

# Corporate Value Enhancement Plan

Report to Board of Directors on May 11, 2026

## Preface

To promote greater emphasis on shareholder rights and guide TWSE/TPEX listed companies toward enhancing corporate value, the Taiwan Stock Exchange Corporation amended the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” on August 23, 2024, followed by the Taipei Exchange’s corresponding amendment announcement on August 29, 2024.

Universal Vision Biotechnology Co., Ltd. (hereinafter referred to as “UVB”) has established a leading position in Taiwan's refractive cataract surgery and vision correction markets by leveraging its professional optometry team, long-established optical dispensing service capabilities, and ophthalmology clinics operated under brand authorization partnerships. Through continuous technological innovation and service upgrades, the Company focuses on high value-added optometry services and customer relationship management capabilities to enhance overall operational competitiveness. In response to global geopolitical changes, intensified competition in the medical industry, and the rapid development of artificial intelligence and digital technologies, University Optical will continue to promote medical technology and AI data applications, strengthen the integrated advantages of ophthalmic care, refractive surgery, and optical services, and seize development opportunities in smart healthcare and the visual health industry.

Accordingly, the Company has proposed this “Corporate Value Enhancement Plan.” Through systematic analysis of the current situation and the implementation of specific strategies, the Company will continue to optimize operational efficiency and service value and establish a long-term growth model centered on “vision health management,” in order to enhance long-term corporate competitiveness and create stable and sustainable corporate value.

## I. Current Status Analysis

### 1. Total Shareholder Return (TSR)

The Company's annualized TSR growth rate over the past three years was lower than the peer average of 7.64% and the broader market benchmark of 15.27%. The Company has incorporated TSR as a key assessment indicator and will continue to strengthen growth momentum and market expansion. While maintaining financial soundness and capital efficiency, the Company will adopt a stable dividend policy to enhance shareholder value and ensure that long-term investor returns are aligned with the Company's strategy. The Company will also strengthen investor relations management and improve market communication, enabling investors to comprehensively assess the Company's long-term value performance.

**Description: Calculation methodology for the annualized growth rate (CAGR) of Total Shareholder Return (TSR) over the most recent three-year period.**

$$TSR_{annualized} = \left( \frac{P_3 + D_{total}}{P_0} \right)^{\frac{1}{3}} - 1$$

- $P_0$  : Share price at the beginning of the three-year period
- $P_3$  : Current share price
- $D_{total}$  : Total dividends distributed over the three-year period (assuming dividend reinvestment)
- $1/3$  : Conversion from a three-year return to an

Source: The annualized TSR growth rate was provided by the Company's Finance and Accounting Department.

## 2. Cost of Capital and Profitability

### 2.1 Weighted Average Cost of Capital (WACC)

The Company's capital structure in 2025 was composed of 99.25% equity and 0.75% debt (99.46% and 0.54%, respectively, in 2024), indicating that shareholders' equity has long served as the Company's primary source of funds and that its financial structure is highly sound. The Company's cost of equity was 7.65%, and its cost of debt was 2.38%. Factors affecting the cost of debt and equity include corporate credit, operating risk, and other factors. Through WACC analysis, the Company is able to evaluate the efficiency of capital utilization, the appropriateness of investment plans, and the reasonableness of corporate value. The Company's WACC in 2025 was 7.60%, broadly in line with the peer average. The Company will continue to maintain a sound financial position and prudent capital utilization strategy to ensure that the cost of capital remains within a reasonable range and serves as an important basis for assessing investment feasibility and corporate value.

Year	2025	2024
Cost of Equity - UVB	7.65%	7.40%
Cost of Debt - UVB	2.38%	2.50%
<b>WACC - UVB</b>	<b>7.60%</b>	<b>7.37%</b>
WACC - Average of TWSE/TPEX Listed Biotechnology and Medical Industry	6.0% to 8.0%	7.4% to 8.0%

Source: UVB's WACC was provided by the Company's Finance and Accounting Department; the average for the TWSE/TPEX listed biotechnology and medical industry was extracted from market data.

Macroeconomic impact analysis: Fluctuations in interest rates, inflation rates, and exchange rates may all affect the Company's WACC, and changes in these factors are relatively controllable for the Company. In addition, the Company will conduct regular macroeconomic analysis with a view to maintaining the relative stability of WACC within a controllable risk range. This will help improve the Company's ability to respond to changes in the dynamic market environment, ensure the reasonableness of capital costs, and thereby maintain the Company's financial stability.

## 2.2 Profitability Assessment (ROIC and ROE)

The Company's operating efficiency can be evaluated through Return on Invested Capital (ROIC) and Return on Equity (ROE). The Company's ROIC in 2025 was 20.25%, significantly higher than its WACC of 7.60%, indicating that the Company's overall capital utilization efficiency is excellent and that the benefits of capital utilization have been fully realized.

Year	2025	2024
<b>ROIC - UVB</b>	<b>20.25%</b>	<b>22.54%</b>
<b>WACC - UVB</b>	7.60%	7.37%

Source: Provided by the Company's Finance and Accounting Department.

Note: ROIC = After-tax operating income / Invested capital

In addition, ROE reached 26.65% in 2025, higher than the peer average and far above the cost of debt of 2.38%, indicating that the Company has effectively utilized shareholders' equity to generate sound returns while maintaining a sound financial structure.

The Company's ROIC and ROE performance demonstrates management's effective capital allocation and the Company's competitiveness in the biotechnology and medical field.

Year	2025	2024
<b>ROE - UVB</b>	<b>26.65%</b>	<b>29.59%</b>
ROE - Peer Average	10.88%	10.98%

Source: Provided by the Company's Finance and Accounting Department.

Note: ROE = Net income after tax / Shareholders' equity

## 2.3 Analysis by Business Segment:

The Company's business is divided into the Optical Business Division and the Medical Business Division. The ROIC of both divisions is higher than WACC, indicating that overall operations have sound profitability.

## 3. Market Valuation Analysis

### 3.1 PBR (Price-to-Book Ratio)

Based on the Company's closing share price at the end of December 2025 (NT\$146), the PBR was 3.13 times, higher than the peer average of 1.90 times. This indicates that the market has given the Company a positive and reasonable valuation, reflecting investors' confidence in the Company's sound financial structure, continuing profitability, and leading business strategy.

### 3.2 PER (Price-to-Earnings Ratio)

The PER was 11.86 times, lower than the peer average of 17.01 times. This was mainly because market expectations for future growth have become more conservative. Nevertheless, the Company's operating fundamentals remain sound. The Company will continue to drive service upgrades through technology-driven healthcare, launch high value-added offerings that combine functional new product introductions with market competitiveness, consolidate its brand leadership position, and steadily expand its store network and operating scale. At the same time, through diversified investor communication mechanisms and transparent information disclosure, the Company will strengthen market recognition of its operational strength and long-term value and promote the return of valuation levels to corporate fundamentals.

Year	2025.12.31	2024.12.31
Closing Price - University Optical	NT\$146	NT\$200
<b>Price-to-Book Ratio (PBR) - UVB</b>	<b>3.13 x</b>	<b>4.77 x</b>
Price-to-Book Ratio (PBR) - Peer Average	1.90 x	2.22 x
<b>Price-to-Earnings Ratio (PER) - UVB</b>	<b>11.86 x</b>	<b>15.91 x</b>
Price-to-Earnings Ratio (PER) - Peer Average	17.01 x	21.21 x

Source: Provided by the Company's Finance and Accounting Department.

Note: PBR = Market price per share / Book value per share; PER = Market price per share / Earnings per share

### 3.3 Overall Assessment:

With sound operations as its core principle, the Company will continue to optimize its operating structure and capital allocation efficiency, strengthen its long-term value creation capability, and strive to enhance total shareholder return, while promoting the reasonable reflection of the Company's value in the capital market.

## 4. Balance Sheet Review

- The Company reviews its balance sheet regularly each year, including liquidity indicators, debt ratios, and room for asset activation, to ensure that its asset structure can support medium- to long-term operating and investment needs.
- Non-core assets currently account for approximately 22.03% of total assets. They are primarily allocated to generate stable income and for risk management purposes. The Company will continue to review and evaluate such assets and appropriately adjust the asset allocation ratio based on market interest rates, investment opportunities, and operating conditions, with priority given to high-return businesses or strategic investments, in order to enhance overall asset utilization efficiency and create long-term value.

## 5. Corporate Governance and Sustainable Development

- Board structure: The Board consists of nine directors, including four independent directors, representing 44% of the Board. The Company's directors and independent directors possess extensive industry practice experience and professional expertise. In addition to leadership and

decision-making capabilities, crisis management, risk management, and international market perspectives, the members each have their own areas of expertise and deep experience, supporting the Company's short-, medium-, and long-term strategic development. Chairperson Ou Shu-Fang and Director Lin Pi-Jung are both ophthalmologists; Director Chou Tsan-Te has served in the education public service system for an extended period and previously served as Administrative Deputy Minister of the Ministry of Education; Director Chang Hong-Jen currently serves as chairman in the biotechnology and medical industry and has a background in public health and medicine; Director Weng Su-Hui and Independent Directors Hsiao Min-Chih and Liu Wen-Lung are core corporate management executives specializing respectively in the operation and management, leadership, and efficient decision-making of the manufacturing and retail industries; Independent Director Yang Yun-Hua is a professor at the College of Law of National Chengchi University with a legal professional background; and Independent Director Chen Wei-Ru is an associate professor of strategy at China Europe International Business School and serves as an independent director of several listed companies in mainland China. Overall, the Board members possess the capabilities necessary to perform their duties.

- Operation and effectiveness: The Board of Directors, Audit Committee, and Remuneration Committee conduct annual performance evaluations covering decision-making quality, level of participation, continuing education, and internal control. Sustainable development issues have been incorporated into the Board's scope of oversight, and internal mechanisms covering environmental, social, and governance aspects have been established.
- Information transparency: The Company continues to strengthen its information disclosure system. Material decisions are subject to transparent procedures and are proactively explained externally.

## **6. Board Review**

The Board has discussed TSR, WACC, ROIC, PBR, and other indicators, and has confirmed that the Company's long-term value has not yet been fully reflected in the capital market. The following directions will be promoted in the future:

- Introduce a TSR analytical framework, strengthen the analysis and management of market valuation, and implement revenue and profit growth, valuation enhancement, and cash returns through specific strategies.
- Strengthen information disclosure and corporate narratives for investors, including the use of charts, cases, and simultaneous Chinese and English presentation to clearly present medium- to long-term growth strategies.
- Optimize the business portfolio and governance structure, set improvement timelines or adopt strategic investment strategies for business divisions with relatively lagging performance, and strengthen the professionalism and independence of the Board to enhance resource allocation efficiency and corporate transparency.

## II. Policies and Plans

### 1. Short-term Measures (Within One Year)

- Optimize TSR drivers by focusing on revenue and profit growth, valuation enhancement, and shareholder returns, pursuing TSR growth to strengthen market expectations and internal momentum.
- Improve capital efficiency: Through periodic reviews of the operating performance and capital utilization of each business, continue to optimize resource allocation to enhance overall capital efficiency and return performance.
- Prudently promote shareholder returns: Maintain a dividend payout ratio of not less than 30% of the distributable earnings for the current year, and continue to enhance total shareholder return while taking into account the Company's long-term development and financial soundness.
- Strengthen corporate governance and communication capabilities: Add independent directors or management team members with capital market and international communication experience to enhance the Company's ability to understand shareholder expectations and TSR drivers.
- Short-term Business Development Plan
  - (1) Continue developing and introducing new medical equipment (such as SMILE Pro 3.0) and application technologies (such as EVO ICL), and introduce them into clinical treatment at partner clinics.
  - (2) Actively seek brand-authorized ophthalmology clinics willing to cooperate, expand existing marketing channels, and increase market share.
  - (3) Integrate online and offline channels, strengthen customer relationship management in optometry channels, provide personalized vision health services for all age groups, and implement segmented marketing to create maximum sales opportunities.
  - (4) Optimize process design and enhance store operational efficiency and customer experience through digitalization and AI intelligence.
  - (5) Establish and strengthen procurement and distribution systems for medical drugs and consumables.

### 2. Medium-term Strategies (Three Years)

#### (1) Growth Strategies

- **Business portfolio upgrade: Increase the revenue contribution of high-ROIC business groups**

Based on the Company's current revenue structure (brand authorization and medical services account for approximately 49.82%, the largest source of revenue), the Company will continue to increase the proportion of high gross-margin and high value-added revenue in the future, with the target of raising it from approximately 50% to 60-65%, serving as the core engine for promoting Total Shareholder Return (TSR).

- **Deployment of new growth drivers: Focus on three major growth curves**

- ◇ Advanced refractive correction (SMILE Pro, EVO ICL)
- ◇ Myopia prevention and control and all-age vision management
- ◇ Vision healthcare biotechnology products (such as lutein)

Through technology introduction (such as EVO ICL) and product innovation, enter the “laser-ineligible population” and the “preventive medicine market” to establish a second growth driver.

- **Value-oriented digital transformation: Leverage the existing channel advantages of “clinics + stores” to promote**
  - ✧ AI optometry and big-data lens fitting (i-Precision Fitting)
  - ✧ Clinic process digitization and cloud integration
  - ✧ CRM customer lifetime value (CLV) managementShift from “one-time transactions” to “long-term vision health management,” increasing average transaction value and customer lifetime value.
- **Brand and ESG narrative: Position the Company as an “integrated platform of healthcare x optometry x biotechnology”**
  - ✧ Strengthen the trust advantage of the “e-University” brand in medical quality and international certification (JCI)
  - ✧ Integrate preventive medicine and aging population trends to establish a long-term growth narrative
  - ✧ Enhance international institutional investors' evaluation of the Company's “stable cash flow + growth potential”

## (2) Efficiency Strategies

- **Lean services and intelligentization: Introduce**
  - ✧ AI scheduling and data-driven clinic operations
  - ✧ Digital store management and inventory optimization
  - ✧ Improve store sales per ping and unit output, and continue to enhance overall operating leverage
- **Supply chain optimization and flexibility: A diversified supplier system has been established, and in the future the Company will:**
  - ✧ Strengthen strategic procurement and scale-based bargaining capabilities
  - ✧ Reduce reliance risk on a single supplier
  - ✧ Stabilize gross margin and delivery lead times
- **Balance sheet optimization:** The Company will continue to review and evaluate non-core assets and appropriately adjust the asset allocation ratio based on market interest rates, investment opportunities, and operating conditions to enhance return on assets.
- **Cash flow enhancement strategy:** By optimizing working capital management and strengthening capital expenditure discipline, improve the stability and predictability of free cash flow as the core basis for capital allocation decisions.

## (3) Sustainability and Governance Strategies

- Link management compensation with medium-term financial indicators such as TSR performance: Establish an investor-oriented linkage between incentives and the three major KPIs of TSR, ROIC, and revenue growth to strengthen alignment between management and shareholder interests.

- **Strengthen dedicated capital market communication: Establish a dedicated investor relations unit and formulate a TSR-driven narrative focusing on**
  - ◇ Positioning as an “optometry service platform + growth stock”
  - ◇ New market narratives such as EVO ICL and myopia prevention and control
  - ◇ Long-term market expectation management
- **Disclose strategic progress and performance tracking through**
  - ◇ Annual reports + ESG reports + investor conferences
  - ◇ Bilingual disclosures

Clearly present the value path of “channel expansion -> high value-added services -> cash flow growth.”
- Establish a long-term investor base: Actively engage active long-term investors to support TSR through a stable shareholder structure.

### **3. Capital Allocation and Shareholder Returns**

- TSR-oriented capital allocation principle: The Company's capital allocation centers on TSR and will gradually allocate capital to investment opportunities with high ROIC that can effectively promote corporate value growth and valuation enhancement, in order to continuously improve long-term shareholder returns.
- Shareholder return mechanism: Continue to distribute dividends steadily and maintain a stable dividend payout ratio as a key mechanism for returning value to shareholders.
- Set financial targets: Maintain PBR  $\geq 1x$  and improve valuation sustainability.

### **4. Incorporation of Investor Feedback**

- Through shareholders' meetings, investor conferences, and the collection of investor opinions, the Company consolidates key areas of concern (dividend policy, growth momentum, and governance transparency), submits them to the Board for review, and incorporates them into business decision-making.
- The Company will also reconstruct its value narrative from the “total shareholder return perspective,” present its vision for the next three to five years, and ensure that the market understands the Company's strategic direction.

### **III. Communication and Follow-up**

#### **1. Active Engagement with Investors**

- Hold investor conferences quarterly, attended by the CEO and the IR head, focusing on explanations of “TSR-driven strategies” (such as earnings growth, capital allocation, and valuation management).
- Establish a “Corporate Value Enhancement” section under IR on the official website to provide Chinese and English information, presentations, charts, and FAQs.

#### **2. Clear and Comprehensive Disclosure**

- Regularly disclose TSR and its detailed components (share price movements, dividend distributions, and share repurchase results), and provide comparisons with peers and broader market benchmarks.
- Present information through presentations, graphics, and other formats to enhance investor understanding.

#### **3. Annual Updates and Rolling Adjustments**

- Review the progress of the plan and the reasons for any variances at least once each year, and make adjustments based on the market environment and investor recommendations.
- In the event of significant changes in the external environment (such as a substantial increase in interest rates or changes in industry valuation), the Company will promptly update targets and measures to ensure that its value narrative remains aligned with market valuation.