

**Young Optics Inc.**  
**2026 Annual Shareholders' Meeting Minutes**  
(Translation)

Time : 9:00 a.m. on June 9 (Tuesday), 2026

Place : No.2, Zhanye 1<sup>st</sup> Road, East Dist., Hsinchu City 300, Taiwan R.O.C.

(Conference Room no. 202, the Allied Association of Science Park Industries)

Convening Method : The shareholders' meeting was held as a physical meeting.

Total outstanding shares of Young Optics Inc.: 114,059,785 shares.

Total shares represented by shareholders present in person or by proxy: 72,346,794 shares. (incl. E-voting: 34,422,690 shares)

Percentage of shares held by shareholders present in person or by proxy (incl. E-voting): 63.42%

Directors present: Sarah Lin, Chairman; Ken Wang, Director; Miranda Wang, Director; Hsiang-Hsun Wu, Independent Director, Convener of the Audit Committee.

Attendees: Cynthia Chang, President and Wan-Ju Chiu, CPA of Ernst & Young

Chairman: Sarah Lin

Recorder: Renny Tsao

I. Call the Meeting to Order

The aggregate shareholding of the shareholders present in person or by proxy (incl. E-voting) constituted a quorum. The chairman called the meeting to order.

II. Chairman's Remarks (Omitted)

III. Report Items

1. 2025 Annual Business Report.

Please refer to Attachment 1.

2. 2025 Audit Committee's Report.

Please refer to Attachment 2.

IV. Ratification Items

(Proposed by the Board of Directors)

1. Ratification of 2025 Annual Business Report and Financial Statements.

(1) The 2025 financial statements of the Company had been audited by Ernst & Young.

(2) Please refer to Attachment 1 and Attachment 3 for the 2025 Annual Business Report, Independent Auditors' Reports and Financial Statements.

(3) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 72,346,794.

Votes in favor: 70,842,917 (incl. E-voting: 32,929,813 votes).

Votes against: 99,572 (incl. E-voting: 99,572 votes).

Votes abstained: 1,404,305 (incl. E-voting: 1,393,305 votes).

Votes invalid: none.

(Proposed by the Board of Directors)

2. Ratification of the Proposal for 2025 Deficit Compensation.

(1) Please refer to Attachment 4 for the 2025 Statement of Deficit Compensation.

(2) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 72,346,794.

Votes in favor: 70,842,259 (incl. E-voting: 32,929,155 votes).

Votes against: 108,282 (incl. E-voting: 108,282 votes).

Votes abstained: 1,396,253 (incl. E-voting: 1,385,253 votes).

Votes invalid: none.

V. Discussion Items

(Proposed by the Board of Directors)

1. Proposal to release the Directors from non-competition restrictions.

(1) In accordance with Company Act Article 209 Paragraph 1, “A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.”

(2) In the event that the director of the Company is engaged in conduct and duties for himself/herself or others within the Company's business scope that do not harm the interests of the Company, he/she may request the shareholders' meeting to release the director from his/her non-competition restriction in accordance with Company Act Article 209. Please refer to the table below for the details of the director's added concurrent positions.

Title	Name	Requesting release of prohibition on director from participating competitive business
Director	Coretronic Corp. Legal representative Sarah Lin	Independent director, Aces Electronics Co., Ltd.
Director	Ker-Jev Huang	Independent director, Powertip Image Corp.
Independent Director	Chin-Do Lai	Director, Powertip Image Corp.

(3) Please resolve.

Resolution: The proposal was approved as proposed by voting.

Shares represented at the time of voting: 72,346,794.

Votes in favor: 70,770,620 (incl. E-voting: 32,857,516 votes).

Votes against: 184,267 (incl. E-voting: 184,267 votes).

Votes abstained: 1,391,907 (incl. E-voting: 1,380,907 votes).

Votes invalid: none.

VI. Motions : Upon inquiry by the Chairman, no extraordinary motions were raised by the attending shareholders.

No questions were raised by the shareholders regarding the proposals of this shareholders' meeting.

VII. Adjournment : 9:10 a.m.

## **Young Optics Inc.**

### **2025 Annual Business Report**

For the fiscal year of 2025, Young Optics Inc. has reported consolidated sales revenue of NT\$2,689 million. Gross profit was NT\$462 million with a gross profit margin of 17.2%. Net operating loss was reported at NT\$74 million with an after-tax net loss of NT\$9 million. The basic after-tax loss was NT\$0.08 per share.

In 2025, the consolidated sales revenue was NT\$2,689 million with an increase of 5% compared to the previous year. Among them, Image Optics products increased by 47% due to new modules of Smart home cameras enter mass production in the first quarter. Auto Electronics products increased by 6%, driven by stronger demand for Lidar lenses and the commencement of mass production for smart headlamps, which offset the shipment decline in HUD and Dynamic-ground-projection devices. 3D printer rose by 1%, with shipment gains in certain regions offset by declines in others, reflecting mixed performance across the Chinese and non-Chinese markets. Optical Component products declined by 20% primarily due to softening demand and the continued contraction of the traditional projection market. Similarly, the Pico Optical Module decreased by 29%, as demand remained subdued amid substitution by alternative technologies. The revenue contribution of other products increased by 2%, mainly driven by the mass production and shipment of Low Earth Orbit Satellite lenses. In 2025, the gross margin of 17.2% increased by 5.5% compared to 11.7% in the previous year, affected by the product sales mix variances, increase in capacity utilization, and ongoing resource integration and control. In summary, driven by higher gross profit and improved cost control, after-tax net loss significantly narrowed to NT\$9 million in 2025 compared with NT\$248 million in 2024.

As for the research and innovation, we have accomplished the following by hard work of the Research and Development Team in 2025:

1. 0.78" 4K 3D Printer
2. AR Glasses Module Assembly Process
3. F1.6 Ultra-Wide-Angle 4K Lens
4. Full-Color Sensing Lidar Lens
5. Reflowable Lensed Fiber Array Connector

Looking into the year 2026, the Company will be moving forward with strategies below in mind:

- (1) By leveraging its core optical technologies and strengths in optical components, the Company is expanding into the Augmented Reality (AR), Artificial Intelligence (AI), and Lidar markets, while also developing components for Co-Packaged Optics (CPO).
- (2) Continuing to improve process management and technologies, promoting cost advantage and improving profitability.
- (3) Leveraging the market strategies, group layout and lower cost fundings to serve as a solid foundation for the Company's continued growth.
- (4) Strengthening corporate governance, pursuing sustainability and making the best interests for our customers, employees and shareholders.

Chairman: Sarah Lin

President: Cynthia Chang, Wayne Lin

Accountant: Alston Chen

### **Audit Committee's Report**

The Board of Directors of the Company has delivered the 2025 business reports, the financial statements and the proposal for 2025 Deficit Compensation. The aforesaid 2025 financial statements of the Company and the consolidated financial statements had been audited by Ernst & Young. The Audit Committee has examined the above statements and found nothing out of order and thus prepared this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your ratification.

Yours sincerely

2026 Annual Shareholders' Meeting, Young Optics Inc.

Young Optics Inc.

Chairman of the Audit Committee : Hsiang-Hsun Wu

Date: April 24, 2026

**AUDIT REPORT OF INDEPENDENT ACCOUNTANTS**

English Translation of a Report Originally Issued in Chinese

To Young Optics Inc.

**Opinion**

We have audited the accompanying parent company only balance sheets of Young Optics Inc. (“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 ended December 31, 2025 and 2024, and notes to the parent company only financial statements, including the summary of material accounting policies (collectively “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 financial position of the Company as of December 31, 2025 and 2024, and its financial performance and cash flows for the years ended December 31, 2025 and 2024, 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 Financial Statement Audit and Attestation Engagement of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the 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 the 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 most significance in our audit of 2025 parent company only financial statements. 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.

### Valuation for inventories

As of December 31, 2025, the Company's net inventory amounted to NT\$253,907 thousand, which is significant for the parent company only financial statements. Due to the uncertainties arising from the rapid changes of technology and market environment, the assessment of obsolete and slow-moving inventory write-downs required significant management judgement, we therefore determined this as a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the inventory counting plan and choosing significant warehouse for observation of the physical inventory count to verify the quantity and the status; evaluating and testing net realizable value of inventories adopted by the management; evaluating the reasonableness of the accounting policies on obsolete and slow-moving inventory, including the identification of the obsolete and slow-moving inventory, testing the correctness of the inventory aging and the reasonableness of the allowance for inventory obsolescence amount. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the parent company only financial statements.

### Revenue recognition

The Company recognized the revenue amounted to NT\$2,435,694 thousand for the year ended December 31, 2025. Main source of revenue comes from projection products and imaging-related products sales. The Company recognized revenue when transferring a promised product to a customer. The trade terms of the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; selecting the top ten clients to perform testing of transaction and reviewing significant terms and conditions in the contracts; selecting samples to perform details testing of transaction and verifying the appropriateness of the timing of revenue recognition; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; reviewing subsequent significant sales returns and discounts. Please refer to Notes 4 and 6 to the parent company only 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 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.

### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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 group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/ Chiu, Wan-Ju

/s/Huang, Min-Ju

Ernst & Young, Taiwan  
February 6, 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 and not those of any other jurisdictions. The standards, procedures and practices to review such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of 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.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Young Optics Inc.

Parent Company Only Balance Sheets

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

ASSETS						LIABILITIES AND EQUITY					
	Note	December 31, 2025	%	December 31, 2024	%		Note	December 31, 2025	%	December 31, 2024	%
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4 and 6 (1)	\$370,773	9	\$243,572	5	Short-term borrowings	4 and 6 (8)	\$62,860	2	\$-	-
Notes receivable, net		394	-	-	-	Contract liabilities-current	4, 6 (13) and 7	40,396	1	70,109	2
Trade receivable, net	4, 6 (2) and 6 (14)	348,710	8	386,888	9	Accounts payable		201,289	5	212,471	5
Trade receivable-related parties, net	4, 6 (2), 6 (14) and 7	185,821	5	175,048	4	Accounts payable-related parties	7	217,457	5	292,791	7
Other receivables		10,571	-	7,779	-	Other payables		218,017	5	231,185	5
Other receivables-related parties	7	105,620	3	162,611	4	Other payables-related parties	7	3,363	-	36,594	1
Current tax assets	4 and 6 (19)	532	-	364	-	Current tax liabilities	4 and 6 (19)	6,920	-	-	-
Inventories, net	4, 6 (3) and 10	253,907	6	262,120	6	Provisions-current	4 and 6 (11)	23,113	1	20,691	-
Prepayments		26,149	1	32,355	1	Lease liabilities, non-related parties	4 and 6 (15)	15,984	-	15,728	-
Other current assets		45,557	1	35,902	1	Current portion of long-term borrowings	4 and 6 (9)	82,000	2	57,143	1
<b>Total current assets</b>		<b>1,348,034</b>	<b>33</b>	<b>1,306,639</b>	<b>30</b>	Other current liabilities		20,060	-	21,073	-
<b>Non-current assets</b>						<b>O Total current liabilities</b>					
Investments accounted for using the equity method	4 and 6 (4)	956,128	23	1,110,756	25			891,459	21	957,785	21
Property, plant and equipment, net	4, 6 (5), 6 (16), 8 and 10	1,314,193	32	1,446,645	33	<b>Non-current liabilities</b>					
Right-of-use assets	4 and 6 (15)	239,592	6	265,779	6	Long-term borrowings	4 and 6 (9)	164,000	4	342,857	8
Investment property, net	4, 6 (6), 6 (16) and 8	117,170	3	125,771	3	Deferred tax liabilities	4 and 6 (19)	22,335	1	22,335	1
Intangible assets	4, 6 (7) and 6 (16)	49,195	1	60,095	1	Lease liabilities, non-related parties-noncurrent	4 and 6 (15)	240,735	6	265,622	6
Deferred tax assets	4 and 6 (19)	25,720	1	21,769	-	Guarantee deposits		11,034	-	10,914	-
Refundable deposits		2,026	-	1,067	-	<b>Total non-current liabilities</b>		438,104	11	641,728	15
Net defined benefit assets-noncurrent	4 and 6 (10)	28,051	1	28,601	1	<b>Total liabilities</b>		1,329,563	32	1,599,513	36
Other non-current financial assets	8	23,534	-	23,517	1	<b>Equity</b>					
Other non-current assets		21,055	-	18,679	-	<b>Capital</b>					
<b>Total non-current assets</b>		<b>2,776,664</b>	<b>67</b>	<b>3,102,679</b>	<b>70</b>	Common stock	6 (12)	1,140,598	28	1,140,598	26
<b>Total assets</b>						<b>Total liabilities and equity</b>					
		<b>\$4,124,698</b>	<b>100</b>	<b>\$4,409,318</b>	<b>100</b>	Capital surplus	6 (12)	1,648,205	40	1,648,205	37
						<b>Retained earnings</b>					
						Legal reserve		393,148	9	393,148	9
						Special reserve		111,874	3	150,667	3
						Accumulated deficit		(379,964)	(9)	(410,940)	(9)
						<b>Total retained earnings</b>		125,058	3	132,875	3
						Other equity		(118,726)	(3)	(111,873)	(2)
						<b>Total equity</b>		2,795,135	68	2,809,805	64
						<b>Total liabilities and equity</b>		<b>\$4,124,698</b>	<b>100</b>	<b>\$4,409,318</b>	<b>100</b>

The accompanying notes are an integral part of parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Young Optics Inc.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars, except for loss per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2025	%	2024	%
<b>Net sales</b>	4, 6 (13) and 7	\$2,435,694	100	\$2,142,915	100
<b>Operating costs</b>	6 (3), 6 (15), 6 (16) and 7	(1,933,607)	(79)	(1,812,830)	(85)
<b>Gross profit</b>		502,087	21	330,085	15
Unrealized gross profit on sales		-	-	-	-
Realized gross profit on sales		-	-	389	-
<b>Gross profit, net</b>		502,087	21	330,474	15
<b>Operating expenses</b>	6 (14), 6 (15), 6 (16) and 7				
Selling expenses		(76,619)	(3)	(77,951)	(4)
General and administrative expenses		(133,568)	(6)	(137,566)	(6)
Research and development expenses		(274,030)	(11)	(297,647)	(14)
Total operating expenses		(484,217)	(20)	(513,164)	(24)
<b>Operating income (loss)</b>		17,870	1	(182,690)	(9)
<b>Non-operating income and expenses</b>					
Interest income	6 (17)	6,308	-	4,039	-
Other income	6 (15), 6 (17) and 10	155,142	6	103,039	5
Other gains and losses	6 (17) and 10	(22,636)	(1)	(88,909)	(4)
Finance costs	6 (17)	(14,802)	-	(11,619)	(1)
Share of loss of subsidiaries, associates and joint ventures for using the equity method		(148,695)	(6)	(69,555)	(3)
Total non-operating income and expenses		(24,683)	(1)	(63,005)	(3)
<b>Net loss before tax</b>		(6,813)	-	(245,695)	(12)
<b>Income tax expense</b>	4 and 6 (19)	(2,575)	-	(2,079)	-
<b>Net loss</b>		(9,388)	-	(247,774)	(12)
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (18)	1,964	-	6,207	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (18) and 6 (19)	(393)	-	(1,241)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (18)	(6,853)	-	57,003	3
Income tax related to items that may be reclassified subsequently to profit or loss	6 (18)	-	-	-	-
<b>Other comprehensive income (loss), net of tax</b>		(5,282)	-	61,969	3
<b>Total comprehensive loss</b>		<u>\$(14,670)</u>	<u>-</u>	<u>\$(185,805)</u>	<u>(9)</u>
Basic Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$ (0.08)</u>		<u>\$ (2.17)</u>	
Diluted Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$ (0.08)</u>		<u>\$ (2.17)</u>	

The accompanying notes are an integral part of parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Young Optics Inc.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	Common stock	Capital surplus	Retained earnings			Other equity	Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations	
Balance as of January 1, 2024	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(168,132)	\$(168,876)	\$2,995,610
Net loss for the year ended December 31, 2024	-	-	-	-	(247,774)	-	(247,774)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,966	57,003	61,969
Total comprehensive income (loss)	-	-	-	-	(242,808)	57,003	(185,805)
Balance as of December 31, 2024	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(410,940)</u>	<u>\$(111,873)</u>	<u>\$2,809,805</u>
Balance as of January 1, 2025	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(410,940)	\$(111,873)	\$2,809,805
Appropriation and distribution of retained earnings							
Reversal of special reserve	-	-	-	(38,793)	38,793	-	-
Total appropriation and distribution of retained earnings	-	-	-	(38,793)	38,793	-	-
Net loss for the year ended December 31, 2025	-	-	-	-	(9,388)	-	(9,388)
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,571	(6,853)	(5,282)
Total comprehensive loss	-	-	-	-	(7,817)	(6,853)	(14,670)
Balance as of December 31, 2025	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$111,874</u>	<u>\$(379,964)</u>	<u>\$(118,726)</u>	<u>\$2,795,135</u>

The accompanying notes are an integral part of parent company only financial statements.

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

Young Optics Inc.

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2025	2024		2025	2024
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Net loss before tax	\$(6,813)	\$(245,695)	Disposal of a subsidiary	\$-	\$50,390
Adjustments for:			Acquisition of property, plant and equipment	(65,623)	(60,835)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of property, plant and equipment	19,611	348
Expected credit (gain) loss	(1,169)	1,167	Acquisition of intangible assets	(380)	(427)
Depreciation	220,478	232,363	(Increase) decrease in refundable deposits	(959)	1,049
Amortization	13,415	14,453	(Increase) decrease in other financial assets-noncurrent	(17)	677
Interest expense	14,802	11,619	Increase in other non-current assets	(2,391)	(9,886)
Interest income	(6,308)	(4,039)	Net cash used in investing activities	(49,759)	(18,684)
Share of loss of subsidiaries, associates and joint ventures for using the equity method	148,695	69,555			
Realized gross profit on sales	-	(389)	<b>Cash flows from financing activities :</b>		
Amortization of gain on disposal of intangible assets	(920)	(919)	Increase (decrease) in short-term borrowings	62,860	(100,000)
(Gain) loss on disposal of property, plant and equipment	(5,503)	3,127	Increase in long-term borrowings (including current portion of long-term borrowings)	-	287,100
Transfer of property, plant and equipment to expenses	9	-	Repayments of long-term borrowings (including current portion of long-term borrowings)	(154,000)	(299,950)
Loss on disposal of investment	-	9,074	Repayment of the principal portion of lease liabilities	(15,382)	(15,592)
(Reversal) loss from disaster	(20,500)	72,581	Increase in guarantee deposits	120	783
Loss on lease modification	-	69	Net cash used in financing activities	(106,402)	(127,659)
Changes in operating assets and liabilities:			Net increase (decrease) in cash and cash equivalents	127,201	(14,219)
Notes receivable	(394)	-	Cash and cash equivalents at beginning of the period	243,572	257,791
Trade receivable	39,347	(59,653)	Cash and cash equivalents at end of the period	\$370,773	\$243,572
Trade receivable-related parties	(10,773)	61,120			
Other receivables	(2,763)	1,157			
Other receivables-related parties	56,991	30,030			
Inventories	8,213	(3,024)			
Prepayments	6,206	17,446			
Other current assets	(9,655)	(6,058)			
Contract liabilities-current	(29,713)	12,950			
Accounts payable	(11,182)	47,611			
Accounts payable-related parties	(75,334)	(97,637)			
Other payables	(5,658)	(54,646)			
Other payables-related parties	(33,231)	23,365			
Provisions-current	2,422	(3,136)			
Other current liabilities	(1,013)	4,841			
Net defined benefit assets-noncurrent	2,514	2,390			
Cash generated from operating activities	292,163	139,722			
Interest received	6,279	3,860			
Interest paid	(14,913)	(11,482)			
Income tax paid	(167)	24			
Net cash provided by operating activities	283,362	132,124			

The accompanying notes are an integral part of parent company only financial statements.

## **AUDIT REPORT OF INDEPENDENT ACCOUNTANTS**

### English Translation of a Report Originally Issued in Chinese

To Young Optics Inc.

#### **Opinion**

We have audited the accompanying consolidated balance sheets of Young Optics Inc. and its subsidiaries (“the Group”) as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2025 and 2024, and its consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

#### **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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the 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 most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation for inventories

As of December 31, 2025, the Group's net inventory amounted to NT\$366,890 thousand, which is significant for the consolidated financial statements. Due to the uncertainties arising from the rapid changes of technology and market environment, the assessment of obsolete and slow-moving inventory write-downs required significant management judgement, we therefore determined this as a key audit matter. Our audit procedures included, but not limited to, evaluating and testing the design and operating effectiveness of internal controls around inventories; evaluating the inventory counting plan and choosing significant warehouse for observation of the physical inventory count to verify the quantity and the status; evaluating and testing net realizable value of inventories adopted by the management; evaluating the reasonableness of the accounting policies on obsolete and slow-moving inventory, including the identification of the obsolete and slow-moving inventory, testing the correctness of the inventory aging and the reasonableness of the allowance for inventory obsolescence amount. We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Group's consolidated financial statements.

### Revenue recognition

The Group recognized the revenue amounted to NT\$2,688,527 thousand for the year ended December 31, 2025. Main source of revenue comes from projection products and imaging-related products sales. The Group recognized revenue when transferring a promised product to a customer. The trade terms of in the products agreed in their contracts are different when the performance obligations were satisfied. As a result of the higher complexity of revenue recognition, we determined the matter to be a key audit matter. Our audit procedures include, but not limited to, assessing the appropriateness of the accounting policy for revenue recognition; evaluating and testing the effectiveness of internal controls within the revenue recognition; selecting the top ten clients to perform testing of transaction and reviewing significant terms and conditions in the contracts; selecting samples to perform details testing of transaction and verifying the appropriateness of the timing of revenue recognition; viewing their transactions certificate and performing cut-off procedures on selected samples for a period before and after the reporting date; reviewing subsequent significant sales returns and discounts. Please refer to Notes 4 and 6 to the Group's consolidated financial statements.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate

to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.
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 Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Others**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Young Optics Inc. as of and for the years ended December 31, 2025 and 2024.

/s/ Chiu, Wan-Ju

/s/ Huang, Ming-Ju

Ernst & Young, Taiwan  
February 6, 2026

### **Notice to Readers**

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

Accordingly, the accompanying consolidated financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries

Consolidated Balance Sheets

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Note	December 31, 2025	%	December 31, 2024	%	LIABILITIES AND EQUITY	Note	December 31, 2025	%	December 31, 2024	%
<b>Current assets</b>						<b>Current liabilities</b>					
Cash and cash equivalents	4 and 6 (1)	\$1,229,209	29	\$1,018,824	23	Short-term borrowings	6 (8)	\$97,175	2	\$-	-
Current financial asset at fair value through profit or loss	4	54	-	-	-	Contract liabilities-current	6 (13) and 7	52,990	1	83,308	2
Notes receivable, net	4, 6 (2) and 6 (14)	4,693	-	-	-	Notes payable		326	-	564	-
Trade receivable, net	4, 6 (3) and 6 (14)	352,367	8	391,357	9	Accounts payable		277,980	6	312,276	7
Trade receivable-related parties, net	4, 6 (3), 6 (14) and 7	105,170	3	137,315	3	Accounts payable-related parties	7	11,945	-	21,773	-
Other receivables		15,051	-	9,760	-	Other payables		299,994	7	310,582	7
Other receivables-related parties	7	48,935	1	60,038	2	Other payables-related parties	7	51,011	1	66,554	3
Current tax assets	4 and 6 (19)	14,346	-	14,019	-	Current tax liabilities	4 and 6 (19)	17,681	-	10,375	-
Inventories, net	4, 6 (4), 6 (17) and 10	366,890	9	406,458	9	Provisions-current	4 and 6 (11)	23,128	1	20,712	-
Prepayments		32,138	1	38,647	1	Lease liabilities, non-related parties	4 and 6 (15)	20,679	1	19,556	-
Other current assets		47,790	1	39,103	1	Lease liabilities, related parties	4, 6 (15) and 7	28,120	1	28,082	1
<b>Total current assets</b>		<b>2,216,643</b>	<b>52</b>	<b>2,115,521</b>	<b>48</b>	Current portion of long-term borrowings	6 (9)	82,000	2	57,143	2
<b>Non-current assets</b>						Other current liabilities	4	21,318	1	22,419	-
Property, plant and equipment, net	4, 6 (5), 6 (16), 6 (17), 8 and 10	1,447,604	34	1,707,865	38	<b>Total current liabilities</b>		<b>984,347</b>	<b>23</b>	<b>953,344</b>	<b>22</b>
Right-of-use assets	4, 6 (15) and 7	278,772	6	318,754	7	<b>Non-current liabilities</b>					
Investment property, net	4, 6 (6), 6 (16) and 8	117,170	3	125,771	3	Long-term borrowings	6 (9)	164,000	4	342,857	8
Intangible assets	4 and 6 (7)	49,195	1	60,095	2	Deferred tax liabilities	4 and 6 (19)	22,335	1	22,335	-
Deferred tax assets	4 and 6 (19)	25,720	1	21,769	-	Lease liabilities, non-related parties-noncurrent	4 and 6 (15)	252,913	6	295,610	7
Refundable deposits		13,258	-	13,118	-	Guarantee deposits		12,238	-	12,118	-
Net defined benefit assets-noncurrent	4 and 6 (10)	28,051	1	28,601	1	<b>Total non-current liabilities</b>		<b>451,486</b>	<b>11</b>	<b>672,920</b>	<b>15</b>
Other non-current financial assets	8	23,534	1	23,517	1	<b>Total liabilities</b>		<b>1,435,833</b>	<b>34</b>	<b>1,626,264</b>	<b>37</b>
Other non-current assets		31,021	1	21,058	-	<b>Equity attributable to owners of the parent</b>					
<b>Total non-current assets</b>		<b>2,014,325</b>	<b>48</b>	<b>2,320,548</b>	<b>52</b>	<b>Capital</b>					
						Common stock	6 (12)	1,140,598	27	1,140,598	26
						<b>Capital surplus</b>	6 (12)	1,648,205	39	1,648,205	37
						<b>Retained earnings</b>	6 (12)				
						Legal reserve		393,148	9	393,148	9
						Special reserve		111,874	3	150,667	3
						Accumulated deficit		(379,964)	(9)	(410,940)	(9)
						<b>Total retained earnings</b>		<b>125,058</b>	<b>3</b>	<b>132,875</b>	<b>3</b>
						<b>Other equity</b>		<b>(118,726)</b>	<b>(3)</b>	<b>(111,873)</b>	<b>(3)</b>
						<b>Total equity attributable to owners of the parent</b>		<b>2,795,135</b>	<b>66</b>	<b>2,809,805</b>	<b>63</b>
						<b>Non-controlling interests</b>	6 (12)	-	-	-	-
						<b>Total equity</b>		<b>2,795,135</b>	<b>66</b>	<b>2,809,805</b>	<b>63</b>
<b>Total assets</b>		<b>\$4,230,968</b>	<b>100</b>	<b>\$4,436,069</b>	<b>100</b>	<b>Total liabilities and equity</b>		<b>\$4,230,968</b>	<b>100</b>	<b>\$4,436,069</b>	<b>100</b>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars, except for loss per share)

Description	Note	For the year ended December 31		For the year ended December 31	
		2025	%	2024	%
<b>Net sales</b>	4, 6 (13) and 7	\$2,688,527	100	\$2,572,028	100
<b>Operating costs</b>	6 (4), 6 (15), 6 (16) and 7	(2,226,838)	(83)	(2,270,228)	(88)
<b>Gross profit</b>		461,689	17	301,800	12
<b>Operating expenses</b>	6 (14), 6 (15), 6 (16) and 7				
Selling expenses		(100,846)	(4)	(104,208)	(4)
General and administrative expenses		(159,319)	(6)	(165,103)	(6)
Research and development expenses		(275,205)	(10)	(299,139)	(12)
Total operating expenses		(535,370)	(20)	(568,450)	(22)
<b>Operating loss</b>		(73,681)	(3)	(266,650)	(10)
<b>Non-operating income and expenses</b>					
Interest income	6 (17)	20,721	1	17,814	1
Other income	6 (15), 6 (17), and 10	155,770	6	104,466	4
Other gains and losses	5, 6 (17), 6 (21), and 10	(90,496)	(3)	(85,420)	(3)
Finance costs	6 (17) and 7	(18,318)	(1)	(14,181)	(1)
Total non-operating income and expenses		67,677	3	22,679	1
<b>Net loss before tax</b>		(6,004)	-	(243,971)	(9)
<b>Income tax expense</b>	4 and 6 (19)	(3,384)	-	(3,780)	-
<b>Net loss</b>		(9,388)	-	(247,751)	(9)
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit pension plans	6 (18)	1,964	-	6,207	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6 (18)	(393)	-	(1,241)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6 (18)	(6,853)	-	57,016	2
Income tax related to items that may be reclassified subsequently to profit or loss		-	-	-	-
<b>Other comprehensive income (loss) , net of tax</b>		(5,282)	-	61,982	2
<b>Total comprehensive loss</b>		<u>\$(14,670)</u>	<u>-</u>	<u>\$(185,769)</u>	<u>(7)</u>
<b>Net (loss) income for the periods attributable to :</b>					
<b>Shareholders of the parent</b>	6 (20)	\$ (9,388)		\$(247,774)	
<b>Non-controlling interests</b>	6 (12)	-		23	
		<u>\$ (9,388)</u>		<u>\$(247,751)</u>	
<b>Total comprehensive (loss) income for the periods attributable to :</b>					
<b>Shareholders of the parent</b>		\$ (14,670)		\$(185,805)	
<b>Non-controlling interests</b>		-		36	
		<u>\$ (14,670)</u>		<u>\$(185,769)</u>	
Basic Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$ (0.08)</u>		<u>\$(2.17)</u>	
Diluted Loss Per Share (in New Taiwan Dollars)	6 (20)	<u>\$ (0.08)</u>		<u>\$(2.17)</u>	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries  
 Consolidated Statements of Changes in Equity  
 For the years ended December 31, 2025 and 2024  
 (Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other equity	Total		
			Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign operations			
Balance as of January 1, 2024	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(168,132)	\$(168,876)	\$2,995,610	\$472	\$2,996,082
Net loss for the year ended December 31, 2024	-	-	-	-	(247,774)	-	(247,774)	23	(247,751)
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	4,966	57,003	61,969	13	61,982
Total comprehensive income (loss)	-	-	-	-	(242,808)	57,003	(185,805)	36	(185,769)
Disposal of subsidiary	-	-	-	-	-	-	-	(508)	(508)
Balance as of December 31, 2024	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$150,667</u>	<u>\$(410,940)</u>	<u>\$(111,873)</u>	<u>\$2,809,805</u>	<u>\$-</u>	<u>\$2,809,805</u>
Balance as of January 1, 2024	\$1,140,598	\$1,648,205	\$393,148	\$150,667	\$(410,940)	\$(111,873)	\$2,809,805	\$-	\$2,809,805
Appropriation and distribution of retained earnings									
Reversal of special reserve	-	-	-	(38,793)	38,793	-	-	-	-
Total appropriation and distribution of retained earnings	-	-	-	(38,793)	38,793	-	-	-	-
Net loss for the year ended December 31, 2025	-	-	-	-	(9,388)	-	(9,388)	-	(9,388)
Other comprehensive income (loss) for the year ended December 31, 2025	-	-	-	-	1,571	(6,853)	(5,282)	-	(5,282)
Total comprehensive loss	-	-	-	-	(7,817)	(6,853)	(14,670)	-	(14,670)
Balance as of December 31, 2025	<u>\$1,140,598</u>	<u>\$1,648,205</u>	<u>\$393,148</u>	<u>\$111,874</u>	<u>\$(379,964)</u>	<u>\$(118,726)</u>	<u>\$2,795,135</u>	<u>\$-</u>	<u>\$2,795,135</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Young Optics Inc. and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	For the years ended December 31		Description	For the years ended December 31	
	2025	2024		2025	2024
<b>Cash flows from operating activities :</b>			<b>Cash flows from investing activities :</b>		
Net loss before tax	\$(6,004)	\$(243,971)	Disposal of a subsidiary	\$-	\$32,700
Adjustments for:			Acquisition of property, plant and equipment	(61,442)	(82,638)
The profit or loss items which did not affect cash flows:			Proceeds from disposal of property, plant and equipment	22,998	681
Depreciation	282,192	302,498	Proceeds from disposal of non-current assets held for sale	23,729	-
Amortization	13,415	14,780	Acquisition of intangible assets	(380)	(427)
Expected credit (gain) loss	(1,169)	1,167	Increase in refundable deposits	(140)	(718)
Net loss on financial assets and liabilities at fair value through profit or loss	285	-	(Increase) decrease in other financial assets-noncurrent	(17)	677
Interest expense	18,318	14,181	Increase in other non-current assets	(9,978)	(12,595)
Interest income	(20,721)	(17,814)	Net cash used in investing activities	(25,230)	(62,320)
(Gain) loss on disposal of property, plant and equipment	(5,469)	2,510	<b>Cash flows from financing activities :</b>		
Transfer of property, plant and equipment to expense	9	35	Increase (decrease) in short-term borrowings	97,175	(104,344)
Loss on disposal of investments	-	9,074	Increase in long-term borrowings (including current portion of long-term borrowings)	-	287,100
(Reversal) loss from disaster	(20,500)	72,581	Repayments of long-term borrowings (including current portion of long-term borrowings)	(154,000)	(301,341)
(Gain) loss on lease modification	(2,110)	69	Increase in guarantee deposits	120	499
Loss on impairment	61,094	-	Repayment of the principal portion of lease liabilities	(43,327)	(40,838)
Changes in operating assets and liabilities:			Net cash used in financing activities	(100,032)	(158,924)
Financial assets and liabilities at fair value through profit or loss	(339)	-	Effect of exchange rate changes on cash and cash equivalents	3,193	27,071
Notes receivable	(4,693)	3,514	Net increase (decrease) in cash and cash equivalents	210,385	(52,243)
Trade receivable	40,159	(52,238)	Cash and cash equivalents at beginning of the period	1,018,824	1,071,067
Trade receivable-related parties	32,145	(17,810)	Cash and cash equivalents at end of the period	\$1,229,209	\$1,018,824
Other receivables	(2,754)	2,202			
Other receivables-related parties	11,103	37,148			
Inventories	39,568	19,463			
Prepayments	6,509	(11,955)			
Other current assets	(8,687)	(1,200)			
Contract liabilities-current	(30,318)	14,225			
Notes payable	(238)	212			
Accounts payable	(34,296)	50,944			
Accounts payable-related parties	(9,828)	21,442			
Other payables	(12,544)	(49,807)			
Other payables-related parties	(15,543)	(32,119)			
Provisions-current	2,416	(3,171)			
Other current liabilities	(1,101)	4,858			
Net defined benefit assets-noncurrent	2,514	2,390			
Cash generated from operating activities	333,413	143,208			
Interest received	18,184	16,577			
Interest paid	(18,394)	(14,046)			
Income tax paid	(749)	(3,809)			
Net cash provided by operating activities	332,454	141,930			

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

**Young Optics Inc.**  
**2025 Statement of Deficit Compensation**

Unit: NTD

Item	Amount
Accumulated Deficit at the beginning of the period	(372,146,771)
Add (Less):	
Re-measurement of Defined Benefits Obligations	1,571,200
Net loss of 2025	(9,387,833)
Losses to be covered for the period	(7,816,633)
Accumulated Deficit yet to be compensated at the end of the period	(379,963,404)

Chairman: Sarah Lin    President: Cynthia Chang, Wayne Lin

Accountant: Alston Chen