ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of St. Shine Optical Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of St. Shine Optical Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Key audit matter - Appropriateness of timing of sales revenue recognition

Description

Refer to Note 4(25) for accounting policy on revenue recognition and Note 6(15) for the details of sales revenue.

The Group's revenue is primarily from export of goods. Sales revenue is recognised when the control of the products has transferred to the customers based on the information listed in the export declaration. As the procedures for the timing of revenue recognition involves the manual checking of the status of delivery and related documents, this may lead to some errors in the timing of revenue recognition near the end of the financial reporting date. Thus, we considered the appropriateness of timing of sales revenue recognition as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Obtained an understanding of, assessed and tested management's internal control procedures on revenue recognition, and confirmed whether the related internal controls were reasonable and operating effectively.

B. Performed cut-off test on sales revenue transactions, including checking the order terms, export declaration and delivery information in order to confirm whether the accounting treatment of revenue recognition timing was appropriate.

Key audit matter - Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12) for the accounting policy on inventory valuation, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and Note 6(4) for the details of allowance for inventory valuation losses.

The Group is primarily engaged in manufacturing and trading of contact lenses. As the contact lenses market is competitive, frequent releases of new products result in potential price fluctuations and product marginalization in the market. These factors may affect the estimation of the net realisable values of inventories.

The Group’s inventories are measured at the lower of cost and net realisable value, which involves subjective judgement resulting in a high degree of estimation uncertainty. Thus, we considered the assessment of allowance for inventory valuation losses as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

A. Based on the understanding of the Group’s operations and industry characteristics, assessed the reasonableness of provision policies and procedures on allowance for inventory valuation losses, including inventory clearance, the reasonableness of obsolete inventory, and the consistency of accounting estimates.

B. Tested the statements prepared by the Group to verify whether the information that the Group used to calculate inventory valuation loss was consistent with the Group’s policy, sampled individual part numbers to verify whether the selling price and net realisable value were calculated correctly, and assessed the reasonableness of allowance for inventory valuation losses.

C. Verified the appropriateness of system logic used in the Group's inventory aging reports to confirm whether the information on the reports is consistent with its policies.

D. Selected samples of individual inventory item numbers and checked them against historical data on inventory clearance and discount, compared the samples against prior allowance for inventory valuation losses and referred to subsequent transactions in order to assess the reasonableness of the Group's allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of St. Shine Optical Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

A. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

E. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Teng, Sheng-wei

Yu, Shu-Fen

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance consolidated with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers, Taiwan cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,063,672	26	$ 2,283,352	27
1136	Current financial assets at amortised cost	6(2)	-	-	30,710	-
1150	Notes receivable, net	6(3)	2,052	-	4,494	-
1170	Accounts receivable, net	6(3)	681,079	9	634,001	8
1180	Accounts receivable due from related parties, net	7	825	-	815	-
1200	Other receivables		16,728	-	11,558	-
130X	Inventories	6(4)	1,087,297	14	1,327,345	16
1410	Prepayments		49,802	1	51,855	1
1470	Other current assets		3,569	-	930	-
11XX	**Total current assets**		3,905,024	50	4,345,060	52
	Non-current assets					
1550	Investment accounted for using equity method	6(5)	12,381	-	10,818	-
1600	Property, plant and equipment	6(6) and 8	3,546,118	46	3,658,997	44
1755	Right-of-use assets	6(7)	59,506	1	90,916	1
1780	Intangible assets		3,946	-	2,371	-
1840	Deferred income tax assets	6(22)	48,944	1	51,930	1
1900	Other non-current assets	6(11)	178,333	2	141,603	2
15XX	**Total non-current assets**		3,849,228	50	3,956,635	48
1XXX	**Total assets**		$ 7,754,252	100	$ 8,301,695	100

(Continued)

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(8)	$ -	-	$ 200,000	2
2130	Contract liabilities - current	6(15)	43,139	1	11,881	-
2150	Notes payable		210,380	3	185,408	2
2170	Accounts payable		53,589	1	61,484	1
2200	Other payables	6(9)	679,488	9	723,106	9
2230	Current income tax liabilities		143,061	2	218,166	3
2280	Lease liabilities - current		32,170	-	43,802	1
2320	Long-term liabilities, current portion	6(10) and 8	102,883	1	102,664	1
2399	Other current liabilities		7,789	-	18,925	-
21XX	**Total current liabilities**		1,272,499	17	1,565,436	19
	Non-current liabilities					
2540	Long-term borrowings	6(10) and 8	289,228	4	392,094	5
2570	Deferred income tax liabilities	6(22)	28,840	-	28,618	-
2580	Lease liabilities - non-current		27,615	-	47,785	1
25XX	**Total non-current liabilities**		345,683	4	468,497	6
2XXX	**Total liabilities**		1,618,182	21	2,033,933	25
	Equity attributable to owners of the parent					
	Share capital	6(12)				
3110	Ordinary share		504,165	6	504,165	6
	Capital surplus	6(13)				
3200	Capital surplus		526,000	7	526,000	6
	Retained earnings	6(14)				
3310	Legal reserve		1,958,133	25	1,853,795	22
3320	Special reserve		-	-	9,374	-
3350	Unappropriated retained earnings		3,146,855	41	3,374,385	41
	Other equity interest					
3400	Other equity interest		917	-	43	-
3XXX	**Total equity**		6,136,070	79	6,267,762	75
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 7,754,252	100	$ 8,301,695	100

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

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE AMOUNTS)

			For the years ended December 31,			
			2023		2022	
	Items	Notes	Amount	%	Amount	%
4000	Operating revenue	6(15) and 7	$ 4,393,888	100	$ 5,003,499	100
5000	Operating costs	6(4) (20) (21)	(3,418,643)	(78)	(3,529,098)	(71)
5900	Gross profit		975,245	22	1,474,401	29
5910	Unrealised profit from sales		-	-	(1)	-
5920	Realised profit from sales		1	-	-	-
5950	Gross profit		975,246	22	1,474,400	29
	Operating expenses	6 (20) (21)				
6100	Selling expenses		(176,456)	(4)	(196,898)	(4)
6200	General and administrative expenses		(128,137)	(3)	(160,126)	(3)
6300	Research and development expenses		(69,910)	(1)	(48,825)	(1)
6450	Expected credit impairment gain	12(2)	4,956	-	4,096	-
6000	Total operating expenses		(369,547)	(8)	(401,753)	(8)
6900	Operating profit		605,699	14	1,072,647	21
	Non-operating income and expenses					
7100	Interest income	6(2) (16)	37,857	1	11,836	-
7010	Other income	6(17)	12,906	-	11,259	-
7020	Other gains and losses	6(7) (18)	32,532	-	198,337	4
7050	Finance costs	6(7) (19)	(10,233)	-	(9,790)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(5)	157	-	(3,196)	-
7000	Total non-operating income and expenses		73,219	1	208,446	4
7900	**Profit before income tax**		678,918	15	1,281,093	25
7950	Income tax expense	6(22)	(132,964)	(3)	(262,039)	(5)
8200	**Profit for the year**		$ 545,954	12	$ 1,019,054	20
	Other comprehensive income, net					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain on remeasurement of defined benefit plans	6(11)	$ 2,629	-	$ 30,414	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(526)	-	(6,082)	-
	Components of other comprehensive income that will be subsequently reclassified to profit or loss					
8361	Exchange differences on translation of foreign financial statements		1,103	-	9,417	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(22)	(229)	-	-	-
8300	**Other comprehensive income, net**		$ 2,977	-	$ 33,749	1
8500	**Total comprehensive income for the year**		$ 548,931	12	$ 1,052,803	21
	Profit attributable to:					
8610	Owners of the parent		$ 545,954	12	$ 1,019,054	20
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 548,931	12	$ 1,052,803	21
	Basic earnings per share					
9750	Profit for the year	6(23)	$	10.83	$	20.21
	Diluted earnings per share					
9850	Profit for the year	6(23)	$	10.74	$	20.05

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

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Equity attributable to owners of the parent						
				Retained earnings			Other equity interest	
	Notes	Ordinary share	Capital surplus - share premium	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
For the year ended December 31, 2022								
Balance at January 1, 2022		$ 504,165	$ 526,000	$ 1,758,420	$ 5,853	$ 3,186,143	($ 9,374)	$ 5,971,207
Profit for the year		-	-	-	-	1,019,054	-	1,019,054
Other comprehensive income for the year		-	-	-	-	24,332	9,417	33,749
Total comprehensive income for the year		-	-	-	-	1,043,386	9,417	1,052,803
Appropriations and distribution of 2021 earnings	6(14)							
Legal reserve		-	-	95,375	-	(95,375)	-	-
Special reserve		-	-	-	3,521	(3,521)	-	-
Cash dividends		-	-	-	-	(756,248)	-	(756,248)
Balance at December 31, 2022		$ 504,165	$ 526,000	$ 1,853,795	$ 9,374	$ 3,374,385	$ 43	$ 6,267,762
For the year ended December 31, 2023								
Balance at January 1, 2023		$ 504,165	$ 526,000	$ 1,853,795	$ 9,374	$ 3,374,385	$ 43	$ 6,267,762
Profit for the year		-	-	-	-	545,954	-	545,954
Other comprehensive income for the year		-	-	-	-	2,103	874	2,977
Total comprehensive income for the year		-	-	-	-	548,057	874	548,931
Appropriations and distribution of 2022 earnings	6(14)							
Legal reserve		-	-	104,338	-	(104,338)	-	-
Reversal of special reserve		-	-	-	(9,374)	9,374	-	-
Cash dividends		-	-	-	-	(680,623)	-	(680,623)
Balance at December 31, 2023		$ 504,165	$ 526,000	$ 1,958,133	$ -	$ 3,146,855	$ 917	$ 6,136,070

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

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	For the years ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		$ 678,918	$ 1,281,093
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges	6(6) (7) (20)	307,869	315,505
Amortisation charges	6(20)	14,174	13,039
Expected credit impairment gain	12(2)	(4,956)	(4,096)
Interest expense	6(19)	10,233	9,790
Interest income	6(16)	(37,857)	(11,836)
(Gain) loss on investments accounted for using equity method	6(5)	(157)	3,196
Unrealised profit from sales		-	1
Realised profit from sales		(1)	-
Property, plant and equipment transferred to expenses	6(6)	954	-
Gain on disposal of investment		-	(4,949)
Loss (gain) on disposals of property, plant and equipment	6(18)	92	(105)
(Gain) loss on lease modifications	6(7) (18)	(30)	26
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable		2,442	(511)
Accounts receivable		(42,358)	269,449
Accounts receivable due from related parties		(10)	1,462
Other receivables		2,960	4,112
Inventories		240,048	(151,434)
Prepayments		(8,215)	(15,924)
Other current assets		(2,657)	(562)
Changes in liabilities relating to operating activities			
Contract liabilities		31,258	(9,284)
Notes payable		24,972	(33,299)
Accounts payable		(7,895)	(46,969)
Other payables		(46,915)	(91,797)
Other current liabilities		(11,183)	1,977
Cash inflow generated from operations		1,151,686	1,528,884
Receipt of interest		37,985	10,778
Payment of interest		(10,269)	(9,838)
Payment of income tax		(213,638)	(241,576)
Net cash provided by operating activities		965,764	1,288,248
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortized cost - current	6(2)	30,710	(30,710)
Acquisition of investment accounted for using equity method		-	(13,995)
Acquisition of property, plant and equipment	6(24)	(146,412)	(134,973)
Proceeds from disposal of property, plant and equipment		2	179
Acquisition of intangible assets		(5,440)	(1,186)
Increase in other non-current assets		(34,134)	(53)
Net cash used in investing activities		(155,274)	(180,738)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(25)	10,000	200,000
Decrease in short-term borrowings	6(25)	(210,000)	(400,000)
Repayments of long-term borrowings	6(25)	(102,647)	(191,968)
Payments of lease liabilities	6(25)	(46,629)	(44,967)
Payment of cash dividends	6(14)	(680,623)	(756,248)
Net cash used in financing activities		(1,029,899)	(1,193,183)
Effect of exchange rate changes		(271)	14,333
Decrease in cash and cash equivalents		(219,680)	(71,340)
Cash and cash equivalents at beginning of year	6(1)	2,283,352	2,354,692
Cash and cash equivalents at end of year	6(1)	$ 2,063,672	$ 2,283,352

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

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,
EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

(1) St. Shine Optical Co., Ltd. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of Republic of China (R.O.C.) on September 24, 1986. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in manufacturing and trading of contact lenses (soft and hard), optical lenses and its related products.

(2) Starting from March 2004, the Company's stock was listed on the Taiwan Over-The-Counter Securities Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International

Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention, except for defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
St. Shine Optical Co., Ltd.	Shine Optical (Samoa) Holding Groups, Inc.	Investment and trading business	100	100	
St. Shine Optical Co., Ltd.	St. Shine Optical Japan Co., Ltd.	Import and export service, retail and wholesale of contact lenses and consulting business	100	100	
Shine Optical (Samoa) Holding Groups, Inc.	Shine Optical HK Limited	Investment and trading business	100	100	
Shine Optical HK Limited	Shanghai Ticon Optical Ltd.	Trading of contact lenses (soft and hard) and optical lenses	100	100	

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: Not applicable.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the consolidated financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate after losing significant influence over the former foreign associate, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group’s business model is achieved by collecting contractual cash flows.

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

For accounts receivable that have a significant financing component, at each balance sheet date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor)－operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains and losses on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	40 ~ 55 years
Machinery and equipment	3 ~ 13 years
Transportation equipment	3 ~ 6 years
Office equipment	4 ~ 6 years
Other equipment	3 ~ 15 years

(15) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

Intangible assets, mainly computer software, are amortised on a straight-line basis over their estimated useful lives of 2~20 years.

(17) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(19) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Employees’ compensation and directors’ remuneration

Employees’ compensation and directors’ remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's Board of Directors. Cash dividends are recorded as liabilities.

(25) Revenue recognition

Sales of goods

A. The Group manufactures and sells a range of contact lenses. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances. The sales usually are made with a credit term of 30 to 90 days, which is consistent with market practice. As the time interval between the transfer of committed goods or services and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions - evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. The Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $1,087,297.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 209	$ 210
Checking accounts and demand deposits	1,261,839	1,312,715
Cash equivalents - time deposits	801,624	970,427
	$ 2,063,672	$ 2,283,352

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits over 3 months	$ -	$ 30,710

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2023	2022
Interest income	$ 545	$ 201

B. The Group's financial assets at amortised cost are time deposits in banks. The Group transacted with banks which have high credit rating.

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 2,052	$ 4,494
Less: Allowance for uncollectible accounts	-	-
	$ 2,052	$ 4,494
Accounts receivable	$ 700,655	$ 658,297
Less: Allowance for uncollectible accounts	(19,576)	(24,296)
	$ 681,079	$ 634,001

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 662,808	$ 578,819
Up to 30 days	15,180	40,240
31 to 60 days	7,475	24,865
61 to 90 days	2,450	3,665
91 to 180 days	649	-
Over 181 days	14,145	15,202
	$ 702,707	$ 662,791

The above ageing analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022 and January 1, 2022, the balances of receivables (including notes receivable) from contracts with customers amounted to $702,707, $662,791, and $931,729, respectively.

C. The Group does not hold any collateral for its accounts receivable.

D. Information relating to credit risk of notes receivable and accounts receivable is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 176,352	($ 6,596)	$ 169,756
Work in progress	731,155	(19,660)	711,495
Finished goods	210,100	(4,054)	206,046
	$ 1,117,607	($ 30,310)	$ 1,087,297

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 193,698	($ 8,478)	$ 185,220
Work in progress	775,598	(14,826)	760,772
Finished goods	386,380	(5,027)	381,353
	$ 1,355,676	($ 28,331)	$ 1,327,345

A. None of the above inventory was pledged to others.

B. The cost of inventories recognised as expense for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$ 3,424,127	$ 3,536,216
Loss on decline in market value and obsolescence	30,688	40,832
Revenue from sale of scraps	(36,172)	(47,950)
	$ 3,418,643	$ 3,529,098

(5) Investment accounted for using equity method

	December 31, 2023		December 31, 2022	
Name of associate	Ownership (%)	Book value	Ownership (%)	Book value
Dajing Eye Health Technology (Zhejiang) Co., Ltd.	35%	$ 12,381	35%	$ 10,818

The summarised financial information of the associate that is not material to the Group is as follows:

	For the year ended December 31,	
	2023	2022
Profit (loss) for the year	$ 157	($ 3,196)
Other comprehensive income, net of tax	-	-
Total comprehensive income (loss) for the year	$ 157	($ 3,196)

(6) Property, plant and equipment

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
At January 1, 2023							
Cost	$1,510,760	$1,592,554	$ 2,824,724	$ 12,644	$ 1,781	$ 841,032	$ 6,783,495
Accumulated depreciation	-	(311,738)	(2,237,940)	(9,788)	(1,446)	(563,586)	(3,124,498)
	$1,510,760	$1,280,816	$ 586,784	$ 2,856	$ 335	$ 277,446	$ 3,658,997
2023							
January 1	$1,510,760	$1,280,816	$ 586,784	$ 2,856	$ 335	$ 277,446	$ 3,658,997
Additions	-	-	100,710	-	89	48,979	149,778
Disposals	-	-	-	-	-	(94)	(94)
Reclassifications (Note 1)	-	-	21,104	-	-	(22,062)	(958)
Depreciation charge	-	(32,925)	(173,078)	(1,110)	(103)	(54,386)	(261,602)
Net exchange differences	-	-	-	(1)	(1)	(1)	(3)
December 31	$1,510,760	$1,247,891	$ 535,520	$ 1,745	$ 320	$ 249,882	$ 3,546,118
At December 31, 2023							
Cost	$1,510,760	$1,592,554	$ 2,784,645	$ 12,630	$ 1,865	$ 867,631	$ 6,770,085
Accumulated depreciation	-	(344,663)	(2,249,125)	(10,885)	(1,545)	(617,749)	(3,223,967)
	$1,510,760	$1,247,891	$ 535,520	$ 1,745	$ 320	$ 249,882	$ 3,546,118

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Total
At January 1, 2022							
Cost	$1,510,760	$1,592,554	$ 2,728,221	$ 11,824	$ 1,782	$ 807,885	$ 6,653,026
Accumulated depreciation	-	(278,812)	(2,058,299)	(9,734)	(1,452)	(511,458)	(2,859,755)
	$1,510,760	$1,313,742	$ 669,922	$ 2,090	$ 330	$ 296,427	$ 3,793,271
2022							
January 1	$1,510,760	$1,313,742	$ 669,922	$ 2,090	$ 330	$ 296,427	$ 3,793,271
Additions	-	-	69,116	1,744	220	55,290	126,370
Disposals	-	-	-	-	(53)	(21)	(74)
Reclassifications (Note 2)	-	-	31,952	-	-	(21,748)	10,204
Depreciation charge	-	(32,926)	(184,206)	(980)	(162)	(52,503)	(270,777)
Net exchange differences	-	-	-	2	-	1	3
December 31	$1,510,760	$1,280,816	$ 586,784	$ 2,856	$ 335	$ 277,446	$ 3,658,997
At December 31, 2022							
Cost	$1,510,760	$1,592,554	$ 2,824,724	$ 12,644	$ 1,781	$ 841,032	$ 6,783,495
Accumulated depreciation	-	(311,738)	(2,237,940)	(9,788)	(1,446)	(563,586)	(3,124,498)
	$1,510,760	$1,280,816	$ 586,784	$ 2,856	$ 335	$ 277,446	$ 3,658,997

Note 1: The reclassifications do not affect cash flow and pertain to the reclassification of property, plant and equipment to prepaid expenses of $4, and the reclassification of property, plant and equipment to expenses of $954.

Note 2: The reclassification does not affect cash flow and pertains to the reclassification of other non-current assets to property, plant and equipment of $10,204.

A. The Group has no borrowing costs capitalised as part of property, plant and equipment.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(7) Leasing arrangements - lessee

A. The Group leases various assets including buildings, other equipment, business vehicles and multifunction printers, etc. Rental contracts are typically made for periods of 1 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Book value	Book value
Buildings	$ 53,789	$ 81,459
Transportation equipment	4,437	6,921
Other equipment	1,280	2,536
	$ 59,506	$ 90,916

	For the years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings	$ 42,511	$ 41,103
Transportation equipment	2,484	2,357
Other equipment	1,272	1,268
	$ 46,267	$ 44,728

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $20,561 and $46,785, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	For the years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,129	$ 1,069
Expense on short-term lease contracts	844	729
Expense on leases of low-value assets	43	42
(Gain) loss on lease modifications (shown as other gains and losses)	(30)	26

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $48,645 and $46,807, respectively.

(8) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank loan - credit borrowings	$ 200,000	1.35%~1.38%	None

A. As of December 31, 2023, the Group has no short-term borrowings.

B. As of December 31, 2023 and 2022, the undrawn credit amount of short-term borrowings amounted to $1,140,000 and $937,213, respectively. The Group had no borrowings due over one year.

(9) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonus payable	$ 424,226	$ 441,461
Employees' compensation payable	64,000	80,000
Labor and health insurance fees payable	32,125	37,939
Payables for equipment	15,557	12,191
Others	143,580	151,515
	$ 679,488	$ 723,106

(10) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2023
Long-term bank borrowings			
Secured borrowings	Borrowing period is from October 2, 2006 to March 22, 2029; principal and interest are payable monthly.	Land, buildings and structures	$ 392,111
Less: Current portion of long-term borrowings			(102,883)
			$ 289,228
Interest rate range			1.68%~2.00%

Type of borrowings	Borrowing period and repayment term	Collateral	December 31, 2022
Long-term bank borrowings			
Secured borrowings	Borrowing period is from October 2, 2006 to March 22, 2029; principal and interest are payable monthly.	Land, buildings and structures	$ 494,758
Less: Current portion of long-term borrowings			(102,664)
			$ 392,094
Interest rate range			1.43%~1.86%

Information on property, plant and equipment that were pledged as collateral for long-term borrowings is provided in Note 8.

(11) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 148,588	$ 154,237
Fair value of plan assets	(279,254)	(281,395)
Net defined benefit asset (shown as other non-current assets)	($ 130,666)	($ 127,158)

(c) Movements in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
For the year ended December 31, 2023			
Balance at January 1	$ 154,237	($ 281,395)	($ 127,158)
Current service cost	774	-	774
Interest expense (income)	2,005	(3,658)	(1,653)
	157,016	(285,053)	(128,037)
Remeasurements:			
Change in financial assumptions	1,358	-	1,358
Experience adjustments	(2,832)	(1,155)	(3,987)
	(1,474)	(1,155)	(2,629)
Paid pension	(6,954)	6,954	-
Balance at December 31	$ 148,588	($ 279,254)	($ 130,666)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
For the year ended December 31, 2022			
Balance at January 1	$ 166,793	($ 263,866)	($ 97,073)
Current service cost	1,008	-	1,008
Interest expense (income)	1,168	(1,847)	(679)
	168,969	(265,713)	(96,744)
Remeasurements:			
Change in financial assumptions	(9,362)	-	(9,362)
Experience adjustments	(751)	(20,301)	(21,052)
	(10,113)	(20,301)	(30,414)
Paid pension	(4,619)	4,619	-
Balance at December 31	$ 154,237	($ 281,395)	($ 127,158)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company’s defined benefit pension plan in accordance with the Fund’s annual investment and utilisation plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund” (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	For the years ended December 31,	
	2023	2022
Discount rate	1.20%	1.30%
Future salary increase rate	3.00%	3.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 3,361)	$ 3,475	$ 3,044	($ 2,965)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 3,673)	$ 3,804	$ 3,363	($ 3,270)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to $0.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 10 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	$	8,012
1-5 years		32,067
Over 5 years		56,646
	$	96,725

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China subsidiary, ShangHai Ticon Optical Ltd., has a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(c) The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $67,307 and $69,564, respectively.

(12) Share capital

As of December 31, 2023, the Company's authorised capital was $880,000 and paid-in capital was $504,165, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

For the years ended December 31, 2023 and 2022, the number of the Company's ordinary shares outstanding at the beginning and ending were both 50,416,516 shares.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(14) Retained earnings

A. According to the Company's Articles of Incorporation, the current year's earnings, if any, shall initially be used to settle all taxes and to offset any operating losses from prior years. Subsequently, 10% of the remaining amount shall be set aside as the legal reserve, with the remainder being either allocated or reversed according to statutory regulations concerning special surplus reserves. The remaining balance, if any, shall be distributed as dividends along with any accumulated undistributed earnings, subject to a proposal by the Board of Directors. The distribution of cash dividends shall be decided by the Board of Directors, while stock dividends shall be resolved by the shareholders during their meeting.

B. The Company's dividend policy is summarised below:
In order to meet the future capital requirements, long-term financial plan and satisfy shareholders' need of cash flow, cash dividends shall be at least 10% of total dividends distributed, taking into account the business environment and growing stage of the Company.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

E. The earnings distributions for 2022 and 2021 as resolved by the shareholders at the shareholders' meetings on June 13, 2023 and June 29, 2022, respectively, are as follows:

	For the years ended December 31,			
	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 104,338	$ -	$ 95,375	$ -
(Reversal) provision for special reserve	(9,374)	-	3,521	-
Cash dividends to shareholders	680,623	13.50	756,248	15.00
	$ 775,587	$ 13.50	$ 855,144	$ 15.00

F. The earnings distribution for 2023 has been proposed by the Board of Directors on March 13, 2024 but has not yet been resolved by the shareholders as of March 13, 2024. The information is provided as follows:

	For the year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 54,806	$ -
Cash dividends to shareholders	352,916	7.00
	$ 407,722	$ 7.00

(15) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 4,393,888	$ 5,003,499

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following geographical regions:

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Asia	$ 3,204,386	$ 3,545,230
Europe	468,229	530,706
America	203,523	479,295
Taiwan	517,750	448,268
	$ 4,393,888	$ 5,003,499

B. Contract liabilities

As of December 31, 2023, December 31, 2022 and January 1, 2022, the revenue-related contract liabilities - advance receipts amounted to $43,139, $11,881 and $21,165, respectively. Revenue recognised that was included in the contract liabilities balance at the beginning of 2023 and 2022 were $11,797 and $19,058, respectively.

(16) Interest income

	For the years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 37,312	$ 11,635
Interest income from financial assets measured at amortised cost	545	201
	$ 37,857	$ 11,836

(17) Other income

	For the years ended December 31,	
	2023	2022
Rent income	$ 10	$ 161
Income from scrapping goods for customers	10,945	8,650
Other income - others	1,951	2,448
	$ 12,906	$ 11,259

(18) Other gains and losses

	For the years ended December 31,	
	2023	2022
(Losses) gains on disposals of property, plant and equipment	($ 92)	$ 105
Gains on disposals of investments	-	4,949
Gains (losses) on lease modifications	30	(26)
Net foreign exchange gains	32,620	193,332
Others	(26)	(23)
	$ 32,532	$ 198,337

(19) Finance costs

	For the years ended December 31,	
	2023	2022
Interest expense		
Bank borrowings	$ 9,104	$ 8,721
Lease liabilities	1,129	1,069
	$ 10,233	$ 9,790

(20) Expenses by nature

	For the year ended December 31, 2023		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 1,762,706	$ 161,033	$ 1,923,739
Depreciation charges	294,596	13,273	307,869
Amortisation charges	10,286	3,888	14,174

	For the year ended December 31, 2022		
	Operating costs	Operating expenses	Total
Employee benefit expense	$ 2,118,540	$ 172,957	$ 2,291,497
Depreciation charges	301,018	14,487	315,505
Amortisation charges	10,499	2,540	13,039

(21) Employee benefit expense

	For the years ended December 31,	
	2023	2022
Wages and salaries	$ 1,611,865	$ 1,955,353
Labor and health insurance fees	170,950	184,786
Pension costs	66,428	69,893
Directors' remuneration	11,692	12,892
Other personnel expenses	62,804	68,573
	$ 1,923,739	$ 2,291,497

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as follows: no lower than 3% for employees' compensation and no higher than 3% for directors' remuneration.

B. The distribution of the aforementioned employee compensation and director remuneration shall be carried out by the Board of Directors, requiring a resolution adopted by a majority vote at a meeting attended by two-thirds of the total number of directors, with the agreement of more than half of the attending directors, and shall be reported to the shareholders' meeting

C. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $64,000 and $80,000, respectively; while directors' remuneration was accrued at $8,800 and $10,000, respectively. The aforementioned amounts were recognised in salary expenses.

   Employees' compensation and directors' remuneration for 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 and 2022 financial statements.

   Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current income tax	$ 133,441	$ 219,638
Tax on undistributed surplus earnings	13,390	-
Refund for prior year tax on undistributed surplus earnings	(7,773)	-
Prior year income tax overestimation	(8,547)	-
Deferred income tax	2,453	42,401
Income tax expense	$ 132,964	$ 262,039

(b) The income tax relating to components of other comprehensive income is as follows:

	For the years ended December 31,	
	2023	2022
Currency translation differences	$ 229	$ -
Remeasurement of defined benefit obligations	526	6,082

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2023	2022
Tax calculated based on profit before income tax and statutory tax rate	$ 135,774	$ 256,210
Expenses disallowed by tax regulation	120	252
Prior year income tax (overestimation) underestimation	(8,547)	647
Tax on undistributed surplus earnings	13,390	4,930
Refund for prior year tax on undistributed surplus earnings	(7,773)	-
Income tax expense	$ 132,964	$ 262,039

C. Amounts of deferred income tax assets or liabilities as a result of temporary differences are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred income tax assets:				
Allowance for inventory valuation loss	$ 5,666	$ 396	$ -	$ 6,062
Unrealised foreign exchange loss	-	4,415	-	4,415
Long-term investment losses	10,034	1,395	-	11,429
Unrealised expense	24,451	(9,427)	-	15,024
Others	11,779	235	-	12,014
	51,930	(2,986)	-	48,944
-Deferred income tax liabilities:				
Prepayments for pensions	(25,432)	(176)	(526)	(26,134)
Provision for land revaluation increment tax	(2,477)	-	-	(2,477)
Unrealised foreign exchange gain	(709)	709	-	-
Currency translation differences	-	-	(229)	(229)
	(28,618)	533	(755)	(28,840)
	$ 23,312	($ 2,453)	($ 755)	$ 20,104

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred income tax assets:				
Allowance for inventory valuation loss	$ 3,269	$ 2,397	$ -	$ 5,666
Unrealised foreign exchange loss	13,242	(13,242)	-	-
Long-term investment losses	47,279	(37,245)	-	10,034
Unrealised expense	15,973	8,478	-	24,451
Others	14,583	(2,804)	-	11,779
	94,346	(42,416)	-	51,930
-Deferred income tax liabilities:				
Prepayments for pensions	(20,074)	724	(6,082)	(25,432)
Provision for land revaluation increment tax	(2,477)	-	-	(2,477)
Unrealised foreign exchange gain	-	(709)	-	(709)
	(22,551)	15	(6,082)	(28,618)
	$ 71,795	($ 42,401)	($ 6,082)	$ 23,312

D. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(23) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 545,954	50,416,516	$ 10.83
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 545,954	50,416,516	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	429,003	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 545,954	50,845,519	$ 10.74

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,019,054	50,416,516	$ 20.21
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,019,054	50,416,516	
Assumed conversion of all dilutive potential ordinary shares - employees' compensation	-	413,663	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,019,054	50,830,179	$ 20.05

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	For the years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	$ 149,778	$ 126,370
Add: Opening balance of payable on equipment	12,191	20,794
Less: Ending balance of payable on equipment	(15,557)	(12,191)
Cash paid during the year	$ 146,412	$ 134,973

(25) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
At January 1, 2023	$ 200,000	$ 494,758	$ 91,587	$ 786,345
Changes in cash flow from financing activities	(200,000)	(102,647)	(46,629)	(349,276)
Changes in other non-cash items	-	-	14,827	14,827
At December 31, 2023	$ -	$ 392,111	$ 59,785	$ 451,896

	Short-term borrowings	Long-term borrowings	Lease liabilities	Total liabilities from financing activities
At January 1, 2022	$ 400,000	$ 686,726	$ 90,592	$ 1,177,318
Changes in cash flow from financing activities	(200,000)	(191,968)	(44,967)	(436,935)
Changes in other non-cash items	-	-	45,962	45,962
At December 31, 2022	$ 200,000	$ 494,758	$ 91,587	$ 786,345

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Camax Optical Corp. (CAMAX)	Close family members of the Company's general manager
Dajing Eye Health Technology (Zhejiang) Co., Ltd. (DAJING)	Associate

(2) Significant related party transactions

A. Operating revenue

	For the years ended December 31,	
	2023	2022
Sales of goods:		
CAMAX	$ 2,344	$ 10,035
DAJING	1,077	37
	$ 3,421	$ 10,072

The Group's credit terms for goods sold to domestic and foreign related parties are 30 to 95 days after monthly billings.

B. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
CAMAX	$ 648	$ 815
DAJING	177	-
	$ 825	$ 815

The receivables from related parties arise mainly from sales of products. The credit terms for the receivables are 30 to 95 days after monthly billings. The receivables are unsecured in nature and bear no interest. There is no allowance for uncollectible accounts held against receivables from related parties.

(3) Key management compensation

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 37,972	$ 47,156

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment			
Land	$ 558,066	$ 558,066	Guarantee for bank financing facilities
Buildings and structures	759,917	780,232	Guarantee for bank financing facilities
	$ 1,317,983	$ 1,338,298	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 62,418	$ 29,398

B. As of December 31, 2023 and 2022, the Group's issued but unused letters of credit amounted to $0 and $2,787, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Note 6(14).

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total borrowings divided by total capital. Total borrowings is calculated as 'current and non-current borrowings' as shown in the consolidated balance sheet. Total capital is calculated as equity as shown in the consolidated balance sheet plus total borrowings.

During the year ended December 31, 2023, the Group's strategy, which was unchanged from 2022, was to maintain the gearing ratio within a stable range. The gearing ratios at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 392,111	$ 694,758
Total equity	6,136,070	6,267,762
Total capital	$ 6,528,181	$ 6,962,520
Gearing ratio	6%	10%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,063,672	$ 2,283,352
Financial assets at amortised cost	-	30,710
Notes receivable	2,052	4,494
Accounts receivable (including related parties)	681,904	634,816
Other receivables	16,728	11,558
Guarantee deposits paid (shown as other non-current assets)	9,742	8,211
	$ 2,774,098	$ 2,973,141
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ -	$ 200,000
Notes payable	210,380	185,408
Accounts payable	53,589	61,484
Other payables	679,488	723,106
Long-term borrowings (including current portion)	392,111	494,758
	$ 1,335,568	$ 1,664,756
Lease liabilities	$ 59,785	$ 91,587

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by the Group’s treasury department (“Group treasury”) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating department. The Group provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Group's businesses involve some non-functional currency operations. The information on assets denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 39,260	30.71	$ 1,205,672
EUR : NTD	9,541	33.98	324,210
GBP : NTD	339	39.15	13,274
HKD : NTD	4,702	3.929	18,475
JPY : NTD	38,079	0.2172	8,271
RMB : NTD	112,408	4.327	486,389
Non-monetary items			
USD : NTD	$ 330	30.71	$ 10,128
JPY : NTD	8,075	0.2172	1,754
RMB : USD	2,043	0.14	8,841
RMB : NTD	2,861	4.327	12,381

	December 31, 2022				
	Foreign currency amount (In thousands)		Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD : NTD	$	52,561	30.71	$	1,614,152
EUR : NTD		12,696	32.72		415,423
GBP : NTD		2,431	37.09		90,177
HKD : NTD		6,017	3.938		23,697
JPY : NTD		31,453	0.2324		7,310
RMB : NTD		33,926	4.408		149,544
Non-monetary items					
USD : NTD	$	568	30.71	$	17,458
JPY : NTD		8,000	0.2324		1,859
RMB : USD		3,630	0.14		16,001
RMB : NTD		2,761	4.408		12,168

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $32,620 and $193,332, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the year ended December 31, 2023				
	Sensitivity analysis				
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD : NTD	1%	$	12,057	$	-
EUR : NTD	1%		3,242		-
GBP : NTD	1%		133		-
HKD : NTD	1%		185		-
JPY : NTD	1%		83		-
RMB : NTD	1%		4,864		-

	For the year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 16,142	$ -
EUR : NTD	1%	4,154	-
GBP : NTD	1%	902	-
HKD : NTD	1%	237	-
JPY : NTD	1%	73	-
RMB : NTD	1%	1,495	-

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with floating rates, which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowings at floating rate were mainly denominated in New Taiwan dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have decreased/increased by $3,921 and $4,948, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 180 days.

iv. The Group adopts the assumption under IFRS 9, that is, if the contract payments are past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the simplified approach using the provision matrix and loss rate methodology to estimate expected credit loss.

vi. The Group wrote-off the financial assets, which cannot reasonably be expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

vii.(i) The Group used the forecastability of global economic information to adjust historical and timely information to assess the default possibility of accounts receivable arising from general credit rating customers. As of December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	Over 181 days past due	Total
December 31, 2023							
Expected loss rate	0.21%-0.65%	3.72%-20.41%	15.61%-18.62%	37.32%-57.64%	66.10%-94.76%	100%	
Total book value	$ 660,756	$ 15,180	$ 7,475	$ 2,450	$ 649	$ 528	$ 687,038
Loss allowance	1,606	596	1,388	1,412	429	528	5,959

	Not past due	1-30 days past due	31-60 days past due	61-90 days past due	91-180 days past due	Over 181 days past due	Total
December 31, 2022							
Expected loss rate	0.20%-0.43%	1.52%-11.75%	15.62%-17.37%	46.88%-69.03%	58.61%-90.05%	100%	
Total book value	$ 574,325	$ 40,240	$ 24,865	$ 3,665	$ -	$ 652	$ 643,747
Loss allowance	1,300	1,465	4,222	2,107	-	652	9,746

(ii) The Group individually assesses the customers that have low credit rating and default. As of December 31, 2023 and 2022, the carrying amount of accounts receivable with low credit rating amounted to $13,617 and $14,550, respectively, and the Group has provided loss allowance amounting to $13,617 and $14,550, respectively.

(iii) The Group assessed notes receivable from customers individually. As of December 31, 2023 and 2022, the carrying amounts of notes receivable were $2,052 and $4,494, respectively, with a provision for loss allowance amounting to $0 for both years.

(iv) The Group assessed other receivables from sales-related customers based on the loss rate. As of December 31, 2023 and 2022, the total carrying amount of other receivables and provision for loss allowance amounted to $436 and $1,094, $7 and $243, respectively.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes, accounts and other receivables are as follows:

	2023			
	Notes receivable	Accounts receivable	Other receivables	Total
At January 1	$ -	$ 24,296	$ 243	$ 24,539
Reversal of impairment loss	-	(4,720)	(236)	(4,956)
At December 31	$ -	$ 19,576	$ 7	$ 19,583

	2022			
	Notes receivable	Accounts receivable	Other receivables	Total
At January 1	$ 12	$ 28,623	$ -	$ 28,635
Provision for impairment	-	-	243	243
Reversal of impairment loss	(12)	(4,327)	-	(4,339)
At December 31	$ -	$ 24,296	$ 243	$ 24,539

For the years ended December 31, 2023 and 2022, the expected credit impairment gain on notes, accounts and other receivables arising from customers' contracts amounted to $4,956 and $4,096, respectively.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating departments of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and liabilities at maturity.

ii. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Notes payable	$ 209,484	$ 896	$ -	$ -	$ -
Accounts payable	21,291	32,298	-	-	-
Other payables	599,912	79,576	-	-	-
Lease liabilities	8,967	23,981	18,079	10,164	-
Long-term borrowings (including current portion)	27,486	81,839	107,635	187,999	1,353

Non-derivative financial liabilities December 31, 2022	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	$ 100,579	$ 100,248	$ -	$ -	$ -
Notes payable	185,408	-	-	-	-
Accounts payable	23,481	38,003	-	-	-
Other payables	622,532	100,574	-	-	-
Lease liabilities	11,268	33,510	28,657	20,145	-
Long-term borrowings (including current portion)	27,618	82,353	108,522	289,243	6,829

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, notes payable, accounts payable, other payables, long-term borrowings (including current portion) and lease liabilities, are approximate to their fair values.

13. SUPPLEMENTARY DISCLOSURES

(Inter-company transactions between companies are eliminated when preparing consolidated financial statements. The following disclosures are for reference only.)

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: No transaction exceeding NT$20 million.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 1.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 2.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: No transaction exceeding NT$20 million.

(4) Major shareholders information

None.

14. OPERATING SEGMENTS INFORMATION

(1) General information

The Group is primarily engaged in manufacturing and sales of contact lenses. The Group operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance based on the Group’s overall operating results, has identified that the Group has only one reportable operating segment.

(2) Segment information

The Group has only one operating segment so the reportable information is identical with the financial statements.

(3) Reconciliation for segment income (loss)

The segment profit before tax reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income, therefore, the adjustments for profit before tax are the same as that in the statement of comprehensive income.

(4) Information on products and services

Revenue from external customers is mainly from cast-molding lens and other products. Details of revenue are as follows:

Sales revenue:

	For the years ended December 31,	
	2023	2022
Cast-molding lens	$ 4,387,469	$ 4,997,572
Others	6,419	5,927
	$ 4,393,888	$ 5,003,499

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Asia	$ 3,204,386	$ 201	$ 3,545,230	$ 200
Europe	468,229	-	530,706	-
America	203,523	-	479,295	-
Taiwan	517,750	3,787,702	448,268	3,893,687
	$ 4,393,888	$ 3,787,903	$ 5,003,499	$ 3,893,887

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	For the years ended December 31,	
	2023	2022
Name of customer	Revenue	Revenue
C	$ 1,334,400	$ 1,451,589
G	1,023,815	1,348,764
V	360,651	169,141

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES

Names, locations and other information of investee companies (not including investees in Mainland China)

For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Note
St. Shine Optical Co., Ltd.	Shine Optical (Samoa) Holding Groups, Inc.	Samoa	Investment and trading business	$ 61,498	$ 61,498	1,900,000	100	$ 10,128	($ 7,149)	($ 7,149)	
St. Shine Optical Co., Ltd.	St. Shine Optical Japan Co., Ltd.	Japan	Import and export business, retail and wholesale of contact lenses and consulting business	2,201	2,201	800	100	1,754	17	17	
Shine Optical (Samoa) Holding Groups, Inc.	Shine Optical HK Limited	Hong Kong	Investment and trading business	59,880	59,880	1,850,000	100	8,868	(7,147)	(7,147)	

ST. SHINE OPTICAL CO., LTD. AND SUBSIDIARIES

Information on investments in Mainland China - Basic information

For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Investment Flows Outflow	Investment Flows Inflow	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net profit (loss) of the investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment net profit (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Note
Shanghai Ticon Optical Ltd.	Trading of contact lenses (soft and hard) and optical lenses	$ 55,692	(2) The Company's wholly-owned subsidiary, Shine Optical HK Limited, indirectly invested in Mainland China	$ 55,692	$ -	$ -	$ 55,692	($ 6,978)	100%	($ 6,978)	$ 8,841	$ -	
Dajing Eye Health Technology (Zhejiang) Co., Ltd.	Manufacturing and trading of soft contact lenses and care solution	44,430	(1) Directly invest in a company in Mainland China.	13,995	-	-	13,995	449	35%	157	12,381	-	

Note 1: The methods for engaging in investment in Mainland China include the following:

(1) Direct investment in Mainland China.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of the company in third region).

(3) Other methods.

Note 2: Investment net profit (loss) recognised by the Company for the year ended December 31, 2023 on Shanghai Ticon Optical Ltd. was calculated based on the financial statements that were audited by R.O.C. parent company's CPA, while investment net profit (loss) recognised by the Company for the year ended December 31, 2023 on Dajing Eye Health Technology (Zhejiang) Co., Ltd. was calculated based on financial statements audited by other independent auditors.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023 (Note 3)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 3)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
St. Shine Optical Co., Ltd.	$ 69,687	$ 69,687	$ 3,681,642

Note 3: The total investment amount of USD 1.8 million invested in Shanghai Ticon Optical Ltd. was approved pursuant to the Jing-Shen-II-Zi Letter No.09600429730.

The total investment amount of RMB 3.15 million invested in Dajing Eye Health Technology (Zhejiang) Co., Ltd. was approved pursuant to the Jing-Shen - II - Zi Letter No.11100172840.

Note 4: Limitation is in accordance with (90) Tai-Cai-Zheng (1) Letter No. 006130 of Securities and Futures Commission, Ministry of Finance, R.O.C issued on November 16, 2001.