical and Asia International	AOE Optronics Co., Ltd. (“AOE Optronics”)	93	93	93
Asia Optical, Richman and Asia International	Dong-Guan Tailien Optical Co., Ltd. (“Dong-Guan Tailien”)	100	100	90
Asia International	Dong-Guan Sintai Optical Co., Ltd. (“Dong-Guan Sintai”)	100	100	100
	Shen Zhen Sintai Optical Co., Ltd. (“Shen Zhen Sintai”)	100	100	100
	Sintai Photonics Technology (Shang Hai) Ltd. (“Shang Hai Sintai”)	100	100	100
	AOI Development Center, Limited (“AOIDC”)	100	100	100
	Myanmar Asia Optical International Co., Ltd. (“Myanmar Asia”)	100	100	100
	Myanmar Asia Optical International Mandalay Factory Co., Ltd. (“Myanmar Mandalay”)	100	-	-
Richman	Crosszone Limited (“Crosszone”)	100	100	100
Richman and Asia International	Yorkey Optical International (Cayman) Ltd. (“Yorkey Cayman”)	100	100	100
Powerlink	Scopro Optical Co., Ltd. (“Scopro”)	100	100	100
Asia Tech	Asia Image (Samoa) Technology Limited (“Asia Tech Samoa”)	100	100	100
Asia Tech Samoa	Atii Tech Image (Shen Zhen) Co., Ltd. (“Shen Zhen Atii”)	100	100	100

Investor	Investee	% of Ownership		
		June 30, 2026	December 31, 2025	June 30, 2025
AOE Optronics	AOE International (Cayman) Limited (“AOE Cayman”)	100	100	100
	AOE Optronics (Thailand) Co., Ltd.（“AOE Thailand”）	100	100	-
AOE Cayman	AOE Optronics (Shen Zhen) Ltd. (“AOE Shen Zhen”)	100	100	100
Powerlink Cayman	Asia Scopro Optics Co., Inc. (“Asia Scopro”)	100	100	100
	ASAM Industries Inc. (“ASAM”)	100	100	100
Yorkey Cayman	Yorkey Optical Technology Limited (“Yorkey Technology”)	100	100	100
Yorkey Technology	Dong-Guan Yorkey Optical Co., Ltd. (“Dong-Guan Yorkey”)	100	100	100

The Company invested NT$6,509 thousand to establish AOPI in November 2024. The Company obtained 100% ownership interest in AOPI through increasing the investment amounts of NT$317,749 thousand in 2025.

Asia International adopted its Board of Directors resolution to approve the capital increased by US$10,586 thousand out of debt for equity swap to Myanmar Asia in January, 2025.

AOE Optronics invested NT$1,808 thousand to establish AOE THAILAND in July 2025. AOE Optronics obtained 100% ownership interest in AOE THAILAND through increasing the investment amounts of NT$30,029 thousand in October, 2025.

Asia International acquired 10.37% of the shares of Dong-Guan Tailien in October 2025, resulting in an increase in the Group’s ownership interest from 89.63% to 100%. The transactions were accounted for as equity transactions since the Group did not cease to have control over these subsidiaries.

Asia International invested US$10 thousand to establish Myanmar Mandalay and obtained 100% ownership interest in January 2026. Asia International obtained 100% ownership interest in Myanmar Mandalay through increasing the investment amounts of US$533 thousand in June, 2026.

The Company acquired 0.03% and 5.78% of the shares of Taiwan Top in March and May 2026, resulting in an increase in the Group’s ownership interest from 93.62% to 99.43%. The transactions were accounted for as equity transaction since the Group did not cease to have control over these subsidiaries. Please refer to Note 27.

Restricted by local laws, the Company entrusted others to invest in Scopro, Asia Scopro, ASAM and AOE THAILAND; the Company still has a 100% ownership interest in the subsidiaries mentioned above.

The financial statements for the six months ended June 30, 2026 and 2025 of Asia International, Asia Tech, AOE Optronics, Shen Zhen Sintai, Asia Tech Samoa, Shen Zhen Atii, Myanmar Asia, Yorkey Cayman, AOE Cayman and AOE Shen Zhen and the financial statements for the six months ended June 30, 2026 of AOE THAILAND were reviewed by independent auditors. Other financial statements of non-significant subsidiaries were not reviewed.

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

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	June 30, 2026	December 31, 2025	June 30, 2025
Asia Tech	74	74	74

Refer to Table 5 and Table 6 for the information on principal place of business and place of incorporation.

13. OTHER CURRENT ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Prepayments	$ 158,596	$ 108,118	$ 83,883
Net input VAT	10,102	8,086	11,379
Other	29,561	42,672	15,644
	$ 198,259	$ 158,876	$ 110,906

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2026		December 31, 2025		June 30, 2025	
Investee	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Unlisted companies						
Dong-Guan Nikon Surveying Instruments Co., Ltd. (Dong-Guan Nikon)	$ 19,144	40	$ 23,834	40	$ 51,737	40

Refer to Table 6 for the nature of activities, principal place of business and country of incorporation of the associate.

Investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

15. PROPERTY, PLANT AND EQUIPMENT

	Six Months Ended June 30, 2026					
	Balance, January 1	Additions	Decrease	Reclassification	Effect of Exchange Rate Changes	Balance, June 30
Cost						
Land	$ 305,287	$ -	$ -	$ -	($ 625)	$ 304,662
Buildings	2,582,581	637	(155)	-	68,567	2,651,630
Machinery and equipment	7,803,222	99,379	(225,936)	11,811	240,317	7,928,793
Office equipment	397,365	66	(209)	-	5,253	402,475
Other equipment	3,319,098	191,350	(50,122)	42,130	144,149	3,646,605
Construction in progress	307,792	170,020	-	(11,549)	(8,528)	457,735
	$ 14,715,345	$ 461,452	($ 276,422)	$ 42,392	$ 449,133	$ 15,391,900

Accumulated depreciation						
Buildings	$ 2,079,555	$ 27,575	($ 155)	$ -	$ 66,456	$ 2,173,431
Machinery and equipment	6,683,113	127,924	(225,523)	(639)	216,139	6,801,014
Office equipment	386,068	405	(209)	-	5,127	391,391
Other equipment	2,385,885	157,003	(49,243)	639	104,461	2,598,745
	$ 11,534,621	$ 312,907	($ 275,130)	$ -	$ 392,183	$ 11,964,581
	$ 3,180,724					$ 3,427,319

Six Months Ended June 30, 2025

	Balance, January 1	Additions	Decrease	Reclassification	Effect of Exchange Rate Changes	Balance, June 30
Cost						
Land	$ 306,898	$ -	$ -	$ -	($ 1,557)	$ 305,341
Buildings	2,563,759	1,431	(9,377)	1,406	(216,810)	2,340,409
Machinery and equipment	7,823,605	116,915	(51,566)	37,351	(778,167)	7,148,138
Office equipment	411,282	755	(248)	-	(43,427)	368,362
Other equipment	2,983,090	134,207	(30,274)	23,403	(309,445)	2,800,981
Construction in progress	131,539	120,182	-	(37,028)	(11,573)	203,120
	$ 14,220,173	$ 373,490	($ 91,465)	$ 25,132	($1,360,979)	$ 13,166,351
Accumulated depreciation						
Buildings	$ 1,940,571	$ 118,452	($ 9,377)	$ -	($ 186,296)	$ 1,863,350
Machinery and equipment	6,795,615	111,593	(51,531)	-	(693,676)	6,162,001
Office equipment	387,379	660	(248)	-	(40,960)	346,831
Other equipment	2,268,065	103,954	(28,930)	-	(234,662)	2,108,427
	$ 11,391,630	$ 334,659	($ 90,086)	$ -	($1,155,594)	$ 10,480,609
	$ 2,828,543					$ 2,685,742

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

Buildings	
Main buildings	25-50 years
Others	2-20 years
Machinery and equipment	2-12 years
Office equipment	2-8 years
Other equipment	2-35 years

16. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Land	$ 293,081	$ 297,057	$ 285,712
Buildings	42,408	57,260	33,021

	June 30, 2026	December 31, 2025	June 30, 2025
Other equipment	556	726	896
	$ 336,045	$ 355,043	$ 319,629

	Six Months Ended June 30	
	2026	2025
Additions to right-of-use assets		
Land	$ -	$ 85,574
Buildings	-	5,725
Other equipment	-	735
	$ -	$ 92,034

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Depreciation of right-of-use assets				
Land	$ 3,259	$ 3,375	$ 6,524	$ 6,729
Buildings	6,820	4,331	13,861	8,548
Other equipment	85	86	170	171
	$ 10,164	$ 7,792	$ 20,555	$ 15,448

Besides the addition and recognized depreciation expenses, there were no material subleases and impairment loss of the right-of-use assets of the Group for the six months ended June 30, 2026 and 2025.

b. Lease liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Carrying amount			
Current	$ 22,402	$ 27,111	$ 19,581
Non-current	$ 20,073	$ 31,176	$ 19,021

Range of discount rates for lease liabilities was as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Land	2%	2%	2%
Buildings	1.5%-5%	1.5%-5%	1.5%-5%
Office equipment	2%-4.75%	2%-4.75%	2%-4.75%
Other equipment	1.5%-4.75%	1.5%-4.75%	1.5%-4.75%

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Finance Costs				

Interest expense from lease liabilities	$ 494	$ 267	$ 1,071	$ 550

c. Material lease-in activities and terms

The Group leases lands and buildings for the use of plants and offices with lease terms of 2 to 50 years. The lease contracts for land located in the ROC's export processing zone specify that lease payments will be adjusted in the next month after change in land value prices is announced. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Expenses relating to short-term leases	$ 5,573	$ 6,463	$ 10,967	$ 11,309
Total cash outflow for leases			$ 26,932	$ 107,403

17. INVESTMENT PROPERTY

	Balance, January 1	Additions	Effect of Exchange Rate Changes	Balance, June 30
Six Months Ended June 30, 2026				
Cost	$ 1,158,975	$ -	$ 44,821	$ 1,203,796
Accumulated depreciation	(898,567)	($ 19,246)	($ 37,469)	(955,282)
	$ 260,408			$ 248,514
Six Months Ended June 30, 2025				
Cost	$ 1,186,404	$ -	($ 122,515)	$ 1,063,889
Accumulated depreciation	(879,351)	($ 18,602)	$ 91,798	(806,155)
	$ 307,053			$ 257,734

The investment properties are depreciated using the straight-line method over 20-50 years.

The market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Group determined that the fair value of the investment property is not reliably measurable.

18. OTHER INTANGIBLE ASSETS

	June 30, 2026	December 31, 2025	June 30, 2025
Patent licensing	$ 65,282	$ -	$ -
Computer software	26,982	17,147	29,340
Goodwill	14,883	14,883	14,883
Others	16,570	19,482	20,692
	$ 123,717	$ 51,512	$ 64,915

Except for the recognition of amortization expense, the consolidated company did not have any significant addictions, disposals, or impairments in tangible assets for the six months ended June 30, 2026 and 2025. Amortization expenses are calculated on a straight-line basis according to the following useful lives:

Patent licensing	2 years
Computer software	1 to 10 years

The consolidated company's golf membership certificate represents a right of use, and the management of the consolidated company believes that consolidated company has the intention and ability to continuously extend the useful life, so it is an intangible asset with an indefinite useful life. However, regardless of whether there are any indications of impairment, impairment tests are conducted regularly every year.

19. OTHER PAYABLES

	June 30, 2026	December 31, 2025	June 30, 2025
Dividend payable	$ 1,493,063	$ -	$ 1,408,399
Salaries and bonus	1,077,419	1,281,331	932,361
Compensation of employees and remuneration of directors	770,066	533,331	768,287
Payables for consumables, supplies and packing charges	225,512	322,735	230,161
Payables for annual leave	102,151	97,832	86,852
Others	886,781	670,292	676,414
	$ 4,554,992	$ 2,905,521	$ 4,102,474

20. PROVISIONS

	June 30, 2026	December 31,2025	June 30, 2025
Employee benefits (other non-current liabilities)	$ 2,373	$ 2,362	$ 2,351

Employee benefits refer to estimates of certain long-term benefits.

21. RETIREMENT BENEFIT PLANS

Relevant pension cost of defined benefit plans recognized for the three months and six months ended June 30, 2026 and 2025 were determined by the pension cost rates of actuarial valuation as of December 31, 2025 and 2024, amounting to NT$257 thousand, NT$526 thousand, NT$513 thousand, and NT$843 thousand, respectively.

22. EQUITY

a. Capital Stock

	June 30, 2026	December 31, 2025	June 30, 2025
Number of shares authorized (in thousands)	313,000	313,000	313,000
Capital authorized	$ 3,130,000	$ 3,130,000	$ 3,130,000
Number of shares issued and fully paid (in thousands)	279,244	279,244	279,244
Capital issued	$ 2,792,439	$ 2,792,439	$ 2,792,439

Each issued common stock with par value of NT$10 is entitled the right to vote and receive dividends.

b. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Additional paid-in capital	$ 430,838	$ 430,838	$ 430,838
From convertible bonds	4,660,886	4,660,886	4,660,886
Actual acquisition of interests in subsidiary	9,215	9,711	-
May be used to offset a deficit only (2)			
From changes in ownership interest of subsidiaries	183,844	183,844	183,844
From interest payable compensation of convertible bonds	74,343	74,343	74,343
Others - share options expired	126,892	126,892	126,892
	$ 5,486,018	$ 5,486,514	$ 5,476,803

1) Such capital surplus may be used to offset a deficit; in addition, 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 once a year.

2) Such capital surplus arises from the effect of changes in ownership interest in a subsidiary resulted from equity transactions other than actual disposal or acquisition, and/or from the relevant payable interest compensation and stock options occurred in converting the corporate bonds and not received before expiration time.

c. Retained earnings and dividends policy

According to the earnings distribution policy of the Company's Articles of Incorporation, 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, except when the legal reserve equals the Company's total issued capital, and setting aside or reversing a 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. For the policies on the distribution of compensation of employees and remuneration of directors, refer to Note 24.

In accordance with Article 240 of Company Act, the dividends and bonuses, capital surplus, or legal reserve can be distributed in the whole or in part by cash in accordance with Article 241 of the Company Act after a resolution has been adopted by a majority of directors present at a meeting of the board of directors attended by two-thirds of the total number of directors; in addition, a report of such distribution shall be submitted to the shareholders' meeting.

Under the Company Law of the ROC and the Company's Articles of Incorporation, in deciding its stock dividend policy, the Company should consider that it is currently expanding and has a great demand for capital. Thus, for a stable dividend policy, the board of directors should take into account the results of operations, financial position and capital demand of the Company when deciding the type of dividends (cash or shares) to be distributed. Total dividends paid should be less than 90% of retained earnings available for appropriation, and the cash dividends must be more than 10% of total dividends paid.

Appropriation 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 specifies that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if the undistributed surplus in the previous period is insufficient for allocation, the after-tax net income plus items other than the after-tax net income of the current period will be added into the undistributed surplus of the current period for the allocation.

The appropriations of earnings for 2025 and 2024 were as follows:

	Appropriation of Earnings		Dividends Per Share(NT$)	
	2025	2024	2025	2024
Legal reserve	$ 183,869	$ 163,666		
Special reserve (reversed)	23,437	(363,136)		
Cash dividends	1,284,522	1,116,976	$ 4.60	$ 4.00

The above appropriation for cash dividends for 2025 and 2024 were resolved by the Company's board of directors in March, 2026 and 2025, and the other proposed appropriations were already resolved by the shareholders meetings in May, 2026 and 2025.

23. NET REVENUES

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Revenues from Contracts with customers				
Sale of goods	$ 8,028,375	$ 6,907,660	$ 14,237,685	$ 12,316,879

The rate of discount is estimated using the most likely amount, taking into account the Group's accumulated historical experience of discount. The balance of refund liability classified as other current liability was as follows:

June 30, 2026	December 31, 2025	June 30, 2025

Refund liability	$ 36,951	$ 36,951	$ 36,951

a. Contract information

	June 30, 2026	December 31, 2025	June 30, 2025	January 1, 2025
Notes receivable and trade receivables	$ 6,244,068	$ 5,524,571	$ 5,333,755	$ 4,897,154
Contract liabilities				
Sale of goods	$ 345,264	$ 343,569	$ 327,987	$ 374,558

b. Disaggregation of revenues

Refer to Note 35 for information about disaggregation of revenues.

	Six Months Ended June 30	
	2026	2025
Timing of revenue recognition		
Obligation satisfied at a point in time	$14,237,685	$12,316,879

24. NET INCOME FROM CONTINUING OPERATIONS

a. Other income

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Rental income (Note 31)	$ 4,779	$ 4,687	$ 9,667	$ 9,652
Others	20,537	6,127	32,427	16,171
	$ 25,316	$ 10,814	$ 42,094	$ 25,823

b. Other gains and losses

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Gain (loss) on disposal of property, plant and equipment	$ 32	($ 27)	$ 696	($ 32)
Other losses	(147)	1,323	(321)	924
	($ 115)	$ 1,296	$ 375	$ 892

c. Employee benefits, depreciation and amortization expenses

	Three Months Ended June 30					
	2026			2025		
	Recognized in Operating Costs	Recognized in Operating Expenses	Total	Recognized in Operating Costs	Recognized in Operating Expenses	Total

Employee benefits expense						
Salaries and bonuses	$963,741	$370,203	$1,333,944	$ 925,699	$ 384,058	$ 1,309,757
Other employee benefits	105,265	35,896	141,161	96,233	36,954	133,187
Post-employment benefits						
Defined contribution plans	62,002	21,065	83,067	52,493	16,368	68,861
Defined benefit plans	94	163	257	313	213	526
Depreciation	150,833	28,542	179,375	107,155	71,559	178,714
Amortization	127	17,107	17,234	253	9,010	9,263

	Six Months Ended June 30					
	2026			2025		
	Recognized in Operating Costs	Recognized in Operating Expenses	Total	Recognized in Operating Costs	Recognized in Operating Expenses	Total
Employee benefits expense						
Salaries and bonuses	$1,810,685	$686,822	$2,497,507	$ 1,664,035	$ 689,249	$ 2,353,284
Other employee benefits	208,966	85,961	294,927	185,860	83,203	269,063
Post-employment benefits						
Defined contribution plans	124,180	44,629	168,809	104,330	38,584	142,914
Defined benefit plans	187	326	513	423	420	843
Depreciation	291,286	61,422	352,708	244,392	124,317	368,709
Amortization	252	27,274	27,526	518	16,777	17,295

d. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company shall accrue compensation of employees and remuneration of directors at rates of 5% to 20% and no higher than 3.5%, respectively, of net income before income tax. According to the amendments to Securities and Exchange Act in August, 2024, the Company approved the resolution to the amendments to the Company's Articles of Incorporation by 2025 Annual General Shareholders' Meeting, and the amount of employee compensation shall be distributed no less than 1% to the junior staff. The compensation of employees and remuneration of directors for the six months ended June 30, 2026 and 2025 respectively, were as follows:

	Three Months Ended June 30			
	2026		2025	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	$ 112,536	15%	$ 169,739
Remuneration of directors	2%	15,005	2%	22,632

	Six Months Ended June 30			
	2026		2025	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	$ 169,036	15%	$ 214,994
Remuneration of directors	2%	22,505	2%	28,666

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 in next year.

The compensation of employees and remuneration of directors for the year ended December 31, 2025 and 2024 were resolved by the board of directors in March 2025 and 2024, respectively, as

follows:

	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	$ 370,070	15%	$ 310,500
Remuneration of directors	2%	49,340	2%	40,000

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the accrued amount in the consolidated financial statements for the years ended December 31, 2025 and 2024.

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 of the Taiwan Stock Exchange.

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Major Components of tax expense in profit or loss

Income tax expense consisted of the following:

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Current tax expense				
Current tax expense recognized in the current period	$ 143,619	$ 110,216	$ 238,815	$ 225,332
Undistributed retained earnings surcharge	32,076	52,216	32,076	52,216
Income tax adjustments on prior years	(13,249)	(6,931)	(12,661)	(6,874)
	162,446	155,501	258,230	270,674
Deferred income tax expense				
Current tax expense recognized in the current period	29,262	81,188	(5,717)	66,006
Income tax expense recognized in profit or loss	$ 191,708	$ 236,689	$ 252,513	$ 336,680

b. Income tax assessment

The income tax returns of the Company and Asia Tech through 2023 have been examined. The income tax returns of Taiwan Top Optical Co., Ltd. and AOE Optronics through 2024 have been examined.

26. EARNINGS PER SHARE

	Net Income (Numerator)	Number of Shares (In Thousands) (Denominator)	Earnings Per Share (In Dollars)
Three months ended June 30, 2026			

Basic EPS			
Net income available to shareholders of the common shares	$ 536,671	279,244	$ 1.93
Dilutive effects			
Subsidiaries' compensation of employees	(949)	-	
Company's compensation of employees	-	1,186	
Diluted EPS			
Net income available to owners of the parent	$ 535,722	280,430	$ 1.91
Three months ended June 30, 2025			
Basic EPS			
Net income available to shareholders of the common shares	$ 798,878	279,244	$ 2.86
Dilutive effects			
Subsidiaries' compensation of employees	(91)	-	
Company's compensation of employees	-	1,569	
Diluted EPS			
Net income available to owners of the parent	$ 798,787	280,813	$ 2.84
Six months ended June 30, 2026			
Basic EPS			
Net income available to shareholders of the common shares	$ 830,887	279,244	$ 2.98
Dilutive effects			
Subsidiaries' compensation of employees	(2,791)	-	
Company's compensation of employees	-	2,099	
Diluted EPS			
Net income available to owners of the parent	$ 828,096	281,343	$ 2.94
Six months ended June 30, 2025			
Basic EPS			
Net income available to shareholders of the common shares	$ 1,019,435	279,244	$ 3.65
Dilutive effects			
Subsidiaries' compensation of employees	(401)	-	
Company's compensation of employees	-	2,128	
Diluted EPS			
Net income available to owners of the parent	$ 1,019,034	281,372	$ 3.62

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares, if dilutive, are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share. 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-CONTROLING INTERESTS

The Company acquired 0.03% and 5.78% of the shares of Taiwan Top Optical Co., Ltd. in March and May, 2026, respectively, resulting in an increase in the Group's ownership interest from 93.62%

to 99.43%.

The above transaction was accounted for as equity transaction since they did not have an effect on the Group's control over the subsidiary.

	Taiwan Top Optical
	Six Months Ended June 30, 2026
Consideration paid	($ 8,696)
The proportionate share of the carrying amount of the nest assets of the subsidiary transferred from non-controlling interests	8,200
Differences recognized from equity transactions	($ 496)
Line items adjusted for equity transaction	
Capital reserve － Actual acquisition of interests in subsidiary	($ 496)

28. NON-CASH TRANSACTIONS

For the six months ended June 30, 2026 and 2025, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

a. The Group reclassified prepayments for equipment in the amount of $42,392 thousand and $25,132 thousand to property, plant and equipment for the six months ended June 30, 2026 and 2025, respectively.
b. The cash dividends for non-controlling interest resolved by the board of directors had not been distributed as of June 30, 2026 and 2025 for $208,541 thousand and $291,423, respectively.
c. The cash dividends resolved by the board of directors had not been distributed as of June 30, 2026 and 2025 for $1,284,522 thousand and $1,116,976 thousand, respectively.

29. CAPTAIL 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 stakeholders through the optimization of the debt and equity balance. The Group's overall strategy remains unchanged.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Group (comprising issued ordinary shares, capital surplus, retained earnings and other equity).

Key management personnel of the Group review the capital structure on a quarterly basis, As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

30. FINCIAL INSTRUMENTS

a. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
June 30, 2026				
Financial assets at FVTPL				
Foreign unlisted shares	$ -	$ 4,880	$ -	$ 4,880
Domestic unlisted shares	-	18,404	-	18,404
Financial assets at FVTOCI				
Foreign unlisted shares	-	-	-	-
Domestic unlisted shares	-	6,200	-	6,200
December 31, 2025				
Financial assets at FVTPL				
Foreign unlisted shares	-	4,668	-	4,668
Domestic unlisted shares	-	19,188	-	19,188
Financial assets at FVTOCI				
Foreign unlisted shares	-	20,934	-	20,934
Domestic unlisted shares	-	6,200	-	6,200
June 30, 2025				
Financial assets at FVTPL				
Foreign unlisted shares	-	4,272	-	4,272
Domestic unlisted shares	-	21,394	-	21,394
Financial assets at FVTOCI				
Foreign unlisted shares	-	37,036	-	37,036

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Domestic/foreign Unlisted shares	Market approach: using the market transaction price and other relevant information of same or comparable (similar) assets and liabilities, or a group of assets and liabilities (e.g., operation). Income approach: utilizing discounted cash flows to determine the present value of the expected future economic benefits that will be derived from investment. Asset approach: measuring the fair value of individual assets and liabilities at net asset value.

b. Categories of financial instruments

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets			
at amortized cost (Note 1)	$ 19,243,175	$ 17,883,838	$ 17,206,417
Financial assets at FVTPL			
Mandatorily at FVTPL	23,284	23,856	25,666
Financial assets at FVTOCI	6,200	27,134	

Equity instruments			37,036
Financial liabilities			
at amortized cost (Note 2)	7,392,909	6,932,759	5,660,115

(Note 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, time deposits with original maturity of more than 3 months, notes and trade receivables, other financial assets and refundable deposits and so on.

(Note 2) The balances include financial liabilities at amortized cost, which comprise notes and trade payables, other payables and guarantee deposits received and so on.

c. Financial risk management objectives and policies

The Group's major financial instruments included equity, trade receivables, trade payables, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to financial markets, 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 currency risk and interest rate risk), credit risk and liquidity risk.

Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

1) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities are shown in Note 33.

Sensitivity analysis

The Group was mainly exposed to the USD, JPY, RMB, and HKD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar (functional currency) against the relevant foreign currencies. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. Numbers below indicate the change in pre-tax profit or loss associated with the New Taiwan dollar strengthening 1% against the relevant currency:

	Six Months Ended June 30	
	2026	**2025**
Profit or loss		
USD impact	$ 25,868	$ 705

RMB impact	17,691	7,431
JPY impact	2,266	892
HKD impact	1,022	502

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

2) Interest rate risk

The Group was exposed to interest rate risk because the Group's deposits and lease liabilities are at both fixed and floating interest rates.

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

	June 30, 2026	**December 31,2025**	**June 30, 2025**
Fair value interest rate risk			
Financial assets	$9,534,519	$8,218,432	$8,554,944
Lease liabilities	42,475	58,287	38,602
Cash flow interest rate risk			
Financial assets	3,251,769	3,890,966	3,144,821

Sensitivity analysis

If interest rates had been 5% basis points higher/lower and all other variables been held constant, the Group's pretax profits for the six months ended June 30, 2026 and 2025 would have increased/decreased by $1,463 thousand and $1,596 thousand, respectively. A 5% basis point 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.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The maximum amount that may be payable in relation to financial guarantees issued by the Group, regardless of its probability.

The Group adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In order to minimize credit risk, management of the Group 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. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

Liquidity risk

The Group's operating funds are deemed sufficient to meet the cash flow demand, therefore, liquidity risk is not considered to be significant.

Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has 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 table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
June 30, 2026				
Non-interest bearing payables	$ 8,877,996	$ 7,976	$ -	$ 8,885,972
Lease liabilities	24,134	21,427	540	46,101
	$ 8,902,130	$ 29,403	$ 540	$ 8,932,073
December 31, 2025				
Non-interest bearing payables	$ 6,925,091	$ 7,668	$ -	$ 6,932,759
Lease liabilities	28,682	35,504	570	64,756
	$ 6,953,773	$ 43,172	$ 570	$ 6,997,515
June 30, 2025				
Non-interest bearing payables	$ 7,061,475	$ 7,039	$ -	$ 7,068,514
Lease liabilities	20,111	19,568	599	40,278
	$ 7,081,586	$ 26,607	$ 599	$ 7,108,792

31. RELATED-PARTY TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. 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
Dong-Guan Nikon	Associate

b. Trading transactions

Line Item	Related Party Category	Three Months Ended June 30		Six Months Ended June 30	
		2026	2025	2026	2025
Net revenues	Associate	$ -	$ 165	$ -	$ 170

Purchase of goods	Associate	$ 23,334	$ 17,255	$ 39,385	$ 37,646
Rental income	Associate	$ 289	$ 375	$ 690	$ 771

Purchases were made at discounted market price to reflect the quantity of goods purchased and relationships between the parties. The payment terms to related parties were not significantly different from those of purchases from third parties.

The rentals were based on the market rentals in the area, and were paid monthly.

c. Receivables from related parties

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade Receivables	Associate	$ -	$ 208	$ 174
Other Receivables	Associate	$ -	$ 137	$ -

d. Payables to related parties

Line Item	Related Party Category	June 30, 2026	December 31, 2025	June 30, 2025
Trade payables	Associate	$ -	$ 3,273	$ 12,856

e. Compensation of key management personnel

	Three Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Short-term employee benefits	$ 5,616	$ 5,664	$ 19,515	$ 19,815

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

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments and contingencies of the Group were as follows:

In order to provide for sufficient operating funds, the Company obtained a syndicated loan with a credit line of NT$1.5 billion thousand with Chinatrust Commercial Bank and the related management group. The Company is required to maintain its current ratio at no less than 100%, debt ratio less than 110%, interest coverage ratio at no less than 4 times and the value of net tangible assets at no less than NT$12 billion during the contractual period of the loan agreement. The Group has not drawn against the credit line as of June 30, 2026.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	June 30, 2026	
Foreign Currency	Exchange Rate	Carrying Amount
Financial assets		

Monetary items				
USD	$ 113,384	31.8500	(USD:NTD)	$ 3,611,280
USD	242,829	6.8109	(USD:RMB)	7,734,104
USD	12,782	61.3208	(USD:PHP)	407,107
JPY	1,373,771	0.1963	(JPY:NTD)	271,279
RMB	378,377	0.1468	(RMB:USD)	1,769,132
Financial liabilities				
Monetary items				
USD	252,286	31.8500	(USD:NTD)	8,035,309
USD	35,491	61.3208	(USD:PHP)	1,130,388
JPY	2,521,377	0.1963	(JPY:NTD)	497,896
HKD	25,176	0.1275	(HKD:USD)	102,237

	December 31, 2025			
	Foreign Currency	**Exchange Rate**		**Carrying Amount**
Financial assets				
Monetary items				
USD	$ 178,528	31.4300	(USD:NTD)	$ 5,611,135
USD	183,702	7.0288	(USD:RMB)	5,773,754
USD	9,269	58.9128	(USD:PHP)	291,325
JPY	2,480,795	0.0449	(JPY:RMB)	498,081
JPY	3,215,352	0.2008	(JPY: NTD)	646,774
RMB	209,771	0.1423	(RMB:USD)	938,198
Financial liabilities				
Monetary items				
USD	253,917	31.4300	(USD:NTD)	7,980,611
USD	31,328	7.0288	(USD:RMB)	984,639
USD	26,865	58.9128	(USD:PHP)	844,637
JPY	3,388,748	0.2008	(JPY:NTD)	681,653
HKD	25,668	0.1285	(HKD:USD)	103,667

	June 30, 2025			
	Foreign Currency	**Exchange Rate**		**Carrying Amount**
Financial assets				
Monetary items				
USD	$ 117,691	29.3	(USD:NTD)	$ 3,448,346
USD	176,213	7.1586	(USD:RMB)	5,163,041
USD	10,690	56.3137	(USD:PHP)	313,217
JPY	2,869,748	0.0494	(JPY:RMB)	580,177
JPY	2,595,389	0.2034	(JPY: NTD)	524,710
RMB	181,546	0.1397	(RMB:USD)	743,106
Financial liabilities				
Monetary items				
USD	248,577	29.3	(USD:NTD)	7,283,306
USD	34,061	7.1586	(USD:RMB)	997,987
USD	24,361	56.3137	(USD:PHP)	713,777

JPY	5,024,007	0.2034	(JPY:NTD)	1,015,703
HKD	13,455	0.2174	(HKD:USD)	50,225

For three and six months ended June 30, 2026 and 2025, realized and unrealized net foreign exchange losses were NT$91,801 thousand, gains NT$324,149 thousand, losses NT$243,371 thousand, and gains NT$317,627 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investment in subsidiaries and associates): None.

4) Marketable securities acquired and disposed at costs or prices at least NT$100 million or 20% of the paid-in capital: Table 2.

5) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.

6) Other: Intercompany relationships and significant intercompany transactions: Table 4.

b. Information on investees: Table 5.

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, repatriation of investment income, and limit on the amount of investment in the mainland China area: Table 6.

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:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 2.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 2.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

e) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.

f) Other transactions that have a material effect on the profit or loss for the period or on the

financial position, such as the rendering or receiving of services: Note 31.

35. SEGMENT INFORMATION

The analysis of revenue and profits by reportable segments are as below:

a. Segment revenue and results

	Segment Revenue		Segment Profit (Loss)	
	Six Months Ended June 30		Six Months Ended June 30	
	2026	2025	2026	2025
Optical components	$ 6,464,925	$ 5,844,873	$ 444,680	$ 344,882
Digital camera	3,652,598	2,303,955	338,654	150,060
Contact image sensor	2,009,499	2,056,315	220,760	289,912
Optronics components	1,820,678	1,582,480	174,054	136,835
Optronics products	477,416	731,641	111,012	59,190
	$ 14,425,116	$ 12,519,264	$ 1,289,160	$ 980,879

b. Reconciliation of segment revenue and segment profit (loss)

1) Segment revenue

	Six Months Ended June 30	
	2026	2025
Reportable segment revenue	$ 14,425,116	$ 12,519,264
Eliminated intersegment revenue	(187,431)	(202,385)
Net revenue	$ 14,237,685	$ 12,316,879

2) Segment profit (loss)

	Six Months Ended June 30	
	2026	2025
Reportable segment profit	$ 1,289,160	$ 980,879
Other segment profit and loss	(16)	(18)
Other income	42,094	25,823
Other gains and losses	375	892
Financial costs	(1,071)	(724)
Share of profit of associates	(5,618)	4,393
Interest income	149,047	191,661
Foreign exchange gain (loss), net	(243,371)	317,627
Loss on fair value of financial assets at FVTPL	(784)	(6,502)
Income before income tax	$ 1,229,816	$ 1,514,031

Segment profit represents the profit earned by each segment without allocation of central administration expenses and directors' compensation, share of profit of associates, interest income, rental income, gain or loss on disposal of assets, net exchange gain or loss, valuation gain or loss on financial instruments, interest expense and income tax expense. This is the amount reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

TABLE 1

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars or Foreign Currencies)

No.	Lender	Borrower (Note 2)	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate (%)	Nature of Financing	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Item	Value		
1	Shen Zhen Sintai	Shang Hai Sintai	Receivables from related parties	Yes	$ 102,395 (RMB 21,900)	$ 88,368 (RMB 18,900)	$ 88,368 (RMB 18,900)	0.5	Short-term financing	$ -	For working capital	$ -	-	$ -	$ 1,000,000	$ 2,000,000
Total						$ 88,368	$ 88,368			$ -		$ -		$ -		

Note 1: The lending amount to a company shall not exceed forty percent (40%) of the net worth of the Company, and the aggregate amount for lending shall not exceed fifty percent (50%) of the net worth of the Company. The restriction of these term shall not apply to inter-company loans for funding between 100% owned subsidiaries, and the Group sets an additional rule that the amount available for lending purpose between 100% owned subsidiaries shall be (a) no more than NT$1 billion for the individual financier and (b) no more than NT$2 billion in total.

Note 2: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Purchaser or Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable or (Payable)		Note
			Purchases / Sales	Amount	%	Payment Terms	Unit Price	Payment Terms	Ending Balance	%	
Asia Optical	Shen Zhen Sintai	Note 1	Purchases	$ 582,019	26	30-180 days	-	-	($ 1,355,544)	(22)	Note 2
	Scopro	Note 1	Purchases	232,926	10	30-180 days	-	-	(167,581)	(3)	Note 2
	Myanmar Asia	Note 1	Purchases	315,393	14	30-180 days	-	-	(431,232)	(7)	Note 2
	Dong-Guan Sintai	Note 1	Purchases	203,618	9	30-180 days	-	-	(268,236)	(4)	Note 2
	Asia Scopro	Note 1	Purchases	140,152	6	30-180 days	-	-	(117,376)	(2)	Note 2
	Scopro	Note 1	Sales	(114,137)	(4)	30-180 days	-	-	133,002	10	Note 2
	Asia Scopro	Note 1	Sales	(247,875)	(9)	30-180 days	-	-	313,332	23	Note 2
Asia Tech	Asia Tech Samoa	Note 1	Purchases	1,576,632	100	30-180 days	-	-	(1,805,112)	(100)	Note 2
Asia Tech Samoa	Asia Tech	Note 1	Sales	(1,576,632)	(100)	30-180 days	-	-	1,805,112	100	Note 2
	Shen Zhen Atii	Note 1	Purchases	927,587	58	30-180 days	-	-	(1,439,712)	(67)	Note 2
Shen Zhen Atii	Asia Tech Samoa	Note 1	Sales	(927,587)	(87)	30-180 days	-	-	1,439,712	98	Note 2
AOE Shen Zhen	Shen Zhen Sintai	Note 1	Purchases	348,759	15	30-180 days	-	-	(130,868)	(6)	Note 2
	AOE Cayman	Note 1	Sales	(553,760)	(15)	30-180 days	-	-	104,343	5	Note 2
	AOE Cayman	Note 1	Purchases	139,482	6	30-180 days	-	-	(113,764)	(5)	Note 2
AOE Cayman	AOE Shen Zhen	Note 1	Sales	(139,482)	(19)	30-180 days	-	-	123,194	20	Note 2
	AOE Shen Zhen	Note 1	Purchases	553,760	61	30-180 days	-	-	(104,343)	(17)	Note 2
	AOE Optronics	Note 1	Sales	(485,333)	(67)	30-180 days	-	-	197,623	32	Note 2
AOE Optronics	AOE Cayman	Note 1	Purchases	485,333	74	30-180 days	-	-	(197,623)	(66)	Note 2
	Asia Scopro	Note 1	Purchases	162,182	25	30-180 days	-	-	(97,841)	(33)	Note 2
Shen Zhen Sintai	Asia Optical	Note 1	Sales	(582,019)	(36)	30-180 days	-	-	1,577,593	54	Note 2
	AOE Shen Zhen	Note 1	Sales	(348,759)	(22)	30-180 days	-	-	164,234	6	Note 2
Myanmar Asia	Asia Optical	Note 1	Sales	(315,393)	(77)	30-180 days	-	-	438,886	100	Note 2
Doan-Guan Yorkey	Yorkey Technology	Note 1	Sales	(575,107)	(35)	30-180 days	-	-	2,184,404	78	Note 2
Dong-Guan Sintai	Asia Optical	Note 1	Sales	(203,618)	(99)	30-180 days	-	-	279,888	67	Note 2
Yorkey Technology	Dong-Guan Yorkey	Note 1	Sales	575,107	74	30-180 days	-	-	(2,184,404)	(94)	Note 2
SCOPRO	Asia Optical	Note 1	Sales	(232,926)	(100)	30-180 days	-	-	163,269	100	Note 2
	Asia Optical	Note 1	Purchases	114,137	68	30-180 days	-	-	(127,440)	(33)	Note 2
ASIA SCOPRO	Asia Optical	Note 1	Purchases	247,875	62	30-180 days	-	-	(266,135)	(39)	Note 2
	Asia Optical	Note 1	Sales	(140,152)	(46)	30-180 days	-	-	113,188	54	Note 2
	AOE Optronics	Note 1	Sales	(162,182)	(54)	30-180 days	-	-	97,841	46	Note 2

Note 1: Refer to Note 12 to the consolidated financial statements.

Note 2: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Company Name	Related Party (Note 2)	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Asia Optical	Scopro	Affiliate	$ 133,002	Note 1	$ -	-	$ 51,278	$ -
	AOPI	Subsidiary of Asia Optical	149,759	Note 1	-	-	-	-
	AOE Cayman	Affiliate	150,437	Note 1	-	-	-	-
	Asia Scopro	Affiliate	313,332	Note 1	-	-	-	-
Asia International	Myanmar Asia	Subsidiary of Asia International	1,046,118	Note 1	-	-	31,850	-
	AOE Cayman	Affiliate	177,843	Note 1	-	-	6,058	-
	Asia Optical	Parent company of Asia International	3,301,784	Note 1	-	-	15,474	-
AOE Cayman	AOE Shen Zhen	Subsidiary of AOE Cayman	123,194	Note 1	-	-	33,877	-
	AOE Shen Zhen	Subsidiary of AOE Cayman	927,664	Note 1	-	-	-	-
	AOE Optronics	Parent company of AOE Cayman	197,623	Note 1	-	-	8,012	-
	ASIA SCOPRO	Affiliate	254,762	Note 1	-	-	25,174	-
Dong-Guan Sintai	Asia Optical	Parent company of Asia International	279,888	Note 1	-	-	-	-
	Asia International	Parent company of Dong-Guan Sintai	135,446	Note 1	-	-	-	-
Dong-Guan Tailien	Asia Optical	Parent company of Asia International	217,533	Note 1	-	-	-	-
AOE Shen Zhen	AOE Cayman	Parent company of AOE Shen Zhen	104,343	Note 1	-	-	33,877	-
Shen Zhen Sintai	Asia International	Parent company of Shen Zhen Sintai	796,565	Note 1	-	-	-	-
	Asia Optical	Parent company of Asia International	1,577,593	Note 1	-	-	1,043	-
	AOE Shen Zhen	Affiliate	164,234	Note 1	-	-	79,778	-
Myanmar Asia	Asia Optical	Parent company of Asia International	438,886	Note 1	-	-	40,731	-
Powerlink Cayman	Scopro	Affiliate	220,925	Note 1	-	-	-	-
	Asia Scopro	Parent company of Asia Scopro	185,955	Note 1	-	-	-	-
Asia Tech Samoa	Asia Tech	Parent company of Asia Tech Samoa	1,805,112	Note 1	-	-	311,614	-
Shen Zhen Atii	Asia Tech Samoa	Parent company of Shen Zhen Atii	1,439,712	Note 1	-	-	38,930	-
Dong-Guan Yorkey	Yorkey Technology	Parent company of Dong-Guan Yorkey	2,184,404	Note 1	-	-	58,942	-
Scopro	Asia Optical	Affiliate	163,269	Note 1	-	-	62,505	-
Asia Scopro	Asia Optical	Affiliate	113,188	Note 1	-	-	13,146	-

Note 1: The receivables resulted from purchases of materials and property, plant, and equipment on behalf of Asia International and loan transaction; thus, turnover analysis was not suitable.

Note 2: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Number	Investee Company	Counterparty	Relationship (Note 1)	Transaction In Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
0	Asia Optical	Asia International	1	Trade payables	$ 3,031,235	30-180 days	10
				Other payables	277,348	-	1
		Dong-Guan Tailien	1	Trade payables	216,463	30-180 days	1
				Purchases	78,520	30-180 days	1
		Dong-Guan Sintai	1	Purchases	203,618	30-180 days	1
				Trade payables	268,236	-	1
		Shen Zhen Sintai	1	Purchases	582,019	30-180 days	4
				Other payables	222,049	30-180 days	1
				Trade payables	1,355,544	-	5
		Myanmar Asia	1	Purchases	315,393	30-180 days	2
				Trade payables	413,232	-	1
		Scopro	1	Sales	114,137	30-180 days	1
				Purchases	232,926	30-180 days	2
				Trade payables	167,581	30-180 days	1
		AOE Cayman	1	Trade receivables	150,437	30-180 days	1
		AOPI	1	Other financial asset-current	149,759	30-180 days	1
		Asia Scopro	1	Purchases	140,152	30-180 days	1
				Sales	247,875	30-180 days	2
				Trade receivables	313,332	30-180 days	1
1	Asia International	Shen Zhen Sintai	2	Purchases	91,501	30-180 days	1
				Trade payables	613,604	30-180 days	2
				Other payables	182,960	30-180 days	1
		Myanmar Asia	2	Trade receivables	1,046,118	30-180 days	4
				Purchases	93,291	30-180 days	1
		AOE Cayman	2	Trade receivables	177,843	30-180 days	1
2	AOE Optronics	AOE Cayman	2	Purchases	485,333	30-180 days	3
				Trade payables	197,623	30-180 days	1
		Aisa Scopro	2	Purchases	162,182	30-180 days	1
3	Asia Tech	Asia Tech Samoa	2	Purchases	1,576,632	30-180 days	11
				Trade payables	1,805,112	30-180 days	6
4	Asia Tech Samoa	Shen Zhen Atii	2	Purchases	927,587	30-180 days	7
				Trade payables	1,439,712	30-180 days	5

(Continue)

Number	Investee Company	Counterparty	Relationship (Note 1)	Transaction In Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
5	AOE Cayman	Asia Scopro	2	Trade receivables	$ 254,762	30-180 days	1
		AOE Shen Zhen	2	Sales	139,482	30-180 days	1
				Purchases	553,760	30-180 days	4
				Other financial assets-current	927,664	30-180 days	3
6	Shen Zhen Sintai	AOE Shen Zhen	2	Sales	348,759	30-180 days	2
				Trade receivables	164,234	30-180 days	1
7	Powerlink Cayman	Scopro	2	Trade receivables	220,925	30-180 days	1
		Asia Scopro	2	Trade receivables	185,955	30-180 days	1
8	Yorkey Technology	Dong-Guan Yorkey	2	Purchases	575,107	30-180 days	4
				Trade payables	2,184,404	30-180 days	7

(Concluded)

Note 1: 1. From the parent company to the subsidiary.

2. From the subsidiary to the subsidiary.

Note 2: The percentage of transactions to consolidated assets and liabilities items are calculated at the balance as of the end of reporting period; income and expense items are calculated at the accumulated amount of consolidated sales.

Note 3: Intercompany accounts and transactions have been eliminated.

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES
SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2026	December 31, 2025	Shares	Percentage of Ownership	Carrying Value			
Asia Optical	Asia International	British Virgin Islands	Sale of riflescopes, lenses and optical components	$ 2,701,520	$ 2,701,520	15,686,000	100	$ 15,133,041	$ 537,538	$ 537,538	Subsidiary
	Asia Tech	New Taipei	Sale of precision instruments and image sensors	231,753	231,753	19,027,964	26	876,702	180,756	47,436	Subsidiary
	Powerlink Cayman	Cayman Islands	Holding company	44,392	44,392	1,500,000	100	503,639	(39,463)	(39,463)	Subsidiary
	AOE Optronics	Taichung	Design, manufacture and sale of cell phone related products	1,938,431	1,938,431	19,179,577	91	1,484,925	189,486	170,959	Subsidiary
	Richman	British Virgin Islands	Holding company	99,520	99,520	2,566,000	100	210,242	7,020	7,020	Subsidiary
	Taiwan Top	Changhua	Manufacture and sale of cameras, copy machines, printers and facsimile machines	596,801	588,105	8,760,000	99	140,051	279	246	Subsidiary
	Powerlink	British Virgin Islands	Holding company	14,000	14,000	50,000	100	(86,591)	(2,897)	(2,897)	Subsidiary
	AOPI	Malvar, Philippines	Manufacture and trade of riflescopes, telescopes, lenses and optical components	324,258	324,258	6,000,000	100	308,870	(181)	(181)	Subsidiary
Asia International	Yorkey Cayman	Cayman Islands	Holding company	2,663,778	2,663,778	776,346,000	95	2,641,987	194,004	184,568	Indirect Subsidiary
	AOE Optronics	Taichung	Design, manufacture and sale of cell phone related products	298,179	298,179	506,880	2	39,285	189,486	4,548	Subsidiary
	AOIDC	Japan	Development and technology services	22,071	22,071	100	100	30,315	1,740	1,740	Indirect Subsidiary
	Myanmar Asia	Yangon, Myanmar	Manufacture of lens and related products	985,581	985,581	5,582,305	100	(117,115)	(111,817)	(111,817)	Indirect subsidiary
	Myanmar Mandalay	Mandalay, Myanmar	Manfacture of rubber and plastic products, computer, electronic and optical products	17,279	-	10,000	100	17,279	-	-	Indirect subsidiary
Powerlink Cayman	Asia Scopro	Calamba, Philippines	Manufacture and trade of riflescopes, telescopes, lenses and optical component	17,043	17,043	241,000	100	(174,505)	(40,812)	(40,812)	Indirect subsidiary
	ASAM	Calamba, Philippines	Anode processing factory	9,690	9,690	150,000	100	22,633	(3,112)	(3,112)	Indirect subsidiary
Asia Tech	Asia Tech Samoa	Samoa	Sale of precision instruments and image sensors	845,520	845,520	18,662,310	100	2,836,729	(21,758)	(21,758)	Indirect Subsidiary
Powerlink	Scopro	Manila, Philippines	Manufacture and trade of riflescopes, lenses and optical components	5,119	5,119	4,000,000	100	(94,971)	(3,018)	(3,018)	Indirect subsidiary
Richman	Yorkey Cayman	Cayman Islands	Holding company	291,289	291,289	40,000,000	5	136,101	194,004	9,506	Indirect Subsidiary
	Crosszone	British Virgin Islands	Trading company	1,568	1,568	50,000	100	(3,640)	(154)	(154)	Indirect subsidiary
AOE Optronics	AOE Cayman	Cayman Islands	Sale of cell phone related products	1,311,447	1,311,447	44,176,066	100	1,445,596	186,754	186,754	Indirect subsidiary
	AOE Thailand	Thailand	Trading company	31,837	31,837	338,800	100	26,579	(4,499)	(4,499)	Indirect subsidiary
Yorkey Cayman	Yorkey Technology	Samoa	Trading company	302,910	302,910	550,001	100	1,415,588	191,247	191,247	Indirect subsidiary

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
SIX MONTHS ENDED JUNE 30, 2026
(In Thousands of New Taiwan Dollars and Foreign Currencies)

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, 2026	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of June 30, 2026	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Repatriation of Investment Income as of June 30, 2026
					Outward	Inward						
Shen Zhen Sintai	Manufacture of laser printers, cameras, scanners and plastic products	US$ 38,000	(2)	$ 1,270,274 (US$ 38,000)	$ -	$ -	$ 1,270,274 (US$ 38,000)	$ 136	100	$ 136	$ 3,433,324	$ -
Dong-Guan Sintai	Manufacture of optical components and finished products	US$ 16,600	(2)	1,234,670 (US$ 35,937)	-	-	1,234,670 (US$ 35,937)	7,188	100	7,188	538,772	454,587 (US$ 14,000)
Shen Zhen Atii	Manufacture and sale of image sensor	US$ 10,000	(2)	170,256 (US$ 5,400)	-	-	170,256 (US$ 5,400)	(25,419)	26	(6,685)	477,510	-
Shang Hai Sintai	Manufacture and sale of parts of DV and DSC	US$ 34,000	(2)	1,098,606 (US$ 34,000)	-	-	1,098,606 (US$ 34,000)	(978)	100	(978)	56,740	-
Dong-Guan Tailien	Manufacture and processing of cameras and parts	US$ 3,160	(2)	123,440 (US$ 4,000)	-	-	123,440 (US$ 4,000)	(24,931)	71	(17,734)	236,738	149,145 (US$ 4,778)
			(3)	11,163 (US$ 420)	-	-	11,163 (US$ 420)	(24,931)	17	(4,261)	56,620	57,727 (US$ 1,823)
			(2)	22,614 (US$ 700)	-	-	22,614 (US$ 700)	(24,931)	12	(2,872)	38,160	31,070 (US$ 971)
Dong-Guan Yorkey	Manufacture of plastic and metallic parts, molds and cases of optical and optronics products	US$ 20,680	(2)	291,289 (US$ 9,079)	-	-	291,289 (US$ 9,079)	149,498	5	7,325	130,905	-
			(2)	2,663,778 (US$ 93,994)	-	-	2,663,778 (US$ 93,994)	149,498	95	142,243	2,541,130	-
Dong-Guan Nikon	Research and manufacture of equipment for electronic use	US$ 2,000	(2)	27,772 (US$ 800)	-	-	27,772 (US$ 800)	(13,374)	40	(5,350)	19,144	23,403 (RMB$ 5,209)
AOE Shen Zhen	Manufacture of cell phone related products	US$ 12,000	(2)	360,186 (US$ 12,000)	-	-	360,186 (US$ 12,000)	186,724	91	168,439	405,922	-
				-	-	-	-	186,724	2	4,481	10,737	-
Guangdong Xinwei	Manufacture of car parts	RMB$ 9,100	(3)	-	-	-	-	-	38	-	4,880	-

(Continued)

Accumulated Outward Remittance for Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by the Investment Commission, MOEA
$ 7,791,858 (US$ 235,131)	$ 10,280,622 (US$ 328,042)	(Note 3)

Note 1: The investments were made as follows:
(1) The investment was made directly by a subsidiary located in mainland China.
(2) The investment was made through a corporation established in a third country, which, in turn, invested in companies located in mainland China (refer to Note 12 to the accompanying consolidated financial statements; in addition, Asia International is the investor of Dong-Guan Nikon).
(3) Others

Note 2: Investment gain (loss) was recognized based on the financial un-reviewed statements except for Shen Zhen Sintai, Shen Zhen Atii, and AOE Shen Zhen.

Note 3: Under the “Regulations for the Screening of Applications to Engage in Technical Cooperation in Mainland China” issued by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, the amount of investment in mainland China has no limit since the parent company, Asia Optical Co., Inc. had acquired the approval by the Industrial Development Bureau to establish operating headquarters in Taiwan.