

**Ticker: 6491**

**PEGAVISION CORPORATION  
PARENT-COMPANY-ONLY FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
AS OF DECEMBER 31, 2025 AND 2024  
AND FOR THE YEARS THEN ENDED**

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*The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.*

**Parent-company-only financial statements  
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## INDEPENDENT AUDITORS' REPORT

To: the Board of Directors and Shareholders of  
Pegavision Corporation

### Opinion

We have audited the accompanying parent-company-only balance sheets of Pegavision Corporation (the “Company”) as of December 31, 2025 and 2024, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of material accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2025 and 2024, and the parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



### Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$6,072,328 thousand for the year ended December 31, 2025 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Japan, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on sale revenues, and executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the financial statements.

### Market valuation on Inventory

We determined the market valuation on inventory is also one of key audit matters. The Company's net inventory amounted to NT\$707,003 thousand, representing 5% of total assets, as of December 31, 2025, which is significant to the Company's financial statements. Due to the fierce competition in the contact lens market and the continuous introduction of new products, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value. Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), evaluating the physical inventory stock take plan report provided by the management and choose the significant location to perform the observation, and inspecting the current status of inventory usage, etc. We also evaluated the appropriateness of related disclosure in the Note 5 and 6 to the financial statements.



## **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

## **Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 parent-company-only financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company 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 2025 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Chang, Chih-Ming

/s/Chen, Kuo-Shuai

Ernst & Young  
Taiwan, R.O.C  
January 30, 2026

Notice to Readers

*The accompanying parent-company-only financial statements are intended only to present the parent-company-only financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to audit such financial parent-company-only statements are those generally accepted and applied in the Republic of China on Taiwan.*

*Accordingly, the accompanying parent-company-only financial statements and report of independent accountants 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, Ernst & Young 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.*

Pegavision Corporation  
Parent-Company-Only Balance Sheets  
As of December 31, 2025 and 2024  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2025.12.31		2024.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,135,021	7	\$1,142,305	8
1110	Financial assets at fair value through profit or loss	4, 6(2)	942,381	6	977,900	7
1136	Financial assets measured at amortized cost	6(4)	1,150,000	8	942,990	7
1170	Accounts receivable, net	4, 6(5)	196,677	1	198,594	2
1180	Accounts receivable - related parties, net	4, 6(5), 7	957,723	6	852,520	6
1200	Other receivables		11,006	-	8,764	-
1210	Other receivables - related parties	7	8,978	-	7,107	-
1310	Inventories, net	4, 6(6)	707,003	5	516,227	4
1410	Prepayments		100,998	1	99,770	1
1470	Other current assets	7	28,367	-	20,753	-
	Total current assets		<u>5,238,154</u>	<u>34</u>	<u>4,766,930</u>	<u>35</u>
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4, 6(3)	1,295	-	-	-
1550	Investment accounted for using equity method	4, 6(7)	1,909,130	12	1,416,995	10
1600	Property, plant and equipment, net	4, 6(8), 7	7,943,702	52	7,390,086	54
1780	Intangible assets, net	4, 6(9)	43,874	-	21,981	-
1840	Deferred tax assets	4, 6(24)	70,494	-	71,462	-
1900	Other non-current assets	6(8), 6(10), 7, 8, 9	231,746	2	128,938	1
	Total non-current assets		<u>10,200,241</u>	<u>66</u>	<u>9,029,462</u>	<u>65</u>
	Total Assets		<u>\$15,438,395</u>	<u>100</u>	<u>\$13,796,392</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation  
Parent-Company-Only Balance Sheets (Continued)  
As of December 31, 2025 and 2024  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2025.12.31		2024.12.31	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(11)	\$528,870	3	\$351,503	3
2130	Contract liabilities	6(18)	131,273	1	11,389	-
2150	Notes payable		3,183	-	2,122	-
2170	Accounts payable		281,824	2	191,701	1
2200	Other payables	6(12)	1,758,093	11	1,443,312	11
2220	Other payables - related parties	7	7,653	-	12,198	-
2230	Current tax liabilities	4, 6(24)	280,152	2	66,721	1
2250	Provisions	4, 6(13)	4,800	-	-	-
2300	Other current liabilities	6(14), 6(15), 7, 8	400,531	3	331,554	2
	Total current liabilities		<u>3,396,379</u>	<u>22</u>	<u>2,410,500</u>	<u>18</u>
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(15), 8	337,966	3	357,588	3
2570	Deferred tax liabilities	4, 6(24)	69,600	-	58,550	-
2645	Guarantee deposits received	7	3,300	-	3,300	-
2670	Other non-current liabilities	6(14)	-	-	47	-
	Total non-current liabilities		<u>410,866</u>	<u>3</u>	<u>419,485</u>	<u>3</u>
	Total liabilities		<u>3,807,245</u>	<u>25</u>	<u>2,829,985</u>	<u>21</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(17)				
3110	Common stock		780,000	4	780,000	5
3200	Capital surplus	6(17)	4,269,544	28	4,269,544	31
3300	Retained earnings	6(17)				
3310	Legal reserve		868,985	6	685,917	5
3320	Special reserve		19,760	-	27,786	-
3350	Unappropriated retained earnings		5,817,922	38	5,222,920	38
3400	Other equity interest		(125,061)	(1)	(19,760)	-
	Total equity		<u>11,631,150</u>	<u>75</u>	<u>10,966,407</u>	<u>79</u>
	Total liabilities and equity		<u>\$15,438,395</u>	<u>100</u>	<u>\$13,796,392</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation  
Parent-Company-Only Statements of Comprehensive Income  
For the Years Ended December 31, 2025 and 2024  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(18), 7	\$6,072,328	100	\$5,924,458	100
5000	Operating costs	6(6), 7	(3,263,063)	(54)	(2,928,639)	(49)
5900	Gross profit		2,809,265	46	2,995,819	51
5910	Unrealized gains (losses) from sales		24,340	1	3,140	-
	Gross profit from operations		2,833,605	47	2,998,959	51
6000	Operating expenses	7				
6100	Selling expenses		(219,614)	(4)	(180,597)	(3)
6200	Administrative expenses		(402,899)	(7)	(353,914)	(6)
6300	Research and development expenses		(621,211)	(10)	(646,400)	(11)
6450	Expected credit gains (losses)	6(19)	120	-	41,567	1
	Operating expenses total		(1,243,604)	(21)	(1,139,344)	(19)
6900	Operating income		1,590,001	26	1,859,615	32
7000	Non-operating income and expenses	6(22)				
7100	Interest income		35,577	1	18,254	-
7010	Other income	7	180,866	3	42,123	1
7020	Other gains and losses		33,015	1	31,168	1
7050	Finance costs	7	(48,027)	(1)	(54,325)	(1)
7060	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(7)	126,294	2	141,582	2
	Non-operating income and expense total		327,725	6	178,802	3
7900	Income from continuing operations before income tax		1,917,726	32	2,038,417	35
7950	Income tax	4, 6(24)	(289,682)	(5)	(207,741)	(4)
8200	Net income		1,628,044	27	1,830,676	31
8300	Other comprehensive income (loss)	6(23)				
8310	Items that not be reclassified to profit or loss					
8316	Unrealized gain (loss) on equity instrument investment measured at fair value through other comprehensive income		(49,585)	(1)	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		(55,716)	(1)	8,026	-
	Total other comprehensive income, net of tax		(105,301)	(2)	8,026	-
8500	Total comprehensive income		\$1,522,743	25	\$1,838,702	31
9750	Earnings per share - basic (in NT\$)	4, 6(25)	\$20.87		\$23.47	
9850	Earnings per share - diluted (in NT\$)	4, 6(25)	\$20.62		\$23.24	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation  
Parent-Company-Only Statements of Changes in Equity  
For the Years Ended December 31, 2025 and 2024  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital 3100	Capital Surplus 3200	Retained Earnings			Other Components of equity		Total Equity 3XXX
				Legal Reserve 3310	Special Reserve 3320	Unappropriated Earnings 3350	Exchange differences arising on translation of foreign operations 3410	Unrealized gain (loss) on financial assets at fair value through other comprehensive income (loss) 3420	
A1	Balance as of January 1, 2024	\$780,000	\$4,269,521	\$520,327	\$12,934	\$4,352,686	\$(27,786)	\$-	\$9,907,682
	Appropriation and distribution of 2023 earnings								
B1	Legal reserve appropriated			165,590		(165,590)			-
B3	Special reserve appropriated				14,852	(14,852)			-
B5	Cash dividends - common shares					(780,000)			(780,000)
C7	Changes in associated and joint ventures accounted for using the equity method		23						23
D1	Net income for 2024					1,830,676			1,830,676
D3	Other comprehensive income (loss) for 2024						8,026		8,026
D5	Total comprehensive income	-	-	-	-	1,830,676	8,026	-	1,838,702
Z1	Balance as of December 31, 2024	<u>\$780,000</u>	<u>\$4,269,544</u>	<u>\$685,917</u>	<u>\$27,786</u>	<u>\$5,222,920</u>	<u>\$(19,760)</u>	<u>\$-</u>	<u>\$10,966,407</u>
A1	Balance as of January 1, 2025	\$780,000	\$4,269,544	\$685,917	\$27,786	\$5,222,920	\$(19,760)	\$-	\$10,966,407
	Appropriation and distribution of 2024 earnings								
B1	Legal reserve appropriated			183,068		(183,068)			-
B5	Cash dividends - common shares					(858,000)			(858,000)
B17	Reversal of special reserve				(8,026)	8,026			-
D1	Net income for 2025					1,628,044			1,628,044
D3	Other comprehensive income (loss) for 2025						(55,716)	(49,585)	(105,301)
D5	Total comprehensive income	-	-	-	-	1,628,044	(55,716)	(49,585)	1,522,743
Z1	Balance as of December 31, 2025	<u>\$780,000</u>	<u>\$4,269,544</u>	<u>\$868,985</u>	<u>\$19,760</u>	<u>\$5,817,922</u>	<u>\$(75,476)</u>	<u>\$(49,585)</u>	<u>\$11,631,150</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation  
Parent-Company-Only Statements of Cash Flows  
For the Years Ended December 31, 2025 and 2024  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2025	2024	Code	Items	2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,917,726	\$2,038,417	B00010	Disposal (acquisition) of financial assets at fair value through other comprehensive income	(50,880)	-
A20010	Profit or loss not effecting cash flows:			B00040	Increase in financial assets measured at amortized cost	(207,010)	1,077,000
A20100	Depreciation (including right-of-use assets)	677,758	642,542	B01800	Acquisition of investment accounted for using the equity method	(397,217)	(509,448)
A20200	Amortization	23,057	17,843	B02700	Acquisition of property, plant and equipment	(1,145,202)	(3,107,578)
A20300	Expected credit losses (gain)	(120)	(41,567)	B02800	Proceeds from disposal of property, plant and equipment	76	30
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(13,245)	(25,691)	B03700	Decrease (increase) in refundable deposits	967	12,620
A20900	Interest expense	48,027	54,325	B04500	Acquisition of intangible assets	(44,950)	(20,648)
A21200	Interest income	(35,577)	(18,254)	BBBB	Net cash provided by (used in) investing activities	(1,844,216)	(2,548,024)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(126,294)	(141,582)				
A22500	Loss (gain) on disposal of property, plant and equipment	4,674	(30)	CCCC	Cash flows from financing activities:		
A23700	Impairment loss on non-financial assets	-	19,242	C00100	Increase in (repayment of) short-term borrowings	177,367	(557,117)
A23900	Unrealized (gains) losses	(24,340)	(3,140)	C01600	Increase in long-term borrowings	-	205,000
A29900	Loss (gain) on government grants	-	(1,612)	C01700	Repayment of long-term borrowings	(20,567)	(13,210)
A29900	Impairment losses on non-financial assets	(278)	(316)	C03000	Increase (decrease) in guarantee deposits received	-	2,900
A30000	Changes in operating assets and liabilities:			C04020	Payments of lease liabilities	-	(25,280)
A31115	Financial assets at fair value through profit or loss	48,764	1,458,002	C04500	Dividend distribution	(858,000)	(780,000)
A31150	Accounts receivable	2,037	126,865	CCCC	Net cash provided by (used in) financing activities	(701,200)	(1,167,707)
A31160	Accounts receivable - related parties	(105,203)	(67,212)				
A31180	Other receivables	(2,946)	3,847	EEEE	Increase (decrease) in cash and cash equivalents	(7,284)	105,594
A31190	Other receivables - related parties	(1,871)	(7,107)	E00100	Cash and cash equivalents at beginning of period	1,142,305	1,036,711
A31200	Inventories	(190,776)	(97,142)	E00200	Cash and cash equivalents at end of period	\$1,135,021	\$1,142,305
A31230	Prepayments	(1,228)	12,795				
A31240	Other current assets	(7,614)	(2,606)				
A32125	Contract liabilities	119,884	(20,560)				
A32130	Notes payable	1,061	1,533				
A32150	Accounts payable	90,123	(35,248)				
A32180	Other payables	119,877	109,994				
A32190	Other payables - related parties	(4,635)	(27,316)				
A32200	Provision	4,800	-				
A32230	Other current liabilities	69,991	79,255				
A33000	Cash generated from operations	2,613,652	4,075,277				
A33100	Interest received	36,281	23,650				
A33300	Interest paid	(47,568)	(56,401)				
A33500	Income tax paid	(64,233)	(221,201)				
AAAA	Net cash provided by (used in) operating activities	2,538,132	3,821,325				

(The accompanying notes are an integral part of the parent-company-only financial statements.)

## 1.HISTORY AND ORGANIZATION

Pegavision Corporation (referred to “the Company”) was established on August 12, 2009. Its main business activities include the manufacture of medical device, optical instrument, precision instrument and sales of the previous related products. The Company’s stocks have been governmentally approved on October 7, 2014 to be listed and traded in Taiwan Over-The-Counter Securities Exchanges starting December 30, 2014, and traded in Taiwan Stock Exchange starting on October 7, 2019. The registered business premise and main operation address is at No.5 Shing Yeh Street, GuiShan District, Taoyuan City, Taiwan 33341.

Kinsus Interconnect Technology Corp. is the Company’s parent, while Pegatron Corporation is the ultimate controller of the Group to which the Company belongs.

## 2.DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The financial statements of the Company were authorized to be issued in accordance with a resolution of the Board of Directors’ meeting held on January 30, 2026.

## 3.NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1)Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised, or amended which are recognized by the Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2025. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which have been endorsed by FSC, and not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 17 “Insurance Contracts”	1 January 2023
b	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
c	Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
d	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026

#### A. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

B. Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

- a. Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.
- b. Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.
- c. Clarify the treatment of non-recourse assets and contractually linked instruments.
- d. Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

C. Annual Improvements to IFRS Accounting Standards – Volume 11

- a. Amendments to IFRS 1
- b. Amendments to IFRS 7
- c. Amendments to Guidance on implementing IFRS 7
- d. Amendments to IFRS 9
- e. Amendments to IFRS 10
- f. Amendments to IAS 7

## D.Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

- a. Clarify the application of the ‘own-use’ requirements.
- b. Permit hedge accounting if these contracts are used as hedging instruments.
- c. Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows.

The above mentioned standards and amendments are applicable for annual periods beginning on or after January 1, 2026 and have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue, are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
c	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
d	Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)	January 1, 2027

Note: On 25 September 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 Presentation of Financial Statements. The main changes are as below:

a. Improved comparability in the statement of profit or loss (income statement)

IFRS 18 requires entities to classify all income and expenses within their statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. The first three categories are new, to improve the structure of the income statement, and requires all entities to provide new defined subtotals, including operating profit or loss. The improved structure and new subtotals will give investors a consistent starting point for analyzing entities’ performance and make it easier to compare entities.

b. Enhanced transparency of management-defined performance measures

IFRS 18 requires entities to disclose explanations of those entity-specific measures that are related to the income statement, referred to as management-defined performance measures.

c. Useful grouping of information in the financial statements

IFRS 18 sets out enhanced guidance on how to organize information and whether to provide it in the primary financial statements or in the notes. The changes are expected to provide more detailed and useful information. IFRS 18 also requires entities to provide more transparency about operating expenses, helping investors to find and understand the information they need.

C. Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)

This new standard and its amendments permit subsidiaries without public accountability to provide reduced disclosures when applying IFRS Accounting Standards in their financial statements. IFRS 19 is optional for subsidiaries that are eligible and sets out the disclosure requirements for subsidiaries that elect to apply it.

D. Translation to a Hyperinflationary Presentation Currency (Amendments to IAS 21 and IAS 29)

The amendments include:

- a. Clarify that when the entity's functional currency is that of a non-hyperinflationary economy but its presentation currency is the currency of a hyperinflationary economy, the entity shall translate its results and financial position using the closing rate at the date of the most recent statement of financial position.
- b. In the above circumstances, when the presentation currency ceases to be hyperinflationary economy, the entity shall not retranslate amounts that arose before the beginning of the reporting period.
- c. When the entity's functional currency and presentation currency are the currency of a hyperinflationary economy, the entity shall apply the relevant accounting treatment in accordance with paragraph 34 of IAS 29.

The above mentioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the new or amended standards and interpretations listed under (B), it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

#### 4.SUMMARY OF MATERIAL ACCOUNTING POLICIES

##### (1)Statement of compliance

The parent-company-only financial statements of the Company for the years ended December 31, 2025 and 2024 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

##### (2)Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statements are expressed in thousands of New Taiwan Dollars ("NT\$") unless otherwise stated.

##### (3)Foreign currency transactions

The Company's parent-company-only financial statements are presented in NT\$, which is also the Company's functional currency. Items included in the parent-company-only financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instrument.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

- A. When the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and
- B. When the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
- B. The Company holds the asset primarily for the purpose of trading.
- C. The Company expects to realize the asset within twelve months after the reporting period.
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle.
- B. The Company holds the liability primarily for the purpose of trading.
- C. The liability is due to be settled within twelve months after the reporting period.
- D. The Company does not have the right at the end of the reporting to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both:

- a. The Company's business model for managing the financial assets and
- b. The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
  - I. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
  - II. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- a. An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. The time value of money; and
- c. Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- d. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

#### C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired
- b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

#### D. Financial liabilities and equity

##### Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

##### Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

##### Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- a. It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- b. On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- c. It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

- a. It eliminates or significantly reduces a measurement or recognition inconsistency; or
- b. A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

#### Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

#### Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows.

Raw materials - At actual purchase cost, using weighted average method

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 “Consolidated Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate or investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or joint venture are eliminated to the extent of the Company’s related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Company's interest in an associate or a joint venture is reduced or increased as the Company fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

## (11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. 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 is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 “Property, plant and equipment”. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	15.5~50 years
Machinery and equipment	2~6 years
Transportation equipment	5~6 years
Office equipment	2~6 years
Other equipment	1~15 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12)Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- A. The right to obtain substantially all of the economic benefits from use of the identified asset;  
and
- B. The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonable certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

#### Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

## (13) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, not meeting the recognition criteria, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Company's intangible assets is as follows:

	<u>Cost of Computer Software</u>
Useful economic life	1 ~ 5 years
Amortization method	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally

(14) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(15)Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

(16)Revenue recognition

The Company's revenue arising from contracts with customers mainly includes sale of goods. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is contact lenses and revenue is recognized based on the consideration stated in the contract. The Company recognized an allowance for sale return and discount shall be presented under the caption of refund liabilities within other current liabilities when partial or all considerations received might be returned or a chargeback is expected to occur.

The credit period of the Company's sale of goods is from T/T to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(19) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to pension plans that are managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages, and the amount allocated shall be recognized as current expenses.

(20)Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.
- B. In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized according.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

## 5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Company's parent-company-only financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

#### (1) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

#### (2) Accounts receivables - estimation of impairment loss

The Company estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

#### (3) Inventory

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(4) Revenue recognition - sale returns and allowances

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 for more details.

(5) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

## (1) Cash and cash equivalents

	As of December 31,	
	2025	2024
Cash and petty cash	\$1,768	\$1,683
Checkings and savings	276,696	125,762
Time deposit(note)	856,557	1,014,860
Total	<u>\$1,135,021</u>	<u>\$1,142,305</u>

Note: The contract will expire within three months and it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in value.

## (2) Financial assets at fair value through profit or loss

	As of December 31,	
	2025	2024
Mandatorily measured at fair value through profit or loss:		
Money market fund	\$940,945	\$975,026
Valuation adjustment	1,436	2,874
Total	<u>\$942,381</u>	<u>\$977,900</u>
Current	\$942,381	\$977,900
Non-current	-	-
Total	<u>\$942,381</u>	<u>\$977,900</u>

No financial asset measured at fair value through profit or loss was pledged as collateral.

## (3) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2025	2024
Equity instrument investments measured at fair value through other comprehensive income – Non-current:		
Unlisted companies stocks	\$50,880	\$-
Valuation adjustment	(49,585)	-
Total	\$1,295	\$-

No financial assets at fair value through other comprehensive income were pledged as collateral.

## (4) Financial asset measured at amortized cost

	As of December 31,	
	2025	2024
Time deposit	\$1,150,000	\$942,990
Less: loss allowance	-	-
Total	\$1,150,000	\$942,990
Current	\$1,150,000	\$942,990
Non-current	\$-	\$-

The Company deals with financial institutions with good credit, so there is no significant credit risk.

No financial asset measured at amortized cost was pledged as collateral.

## (5)Accounts receivable and accounts receivable - related parties, net

## A.Accounts receivable, net

	As of December 31,	
	2025	2024
Accounts receivable, gross	\$202,512	\$204,549
Less: loss allowance	(5,835)	(5,955)
Net of allowances	196,677	198,594
Accounts receivable - related parties, gross	957,723	852,520
Less: loss allowance	-	-
Net of allowances	957,723	852,520
Total accounts receivable, net	\$1,154,400	\$1,051,114

## B.Accounts receivable were not pledged.

C.Accounts receivable are generally on T/T to 90 days terms. The total carrying amount is NT\$1,160,235 thousand and NT\$1,057,069 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6(19) for more details on loss allowance of accounts receivable for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

## (6)Inventory

## A.Details of inventory:

	As of December 31,	
	2025	2024
Raw materials	\$113,058	\$88,224
Supplies	9,635	5,190
Work in process	318,454	200,989
Finished goods	265,856	221,824
Total	\$707,003	\$516,227

B.For the years ended December 31, 2025 and 2024, the Company recognized NT\$3,263,063 thousand and NT\$2,928,639 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

Item	For the year ended December 31,	
	2025	2024
Loss (Gain) from inventory market decline	\$26,471	\$(4,314)
Loss from inventory write-off obsolescence	19,331	14,222
Total	\$45,802	\$9,908

The Company recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed.

C.The inventories were not pledged.

(7)Investments accounted for under the equity method

Investee companies	As of December 31,				Note
	2025		2024		
	Amount	Percentage of Ownership	Amount	Percentage of Ownership	
Investments in subsidiaries:					
Mayin Investment Co., Ltd.	\$732,271	100%	\$601,539	100%	None
Pegavision Japan Inc.	211,924	100%	165,729	100%	None
Pegavision (Jiangsu) Limited	118,822	100%	111,161	100%	None
PEGAVISION VIETNAM COMPANY LIMITED	876,584	100%	628,553	100%	None
PEGAVISION NETHERLANDS B.V.	35,519	100%	-	-	None
Zhuhe Investment Co., Ltd.	19,408	10%	19,751	10%	Note 1
Unrealized profit	(85,398)		(109,738)		
Total	\$1,909,130		\$1,416,995		

Note 1: In August 2023, the company invested cash in Zhuhe Investment Co., Ltd., holding 11.76% ownership and was appointed one seat of directorship. Therefore, the company only has material influence but does not have control over Zhuhe Investment Co., Ltd.

Zhuhe Investment Co., Ltd. conducted a cash capital increase in June 2024. The company did not subscribe to the shares proportionately, there by reducing its ownership from 11.76% to 10%. An additional capital surplus in the amount of NT\$23 thousand was recognized for the non-proportionate subscription.

The Company's investment in Zhuhe Investment Co., Ltd. are not individually material. As of December 31, 2025 and 2024, the aggregated carrying amount of the Company's investment in Zhuhe Investment Co., Ltd. amounted to NT\$19,408 thousand and NT\$19,751 thousand. The summarized financial information for the share of associates of the Company is as follows:

Item	For the year ended December 31,	
	2025	2024
Profit (loss) from continuing operations	\$(343)	\$(89)
Other comprehensive income (post-tax)	-	-
Total comprehensive loss	\$(343)	\$(89)

A. Investment in subsidiaries were present in the parent-company-only financial statements under the caption of investments accounted for under equity method or credit for investment accounted for the equity method. Valuation adjustment is made if deemed necessary.

B. The associates and jointly controlled entities accounted for under the equity method are measured based on the investees' financial statements for the corresponding reporting periods, which have been audited by independent certified public accountants.

C. The associates and jointly controlled entities had no contingent liabilities or capital commitments and they were not pledged.

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Notes to Parent-Company-Only Financial Statements (Continued)

(8)Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for equipment)	Total
<u>Cost:</u>								
As of 1/1/2025	\$3,230,464	\$1,211,776	\$4,965,274	\$1,973	\$88,835	\$1,361,903	\$1,648,270	\$12,508,495
Addition	-	-	-	-	-	-	1,339,899	1,339,899
Disposals	-	-	(125,720)	-	(5,963)	(25,389)	-	(157,072)
Transfer	-	1,480,353	304,920	97	66,131	937,416	(2,788,917)	-
As of 12/31/2025	\$3,230,464	\$2,692,129	\$5,144,474	\$2,070	\$149,003	\$2,273,930	\$199,252	\$13,691,322
As of 1/1/2024	\$1,317,564	\$69,345	\$4,921,250	\$1,973	\$81,449	\$952,556	\$2,061,474	\$9,405,611
Addition	-	-	-	-	-	-	3,117,517	3,117,517
Disposals	-	-	(8,787)	-	(459)	(5,387)	-	(14,633)
Transfer	1,912,900	1,142,431	52,811	-	7,845	414,734	(3,530,721)	-
As of 12/31/2024	\$3,230,464	\$1,211,776	\$4,965,274	\$1,973	\$88,835	\$1,361,903	\$1,648,270	\$12,508,495
<u>Depreciation and impairment:</u>								
As of 1/1/2025	\$-	\$101,241	\$3,980,252	\$1,567	\$81,391	\$858,481	\$-	\$5,022,932
Depreciation	-	67,204	419,041	204	8,180	183,129	-	677,758
Impairment loss	-	-	-	-	-	-	-	-
Disposal	-	-	(121,069)	-	(5,963)	(25,290)	-	(152,322)
Transfer	-	-	-	-	-	-	-	-
As of 12/31/2025	\$-	\$168,445	\$4,278,224	\$1,771	\$83,608	\$1,016,320	\$-	\$5,548,368
As of 1/1/2024	\$-	\$49,962	\$3,522,598	\$1,366	\$78,001	\$748,649	\$-	\$4,400,576
Depreciation	-	32,037	466,441	201	3,849	115,219	-	617,747
Impairment loss	-	19,242	-	-	-	-	-	19,242
Disposal	-	-	(8,787)	-	(459)	(5,387)	-	(14,633)
Transfer	-	-	-	-	-	-	-	-
As of 12/31/2024	\$-	\$101,241	\$3,980,252	\$1,567	\$81,391	\$858,481	\$-	\$5,022,932

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for equipment)	Total
<u>Net carrying amount:</u>								
As of 12/31/2025	\$3,230,464	\$2,523,684	\$866,250	\$299	\$65,395	\$1,257,610	\$199,252	\$8,142,954
As of 12/31/2024	\$3,230,464	\$1,110,535	\$985,022	\$406	\$7,444	\$503,422	\$1,648,270	\$7,485,563

A.Details of property, plant & equipment and prepayment for property and equipment is as follows:

	As of December 31,	
	2025	2024
Property, plant and equipment	\$7,943,702	\$7,390,086
Prepayment for property and equipment	199,252	95,477
Total	\$8,142,954	\$7,485,563

B.For the year ended 2024, NT\$19,242 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

C.Please refer to Note 8 for more details on property, plant and equipment under pledge.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

(9) Intangible assets

	<u>Computer software</u>
<u>Cost:</u>	
As of January 1, 2025	\$78,994
Additions – acquired separately	44,950
Transfer	-
Derecognized upon retirement	(783)
As of December 31, 2025	<u>\$123,161</u>
As of January 1, 2024	\$58,346
Additions – acquired separately	20,648
Transfer	-
Derecognized upon retirement	-
As of December 31, 2024	<u>\$78,994</u>
<u>Amortization and Impairment:</u>	
As of January 1, 2025	\$57,013
Amortization	23,057
Derecognized upon retirement	(783)
As of December 31, 2025	<u>\$79,287</u>
As of January 1, 2024	\$39,170
Amortization	17,843
Derecognized upon retirement	-
As of December 31, 2024	<u>\$57,013</u>
<u>Carrying amount, net:</u>	
As of December 31, 2025	<u>\$43,874</u>
As of December 31, 2024	<u>\$21,981</u>

Amounts of amortization recognized for intangible assets are as follows:

	For the year ended December 31,	
	2025	2024
Manufacturing expense	\$37	\$126
Administrative expense	21,084	16,548
Research and development expense	1,936	1,169
Total	\$23,057	\$17,843

(10)Other non-current assets

	As of December 31,	
	2025	2024
Refundable deposits	\$32,494	\$33,461
Prepayment for property and equipment	199,252	95,477
Total	\$231,746	\$128,938

Please refer to Note 8 for more details on Refundable deposits under pledge.

(11)Short-term borrowings

A.Details of Short-term borrowings

	As of December 31,	
	2025	2024
Unsecured bank loans	\$528,870	\$351,503
Interest Rate (%)	4.35%~4.38%	2.02%~5.33%

B.The Company's unused short-term lines of credits amounts to NT\$785,598 thousand and NT\$976,397 thousand, as of December 31, 2025 and 2024, respectively.

## (12) Other payable

	As of December 31,	
	2025	2024
Accrued expenses	\$1,445,628	\$1,325,841
Accrued interest payable	3,123	2,826
Payable to equipment suppliers	309,342	114,645
Total	<u>\$1,758,093</u>	<u>\$1,443,312</u>

## (13) Provision

	Levies
<u>Cost:</u>	
As of January 1, 2025	\$-
Arising during the period	4,800
Utilized	-
Unused provision reversed	-
As of December 31, 2025	<u>\$4,800</u>

A provision is recognized for the carbon fees levied in accordance with the "Climate Change Response Act" and its related sub-laws. Based on the relevant regulations and the greenhouse gases emissions within the scope in the current year's inventory, the Group is subject to the carbon fees levy. However, due to uncertainties related to factors such as emission verification or the implementation of related self-determined reduction plan, the Group has made its best estimate based on applicable regulations and available information. The payment will be made by the end of May in the following year.

## (14) Other current liabilities

## A. Details of other current liabilities

	As of December 31,	
	2025	2024
Other current liabilities	\$12,664	\$35,931
Refund liability	381,722	288,464
Deferred government grants income	-	231
Long-Term Borrowings-Current Portion	6,145	6,928
Total	400,531	\$331,554

B. The changes in the Company's balances of deferred government grants income are as follows:

	For the year ended December 31,	
	2025	2024
Beginning balance	\$278	\$594
Received during the period	-	-
Released to the statement of comprehensive income	(278)	(316)
Ending Balance	\$-	\$278
Current	\$-	\$231
Non-current	\$-	\$47

C. Please refer to Note 6(15) for more details on interest rate of deferred government grants income.

## (15) Long-term borrowings

## A. Details of long-term borrowings:

Debtor	Type of Loan	Maturity	As of December 31,		Repayment
			2025	2024	
Chang Hwa Commercial Bank – Beitou Branch	Credit loan	2020.03.25- 2025.03.15	\$-	\$623	Notes 1
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2020.11.10- 2030.10.15	6,043	7,260	Notes 2
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2021.04.08- 2030.10.15	23,864	28,733	Notes 2
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2023.12.15- 2030.12.15	125,682	131,160	Notes 3
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.03.12- 2031. 03.12	94,261	98,370	Notes 3
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.09.16- 2031. 09.16	94,261	98,370	Notes 3
Total			344,111	364,516	
Less: current portion			(6,145)	(6,928)	
Non-current portion			\$337,966	\$357,588	

Note 1: A term is defined as every 1 month starting from the initial draw-down date. Grace period is 3 years (36 terms). The rest is repayable in installments of equal amount for 24 terms.

Note 2: A term is defined as every 1 month starting from the initial draw-down date. Grace period is 2 years (24 terms). The rest is repayable in installments of equal amount for 96 terms.

Note 3: A term is defined as every 3 months starting from the initial draw-down date. Grace period is 3 years (12 terms). The rest is repayable in installments of equal amount for 16 terms.

B. The interest rate intervals for long-term borrowings are as follows:

	As of December 31,	
	2025	2024
The interest rate intervals(%)	1.35%~4.605%	1.15%~5.90%

The Company obtained from the Ministry of Economy a low-interest government loan amounting NT\$60,000 thousands with a term of 5~10 years and annual interest rates of 0.50% and monthly interest payment on the 15th of each month. The loan was recorded under the caption of other liabilities-deferred government grants income. The Company shall recognize the government grant income when it is reasonably assured that the Company satisfy all the terms of the government grant agreement.

C. Please refer to Note 8 for more details regarding assets pledged for secured bank borrowings.

#### (16) Post-employment benefits

##### Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 are NT\$47,482 thousand and NT\$44,763 thousand, respectively.

##### Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. Under the Labor Standards Act, the Company contribute an amount for foreign professional and mid-level technical staff and equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee.

Pension for the years ended December 31, 2025 and 2024 were NT\$126 thousand and NT\$60 thousand, respectively.

## (17)Equity

## A.Common stock

As of December 31, 2025 and 2024, the Company's authorized capital was NT\$1,000,000 thousand, and paid-in capital were NT\$780,000 thousand, each share at par value of NT\$10, divided into 78,000 thousand shares. Each share has one voting right and a right to receive dividends.

## B.Capital surplus

	As of December 31,	
	2025	2024
Additional paid-in capital	\$4,204,928	\$4,204,928
Changes in ownership interests in subsidiaries	4,609	4,609
Changes in associate and joint ventures accounted for using the equity method	23	23
Share-based payment transaction	59,359	59,359
Expired employee stock warrants	625	625
Total	<u>\$4,269,544</u>	<u>\$4,269,544</u>

According to Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of divided shares to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C. Appropriation of earnings and dividend policies

a. Distribution of earnings

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

I. Payment of all taxes and dues;

II. Offset prior years' operation losses;

III. Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.

IV. Set aside or reverse special reserve in accordance with law and regulations; and

V. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the above-mentioned dividends are distributed to shareholders in the form of cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholder's meeting.

b. Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, the Company's dividend policy aims for steadiness and balancing. Dividends to be distributed in cash for each year shall not be less than 10% of the total dividends paid.

c. Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

d.Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

e.The appropriations of earnings for the Years 2025 and 2024 were approved through the Board of Directors’ meeting and shareholders’ meeting held on January 30, 2026 and May 21 ,2025, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2025	2024	2025	2024
Legal reserve	\$162,804	\$183,068		
Special reserve(reversal)	105,301	(8,026)		
Cash dividend	780,000	858,000	\$10	\$11

Please refer to Note 6(21) for details on employees’ compensation and remuneration to directors and supervisors.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

(18) Operating revenue

	For the year ended December 31,	
	2025	2024
Revenue from customer contracts		
Sales of goods	\$6,072,328	\$5,924,458

Analysis of revenue from contracts with customers are as follows:

A. The Company's revenue from contracts with customers is sales of goods. The timing of revenue recognition is at a point in time.

B. Contract balances

a. Contract liabilities – current

	2025.12.31	2024.12.31	2024.01.01
Sales of goods	\$131,273	\$11,389	\$31,949

The changes in the Company's balances of contract liabilities for the years ended December 31, 2025 and 2024 are as follows:

	For the year ended December 31,	
	2025	2024
The opening balance transferred to revenue	\$(10,255)	\$(27,478)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	130,139	6,918

(19) Expected credit gains (losses)

	For the year ended December 31,	
	2025	2024
Operating expenses - Expected credit gains (losses)		
Accounts receivable	\$120	\$41,567

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

A. The Company considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

December 31, 2025

	Past due					Total
	Not past due	<=60 days	61-90 days	91-240 days	>=241 days	
Gross carrying amount	\$1,156,941	\$3,294	\$-	\$-	\$-	\$1,160,235
Loss rate	0.50%	1%	-%	-%	-%	
Lifetime expected credit losses	(5,802)	(33)	-	-	-	(5,835)
Carrying amount of accounts receivable	\$1,151,139	\$3,261	\$-	\$-	\$-	\$1,154,400

December 31, 2024

	Past due					Total
	Not past due	<=60 days	61-90 days	91-240 days	>=241 days	
Gross carrying amount	\$1,040,420	\$16,649	\$-	\$-	\$-	\$1,057,069
Loss rate	0.56%	1%	-%	-%	-%	
Lifetime expected credit losses	(5,789)	(166)	-	-	-	(5,955)
Carrying amount of accounts receivable	\$1,034,631	\$16,483	\$-	\$-	\$-	\$1,051,114

B. The movement in the provision for impairment of accounts receivable for the years 2025 and 2024 are as follows:

	<u>Accounts receivable</u>
As of January 1, 2025	\$5,955
Addition (reversal)	(120)
As of December 31, 2025	<u>\$5,835</u>
As of January 1, 2024	\$47,522
Addition (reversal)	(41,567)
As of December 31, 2024	<u>\$5,955</u>

## (20)Leases

## A.Company as a lessee

The Company leases buildings. The lease terms range from 1 to 10 years. The Company may not allow to lend, sublease, sell without obtaining the consent from the lessors.

The effect of leases on the Company's financial position, financial performance and cash flows are as follow:

## a.Amounts recognized in the balance sheet

## I.Right-of-use assets

2025/1/1-2025/12/31: None.

	<u>Buildings</u>
<u>Cost:</u>	
As of 1/1/2024	\$330,605
Addition	-
Disposals	(330,605)
Transfer	-
As of 12/31/2024	<u>\$-</u>
 <u>Depreciation and impairment:</u>	
As of 1/1/2024	\$165,303
Depreciation	24,795
Impairment loss	-
Disposals	(190,098)
Transfer	-
As of 12/31/2024	<u>\$-</u>
 Net carrying amount:	
As of 12/31/2024	<u>\$-</u>

## II. Lease liabilities

	As of December 31,	
	2025	2024
Lease liabilities	\$-	\$-

Please refer to Note 6 (22)(d) for the interest on lease liabilities recognized during the year ended 31 December 2025 and 2024.

## b. Income and costs relating to leasing activities

	For the year ended December 31,	
	2025	2024
The expenses relating to short-term leases	\$(5,249)	\$(6,390)
Income from subleasing right-of-use assets	-	213

As of December 31, 2025 and 2024, the portfolio of short-term leases of the Company to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expenses disclosed above, and the amount of its lease commitments is NT\$0.

## c. Cash outflow relating to leasing activities

	For the year ended December 31,	
	2025	2024
Cash outflow relating to leases amount	\$5,249	\$32,210

## B. The Company is the lessor

The Company has entered into leases on certain buildings with lease terms range from one to two years. They are classified as operating lease as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the year ended December 31,	
	2025	2024
Lease income for operating leases payments	\$47,557	\$29,346

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2025 and 2024 are as follows:

	For the year ended December 31,	
	2025	2024
Not later than one year	\$7,148	\$28,593
Later than one year but not later than two years	-	7,148
Total	\$7,148	\$35,741

(21) Summary statement of employee benefits, depreciation and amortization by function is as follows:

Nature \ Function	2025			2024		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	\$1,094,275	\$593,060	\$1,687,335	\$1,009,022	\$593,450	\$1,602,472
Labor and health insurance	98,610	30,695	129,305	88,202	28,967	117,169
Pension	31,101	16,507	47,608	29,103	15,720	44,823
Directors' remuneration	-	25,117	25,117	-	26,496	26,496
Other employee benefits expense	57,641	33,017	90,658	54,039	35,131	89,170
Depreciation	638,931	38,827	677,758	621,400	21,142	642,542
Amortization	37	23,020	23,057	126	17,717	17,843

Note:

- The average headcounts of the Company amounted to 1,776 and 1,720, respectively, as of December 31, 2025 and 2024. Among the Company's directors, there were seven in each year who were not employees, as of December 31, 2025 and 2024.

2. Companies who have been listed on Taiwan Stock Exchange or Taipei Exchange should disclose the following information:

- (1) Average employee benefits of 2025 and 2024 are NT\$1,105 thousand and NT\$1,082 thousand respectively.
- (2) Average salaries of 2025 and 2024 are NT\$954 thousand and NT\$935 thousand respectively.
- (3) Changes in average salaries are 2%.
- (4) In accordance with the regulations, the Company has established an audit committee to replace the supervisor, so the supervisor's remuneration has not been recognized.
- (5) The salary and remuneration policy of the Company:

Board of Directors and managers' salaries are referred to the industry standards, and the bonuses are allocated according to their performance, risk taking and level of contribution, etc. Employees' salaries are based on their academic background, professional knowledge, years of experience, and their KPI. Employees' annual salaries are also adjusted based on Company's condition to motivate and retain outstanding employees.

According to the Article of Incorporation, not lower than 10% of profit of the current year is distributable as employees' compensation and no higher than 1% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. According to the amended Articles of Incorporation approved through the shareholders' meeting held on May 21, 2025, not lower than 25% of employee remuneration shall be allocated to grassroots employees. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2025 amounted to NT\$252,044 thousand and NT\$21,917 thousand, respectively. The employees' compensation and remuneration to directors for the year ended December 31, 2024 amounted to NT\$267,906 thousand and NT\$23,296 thousand, respectively, recognized as employee benefits.

The Company's Board has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$252,044 thousand and NT\$21,914 thousand, respectively. No material differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2025.

The Company's Board has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$267,906 thousand and NT\$23,294 thousand, respectively. No material differences exist between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2024.

## (22) Non-operating incomes and expenses

### A. Interest income

	For the year ended December 31,	
	2025	2024
Financial assets measured at amortized cost	\$35,577	\$18,254

### B. Other incomes

	For the year ended December 31,	
	2025	2024
Rent income	\$47,557	\$29,346
Government grants income	278	316
Construction contract penalty income	108,182	-
Other income - others	24,849	12,461
Total	\$180,866	\$42,123

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

C. Other gains and losses

	For the year ended December 31,	
	2025	2024
Gain (loss) from disposal of property, plant and equipment	\$(4,674)	\$30
Foreign exchange gain (loss), net	24,444	23,094
Gain (loss) on financial assets at fair value through profit or loss	13,245	25,691
Lease modification benefit	-	1,612
Impairment loss on non-financial assets	-	(19,242)
Other losses	-	(17)
Total	<u>\$33,015</u>	<u>\$31,168</u>

D. Finance costs

	For the year ended December 31,	
	2025	2024
Interests on borrowings from bank	\$48,027	\$53,876
Interest on lease liabilities	-	449
Total	<u>\$48,027</u>	<u>\$54,325</u>

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

(23) Components of other comprehensive income (loss)

For the year ended December 31, 2025

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not be reclassified to profit or loss in subsequent periods:					
Unrealized gain (losses) from equity instruments investments measured at fair value through other comprehensive income	\$(49,585)	\$-	\$(49,585)	\$-	\$(49,585)
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	(55,716)	-	(55,716)	-	(55,716)
Total of other comprehensive income	<u>\$(105,301)</u>	<u>\$-</u>	<u>\$(105,301)</u>	<u>\$-</u>	<u>\$(105,301)</u>

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under equity method	\$8,026	\$-	\$8,026	\$-	\$8,026

(24)Income tax

A. The major components of income tax expense (income) are as follows:

Income tax expense (benefit) recognized in profit or loss

	<u>For the year ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Current income tax expense (income):		
Current income tax expense	\$283,519	\$243,293
Adjustments in respect of current income tax of prior periods	(5,855)	(196)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	12,018	(35,356)
Total income tax expense (income)	<u>\$289,682</u>	<u>\$207,741</u>

B.A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2025	2024
Accounting profit before tax from continuing operations	\$1,917,726	\$2,038,417
Tax payable at the enacted tax rates	\$383,545	\$407,683
Tax effect of income tax-exempted	(29,484)	(30,204)
Tax effect of expenses not deductible for tax purposes	20	6
Tax effect of deferred tax assets/liabilities	(6,844)	22,792
Adjustments in respect of current income tax of prior periods	(5,855)	(196)
Income tax impact of income tax deduction	(63,718)	(156,984)
Other adjustments according to the Tax Law	12,018	(35,356)
Total income tax recognized in profit or loss	\$289,682	\$207,741

C. Deferred tax assets (liabilities) relate to the following.

For the year ended December 31, 2025

	Beginning balance as of January 1, 2025	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2025
Temporary differences				
Unrealized loss on inventory valuation	\$25,282	\$7,141	\$-	\$32,423
Unrealized exchange loss (gain)	2,910	(12,019)	-	(9,109)
Share of profits or loss of subsidiaries, associates and joint ventures accounted for under equity method	(58,550)	(1,941)	-	(60,491)
Unrealized refund liability	43,270	(5,199)	-	38,071
Deferred tax income/ (expense)		<u>\$(12,018)</u>	<u>\$-</u>	
Net deferred tax assets/(liabilities)	<u>\$12,912</u>			<u>\$894</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$71,462</u>			<u>\$70,494</u>
Deferred tax liabilities	<u>\$58,550</u>			<u>\$69,600</u>

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

For the year ended December 31, 2024

	Beginning balance as of January 1, 2024	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2024
Temporary differences				
Unrealized loss on inventory valuation	\$5,782	\$19,500	\$-	\$25,282
Unrealized exchange loss (gain)	(3,266)	6,176	-	2,910
Share of profits or loss of subsidiaries, associates and joint ventures accounted for under equity method	(48,046)	(10,504)	-	(58,550)
Unrealized refund liability	23,086	20,184	-	43,270
Deferred tax income/ (expense)		\$35,356	\$-	
Net deferred tax assets/(liabilities)	<u>\$(22,444)</u>			<u>\$12,912</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$28,868</u>			<u>\$71,462</u>
Deferred tax liabilities	<u>\$51,312</u>			<u>\$58,550</u>

D.Unrecognized deferred tax assets

As of December 31, 2025 and 2024, deferred tax assets that have not been recognized as they may not be used to offset future taxable income amounted to NT\$121,574 thousand and NT\$119,918 thousand, respectively.

E.The assessment of income tax returns

As of December 31, 2025, the assessment of the income tax returns of the Company have been approved up to the year of 2023.

(25)Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to the common shareholders of the parent entity by the weighted average number of common stocks outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of common stocks outstanding during the year plus the weighted average number of common stocks that would be issued on conversion of all the dilutive potential common stocks into common stocks.

## A. Basic earnings per share

	For the year ended December 31,	
	2025	2024
Net income available to common shareholders of the parent	\$1,628,044	\$1,830,676
Weighted average number of common stocks outstanding (in thousand shares)	78,000	78,000
Basic earnings per share (in NT\$)	\$20.87	\$23.47

## B. Diluted earnings per share

	For the year ended December 31,	
	2025	2024
Net income available to common shareholders of the parent	\$1,628,044	\$1,830,676
Net income available to common shareholders of the parent after dilution	\$1,628,044	\$1,830,676
Weighted average number of common stocks outstanding (in thousand shares)	78,000	78,000
Effect of dilution:		
Employee bonus (compensation) - stock (in thousand shares)	973	761
Weighted average number of common stocks outstanding after dilution (in thousand shares)	78,973	78,761
Diluted earnings per share (in NT\$)	\$20.62	\$23.24

No other transactions that would significantly change the outstanding common stocks or potential common stocks incurred during the period subsequent to reporting date and up to the approval date of financial statements.

## 7.RELATED PARTY TRANSACTIONS

(1)Deal with related parties as of the end of the reporting period

### Related parties and Relationship

Related parties	Relationship
Pegatron Corporation	Ultimate parent company
Pegavision Japan Inc.	Subsidiary
Pegavision (Jiangsu) Limited	Subsidiary
BeautyTech Platform Corporation	Subsidiary
FacialBeau International Corporation	Subsidiary
Gemvision Technology (Zhejiang) Limited	Subsidiary
Pegavision (Vietnam) Company Limited	Subsidiary
PEGAVISION NETHERLANDS B.V.	Subsidiary
Zhuhe Investment Co., Ltd.	Associate
Pegatron CZECH S.R.O.	Other related party

(2)Significant transactions with related parties

### A.Sales

	For the year ended December 31,	
	2025	2024
Pegavision Japan Inc.	\$4,036,216	\$3,398,548
Pegavision (Jiangsu) Limited	35,064	12,795
BeautyTech Platform Corporation	380,357	338,641
FacialBeau International Corporation	8,889	24,405
Gemvision Technology (Zhejiang) Limited	104,265	191,288
Pegavision (Vietnam) Company Limited	1,841	-
PEGAVISION NETHERLANDS B.V.	2,138	-
Total	\$4,568,770	\$3,965,677

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

Selling prices is set by the fixed price for sale to other customers and taking into account the cost of its after-sales services plus reasonable profit. Collection terms were 90 days after monthly closing, 120 days after monthly closing, or 180 days after monthly closing.

B.Purchases

	For the year ended December 31,	
	2025	2024
FacialBeau International Corporation	\$1,530	\$-
Pegatron Corporation	940	-
Total	\$2,470	\$-

The company purchases goods from related parties at price negotiated by both parties with reference to prevailing market rates. The payment terms for such transactions are comparable to those offered to unrelated suppliers, 90 days after monthly closing.

C.Lease-related parties

a.Interest expenses (Deposit included in interest computation)

Related parties	For the year ended December 31,	
	2025	2024
Pegatron Corporation	\$52	\$481

b.Lease payments (Rental expense)

Related parties	Nature	For the year ended December 31,	
		2025	2024
Pegatron Corporation	short-term leases	\$-	\$34
Zhuhe Investment Co., Ltd.	short-term leases	19	-
Total		\$19	\$34

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

D.Rent income

Related parties	Rental period	Rental subject	Payment term	For the year ended December 31,	
				2025	2024
Pegatron Corporation	2024.04.01~ 2026.03.31	Buildings	Redeemed on the 10th of each month	\$28,642	\$24,115

E.Operating expense

Related parties	Nature	For the year ended December 31,	
		2025	2024
Pegatron Corporation	Pay utilities	\$20,441	\$45,617
BeautyTech Platform Corporation	Advertisement expense	\$78,731	\$55,651
Pegavision (Jiangsu) Limited	Warehouse fees	\$14,884	\$15,184
Pegatron CZECH S.R.O.	Provide services	\$165	\$389
FacialBeau International Corporation	Miscellaneous Fees	\$1,314	\$-

F.Other revenue

Related parties	Nature	For the year ended December 31,	
		2025	2024
Pegavision (Vietnam) Company Limited	Provide services	\$9,637	\$-
Pegatron Corporation	Pay maintenance fee	\$100	\$-

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

G.Accounts receivable - related parties

	As of December 31,	
	2025	2024
Pegavision Japan Inc.	\$752,556	\$679,368
Pegavision (Jiangsu) Limited	21,065	3,600
BeautyTech Platform Corporation	149,543	134,405
FacialBeau International Corporation	-	8,142
Gemvision Technology (Zhejiang) Limited	13,502	27,005
Pegavision (Vietnam) Company Limited	10,829	-
PEGAVISION NETHERLANDS B.V.	10,228	-
Less: loss allowance	-	-
Net	\$957,723	\$852,520

H.Other receivable

	As of December 31,	
	2025	2024
Pegatron Corporation	\$-	\$7,107
Pegavision (Vietnam) Company Limited	8,978	-
Total	\$8,978	\$7,107

I.Other payables

	As of December 31,	
	2025	2024
Pegatron Corporation	\$-	\$7,406
Pegavision Japan Inc.	9	-
BeautyTech Platform Corporation	7,577	4,725
FacialBeau International Corporation	53	53
Pegatron CZECH S.R.O	14	14
Total	\$7,653	\$12,198

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

J. Deposits received

	As of December 31,	
	2025	2024
Pegatron Corporation	\$3,000	\$3,000

K. The Company purchased equipment on behalf of Pegavision (Jiangsu) Limited, Pegavision (Vietnam) Company Limited, and PEGAVISION NETHERLANDS B.V. due to the collection and payment of funds on their behalf, as of December 31, 2025, the Company recorded NT\$3,567 thousand under other current assets, and NT\$1,372 thousand and NT\$1,123 thousand under other current liabilities, respectively.

L. On September 21, 2023, the Company's board of directors resolved to purchase Land and Buildings from the related party. Pegatron Corporation, and the total transaction amounted to NT\$3,040,000 thousand (exclude business tax). As of March 2024, Land and Buildings transfer have been completed.

M. Key management personnel compensation

	For the year ended December 31,	
	2025	2024
Short-term employee benefits and post-employment benefits	\$51,954	\$58,148

8. ASSETS PLEDGED AS COLLATERAL

The following table lists assets of the Company pledged as collateral:

Items	Carrying amount as of December 31,		Secured liabilities
	2025	2024	
Refundable deposits	\$2,000	\$2,000	Security deposit to custom authority

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2025, the Company's outstanding contracts relating to significant construction in progress and purchased property, plant and equipment were as follows:

<u>Nature of Contract</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount unpaid</u>
Buildings	\$96,950	\$29,085	\$67,865
Machinery and equipment	84,500	18,570	65,930
Total	<u>\$181,450</u>	<u>\$47,655</u>	<u>\$133,795</u>

Contract amount paid recorded above is recorded at Construction in progress and equipment awaiting inspection.

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENT

None.

12.OTHERS

## (1)Categories of financial instruments

Financial assets

	As of December 31,	
	2025	2024
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	\$942,381	\$977,900
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	1,133,253	1,140,622
Financial assets measured at amortized cost	1,150,000	942,990
Accounts receivables (include related party)	1,154,400	1,051,114
Other receivables (include related party)	19,984	15,871
Refundable deposits	32,494	33,461
Subtotal	3,490,131	3,184,058
Total	\$4,432,512	\$4,161,958

Financial liabilities

	As of December 31,	
	2025	2024
Financial liabilities measured at amortized cost:		
Short-term borrowings	\$528,870	\$351,503
Payables (include related party)	2,050,753	1,649,333
Long-term borrowings (including current portion with maturity less than 1 year)	344,111	364,516
Total	\$2,923,734	\$2,365,352

## (2)Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures, and manages the aforementioned risks based on its policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

### (3)Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

#### Foreign currency risk

The Company's exposure to the risk of change in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign operations.

The Company has certain foreign currency receivables to denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Therefore, hedge accounting is not adopted.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the reporting period. The Company's foreign currency risk is mainly related to volatility in the exchange rates of US dollars. The information of the sensitivity analyses is as follows:

When NTD appreciates/depreciates against USD by 1%, net income (loss) for the years ended December 31, 2025 and 2024 would decrease/increase by NT\$578 thousand and NT\$1,362 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk relates primarily to the Company's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and bank borrowing with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the years ended December 31, 2025 and 2024 would increase/decrease by NT\$151 thousand and NT\$665 thousand, respectively.

Equity price risk

The fair value of the Company's unlisted equity securities to market price risk arising from uncertainties about future values of the investment securities. The Company's unlisted equity securities measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Please refer to Note 12(8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions and the Company's internal credit ratings. The Company also employs some credit enhancement instruments (e.g. prepayment or insurance) to reduce certain customers' credit risk.

As of December 31, 2025 and 2024, receivables from the top ten customers were accounted for 92.15% and 94.78% of the Company's total accounts receivable, respectively. The concentration of credit risk is relatively not significant for the remaining receivables.

Credit risk from balances with banks, fixed-income securities and other financial instruments is managed by the Company's finance division in accordance with the Company's policy. The counterparties that the Company transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables is measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

#### (5)Liquidity risk management

The Company maintains financial flexibility through the use of cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
<u>As of December 31, 2025</u>							
Borrowings	\$557,994	\$79,856	\$98,295	\$93,445	\$93,444	\$18,022	\$941,056
Payables	2,050,753	-	-	-	-	-	2,050,753
<u>As of December 31, 2024</u>							
Borrowings	\$386,020	\$26,290	\$94,450	\$101,748	\$96,688	\$102,913	\$808,109
Payables	1,649,333	-	-	-	-	-	1,649,333

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the year ended December 31, 2025:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Total liabilities from financing activities
As of January 1, 2025	\$351,503	\$364,516	\$3,300	\$719,319
Cash flows	177,367	(20,567)	-	156,800
Non-cash changes				
Interest of lease liabilities	-	162	-	162
As of December 31, 2025	\$528,870	\$344,111	\$3,300	\$876,281

Movement schedule of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$908,620	\$172,496	\$400	\$166,950	\$1,248,466
Cash flows	(557,117)	191,790	2,900	(25,280)	(387,707)
Non-cash changes					
Lease modification	-	-	-	(142,119)	(142,119)
Interest of lease liabilities	-	230	-	449	679
As of December 31, 2024	\$351,503	\$364,516	\$3,300	\$-	\$719,319

(7) Fair values of financial instruments

A. The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Company in estimating the fair values of financial assets and liabilities:

- a. The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturities.
- b. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds).
- c. Fair value of equity instruments without market quotations, bank borrowing and other non-current liabilities are determined based on the counterparty prices or valuation method (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measure at amortized cost approximates their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

As of December 31, 2025

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$942,381	\$-	\$-	\$942,381
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$1,295	\$1,295

Financial liabilities:

None

As of December 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$977,900	\$-	\$-	\$977,900

Financial liabilities:

None

Transfers between Level 1 and Level 2 during the period

For the year ended December 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurement.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Asset
	At fair value through other comprehensive income
	Stock
Beginning balances as of January 1, 2025	\$-
Total gains and losses	
Amount recognized in OCI (presented in “Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	(49,585)
Acquisition/issues	50,880
Ending balances as of December 31, 2025	\$1,295

2024.01.01~2024.12.31:None

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Unlisted companies stocks	Comparable Company law	discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's equity by NT\$81 thousand

As of December 31, 2024:None.

## (9) Significant financial assets and liabilities denominated in foreign currencies

Information regarding the significant financial assets and liabilities denominated in foreign currencies was listed below. (In Thousands)

	As of December 31,					
	2025			2024		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	<u>\$28,748</u>	31.4205	<u>\$903,285</u>	<u>\$23,569</u>	32.790	<u>\$772,814</u>
<u>Financial liabilities</u>						
Monetary items:						
USD	<u>\$26,910</u>	31.4205	<u>\$845,532</u>	<u>\$19,416</u>	32.790	<u>\$636,635</u>
<u>Foreign currency resulting in exchange gain or loss</u>						
USD			<u>\$22,456</u>			<u>\$18,636</u>
Other			<u>\$1,988</u>			<u>\$4,458</u>

## (10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. ADDITIONAL DISCLOSURES

## (1) Information on significant transactions

A. Financing provided to others: None.

B. Endorsement/Guarantee provided to others: None.

C. Marketable securities held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the year ended December 31, 2025: Please refer to attachment 2.

E. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2025: Please refer to attachment 3.

(2) Information on investees

A. Names, locations and related information of investees as of December 31, 2025 (excluding investment in Mainland China): Please refer to attachment 4.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

a. Financing provided to others: None.

b. Endorsement/Guarantee provided to others: None.

c. Marketable securities held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 5.

d. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the year ended December 31, 2025: Please refer to attachment 6.

e. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of December 31, 2025: None.

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

(3) Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars/ In Thousands of foreign currency)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
Pegavision (Jiangsu) Limited	Producing and selling medical equipment	\$194,610 (USD 6,500)	(1)	\$150,150	\$44,460	\$-	\$194,610	\$(37,189) (Note 7 and 8)	100%	\$(37,189) (Note 7 and 8)	\$118,822 (Note 7 and 8)	\$-	\$194,610	\$194,610	\$7,041,517

Pegavision Corporation

Notes to Parent-Company-Only Financial Statements (Continued)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2025	Profit/Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	\$127,444 (USD 4,100)	(3) (Note 2)	\$14,885	(Note 5)	\$-	\$109,928	\$16,646 (Note 7 and 8)	85%	\$14,149 (Note 7 and 8)	\$166,614 (Note 7 and 8)	\$-	\$109,928	\$109,928	\$342,152
Pegavision (Shanghai) Limited	selling medical equipment	(Note 5)	(3) (Note 3)	\$95,043	\$-	(Note 5)	\$-	\$(887) (Note 7 and 8)	-%	\$(754) (Note 7 and 8)	\$- (Note 7 and 8)	\$-			
Gemvision Technology (Zhejiang) Limited	Selling medical equipment and cosmetic products	\$98,346 (RMB 22,000) (Note 7)	(3) (Note 4)	\$-	\$-	\$-	\$-	\$5,604 (Note 7 and 8)	85%	\$4,764 (Note 7 and 8)	\$117,880 (Note 7 and 8)	\$-			

Note 1: The investment methods are divided into the following three types, just indicate the types:

- (1) Go directly to the mainland China for investment.
- (2) Reinvest in mainland China through a third-region company.
- (3) Other methods.

Note 2: 100% Shares of BeautyTech Platform (Shanghai) Corporation owned and directly invested by BeautyTech Platform Corporation.

Note 3: To improve the synergy of the Group, the equity of Pegavision (Shanghai) Limited was transferred to BeautyTech Platform Corporation from the Company.

Note 4: 100% Shares of Gemvision Technology (Zhejiang) Limited owned and directly invested by Pegavision (Shanghai) Limited.

Note 5: As part of the Group's business reorganization, BeautyTech Platform (Shanghai) Corporation has merged with Pegavision (Shanghai) Limited in 2025. BeautyTech Platform (Shanghai) Corporation is the surviving entity, and Pegavision (Shanghai) Limited was dissolved upon the completion of the merger.

Note 6: As of December 31, 2025, the following investments in investee companies in Mainland China had not yet been remitted:

- (a) FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022.
- (b) Pegavision (Shanghai) Limited which is 100% held by the Company was registered on April 23, 2024.

Note 7: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 8: Gain / loss on investment is recognized based on the audited financial statements of the parent company's Auditors in Taiwan.

## B. Significant transactions with investees in China.

a. Purchase and balances of related accounts payable as of December 31, 2025: None.

b. Sales and the balance of related accounts receivable and their weightings as of December 31, 2025:

	Operating revenue		Accounts receivable	
	Amount	% to Net Sales	Amount	% to Account Balance
Gemvision Technology (Zhejiang) Limited	\$104,265	1.72%	\$13,502	1.16%
Pegavision (Jiangsu) Limited	35,064	0.58%	21,065	1.82%

Selling price is set by the fixed price for sale to other customers and taking into account the cost of its after-sales services plus reasonable profit. Collection terms for general customers were 90 days after monthly closing while within 180 days after monthly closing for subsidiaries.

c. The profit and loss produced by transaction of property: None.

d. Ending balance of endorsements/guarantees or collateral provided and the purposes: None.

e. Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.

f. Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: None.

14. SEGMENT INFORMATION

The Company has provided the operating segment disclosure in the consolidated financial statements.

Pegavision Corporation

Marketable Securities Held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 1

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the issuer	Financial Statement Account	Ending Balance				
				Shares/Units	Carrying Amount	Shareholding (%)	Fair Value	Note
Pegavision Corporation	Money Market Funds:							
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	1,001,351	\$17,042	-	\$17,273	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	1,366,785	17,700	-	18,147	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	5,939,069	96,203	-	96,265	
	Fubon Money Market Fund	-	Financial assets at fair value through profit or loss	51,608,086	810,000	-	810,696	
	Add: Valuation Adjustment				1,436			
	Total				<u>\$942,381</u>		<u>\$942,381</u>	
	Stocks :		Financial assets at fair value through other comprehensive income or loss					
	Azalea Vision BV	-		171,428	\$50,880	7.79%	<u>\$1,295</u>	
	Add: Valuation Adjustment				<u>(49,585)</u>			
Total				<u>\$1,295</u>				

Pegavision Corporation

Related Party Transactions with Purchase or Sales Amount of At least NT\$100 Million or 20% of the Paid-in Capital

For the Year ended December 31, 2025

Attachment 2

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	Sales	\$4,036,216	66.74%	90 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$752,556	64.86%	
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	Sales	\$380,357	6.26%	Within 120 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$149,543	12.89%	
Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	Subsidiary	Sales	\$104,265	1.72%	Within 180 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$13,502	1.16%	

Pegavision Corporation

Receivables from Related Parties of at Least NT\$ 100 Million or 20% of the Paid-in Capital

As of December 31, 2025

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss allowance
					Amount	Action Taken		
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	\$752,556	5.64	\$-	-	\$317,467	\$-
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	\$149,543	2.68	\$-	-	\$28,977	\$-

Pegavision Corporation  
Investees over Whom the Company Exercise Significant Influence or Control (Excluding Investees in Mainland China)  
As of December 31, 2025

Attachment 4

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2025	As of December 31, 2024	Shares	%	Carrying Value			
Pegavision Corporation	Pagavision Japan Inc.	Japan	Selling medical equipment	<u>JPY 9,900</u>	<u>JPY 9,900</u>	198 shares	100.00%	<u>\$211,924</u>	<u>\$54,857</u>	<u>\$54,857</u>	
Pegavision Corporation	Mayin Investment Co., Ltd.	Taiwan	Investing activities	<u>NTD 246,003</u>	<u>NTD 246,003</u>	32,277,000 shares	100.00%	<u>\$732,271</u>	<u>\$134,520</u>	<u>\$134,520</u>	
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Vietnam	Producing and selling medical equipment	<u>NTD 941,333</u>	<u>NTD 631,333</u>	-	100.00%	<u>\$876,584</u>	<u>\$(18,875)</u>	<u>\$(18,875)</u>	
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	<u>NTD 20,000</u>	<u>NTD 20,000</u>	2,000,000 shares	10.00%	<u>\$19,408</u>	<u>\$(3,068)</u>	<u>\$(343)</u>	
Pegavision Corporation	PEGAVISION NETHERLANDS B.V.	Netherlands	Selling medical equipment	<u>EUR 1,150</u>	<u>-</u>	-	100.00%	<u>\$35,519</u>	<u>\$(6,676)</u>	<u>\$(6,676)</u>	
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	<u>NTD 107,500</u>	<u>NTD 107,500</u>	8,500,000 shares	85.00%	<u>\$484,715</u>	<u>\$160,096</u>	<u>\$136,081</u>	
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	<u>NTD 27,500</u>	<u>NTD 27,500</u>	2,750,000 shares	55.00%	<u>\$22,563</u>	<u>\$(3,931)</u>	<u>\$(2,162)</u>	
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	<u>-</u>	<u>USD 200</u>	-	-	<u>\$-</u>	<u>\$(181)</u>	<u>\$(181)</u>	Note
BeautyTech Platform Corporation	FORIMART Corporation	Taiwan	Selling medical equipment and cosmetic products	<u>NTD 15,000</u>	<u>NTD 15,000</u>	1,500,000 shares	100.00%	<u>\$65,152</u>	<u>\$101</u>	<u>\$101</u>	
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Vietnam	Selling medical equipment and cosmetic products	<u>NTD 6,923</u>	<u>NTD 6,923</u>	-	70.00%	<u>\$3,786</u>	<u>\$(3,714)</u>	<u>\$(2,600)</u>	
FacialBeau International Corporation	Aquamax Vision Corporation	USA	Selling medical equipment and cosmetic products	<u>USD 1,100</u>	<u>USD 1,100</u>	11,000,000 shares	100.00%	<u>\$6,436</u>	<u>\$(639)</u>	<u>\$(639)</u>	
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	<u>KRW 100,000</u>	<u>KRW 100,000</u>	100,000 shares	100.00%	<u>\$1,797</u>	<u>\$(88)</u>	<u>\$(88)</u>	
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	<u>JPY 9,900</u>	<u>JPY 9,900</u>	198 shares	100.00%	<u>\$1,848</u>	<u>\$(45)</u>	<u>\$(45)</u>	

Note : Beautytech Platform (Singapore) Pte. Ltd. has completed the cancellation of registration in 2025 due to group business adjustments.

Pegavision Corporation

Marketable Securities Held as of December 31, 2025 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 5

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2025			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Mayin Investment Co. , Ltd.	Money market funds: FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	970,261	\$15,566	-	\$15,727	
BeautyTech Platform Corporation	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-	8,676	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-	35,544	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	6,530,910	105,601	-	105,858	
	Add: Valuation Adjustment				2,043			
	Total				<u>\$165,805</u>		<u>\$165,805</u>	

Pegavision Corporation

Related Party Transactions with Purchase or Sales Amount of At least NT\$100 Million or 20% of the Paid-in Capital

For the Year ended December 31, 2025

Attachment 6

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction		Notes/Accounts Payable or Receivable		Note	
			Purchase/Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance		% to Total
Pegavision Japan Inc.	Pegavision Corporation	Subsidiary	Purchase	\$4,036,216	100.00%	90 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$752,556	100.00%	
BeautyTech Platform Corporation	Pegavision Corporation	Subsidiary	Purchase	\$380,357	90.68%	Within 120 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$149,543	86.44%	
Gemvision Technology (Zhejiang) Limited	Pegavision Corporation	Subsidiary	Purchase	\$104,265	54.46%	Within 180 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$13,502	100.00%	

Pegavision Corporation

1. Statement of Cash and Cash Equivalents

As of December 31, 2025

(In Thousands of New Taiwan Dollars and foreign currencies)

Item	Description	Amount	Note
Cash and petty cash:		<u>\$1,768</u>	1.Cash and Cash equivalents were not pledged. 2.Exchange Rate USD 1=NTD 31.4205 CNY 1=NTD 4.47025 JPY 1=NTD 0.201439 3.The amount of bank account included in others does not exceed 5% of the account balance.
Checkings and savings:			
Shanghai Commercial & Savings Bank	Demand deposits	22,287	
Shanghai Commercial & Savings Bank	Foreign currency deposit	33,620	USD 677、CNY 2,084、EUR13
Mega International Commercial Bank	Demand deposits	57,878	
Mega International Commercial Bank	Foreign currency deposit	125,301	USD 175、CNY 13,355、JPY 298,342
Chang Hwa Commercial Bank	Demand deposits	14,085	
Others		<u>23,525</u>	
Subtotal		<u>276,696</u>	
Time deposits:			
Chang Hwa Commercial Bank	Fixed deposits	200,000	
Taipei Fubon Commercial Bank	Fixed deposits	100,000	
Mega International Commercial Bank	Fixed deposits	500,000	
Mega International Commercial Bank	Foreign currency fixed deposits	<u>56,557</u>	USD 1,800
Subtotal		<u>856,557</u>	
Total		<u><u>\$1,135,021</u></u>	

Pegavision Corporation

2. Statement of Financial assets at fair value through profit or loss

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

	Shares/Units	Par Value	Amount	Interest Rate	Acquisition Cost	Fair Value		Note
						Unit Price	Amount	
Money Market Funds:								
Yuanta De-Li Money Market Fund	1,001,351	-	\$17,042	-	\$17,042	\$17.250	\$17,273	Note
Mega Diamond Money Market Fund	1,366,785	-	17,700	-	17,700	13.277	18,147	Note
FSITC Taiwan Money Market Fund	5,939,069	-	96,203	-	96,203	16.209	96,265	Note
Fubon Money Market Fund	51,608,086	-	810,000	-	810,000	15.709	810,696	Note
Add: Valuation Adjustment					1,436			
Total					<u>\$942,381</u>			

Note: Financial assets at fair value through profit or loss were not pledged.

Pegavision Corporation

3. Financial assets measured at amortized cost

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Summary	Numbers	Par Value	Amount	Interest Rate	Carrying amount	Note
Chang Hwa Commercial Bank	fixed deposits	1	NTD 300,000	NTD 300,000	1.65%	\$300,000	
Taipei Fubon Commercial Bank	fixed deposits	1	NTD 135,000	NTD 135,000	1.66%	135,000	
Taipei Fubon Commercial Bank	fixed deposits	1	NTD 140,000	NTD 140,000	1.58%	140,000	
Taipei Fubon Commercial Bank	fixed deposits	1	NTD 106,000	NTD 106,000	1.58%	106,000	
Mega International Commercial Bank	fixed deposits	37	NTD 3,000	NTD 111,000	1.69%	111,000	
Mega International Commercial Bank	fixed deposits	1	NTD 150,000	NTD 150,000	1.63%	150,000	
Mega International Commercial Bank	fixed deposits	1	NTD 100,000	NTD 100,000	1.63%	100,000	
Bank SinoPac	fixed deposits	12	NTD 9,000	NTD 108,000	1.69%	108,000	
Total						<u>\$1,150,000</u>	

Pegavision Corporation

4. Statement of Accounts Receivable, net

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Client Name	Summary	Amount	Note
Client A		\$58,418	The accounts receivable arose from sales and are not receivables from related parties.
Client B		38,346	
Client C		23,707	
Client D		21,107	
Client E		14,070	
Others	The amount of individual client included in others does not exceed 5% of the account balance.	46,864	
Subtotal		<u>202,512</u>	
Less: loss allowance		<u>(5,835)</u>	
Net		<u><u>\$196,677</u></u>	

Pegavision Corporation

5. Statement of Inventories, net

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount		Note
	Cost	Net Realizable Value	
Raw materials	\$145,887	\$145,887	1. Inventories were not pledged.
Supplies	10,361	10,361	2. Inventories are valued at lower of
Work in progress	398,763	398,763	cost or net realizable value item by
Finished goods	314,106	430,454	item.
Subtotal	869,117	\$985,465	3. The insurance coverage for
Less: allowance for inventory valuation losses	(162,114)		inventories was NT\$611,973
Net	\$707,003		thousand as of December 31, 2025.

Pegavision Corporation  
6. Statement of Changes in Investment Accounted for Under Equity Method  
For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Investee companies	As of January 1, 2025		Additions		Decrease		As of December 31, 2025			Fair Value/Net assets value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Unit price (NTD)	Total amount		
Pegavision Japan Inc.	198	\$165,729	-	\$46,195 (Note 1)	-	\$-	198	100.00%	\$211,924	\$1,070	\$211,924	None	
Mayin Investment Co., Ltd.	21,000,000	601,539	11,277,000	130,732 (Note 2)	-	-	32,277,000	100.00%	732,271	0.02269	732,271	None	
Unrealized profit		(109,738)		25,089		-			(84,649)		(84,649)		
Subtotal		491,801		155,821		-			647,622		647,622		
Pegavision (Jiangsu) Limited	-	111,161	-	7,661 (Note 3)	-	-	-	100.00%	118,822	-	118,822	None	
PEGAVISION VIETNAM COMPANY LIMITED	-	628,553	-	248,031 (Note 4)	-	-	-	100.00%	876,584	-	876,584	None	
PEGAVISION NETHERLANDS B.V.	-	-	-	35,519 (Note 5)	-	-	-	100.00%	35,519	-	35,519	None	
Unrealized profit		-		(749)		-			(749)		(749)		
Subtotal		-		34,770		-			34,770		34,770		
Zhuhe Investment Co., Ltd.	2,000,000	19,751	-	-	-	(343) (Note 6)	2,000,000	10.00%	19,408	0.00970	19,408	None	
Total		\$1,416,995		\$492,478		\$(343)			\$1,909,130		\$1,909,130		

Note1: Including investment gain recognized under equity method in the amount of NT\$54,857 thousand and foreign currency statements translation adjustments in the amount of NT\$(8,662) thousand.

Note2: Including investment gain recognized under equity method in the amount of NT\$134,520 thousand and foreign currency statements translation adjustments in the amount of NT\$(3,788) thousand.

Note3: Including the investment by cash NT\$44,460 thousand, investment loss recognized under equity method amounted to NT\$(37,189) thousand and foreign currency statements translation adjustments amounted to NT\$390 thousand.

Note4: Including investment in the amount of NT\$310,000 thousand, investment loss recognized under equity method in the amount of NT\$(18,875) thousand and foreign currency statements translation adjustments in the amount of NT\$(43,094) thousand.

Note5: Including investment in the amount of NT\$42,757 thousand, investment loss recognized under equity method in the amount of NT\$(6,676) thousand and foreign currency statements translation adjustments in the amount of NT\$(562) thousand.

Note6: Including investment loss recognized under equity method in the amount of NT\$(343) thousand.

Pegavision Corporation

7. Statement of Short-term Borrowing

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Description	Type	As of December 31, 2025	Contract Period	Interest Rates	Collateral	Note
Shanghai Commercial & Savings Bank	Credit loans	\$129,830	2025/11/05-2026/02/02	Note	None	
Chang Hwa Commercial Bank	Credit loans	304,779	2025/12/10-2026/03/13	Note	None	
Mega International Commercial Bank	Credit loans	94,261	2025/12/09-2026/02/28	Note	None	
Total		<u>\$528,870</u>				

Note: As of December 31, 2025, the interest rate intervals for short-term loans were 4.35%~4.38%.

Pegavision Corporation  
8. Statement of Accounts Payable  
As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Vendor Name	Summary	Amount	Note
Vendor A		\$55,128	The accounts receivable arose from operation and are not receivables from related parties.
Vendor B		44,473	
Vendor C		31,602	
Vendor D		31,560	
Vendor E		15,124	
Others	The amount of individual client included in others does not exceed 5% of the account balance.	103,937	
Total		\$281,824	

Pegavision Corporation

9. Statement of Other Payables

As of December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Accrued Payroll	\$473,949	
Accrued Professional Service Fees	162,329	
Accrued Employees' Compensation	252,044	
Compensation Payable to Directors	22,674	
Accrued Interest Payable	3,123	
Payables to Equipment suppliers	309,342	
Others	534,632	The amount of individual vendor included
Total	<u>\$1,758,093</u>	
Payables to Equipment suppliers		in others does not exceed 5% of the
Vendor F	\$120,415	
Vendor G	34,200	The amount of individual vendor included
Vendor H	23,495	
Vendor I	16,145	
Others	115,087	
Total	<u>\$309,342</u>	
		in others does not exceed 5% of the account balance.

Pegavision Corporation

10. Statement of Changes in Current Tax Liabilities

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Balance as of January 1, 2025	\$66,721	
Add: Income tax accrual for 2025	283,519	
Adjustments in respect of current income tax of prior periods	(5,855)	
Less : Interim temporary tax payment	(3,814)	
Income tax payment for 2024	<u>(60,419)</u>	
Balance as of December 31, 2025	<u><u>\$280,152</u></u>	

Pegavision Corporation

11. Statement of Operating Revenue

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Quantity (note)	Amount	Note
Operating revenue			
Contact lens	71,110,927	\$6,057,559	Quantity unit is box if sales unit is box.
Others		<u>14,769</u>	
Total operating revenue		<u><u>\$6,072,328</u></u>	

Pegavision Corporation  
12. Statement of Operating Costs  
For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Direct Materials		
Beginning balance	\$120,042	
Add: Raw materials purchased	884,021	
Less: Ending balance	(145,887)	
Raw materials sold directly	(1,293)	
Raw materials scrapped	(8,562)	
Transferred to other accounts	(33,470)	
Direct materials used	<u>814,851</u>	
Supplies and parts		
Beginning balance	6,673	
Add: Supplies and parts purchased	76,114	
Transferred to other accounts	2,661	
Less: Ending balance	(10,361)	
Supplies and parts sold directly	(1,068)	
Transferred to other accounts	(2,847)	
Supplies and parts used	<u>71,172</u>	
Direct labor	1,246,845	
Manufacturing overhead (Detailed list 13)	<u>1,425,334</u>	
Manufacturing cost	3,558,202	
Add: Work in process, beginning balance	254,164	
Less: Work in process, ending balance	(398,763)	
Work in process scrapped	(4,572)	
Transferred to other accounts	(87,660)	
Cost of finished goods	3,321,371	
Add: Finished goods, beginning balance	269,547	
Less: Finished goods, ending balance	(314,106)	
Finished goods scrapped	(6,197)	
Transferred to other accounts	(21,779)	
Cost of goods sold	3,248,836	
Cost of inventory sold directly	2,361	
Loss from inventory valuation	26,471	
Loss from inventory scrapped	19,331	
Revenue from sale of scraps	<u>(33,936)</u>	
Total	<u><u>\$3,263,063</u></u>	

Pegavision Corporation

13. Statement of Manufacturing Overhead

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Repair and maintenance	145,476	
Utilities	380,514	
Depreciation	638,931	
Amortization	37	
Meal expense	43,086	
Consumable materials and tools	80,629	
Professional service expense	7,275	
Miscellaneous purchase	15,631	
Others	<u>113,755</u>	The amount of individual client included in others
Total	<u><u>\$1,425,334</u></u>	does not exceed 5% of the account balance.

Pegavision Corporation

14. Statement of Selling Expenses

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries	\$60,812	
Advertisement expense	98,774	
Insurance expense	5,896	
Depreciation	1,107	
Meal expense	533	
Import and export fee	21,245	
Others	<u>31,247</u>	The amount of individual client included in others does not exceed 5% of the account balance.
Total	<u><u>\$219,614</u></u>	

Pegavision Corporation

15. Statement of Administrative Expenses

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries	\$202,684	
Rent expense	4,459	
Insurance expense	10,585	
Depreciation	21,170	
Amortization	21,085	
Meal expense	1,410	
Employee welfare	22,697	
Professional service expense	35,835	
Others	82,974	The amount of individual client included in others does not exceed 5% of the account balance.
Total	<u>\$402,899</u>	

Pegavision Corporation

16. Statement of Research and Development Expenses

For the Year ended December 31, 2025

(In Thousands of New Taiwan Dollars)

Item	Amount	Note
Salaries	\$374,826	
Rent expense	783	
Insurance expense	25,577	
Depreciation	16,550	
Amortization	1,935	
Meal expense	4,739	
Materials utilized for testing	51,106	
Professional service expense	40,202	
Commissioned testing expense	56,865	
Others	<u>48,628</u>	The amount of individual client included in others does not exceed 5% of the account balance.
Total	<u><u>\$621,211</u></u>	