

Asia Optical Co., Inc. and Subsidiaries

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 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, the "Group"), as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and 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 and issued into effect 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 financial statements of certain non-significant subsidiaries were prepared and not reviewed by the independent auditors as of and for the three months ended March 31, 2025 and 2024. Total assets of these subsidiaries amounted to \$ 4,943,813 thousand and \$ 4,072,627 thousand, representing 19% and 18% of the related consolidated totals, and total liabilities amounted to \$ 1,263,031 thousand and \$ 1,009,538 thousand, representing 13% and 14% of the related consolidated totals, as at March 31, 2025 and 2024, respectively. Total comprehensive income of these subsidiaries amounted to \$ 132,723 thousand and \$ 120,014 thousand, representing 24% and 14% of the related consolidated totals for the three-month periods ended March 31, 2025 and 2024. Also, as Note 14 indicated, the un-reviewed balance of investment amounted to \$ 55,891 thousand and \$ 49,983 thousand; the recognized share of profits of associates under the equity method of these investments amounted to \$ 2,232 thousand and \$ 411 thousand for the three months ended March 31, 2025 and 2024, respectively.

Qualified Conclusion

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain non-significant subsidiaries and investee companies been reviewed by independent accountants as described in the preceding paragraph, that we might have become aware of had it not been for the situation described above, 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 as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission of the Republic of China.

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

May 2, 2025

Notice to Readers

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

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
MARCH 31, 2025 AND 2024
CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	March 31, 2025		December 31, 2024		March 31, 2024	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 13,178,591	50	\$ 13,141,780	51	\$ 10,897,986	49
Financial assets at amortized cost - current (Note 9)	156,778	1	156,095	-	189,969	1
Notes receivable (Note 23)	91,391	-	77,547	-	125,772	1
Trade receivables from unrelated parties (Notes 10 and 23)	4,278,779	16	4,819,607	19	3,947,883	18
Trade receivables from related parties (Notes 23 and 30)	6	-	-	-	-	-
Other receivables	48,375	-	39,533	-	111,027	-
Inventories (Note 11)	4,426,434	17	3,594,980	14	3,041,991	14
Other current assets (Note 13)	<u>131,584</u>	<u>1</u>	<u>158,701</u>	<u>1</u>	<u>120,887</u>	<u>-</u>
Total current assets	<u>22,311,938</u>	<u>85</u>	<u>21,988,243</u>	<u>85</u>	<u>18,435,515</u>	<u>83</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Note 7)	30,373	-	32,656	-	106,861	1
Financial assets at fair value through other comprehensive income - non-current (Note 8)	45,087	-	54,749	-	80,513	-
Investments accounted for using the equity method (Note 14)	55,891	-	52,880	-	49,983	-
Property, plant and equipment (Note 15)	2,790,075	11	2,828,543	11	2,619,621	12
Right-of-use assets (Note 16)	359,382	2	274,888	1	274,680	1
Investment property (Note 17)	301,462	1	307,053	1	330,192	2
Other intangible assets (Note 18)	68,004	-	59,638	-	78,849	-
Deferred tax assets (Notes 4 and 25)	80,749	-	59,843	1	47,038	-
Prepayments for equipment	125,976	1	104,039	1	180,171	1
Refundable deposits	<u>13,748</u>	<u>-</u>	<u>13,553</u>	<u>-</u>	<u>13,643</u>	<u>-</u>
Total non-current assets	<u>3,870,747</u>	<u>15</u>	<u>3,787,842</u>	<u>15</u>	<u>3,781,551</u>	<u>17</u>
TOTAL	<u>\$ 26,182,685</u>	<u>100</u>	<u>\$ 25,776,085</u>	<u>100</u>	<u>\$ 22,217,066</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities – current (Note 23)	\$ 442,129	2	\$ 374,558	2	\$ 434,320	2
Notes payable	2,053	-	2,655	-	3,295	-
Trade payables to unrelated parties	4,660,623	18	4,661,549	18	3,256,683	15
Trade payables to related parties (Note 30)	15,681	-	5,244	-	7,476	-
Other payables (Note 19)	3,779,590	14	2,579,413	10	2,645,272	12
Current tax liabilities (Notes 4 and 25)	399,065	2	421,606	2	320,627	1
Lease liabilities - current (Note 16)	18,786	-	18,321	-	15,609	-
Other current liabilities (Note 23)	<u>107,638</u>	<u>-</u>	<u>101,636</u>	<u>-</u>	<u>98,645</u>	<u>1</u>
Total current liabilities	<u>9,425,565</u>	<u>36</u>	<u>8,164,982</u>	<u>32</u>	<u>6,781,927</u>	<u>31</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities (Notes 4 and 25)	207,884	1	202,362	1	176,174	1
Lease liabilities - non-current (Note 16)	21,559	-	24,694	-	25,489	-
Net defined benefit liabilities - non-current (Notes 4 and 21)	83,616	-	87,072	-	116,353	-
Guarantee deposits received	7,958	-	7,848	-	1,678	-
Other non-current liabilities (Note 20)	<u>2,345</u>	<u>-</u>	<u>2,338</u>	<u>-</u>	<u>2,321</u>	<u>-</u>
Total non-current liabilities	<u>323,362</u>	<u>1</u>	<u>324,314</u>	<u>1</u>	<u>322,015</u>	<u>1</u>
Total liabilities	<u>9,748,927</u>	<u>37</u>	<u>8,489,296</u>	<u>33</u>	<u>7,103,942</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT						
Capital Stock	2,792,439	11	2,792,439	11	2,792,439	13
Capital surplus	5,476,803	21	5,476,803	21	5,476,803	25
Retained earnings						
Legal reserve	2,171,975	8	2,171,975	8	2,100,482	9
Special reserve	368,933	2	368,933	2	281,870	1
Unappropriated earnings	2,458,919	9	3,355,338	13	1,988,075	9
Other equity	<u>716,463</u>	<u>3</u>	<u>507,072</u>	<u>2</u>	<u>215,510</u>	<u>1</u>
Equity attributable to owners of the parent	13,985,532	54	14,672,560	57	12,855,179	58
NON-CONTROLLING INTERESTS	<u>2,448,226</u>	<u>9</u>	<u>2,614,229</u>	<u>10</u>	<u>2,257,945</u>	<u>10</u>
Total equity	<u>16,433,758</u>	<u>63</u>	<u>17,286,789</u>	<u>67</u>	<u>15,113,124</u>	<u>68</u>
TOTAL	<u>\$ 26,182,685</u>	<u>100</u>	<u>\$ 25,776,085</u>	<u>100</u>	<u>\$ 22,217,066</u>	<u>100</u>

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET REVENUES (Note 23)	\$ 5,409,219	100	\$ 4,288,394	100
COSTS OF REVENUES (Notes 11, 21, 24 and 30)	<u>4,482,814</u>	<u>83</u>	<u>3,634,752</u>	<u>84</u>
GROSS PROFIT	<u>926,405</u>	<u>17</u>	<u>653,642</u>	<u>16</u>
OPERATING EXPENSES (Notes 21 and 24)				
Selling and marketing	62,251	1	48,696	1
General and administrative	358,163	6	315,474	7
Research and development	201,980	4	188,515	5
Reversal of expected credit loss (Note 10)	(<u>1,559</u>)	<u>-</u>	(<u>4,455</u>)	<u>-</u>
Total operating expenses	<u>620,835</u>	<u>11</u>	<u>548,230</u>	<u>13</u>
INCOME FROM OPERATIONS	<u>305,570</u>	<u>6</u>	<u>105,412</u>	<u>2</u>
NON-OPERATING INCOME AND EXPENSES				
Other income (Notes 24 and 30)	15,009	-	34,806	1
Other gains and losses (Note 24)	(404)	-	(172)	-
Finance costs (Note 16)	(283)	-	(210)	-
Share of profits of associates (Note 14)	2,232	-	411	-
Interest income	102,646	2	111,062	2
Loss on financial assets at FVTPL, net	(2,351)	-	-	-
Foreign exchange loss, net	(<u>6,522</u>)	<u>-</u>	(<u>11,546</u>)	<u>-</u>
Total non-operating income and expenses	<u>110,327</u>	<u>2</u>	<u>134,351</u>	<u>3</u>
INCOME BEFORE INCOME TAX	415,897	8	239,763	6
INCOME TAX EXPENSE (Notes 4 and 25)	<u>99,991</u>	<u>2</u>	<u>45,283</u>	<u>1</u>
NET INCOME	315,906	6	194,480	5
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized loss on investments in equity instruments at FVTOCI	(9,662)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	<u>249,124</u>	<u>4</u>	<u>661,299</u>	<u>15</u>
TOTAL COMPREHENSIVE INCOME	<u>\$ 555,368</u>	<u>10</u>	<u>\$ 855,779</u>	<u>20</u>

(Continued)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	Three Months Ended March 31			
	2025		2024	
	Amount	%	Amount	%
NET INCOME ATTRIBUTE TO:				
Owner of the parent	\$ 220,557	4	\$ 110,842	3
Non-controlling interests	<u>95,349</u>	<u>2</u>	<u>83,638</u>	<u>2</u>
	<u>\$ 315,906</u>	<u>6</u>	<u>\$ 194,480</u>	<u>5</u>
COMPREHENSIVE INCOME ATTRIBUTE TO:				
Owner of the parent	\$ 429,948	8	\$ 689,488	16
Non-controlling interests	<u>125,420</u>	<u>2</u>	<u>166,291</u>	<u>4</u>
	<u>\$ 555,368</u>	<u>10</u>	<u>\$ 855,779</u>	<u>20</u>
EARNINGS PER SHARE (Note 26)				
Basic	<u>\$ 0.79</u>		<u>\$ 0.40</u>	
Diluted	<u>\$ 0.78</u>		<u>\$ 0.39</u>	

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

(Concluded)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Parent					O t h e r	E q u i t y	Total	Non-controlling Interests	Total Equity
	Capital Stock (Note 22)	Capital Surplus (Note 22)	Retained Earnings (Note 22)			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Loss on investments in equity instruments at FVTOCI			
			Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2024	\$ 2,792,439	\$ 5,365,320	\$ 2,100,482	\$ 281,870	\$ 2,379,872	(\$ 363,136)	\$ -	\$ 12,556,847	\$ 2,270,757	\$ 14,827,604
Appropriation of 2023 earnings	-	-	-	-	(502,639)	-	-	(502,639)	-	(502,639)
Cash dividends, NT\$1.80 per share	-	-	-	-	-	-	-	-	-	-
Net income for the three months ended March 31, 2024	-	-	-	-	110,842	-	-	110,842	83,638	194,480
Other comprehensive income for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	578,646	-	578,646	82,653	661,299
Total comprehensive income for the three months ended March 31,2024	-	-	-	-	110,842	578,646	-	689,488	166,291	855,779
Change in ownership interests in subsidiaries	-	111,483	-	-	-	-	-	111,483	(111,483)	-
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(67,620)	(67,620)
BALANCE AT MARCH 31, 2024	\$ 2,792,439	\$ 5,476,803	\$ 2,100,482	\$ 281,870	\$ 1,988,075	\$ 215,510	\$ -	\$ 12,855,179	\$ 2,257,945	\$ 15,113,124
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	-	-	-	-	(1,116,976)	-	-	(1,116,976)	-	(1,116,976)
Cash dividends, NT\$4.00 per share	-	-	-	-	-	-	-	-	-	-
Net income for the three months ended March 31, 2025	-	-	-	-	220,557	-	-	220,557	95,349	315,906
Other comprehensive income for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	219,053	(9,662)	209,391	30,071	239,462
Total comprehensive income for the three months ended March 31,2025	-	-	-	-	220,557	219,053	(9,662)	429,948	125,420	555,368
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(291,423)	(291,423)
BALANCE AT MARCH 31, 2025	\$ 2,792,439	\$ 5,476,803	\$ 2,171,975	\$ 368,933	\$ 2,458,919	\$ 751,889	(\$ 35,426)	\$ 13,985,532	\$ 2,448,226	\$ 16,433,758

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

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
FOR THREE MONTHS ENDED MARCH 31, 2025 AND 2024
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 415,897	\$ 239,763
Adjustments for:		
Depreciation expense	189,995	158,235
Amortization expense	8,032	8,863
Reversal of expected credit loss	(1,559)	(4,455)
Loss on financial assets at fair value through profit or loss, net	2,351	-
Finance costs	283	210
Interest income	(102,646)	(111,062)
Share of profits of associates	(2,232)	(411)
Loss (gain) on disposal of property, plant and equipment, net	5	(46)
Provision (reversal) of allowance for inventory valuation and obsolescence loss	(6,761)	6,123
Loss (gain) on foreign exchange, net	26,108	(11,304)
Recognition of provisions	6	7
Changes in operating assets and liabilities:		
Notes receivable	(12,429)	(17,556)
Trade receivables	555,826	462,467
Other receivables	(8,177)	(10,309)
Inventories	(764,694)	(141,233)
Other current assets	28,353	21,268
Contract liabilities	65,776	37,833
Notes payable	147	(821)
Trade payables	(54,322)	112,783
Other payables	(176,040)	(67,381)
Other current liabilities	5,369	2,780
Net defined benefit liabilities	(3,685)	(2,673)
Cash generated from operations	165,603	683,081
Interest received	102,646	111,062
Interest paid	(283)	(210)
Income tax paid	(138,966)	(65,742)
Net cash generated from operating activities	<u>129,000</u>	<u>728,191</u>

(Continued)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	Three Months Ended March 31	
	2025	2024
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(\$ 65,988)	(\$ 72,378)
Proceeds from disposal of financial assets at amortized cost	65,880	60,182
Acquisition of property, plant and equipment	(141,103)	(93,244)
Proceeds from disposal of property, plant and equipment	36	5,664
Increase in refundable deposits	(62)	(49)
Acquisition of intangible assets	(16,367)	(8,347)
Increase in prepayments for equipment	(34,450)	(122,054)
Net cash used in investing activities	(192,054)	(230,226)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in guarantee deposits received	-	(2,184)
Repayment of the principal portion of lease liabilities	(89,940)	(4,740)
Change in non-controlling interests	-	156,962
Net cash generated from (used in) financing activities	(89,940)	150,038
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	189,805	503,094
NET INCREASE IN CASH AND CASH EQUIVALENTS	36,811	1,151,097
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	13,141,780	9,746,889
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 13,178,591	\$ 10,897,986

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

(Concluded)

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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 May 2, 2025.

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).

Amendments to IAS 21 “Lack of Exchangeability”

The application of amendments to IAS 21 “Lack of Exchangeability” did not have any material impact on the Group’s accounting policies.

- b. New IFRS Accounting Standards issued by International Accounting Standards Board (IASB) and endorsed by the FSC with effective date starting 2026

New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”- the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)
c. The IFRS Accounting Standards issued by IASB, but not yet endorsed and issued into effect by the FSC	
New, Amended and Revised Standards and Interpretations	Effective Date Issued by IASB (Note)
Annual Improvements to IFRS Accounting Standards-Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between and Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023

Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability : Disclosures”	January 1, 2027

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

IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

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

c. 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.

Refer Note 12 to Tables 5 and 6 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other Significant Accounting Policies

Except for the following, please refer the other Significant accounting policies to the consolidated financial statements for the year ended December 31, 2024 .

1) 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 since that time and for significant curtailments, settlements or other significant one-off events.

2) 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 JUDGMENTS AND KEY SOURCES OF ESTIMATION, UNCERTAINTY AND ASSUMPTION

For the critical accounting judgments and key sources of estimation, uncertainty and assumption applied in these consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2024.

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

When developing material accounting estimates, the Group considers the possible impact of the reciprocal tariffs imposed by the US on 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.

Based on the assessment of the Group's management, the accounting policies, estimates, and assumptions adopted by the Group have not been subject to material accounting judgments, estimates, and assumptions uncertainty.)

6. CASH AND CASH EQUIVALENTS

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Cash on hand and petty cash	\$ 44,136	\$ 50,414	\$ 19,538
Checking and savings accounts	2,593,324	2,652,505	1,993,648
Cash equivalent (Time deposits with original maturities of less than three months)	<u>10,541,131</u>	<u>10,438,861</u>	<u>8,884,800</u>
	<u>\$ 13,178,591</u>	<u>\$ 13,141,780</u>	<u>\$ 10,897,986</u>
Interest rate intervals of cash in bank (%)	0.001-4.61	0.001-4.96	0.001-5.58

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Unlisted shares			
Pioneer Technology Co., Ltd. ("Pioneer")	\$ -	\$ -	\$ 59,657
OTO Brite Electronics, Inc. ("OTO Brite")	25,545	27,896	42,498
Guangdong Xinwei Automobile Technology Co., Ltd ("Guangdong Xinwei")	4,828	4,760	4,706
B-STORM. CO., LTD. ("B-STORM")	-	-	-
Shisei Datum Ltd. ("Shisei Datum")	-	-	-
	<u>\$ 30,373</u>	<u>\$ 32,656</u>	<u>\$ 106,861</u>

Pioneer has resolved, at the shareholders' meeting held in 2024, to reduce its capital and return shareholders' paid-up capital. The Group had received NT\$ 66,041 thousand of investment by its ownership and resolved to dispose the entire shareholdings of Pioneer by the amount of NT\$ 153,605 thousand.

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

<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
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Unlisted shares			
Myrias Optics, Inc. ('Myrias')	\$ 45,087	\$ 54,749	\$ 80,513

The Group invests in Myrias for 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

	March 31, 2025	December 31, 2024	March 31, 2024
Time deposits with original maturities of more than 3 months	\$ 156,778	\$ 156,095	\$ 189,969
Market rate intervals of time deposits (%)	0.80-1.705	1.29-1.69	1.31-1.58

10. TRADE RECEIVABLES FROM UNRELATED PARTIES

	March 31, 2025	December 31, 2024	March 31, 2024
At amortized cost			
Gross carrying amount	\$ 4,303,664	\$ 4,845,785	\$ 3,999,163
Less: Loss Allowance	(24,885)	(26,178)	(51,280)
	\$ 4,278,779	\$ 4,819,607	\$ 3,947,883

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
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March 31, 2025

Expected credit loss rate (%)	0-1.00	0-5.56	0-23.91	0- 36.61	0-40.49	0-100	
Gross carrying amount	\$ 3,833,690	\$ 415,440	\$ 17,581	\$ 17,718	\$ 2,221	\$ 17,014	\$ 4,303,664
Loss allowance (Lifetime ECLs)	(10,142)	(1,922)	(331)	(575)	(350)	(11,565)	(24,885)
Amortized cost	<u>\$ 3,823,548</u>	<u>\$ 413,518</u>	<u>\$ 17,250</u>	<u>\$ 17,143</u>	<u>\$ 1,871</u>	<u>\$ 5,449</u>	<u>\$ 4,278,779</u>
December 31, 2024							
Expected credit loss rate (%)	0-1.00	0-5.56	0-23.91	0-32.63	0-68.80	0-100	
Gross carrying amount	\$ 4,504,273	\$ 276,951	\$ 30,230	\$ 13,275	\$ 1,606	\$ 19,450	\$ 4,845,785
Loss allowance (Lifetime ECLs)	(10,383)	(1,567)	(2,564)	(1,435)	(377)	(9,852)	(26,178)
Amortized cost	<u>\$ 4,493,890</u>	<u>\$ 275,384</u>	<u>\$ 27,666</u>	<u>\$ 11,840</u>	<u>\$ 1,229</u>	<u>\$ 9,598</u>	<u>\$ 4,819,607</u>
March 31, 2024							
Expected credit loss rate (%)	0-1.40	0-5.84	0-23.91	0-42.16	0-68.80	0-100	
Gross carrying amount	\$ 3,108,995	\$ 450,753	\$ 268,907	\$ 149,429	\$ 8,827	\$ 12,252	\$ 3,999,163
Loss allowance (Lifetime ECLs)	(10,143)	(6,005)	(11,689)	(12,779)	(765)	(9,899)	(51,280)
Amortized cost	<u>\$ 3,098,852</u>	<u>\$ 444,748</u>	<u>\$ 257,218</u>	<u>\$ 136,650</u>	<u>\$ 8,062</u>	<u>\$ 2,353</u>	<u>\$ 3,947,883</u>

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

	Three Months Ended March 31	
	2025	2024
Balance at January 1	\$ 26,178	\$ 53,929
Less: Reversal	(1,559)	(4,455)
Effect of exchange rate changes	266	1,806
Balance at March 31	<u>\$ 24,885</u>	<u>\$ 51,280</u>

11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
Raw materials	\$ 2,738,114	\$ 2,176,330	\$ 1,689,864
Supplies	51,628	60,346	46,634
Work in progress	559,848	492,753	423,364
Finished goods	<u>1,076,844</u>	<u>865,551</u>	<u>882,129</u>
	<u>\$ 4,426,434</u>	<u>\$ 3,594,980</u>	<u>\$ 3,041,991</u>

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

	Three Months Ended March 31	
	2025	2024
Cost of inventories sold	\$ 4,489,575	\$ 3,628,629
Inventory loss (reversal) from write-down	(6,761)	6,123
	<u>\$ 4,482,814</u>	<u>\$ 3,634,752</u>

12. SUBSIDIARIES

- a. Subsidiaries included in the consolidated financial statements

Investor	Investee	% of Ownership		
		March 31, 2025	December 31, 2024	March 31, 2024
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")	94	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	-
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")	90	90	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
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
AOE Optronics	AOE International (Cayman) Limited (AOE Cayman)	100	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

AOE Optronics had completed a cash capital increase in March 2024. The Group did not subscribe in proportion to its shareholding, and its shareholding ratio decreased from 98% to 93%. The effect of ownership interest changes was recognized in the capital reserve.

The Company invested NT\$6,509 thousand to establish AOPI in November 2024. The Company obtained 100% ownership interest in AOPI .

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.

Restricted by local laws, the Company entrusted others to invest in Scopro, Asia Scopro and

ASAM; The Company still has a 100% ownership interest in the subsidiaries mentioned above.

The financial statements for the three months ended March 31, 2025 and 2024 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 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		
	March 31, 2025	December 31, 2024	March 31, 2024
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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Prepayments	\$ 103,479	\$ 128,337	\$ 93,385
Net input VAT	13,382	18,124	7,838
Other	<u>14,723</u>	<u>12,240</u>	<u>19,664</u>
	<u>\$ 131,584</u>	<u>\$ 158,701</u>	<u>\$ 120,887</u>

14. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investee	<u>March 31, 2025</u>		<u>December 31, 2024</u>		<u>March 31, 2024</u>	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
<u>Unlisted companies</u>						
Dong-Guan Nikon Surveying Instruments Co., Ltd. (Dong-Guan Nikon)	<u>\$ 55,891</u>	40	<u>\$ 52,880</u>	40	<u>\$ 49,983</u>	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

Three Months Ended March 31, 2025

	Balance, January 1	Additions	Decrease	Reclassification	Effect of Exchange Rate Changes	Balance, March 31
<u>Cost</u>						
Land	\$ 306,898	\$ -	\$ -	\$ -	\$ 2,258	\$ 309,156
Buildings	2,563,759	440	(3,000)	1,406	30,393	2,592,998
Machinery and equipment	7,823,605	27,641	(7,615)	36,503	98,771	7,978,905
Office equipment	411,282	644	(16)	-	5,257	417,167
Other equipment	2,983,090	46,432	(14,526)	6,279	43,364	3,064,639
Construction in progress	131,539	17,386	-	(37,766)	6,214	117,373
	<u>14,220,173</u>	<u>\$ 92,543</u>	<u>(\$ 25,157)</u>	<u>\$ 6,422</u>	<u>\$ 186,257</u>	<u>14,480,238</u>
<u>Accumulated depreciation</u>						
Buildings	1,940,571	\$ 62,053	(\$ 3,000)	\$ -	\$ 25,320	2,024,944
Machinery and equipment	6,795,615	56,871	(7,579)	-	87,184	6,932,091
Office equipment	387,379	329	(16)	-	4,949	392,641
Other equipment	2,268,065	53,533	(14,521)	-	33,410	2,340,487
	<u>11,391,630</u>	<u>\$ 172,786</u>	<u>(\$ 25,116)</u>	<u>\$ -</u>	<u>\$ 150,863</u>	<u>11,690,163</u>
	<u>\$ 2,828,543</u>					<u>\$ 2,790,075</u>

Three Months Ended March 31, 2024

	Balance, January 1	Additions	Decrease	Reclassification	Effect of Exchange Rate Changes	Balance, March 31
<u>Cost</u>						
Land	\$ 308,219	\$ -	\$ -	\$ -	(\$ 1,125)	\$ 307,094
Buildings	2,463,261	-	(2,570)	-	79,676	2,540,367
Machinery and equipment	7,265,758	77,229	(64,689)	995	275,394	7,554,687
Office equipment	398,666	90	(451)	-	16,677	414,982
Other equipment	2,624,604	20,618	(24,526)	12,361	102,794	2,735,851
Construction in progress	237	225	-	-	7	469
	<u>13,060,745</u>	<u>\$ 98,162</u>	<u>(\$ 92,236)</u>	<u>\$ 13,356</u>	<u>\$ 473,423</u>	<u>13,553,450</u>
<u>Accumulated depreciation</u>						
Buildings	1,716,766	\$ 31,805	(\$ 2,570)	\$ -	\$ 60,488	1,806,489
Machinery and equipment	6,375,184	60,621	(59,071)	-	251,395	6,628,129
Office equipment	357,799	275	(451)	-	15,023	372,646
Other equipment	2,022,453	48,543	(24,526)	-	80,095	2,126,565
	<u>10,472,202</u>	<u>\$ 141,244</u>	<u>(\$ 86,618)</u>	<u>\$ -</u>	<u>\$ 407,001</u>	<u>10,933,829</u>
	<u>\$ 2,588,543</u>					<u>\$ 2,619,621</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Carrying amount</u>			
Land	\$ 325,019	\$ 237,889	\$ 241,606
Buildings	33,381	36,667	32,480
Other equipment	<u>982</u>	<u>332</u>	<u>594</u>
	<u>\$ 359,382</u>	<u>\$ 274,888</u>	<u>\$ 274,680</u>

	<u>Three Months Ended March 31</u>	
	<u>2025</u>	<u>2024</u>
Additions to right-of use assets		
Land	\$ 85,574	\$ -
Buildings	678	14,763
Other equipment	735	-
	<u>\$ 86,987</u>	<u>\$ 14,763</u>
Depreciation of right-of-use assets		
Land	\$ 3,354	\$ 3,093
Buildings	4,217	4,601
Other equipment	<u>85</u>	<u>92</u>
	<u>\$ 7,656</u>	<u>\$ 7,786</u>

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 three months ended March 31, 2025 and 2024.

b. Lease liabilities

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Carrying amount</u>			
Current	\$ 18,786	\$ 18,321	\$ 15,609
Non-current	<u>\$ 21,559</u>	<u>\$ 24,694</u>	<u>\$ 25,489</u>

Range of discount rates for lease liabilities was as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Land	2%	2%	2%
Buildings	1.5%-5%	1.5%-5%	1.1%-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 March 31	
	2025	2024
<u>Finance costs</u>		
Interest expense from lease liabilities	\$ <u>283</u>	\$ <u>210</u>

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 March 31	
	2025	2024
Expenses relating to short-term leases	\$ <u>4,846</u>	\$ <u>4,509</u>
Total cash outflow for leases	\$ <u>95,069</u>	\$ <u>9,459</u>

17. INVESTMENT PROPERTY

	Balance, January 1	Additions	Effect of Exchange Rate Changes	Balance, March 31
<u>Three Months Ended March 31, 2025</u>				
Cost	\$ 1,186,404	\$ <u>-</u>	\$ <u>16,558</u>	\$ 1,202,962
Accumulated depreciation	(<u>879,351</u>)	(<u>9,553</u>)	(<u>12,596</u>)	(<u>901,500</u>)
	\$ <u>307,053</u>			\$ <u>301,462</u>
<u>Three Months Ended March 31, 2024</u>				
Cost	\$ 1,124,985	\$ <u>-</u>	\$ <u>45,482</u>	\$ 1,170,467
Accumulated depreciation	(<u>798,668</u>)	(<u>9,205</u>)	(<u>32,402</u>)	(<u>840,275</u>)
	\$ <u>326,317</u>			\$ <u>330,192</u>

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

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Computer software	\$ 31,001	\$ 24,723	\$ 39,657
Goodwill	14,883	14,883	14,883
Others	<u>22,120</u>	<u>20,032</u>	<u>24,309</u>
	<u>\$ 68,004</u>	<u>\$ 59,638</u>	<u>\$ 78,849</u>

The computer software is amortized on a straight-line basis over 1 to 10 years.

19. OTHER PAYABLES

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Dividend payable	\$ 1,408,399	\$ -	\$ 727,221
Salaries and bonus	910,930	1,173,740	814,367
Compensation of employees and remuneration of directors	555,971	479,570	310,527
Payables for consumables, supplies and packing charges	234,537	200,099	187,870
Payables for annual leave	49,796	49,594	53,968
Others	<u>619,957</u>	<u>676,410</u>	<u>551,319</u>
	<u>\$ 3,779,590</u>	<u>\$ 2,579,413</u>	<u>\$ 2,645,272</u>

20. PROVISIONS

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2023</u>
Employee benefits (other non-current liabilities)	<u>\$ 2,345</u>	<u>\$ 2,338</u>	<u>\$ 2,321</u>

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 ended March 31, 2025 and 2024 were determined by the pension cost rates of actuarial valuation as of December 31, 2024 and 2023, amounting to 317 thousand and 367 thousand, respectively.

22. EQUITY

a. Capital Stock

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Number of shares authorized (in thousands)	<u>313,000</u>	<u>313,000</u>	<u>313,000</u>
Capital authorized	<u>\$ 3,130,000</u>	<u>\$ 3,130,000</u>	<u>\$ 3,130,000</u>
Number of shares issued and fully paid (in thousands)	<u>279,244</u>	<u>279,244</u>	<u>279,244</u>
Capital issued	<u>\$ 2,792,439</u>	<u>\$ 2,792,439</u>	<u>\$ 2,792,439</u>

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

dividends.

b. Capital surplus

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Additional paid-in capital	\$ 430,838	\$ 430,838	\$ 430,838
From convertible bonds	4,660,886	4,660,886	4,660,886
<u>May be used to offset a deficit only (2)</u>			
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	<u>126,892</u>	<u>126,892</u>	<u>126,892</u>
	<u>\$ 5,476,803</u>	<u>\$ 5,476,803</u>	<u>\$ 5,476,803</u>

- 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 2024 and 2023 were resolved as follows:

	<u>Appropriation of Earnings</u>		<u>Dividends Per Share(NT\$)</u>	
	2024	2023	2024	2023
Legal reserve	\$ 163,666	\$ 71,493		
Special reserve	(363,136)	87,063		
Cash dividends	1,116,976	502,639	<u>\$ 4.00</u>	<u>\$ 1.80</u>

The above appropriation for cash dividends for 2024 and 2023 were resolved by the Company's board of directors in March, 2025 and 2024, the other proposed appropriations for 2023 were already resolved by the shareholders meeting in May 2024. The other proposed appropriations for 2024 will be resolved by the shareholders meeting in May, 2025.

23. NET REVENUES

	<u>Three Months Ended March 31</u>	
	2025	2024
Revenues from Contracts with customers		
Sale of goods	<u>\$ 5,409,219</u>	<u>\$ 4,288,394</u>

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 was as follows:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Refund liability	<u>\$ 36,951</u>	<u>\$ 36,951</u>	<u>\$ 36,951</u>

a. Contract information

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>	<u>January 1, 2024</u>
Notes receivable and trade receivables	<u>\$ 4,370,176</u>	<u>\$ 4,897,154</u>	<u>\$ 4,073,655</u>	<u>\$ 4,376,295</u>
Contract liabilities				
Sale of goods	<u>\$ 442,129</u>	<u>\$ 374,558</u>	<u>\$ 434,320</u>	<u>\$ 393,691</u>

b. Disaggregation of revenues

Refer to Note 34 for information about disaggregation of revenues.

	Three Months Ended March 31	
	2025	2024
<u>Timing of revenue recognition</u>		
Obligation satisfied at a point in time	<u>\$ 5,409,219</u>	<u>\$4,288,394</u>

24. NET INCOME FROM CONTINUING OPERATIONS

a. Other income

	Three Months Ended March 31	
	2025	2024
Rental income (Note 30)	\$ 4,965	\$ 5,654
Others	<u>10,044</u>	<u>29,152</u>
	<u>\$ 15,009</u>	<u>\$ 34,806</u>

b. Other gains and losses

	Three Months Ended March 31	
	2025	2024
Gain (loss) on disposal of property, plant and equipment	(\$ 5)	\$ 46
Other losses	(<u>399</u>)	(<u>218</u>)
	(<u>\$ 404</u>)	(<u>\$ 172</u>)

c. Employee benefits, depreciation and amortization expenses

	Three Months Ended March 31					
	2025			2024		
	Recognized in Cost of Revenues	Recognized in Operating Expenses	Total	Recognized in Cost of Revenues	Recognized in Operating Expenses	Total
Employee benefits expense						
Salaries and bonuses	\$738,336	\$305,191	\$1,043,527	\$ 656,762	\$ 275,492	\$ 932,254
Other employee benefits	89,627	46,249	135,876	88,361	39,519	127,880
Post-employment benefits						
Defined contribution plans	51,837	22,216	74,053	36,876	18,410	55,286
Defined benefit plans	110	207	317	128	239	367
Depreciation	137,237	52,758	189,995	115,135	43,100	158,235
Amortization	265	7,767	8,032	223	8,640	8,863

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. In accordance with the amendments to Securities and Exchange Act in August, 2004, the Company anticipates that the amended articles to its Articles of Incorporation will be approved through the resolution of the Company's 2025 Annual

General Meeting, which be specified that amount of employee compensation in current year shall be no less in 1% appropriated as compensation to the entry level employees.

The compensation of employees and remuneration of directors for the three months ended March 31, 2025 and 2024 respectively, were as follows:

	Three Months Ended March 31			
	2025		2024	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	\$ 45,255	15%	\$ 20,459
Remuneration of directors	2%	6,034	2%	2,728

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, 2024 and 2023 were resolved by the board of directors in March 2025 and 2024, respectively, as follows:

	2024		2023	
	Accrual Rate	Amount	Accrual Rate	Amount
Compensation of employees	15%	\$ 310,500	16%	\$ 160,000
Remuneration of directors	2%	40,000	2%	20,000

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, 2024 and 2023.

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

a. Major Components of tax expense in profit or loss

Income tax expense consisted of the following:

	Three Months Ended March 31	
	2025	2024
Current tax expense		
Current tax expense recognized in the current period	\$ 115,116	\$ 50,431
Income tax adjustments on prior years	<u>57</u>	<u>317</u>
	115,173	50,748
Deferred income tax expense		
Current tax expense recognized in the current period	(<u>15,182</u>)	(<u>5,465</u>)
Income tax expense recognized in profit or loss	<u>\$ 99,991</u>	<u>\$ 45,283</u>

b. Income tax examination

The income tax returns of the Company through 2023 have been examined. The income tax returns of Asia Tech, AOE Optronics, and Taiwan Top Optical Co., Ltd. through 2022 have been examined by the tax authorities.

26. EARNINGS PER SHARE

	Net Income (Numerator)	Number of Shares (In Thousands) (Denominator)	Earnings Per Share (In Dollars)
<u>Three months ended March 31, 2025</u>			
Basic EPS			
Net income available to shareholders of the common shares	\$ 220,557	279,244	<u>\$ 0.79</u>
Dilutive effects			
Subsidiaries' compensation of employees	(283)	-	
Company's compensation of employees	<u>-</u>	<u>1,453</u>	
Diluted EPS			
Net income available to owners of the parent	<u>\$ 220,274</u>	<u>280,697</u>	<u>\$ 0.78</u>
<u>Three months ended March 31, 2024</u>			
Basic EPS			
Net income available to shareholders of the common shares	\$ 110,842	279,224	<u>\$ 0.40</u>
Dilutive effects			
Subsidiaries' compensation of employees	(402)	-	
Company's compensation of employees	<u>-</u>	<u>2,046</u>	
Diluted EPS			
Net income available to owners of the parent	<u>\$ 110,440</u>	<u>281,290</u>	<u>\$ 0.39</u>

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. NON-CASH TRANSACTIONS

For the three months ended March 31, 2025 and 2024, the Group entered into the following non-cash investing activities which were not reflected in the consolidated statements of cash flows:

- (1) The Group reclassified prepayments for equipment in the amount of \$6,422 thousand and \$13,356 thousand to property, plant and equipment for the three months ended March 31, 2025 and 2024, respectively.
- (2) On March 31, 2025 and 2024, the cash dividends of non-controlling interests resolved by the board meeting have been not yet distributed which are \$291,423 thousand and \$224,582 thousand, respectively.
- (3) On March 31, 2025 and 2024, the cash dividends resolved by the board meeting have been not

yet distributed which are \$1,116,976 thousand and \$502,639 thousand, respectively.

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to 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.

29. FINANCIAL 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
<u>March 31, 2025</u>				
Financial assets at FVTPL				
Foreign unlisted shares	\$ -	\$ 4,828	\$ -	\$ 4,828
Domestic unlisted shares	-	25,545	-	25,545
Financial assets at FVTOCI				
Foreign unlisted shares	-	45,087	-	45,087
<u>December 31, 2024</u>				
Financial assets at FVTPL				
Foreign unlisted shares	-	4,760	-	4,760
Domestic unlisted shares	-	27,896	-	27,896
Financial assets at FVTOCI				
Foreign unlisted shares	-	54,749	-	54,749
<u>March 31, 2024</u>				
Financial assets at FVTPL				
Foreign unlisted shares	\$ -	\$ 64,363	\$ -	\$ 64,363
Domestic unlisted shares	-	42,498	-	42,498
Financial assets at FVTOCI				
Foreign unlisted shares	-	80,513	-	80,513

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

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Unlisted shares	<p>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).</p> <p>Income approach: utilizing discounted cash flows to determine the present value of the expected future economic benefits that will be derived from investment.</p> <p>Asset approach: measuring the fair value of individual assets and liabilities at net asset value.</p>

b. Categories of financial instruments

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
<u>Financial assets</u>			
at amortized cost (Note 1)	\$ 17,767,668	\$ 18,248,115	\$ 15,286,280
Financial assets at FVTPL			
Mandatorily at FVTPL	30,373	32,656	106,861
Financial assets at FVTOCI			
Equity instruments	45,087	54,749	80,513
<u>Financial liabilities</u>			
at amortized cost (Note 2)	5,540,809	5,553,805	4,008,321

(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 receivables 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, borrowings 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 32.

Sensitivity analysis

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

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:

	Three Months Ended March 31	
	2025	2024
Profit or loss		
USD impact	\$ 881	\$ 3,994
RMB impact	9,352	7,667
JPY impact	183	1,246

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:

	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Fair value interest rate risk			
Financial assets	\$10,697,909	\$10,594,956	\$ 9,074,769
Lease liabilities	40,345	43,015	41,098
Cash flow interest rate risk			
Financial assets	2,528,511	2,504,081	1,879,541

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 three months ended March 31, 2025 and 2024 would have increased/decreased by \$729 thousand and \$611 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. Thus, the Group's bank loans that may be required to pay immediately were listed in the soonest period of the list, regardless of the probability that a bank may request immediate repayments. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment date

	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
<u>March 31, 2025</u>				
Non-interest bearing payables	\$ 6,941,250	\$ 7,958	\$ -	\$ 6,949,208
Lease liabilities	<u>19,234</u>	<u>21,182</u>	<u>614</u>	<u>41,030</u>
	<u>\$ 6,960,484</u>	<u>\$ 29,140</u>	<u>\$ 614</u>	<u>\$ 6,990,238</u>
<u>December 31, 2024</u>				
Non-interest bearing payables	\$ 5,545,957	\$ 7,848	\$ -	\$ 5,553,805
Lease liabilities	<u>19,226</u>	<u>24,716</u>	<u>629</u>	<u>44,571</u>
	<u>\$ 5,565,183</u>	<u>\$ 32,564</u>	<u>\$ 629</u>	<u>\$ 5,598,376</u>
<u>March 31, 2024</u>				

	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
<u>March 31, 2025</u>				
Non-interest bearing payables	\$ 6,941,250	\$ 7,958	\$ -	\$ 6,949,208
Lease liabilities	<u>19,234</u>	<u>21,182</u>	<u>614</u>	<u>41,030</u>
	<u>\$ 6,960,484</u>	<u>\$ 29,140</u>	<u>\$ 614</u>	<u>\$ 6,990,238</u>
Non-interest bearing payables	\$ 4,733,864	\$ 1,678	\$ -	\$ 4,735,542
Lease liabilities	<u>16,571</u>	<u>25,793</u>	<u>698</u>	<u>43,062</u>
	<u>\$ 4,750,435</u>	<u>\$ 27,471</u>	<u>\$ 698</u>	<u>\$ 4,778,604</u>

30. 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

<u>Related Party Name</u>	<u>Related Party Category</u>
Dong-Guan Nikon	Associate

b. Trading transactions

<u>Line Item</u>	<u>Related Party Category</u>	<u>Three Months Ended</u>	
		<u>March 31, 2025</u>	<u>March 31, 2024</u>
Net revenues	Associate	<u>\$ 5</u>	<u>\$ -</u>
Purchases of goods	Associate	<u>\$ 20,391</u>	<u>\$ 5,361</u>
Rental income	Associate	<u>\$ 396</u>	<u>\$ 383</u>

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

<u>Line Item</u>	<u>Related Party Category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Trade Receivables	Associate	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>
Other Receivables	Associate	<u>\$ 142</u>	<u>\$ -</u>	<u>\$ 277</u>

d. Payables to related parties

<u>Line Item</u>	<u>Related Party Category</u>	<u>March 31, 2025</u>	<u>December 31, 2024</u>	<u>March 31, 2024</u>
Trade payables	Associate	\$ 15,681	\$ 5,244	\$ 7,476

e. Compensation of key management personnel

Three Months Ended March 31		
	2025	2024
Short-term employee benefits	\$ 13,521	\$ 12,238

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

31. 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\$1.2 billion with Chinatrust Commercial Bank and the related management group. The Group is required to maintain its current ratio at no less than 100%, its debt ratio less than 110%, its interest coverage ratio at no less than 4 times and the value of its net tangible assets at no less than NT\$12 billion for semi-annual and annual financial statements during the contractual period of the loan agreement. The Company has not drawn against the credit line as of March 31, 2025.

32. 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:

March 31, 2025				
Foreign Currency		Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 111,137	33.205 (USD:NTD)		\$ 3,690,304
USD	176,547	7.1782 (USD:RMB)		5,862,243
USD	11,043	57.2401 (USD:PHP)		366,683
JPY	2,587,308	0.0481 (JPY:RMB)		575,607
JPY	2,100,222	0.2227 (JPY:NTD)		467,244
RMB	202,181	0.1393 (RMB:USD)		935,179
<u>Financial liabilities</u>				
Monetary items				
USD	242,750	33.205 (USD:NTD)		8,060,514
USD	36,699	7.1782 (USD:RMB)		1,218,590
USD	21,931	57.2401 (USD:PHP)		728,219
JPY	4,769,744	0.2227 (JPY:NTD)		1,061,142

December 31, 2024				
	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 174,611	32.785	(USD:NTD)	\$ 5,724,622
USD	174,990	7.1884	(USD:RMB)	5,737,047
USD	12,538	57.8117	(USD:PHP)	411,058
JPY	2,390,261	0.0460	(JPY:RMB)	501,469
JPY	1,784,696	0.2099	(JPY: NTD)	374,472
RMB	201,131	0.1391	(RMB:USD)	917,237
<u>Financial liabilities</u>				
Monetary items				
USD	239,461	32.785	(USD:NTD)	7,850,729
USD	30,870	7.1884	(USD:RMB)	1,012,073
USD	22,545	57.8117	(USD:PHP)	739,138
JPY	4,387,406	0.2099	(JPY:NTD)	920,583
March 31, 2024				
	Foreign Currency	Exchange Rate		Carrying Amount
<u>Financial assets</u>				
Monetary items				
USD	\$ 101,180	32.00	(USD:NTD)	\$ 3,237,760
USD	163,685	7.095	(USD:RMB)	5,237,920
USD	9,041	56.2094	(USD:PHP)	289,312
JPY	1,431,774	0.0468	(JPY:RMB)	302,391
JPY	734,524	0.2115	(JPY:NTD)	155,131
RMB	170,035	0.1409	(RMB:USD)	766,654
<u>Financial liabilities</u>				
Monetary items				
USD	206,798	32.00	(USD:NTD)	6,617,536
USD	36,496	7.095	(USD:RMB)	1,167,872
USD	18,130	56.2094	(USD:PHP)	580,160
JPY	2,756,053	0.2115	(JPY:NTD)	582,078

For three months ended March 31, 2025 and 2024, realized and unrealized net foreign exchange loss were \$6,522 thousand, \$11,546 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.

33. 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) 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 30.

34. SEGMENT INFORMATION

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

- a. Segment revenue and results

	Segment Revenue		Segment Profit (Loss)	
	Three Months Ended March 31		Three Months Ended March 31	
	2025	2024	2025	2024
Optical components	\$ 2,319,930	\$ 2,098,403	\$ (25,812)	\$ (104,692)
Contact image sensor modules	1,101,790	855,208	149,503	105,085
Digital camera	978,316	466,691	76,189	18,662
Optronics components	708,921	584,198	41,015	27,582

Optronics products	<u>383,923</u>	<u>347,227</u>	<u>64,678</u>	<u>58,776</u>
	<u>\$ 5,492,880</u>	<u>\$ 4,351,727</u>	<u>\$ 305,573</u>	<u>\$ 105,413</u>

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

1) Segment revenue

	Three Months Ended March 31	
	2025	2024
Reportable segment revenue	\$ 5,492,880	\$ 4,351,727
Eliminated intersegment revenue	(83,661)	(63,333)
Net revenue	<u>\$ 5,409,219</u>	<u>\$ 4,288,394</u>

2) Segment profit (loss)

	Three Months Ended March 31	
	2025	2024
Reportable segment profit	\$ 305,573	\$ 105,413
Other segment profit and loss	(3)	(1)
Other income	15,009	34,806
Other gains and losses	(404)	(172)
Financial costs	(283)	(210)
Share of profit of associates	2,232	411
Interest income	102,646	111,062
Foreign exchange loss, net	(6,522)	(11,546)
Loss on fair value of financial assets at FVTPL, net	(2,351)	-
Income before income tax	<u>\$ 415,897</u>	<u>\$ 239,763</u>

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, dividend 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
THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 126,275 (RMB 27,300)	\$ 126,275 (RMB 27,300)	\$ 126,275 (RMB 27,300)	0.5	Short-term financing	\$ -	For working capital	\$ -	-	\$ -	\$ 1,000,000	\$ 2,000,000
Total						\$ 126,275	\$ 126,275			\$ -		\$ -		\$ -		

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.

TABLE 2

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

THREE MONTHS ENDED MARCH 31, 2025

(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	\$ 211,101	21	30-180 days	-	-	(\$ 1,237,832)	(18)	Note 2
	Scopro	Note 1	Purchases	140,254	14	30-180 days	-	-	(234,196)	(3)	Note 2
	Myanmar Asia	Note 1	Purchases	159,655	16	30-180 days	-	-	(909,888)	(13)	Note 2
Asia International	Shen Zhen Sintai	Note 1	Purchases	162,292	4	30-180 days	-	-	(1,024,118)	(39)	Note 2
	Myanmar Asia	Note 1	Purchases	190,147	4	30-180 days	-	-	-	-	Note 2
Asia Tech	Asia Tech Samoa	Note 1	Purchases	922,482	100	30-180 days	-	-	(1,904,835)	(99)	Note 2
Asia Tech Samoa	Asia Tech	Note 1	Sales	(922,482)	(100)	30-180 days	-	-	1,904,835	100	Note 2
	Shen Zhen Atii	Note 1	Purchases	554,456	61	30-180 days	-	-	(1,461,935)	(69)	Note 2
Shen Zhen Atii	Asia Tech Samoa	Note 1	Sales	(554,456)	(94)	30-180 days	-	-	1,461,935	98	Note 2
AOE Shen Zhen	Shen Zhen Sintai	Note 1	Purchases	103,621	12	30-180 days	-	-	(58,823)	(5)	Note 2
	AOE Cayman	Note 1	Sales	(319,131)	(34)	30-180 days	-	-	180,417	20	Note 2
	AOE Cayman	Note 1	Purchases	136,136	16	30-180 days	-	-	(234,620)	(19)	Note 2
AOE Cayman	AOE Shen Zhen	Note 1	Sales	(136,136)	(33)	30-180 days	-	-	241,359	45	Note 2
	AOE Shen Zhen	Note 1	Purchases	319,131	69	30-180 days	-	-	(180,417)	(38)	Note 2
	AOE Optronics	Note 1	Sales	(262,727)	(63)	30-180 days	-	-	195,228	36	Note 2
AOE Optronics	AOE Cayman	Note 1	Purchases	262,727	94	30-180 days	-	-	(194,840)	(85)	Note 2
Shen Zhen Sintai	Asia International	Note 1	Sales	(162,292)	(22)	30-180 days	-	-	1,230,844	43	Note 2
	Asia Optical	Note 1	Sales	(211,101)	(29)	30-180 days	-	-	1,258,226	44	Note 2
	AOE Shen Zhen	Note 1	Sales	(103,621)	(14)	30-180 days	-	-	74,977	3	Note 2
Myanmar Asia	Asia International	Note 1	Sales	(190,147)	(54)	30-180 days	-	-	-	-	Note 2
	Asia Optical	Note 1	Sales	(159,655)	(46)	30-180 days	-	-	923,348	99	Note 2
Doan-Guan Yorkey	Yorkey Technology	Note 1	Sales	(258,442)	(38)	30-180 days	-	-	1,725,809	79	Note 2
Yorkey Technology	Dong-Guan Yorkey	Note 1	Purchases	258,442	83	30-180 days	-	-	(1,725,809)	(97)	Note 2
Scopro	Asia Optical	Note 1	Sales	(140,254)	(100)	30-180 days	-	-	234,890	100	Note 2

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

Note 2: Intercompany accounts and transactions have been eliminated.

TABLE 3

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Action Taken		
Asia Optical	Scopro	Affiliate	\$ 185,895	Note 1	\$ -	-	\$ 63,085	\$ -
	Asia Tech	Affiliate	103,702	Note 1	-	-	-	-
Asia International	Myanmar Asia	Subsidiary of Asia International	1,712,211	Note 1	-	-	-	-
	AOE Cayman	Affiliate	257,158	Note 1	-	-	16,617	-
	Asia Optical	Parent company of Asia International	3,672,021	Note 1	-	-	92,165	-
	Dong-Guan Tailien	Affiliate	159,094	Note 1	-	-	-	-
AOE Cayman	AOE Shen Zhen	Subsidiary of AOE Cayman	241,359	Note 1	-	-	-	-
	AOE Shen Zhen	Subsidiary of AOE Cayman	967,130	Note 1	-	-	-	-
	AOE Optronics	Parent company of AOE Cayman	195,228	Note 1	-	-	114,606	-
	Asia Scopro	Affiliate	100,552	Note 1	-	-	-	-
Dong-Guan Sintai	Asia Optical	Parent company of Asia International	329,430	Note 1	-	-	16,274	-
Dong-Guan Tailien	Asia Optical	Parent company of Asia International	152,073	Note 1	-	-	-	-
AOE Shen Zhen	AOE Cayman	Parent company of AOE Shen Zhen	180,417	Note 1	-	-	-	-
Shen Zhen Sintai	Asia International	Parent company of Shen Zhen Sintai	1,230,844	Note 1	-	-	4,827	-
	Shang Hai Sintai	Affiliate	130,843	Note 1	-	-	6,938	-
	Asia Optical	Parent company of Asia International	1,258,226	Note 1	-	-	3,474	-
Myanmar Asia	Asia Optical	Parent company of Asia International	923,348	Note 1	-	-	10,028	-
Powerlink Cayman	Scopro	Affiliate	230,324	Note 1	-	-	-	-
	Asia Scopro	Parent company of Asia Scopro	183,596	Note 1	-	-	-	-
Asia Tech Samoa	Asia Tech	Parent company of Asia Tech Samoa	1,904,835	Note 1	-	-	315,753	-
Shen Zhen Atii	Asia Tech Samoa	Parent company of Shen Zhen Atii	1,461,935	Note 1	-	-	70,074	-
Dong-Guan Yorkey	Yorkey Technology	Parent company of Dong-Guan Yorkey	1,725,809	Note 1	-	-	78,063	-
Scopro	Asia Optical	Affiliate	234,890	Note 1	-	-	94,266	-

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.

TABLE 4

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
THREE MONTHS ENDED MARCH 31, 2025
(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	\$ 3,549,374	30-180 days	14
				Other payables	198,068	-	1
		Dong-Guan Tailien	1	Purchases	59,709	30-180 days	1
				Trade payables	151,462	30-180 days	1
		Dong-Guan Sintai	1	Purchases	97,007	30-180 days	2
				Trade payables	328,604	-	1
		Shen Zhen Sintai	1	Purchases	211,101	30-180 days	4
				Trade payables	1,237,832	-	5
		Myanmar Asia	1	Purchases	159,655	30-180 days	3
				Trade payables	909,888	-	3
		Scopro	1	Sales	52,349	30-180 days	1
				Purchases	140,254	30-180 days	3
				Trade receivables	185,895	30-180 days	1
				Trade payables	234,196	30-180 days	1
1	Asia International	Shen Zhen Sintai	2	Purchases	162,292	30-180 days	3
				Trade payables	1,024,118	30-180 days	4
				Other payables	198,126	30-180 days	1
		Myanmar Asia	2	Trade receivables	1,712,211	30-180 days	7
				Purchases	190,147	30-180 days	4
		AOE Cayman	2	Trade receivables	257,158	30-180 days	1
		Dong-Guan Tailien	2	Trade receivables	159,094	30-180 days	1
2	AOE Optronics	AOE Cayman	2	Prepayment for purchases	150,652	30-180 days	1
3	Asia Tech	Asia Tech Samoa	2	Purchases	262,727	30-180 days	5
				Trade payables	194,840	30-180 days	1
4	Asia Tech Samoa	Shen Zhen Atii	2	Purchases	922,482	30-180 days	17
				Trade payables	1,904,835	30-180 days	7
5	AOE Cayman	AOE Shen Zhen	2	Purchases	554,456	30-180 days	10
				Trade payables	1,461,935	30-180 days	6
				Sales	136,136	30-180 days	3
				Purchases	319,131	30-180 days	6
				Trade receivables	241,359	30-180 days	1
				Other receivables	967,130	-	4
				Trade payables	180,417	30-180 days	1

(Continued)

Number	Company Name	Counter-party	Relationship (Note 1)	Transaction In Details			
				Financial Statement Accounts	Amount (Note 3)	Payment Terms	% to Total Sales or Assets (Note 2)
6	Shen Zhen Sintai	AOE Shen Zhen	2	Sales	\$ 103,621	30-180 days	2
7	Powerlink Cayman	Scopro	2	Trade receivables	230,324	30-180 days	1
		Asia Scopro		Trade receivables	183,596	30-180 days	1
8	Yorkey Technology	Dong-Guan Yorkey	2	Purchases	254,442	30-180 days	5
				Trade payables	1,725,809	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.

TABLE 5

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTEEES
THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	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	\$ 14,297,804	\$ 133,902	\$ 133,902	Subsidiary
	Asia Tech	New Taipei	Sale of precision instruments and image sensors	231,753	231,753	19,027,964	26	846,212	131,959	34,624	Subsidiary
	Powerlink Cayman AOE Optronics	Cayman Islands	Holding company	44,392	44,392	1,500,000	100	604,758	(24,158)	(24,158)	Subsidiary
		Taichung	Design, manufacture and sale of mobile consumer electronic products	1,938,431	1,938,431	19,179,577	91	996,176	(51,051)	(46,273)	Subsidiary
	Richman Taiwan Top	British Virgin Islands Changhua	Holding company	99,520	99,520	2,566,000	100	175,273	6,008	6,008	Subsidiary
			Manufacture and sale of cameras, copy machines, printers and facsimile machines	588,105	588,105	8,248,348	94	136,466	(4,087)	(3,826)	Subsidiary
	Powerlink	British Virgin Islands	Holding company	14,000	14,000	50,000	100	(80,684)	12,303	12,303	Subsidiary
	AOPI	Malvar, Philippines	Manufacture and sale of rifle scopes, telescopes, lenses, and optical machines	22,874	6,509	406,712	100	22,363	(924)	(924)	Subsidiary
Asia International	Yorkey Cayman	Cayman Islands	Holding company	2,663,778	2,663,778	776,346,000	95	2,094,364	74,617	71,140	Indirect Subsidiary
	AOE Optronics	Taichung	Design, manufacture and sale of mobile consumer electronic products	298,179	298,179	506,880	2	26,314	(51,051)	(1,225)	Subsidiary
	AOIDC	Japan	Development and technology services	22,071	22,071	100	100	28,435	(259)	(259)	Indirect Subsidiary
	Myanmar Asia	Yangon, Myanmar	Manufacture of lens and related products	985,581	634,082	5,582,305	100	(144,714)	97,211	97,211	Indirect subsidiary
Powerlink Cayman	Asia Scopro	Calamba, Philippines	Manufacture and sale of rifle scopes, telescopes, lenses, and optical machines	17,043	17,043	241,000	100	(106,415)	(23,580)	(23,580)	Indirect subsidiary
	ASAM	Calamba, Philippines	Anode processing factory	9,690	9,690	150,000	100	31,992	(3,488)	(3,488)	Indirect subsidiary
Asia Tech	Asia Tech Samoa	Samoa	Sale of precision instruments and image sensors	845,520	845,520	18,662,310	100	2,895,307	15,090	15,090	Indirect Subsidiary
Powerlink	Scopro	Manila, Philippines	Manufacture and sale of rifle scopes, telescopes, lenses, and optical machines	5,119	5,119	4,000,000	100	(89,462)	13,222	13,222	Indirect subsidiary
Richman	Yorkey Cayman	Cayman Islands	Holding company	291,289	291,289	40,000,000	5	107,906	74,617	3,656	Indirect Subsidiary
	Crosszone	British Virgin Islands	Trading company	1,568	1,568	50,000	100	(3,751)	(16)	(16)	Indirect subsidiary
AOE Optronics	AOE Cayman	Cayman Islands	Sale of mobile consumer electronic products	1,311,447	1,311,447	44,176,066	100	847,628	(50,162)	(50,162)	Indirect subsidiary
Yorkey Cayman	Yorkey Technology	Samoa	Trading company	302,910	302,910	550,001	100	924,825	72,972	72,972	Indirect subsidiary

ASIA OPTICAL CO., INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
THREE MONTHS ENDED MARCH 31, 2025
(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, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025
					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)	(\$ 4,734)	100	(\$ 4,734)	\$ 3,361,006	\$ -
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)	12,488	100	12,488	521,587	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)	3,558	26	919	481,268	-
Shang Hai Sintai	Manufacture and sale of parts of DVs, DSCs, parts and accessories for DVs, DSC-related parts and accessories	US\$ 34,000	(2)	1,098,606 (US\$ 34,000)	-	-	1,098,606 (US\$ 34,000)	(1,724)	100	(1,724)	61,021	-
Dong-Guan Tailien	Manufacture and processing of cameras and parts	US\$ 3,160	(2)	123,440 (US\$ 4,000)	-	-	123,440 (US\$ 4,000)	17,502	61	10,761	165,660	149,145 (US\$ 4,778)
			(3)	11,163 (US\$ 420)	-	-	11,163 (US\$ 420)	17,502	17	2,991	46,378	57,727 (US\$ 1,823)
			(2)	22,614 (US\$ 700)	-	-	22,614 (US\$ 700)	17,502	12	2,016	31,245	31,070 (US\$ 971)
			(2)	291,289 (US\$ 9,079)	-	-	291,289 (US\$ 9,079)	57,129	5	2,799	107,589	-
Dong-Guan Yorkey	Manufacture of plastic and metallic parts, molds and cases of optical and optronics products	US\$ 20,680	(2)	2,663,778 (US\$ 93,994)	-	-	2,663,778 (US\$ 93,994)	57,129	95	54,508	2,088,218	-
Dong-Guan Nikon	Research and manufacture of equipment for electronic use	US\$ 2,000	(2)	27,772 (US\$ 800)	-	-	27,772 (US\$ 800)	5,580	40	2,232	55,891	-
AOE Shen Zhen	Manufacture of mobile consumer electronic products	US\$ 12,000	(2)	360,186 (US\$ 12,000)	-	-	360,186 (US\$ 12,000)	(50,085)	91	(45,437)	(173,221)	-
Guangdong Xinwei	Manufacture of car parts	RMB\$ 9,100	(3)	-	-	-	-	(50,085)	2	(1,202)	(4,628)	-
				-	-	-	-	-	38	-	4,828	-

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2025	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.

Note 4: Please refer to footnote 7 in this consolidated financial report, however, the disposal proceeds has not wired back to Taiwan by March 31, 2025.