

**Ticker: 6491**

**PEGAVISION CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REVIEW REPORT OF INDEPENDENT AUDITORS  
AS OF MARCH 31, 2023 AND 2022  
AND FOR THE THREE-MONTH PERIODS THEN ENDED**

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*The reader is advised that these consolidated 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.*

**Consolidated Financial Statements**  
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## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To : the Board of Directors and Shareholders of  
Pegavision Corporation

### Introduction

We have reviewed the accompanying consolidated balance sheets of Pegavision Corporation (the “Company”) and its subsidiaries as of March 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

### Scope of Review

We conducted our reviews in accordance with the Standard on Review Engagements 2410, “Review of Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2023 and 2022, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2023 and 2022, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

/s/Chang, Chih-Ming

/s/Kuo, Shao-Pin

Ernst & Young  
Taiwan, R.O.C.  
April 28<sup>th</sup>, 2023

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 on Taiwan and not those of any other jurisdictions. The standards, procedures and practice to review such consolidated financial statements are those generally accepted and applied in the Republic of China on Taiwan.*

*Accordingly, the accompanying consolidated 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 and Subsidiaries

Consolidated Balance Sheets

As of March 31, 2023, December 31, 2022 and March 31, 2022 (March 31, 2023 and 2022 are reviewed but unaudited)

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of March 31, 2023		As of December 31, 2022		As of March 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	6(1)	\$1,007,460	10	\$1,846,120	19	\$1,998,809	23
1110	Financial assets at fair value through profit or loss	6(2)	1,358,322	14	666,488	7	139,077	2
1136	Financial assets measured at amortized cost	6(3)	526,000	5	-	-	-	-
1170	Accounts receivable, net	6(4), 6(16), 7	746,129	7	745,195	8	637,539	7
1200	Other receivables		16,833	-	5,523	-	17,205	-
1220	Current tax assets		2,943	-	2,929	-	1,618	-
1310	Inventories, net	6(5)	589,413	6	568,628	6	631,914	7
1410	Prepayments		103,206	1	76,884	1	67,813	1
1470	Other current assets		64,160	1	59,062	1	41,227	-
	Total current assets		4,414,466	44	3,970,829	42	3,535,202	40
15xx	Non-current assets							
1600	Property, plant and equipment, net	6(6), 8, 9	5,051,752	51	5,037,447	52	4,936,968	55
1755	Right-of-use assets, net	6(17), 7	325,880	3	356,943	4	149,397	2
1780	Intangible assets, net	6(7)	22,083	-	22,223	-	14,158	-
1840	Deferred tax assets	4, 6(21)	22,667	-	17,793	-	18,761	-
1900	Other non-current assets	6(6), 6(8), 7, 8	99,565	2	156,362	2	228,660	3
	Total non-current assets		5,521,947	56	5,590,768	58	5,347,944	60
	Total Assets		\$9,936,413	100	\$9,561,597	100	\$8,883,146	100

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

Pegavision Corporation and Subsidiaries  
Consolidated Balance Sheets (Continued)

As of March 31, 2023, December 31, 2022 and March 31, 2022 (March 31, 2023 and 2022 are reviewed but unaudited)

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2023		As of December 31, 2022		As of March 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term borrowings	6(9)	\$544,168	5	\$284,467	3	\$662,383	7
2130	Contract liabilities	6(15), 7	85,334	1	77,703	1	69,912	1
2150	Notes payable		1,351	-	3,910	-	940	-
2170	Accounts payable		184,543	2	190,643	2	199,801	2
2200	Other payables	6(10), 7	2,010,406	20	1,397,777	15	2,034,034	23
2230	Current tax liabilities	4, 6(21)	142,837	2	105,500	1	177,586	3
2280	Lease liabilities	6(17), 7	132,014	1	132,253	1	51,917	1
2300	Other current liabilities	6(11), 6(12), 8	205,037	2	249,251	3	125,737	1
	Total current liabilities		3,305,690	33	2,441,504	26	3,322,310	38
25xx	Non-current liabilities							
2540	Non-current portion of long-term borrowings	6(12), 8	256,127	3	364,879	4	144,162	2
2570	Deferred tax liabilities	4, 6(21)	43,343	-	37,185	-	33,704	-
2580	Lease liabilities	6(17), 7	200,351	2	231,107	2	102,657	1
2645	Guarantee deposits received		970	-	974	-	942	-
2670	Other non-current liabilities	6(11)	106	-	216	-	715	-
	Total non-current liabilities		500,897	5	634,361	6	282,180	3
	Total liabilities		3,806,587	38	3,075,865	32	3,604,490	41
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(14)						
3110	Common stock		700,000	7	700,000	7	700,000	8
3200	Capital surplus	6(14)	1,810,341	18	1,810,341	19	1,804,931	20
3300	Retained earnings	6(14)						
3310	Legal reserve		367,572	4	367,572	4	242,715	3
3320	Special reserve		16,367	-	16,367	-	8,143	-
3350	Unappropriated retained earnings		3,184,506	32	3,546,106	37	2,511,607	28
3400	Other equity interest		(13,740)	-	(12,934)	-	(9,950)	-
36xx	Non-controlling interests		64,780	1	58,280	1	21,210	-
	Total equity		6,129,826	62	6,485,732	68	5,278,656	59
	Total liabilities and equity		\$9,936,413	100	\$9,561,597	100	\$8,883,146	100

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

Pegavision Corporation and Subsidiaries  
Consolidated Statements of Comprehensive Incomes  
For the three-month periods ended March 31, 2023 and 2022 (Reviewed but unaudited)  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended March 31,			
			2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	6(15)	\$1,459,658	100	\$1,488,385	100
5000	Operating costs	6(5), 7	(693,549)	(48)	(694,969)	(47)
5900	Gross profit		766,109	52	793,416	53
6000	Operating expenses	7				
6100	Selling expenses		(135,794)	(9)	(132,790)	(9)
6200	Administrative expenses		(84,834)	(6)	(93,578)	(6)
6300	Research and development expenses		(129,324)	(9)	(147,488)	(10)
6450	Expected credit gains (losses)	6(16)	(1,930)	-	(1,709)	-
	Operating expenses total		(351,882)	(24)	(375,565)	(25)
6900	Operating income		414,227	28	417,851	28
7000	Non-operating income and expenses	6(19)				
7100	Interest income		4,011	-	1,249	-
7010	Other income		2,165	-	3,364	-
7020	Other gains or losses		(8,805)	-	1,892	-
7050	Finance costs	7	(8,323)	-	(1,688)	-
	Total non-operating incomes and expenses		(10,952)	-	4,817	-
7900	Income from continuing operations before income tax		403,275	28	422,668	28
7950	Income tax	4, 6(21)	(58,326)	(4)	(63,856)	(4)
8200	Net income		344,949	24	358,812	24
8300	Other comprehensive income (loss)	6(20)				
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences resulting from translating the financial statements of a foreign operation		(855)	-	6,417	-
	Total other comprehensive income, net of tax		(855)	-	6,417	-
8500	Total comprehensive income		\$344,094	24	\$365,229	24
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$338,400	23	\$359,964	24
8620	Non-controlling interests		6,549	1	(1,152)	-
			\$344,949	24	\$358,812	24
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$337,594	23	\$366,381	24
8720	Non-controlling interests		6,500	1	(1,152)	-
			\$344,094	24	\$365,229	24
9750	Earnings per share-basic (in NTD)	6(22)	\$4.83		\$5.14	
9850	Earnings per share-diluted (in NTD)	6(22)	\$4.81		\$5.12	

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

Pegavision Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2023 and 2022 (Reviewed but unaudited)

(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total	Non-controlling Interests	Total Equity
		Capital	Capital Surplus	Retained Earnings			Exchange differences arising on translation of foreign operations			
				Legal Reserve	Special reserve	Unappropriated Earnings				
		3100	3200	3310	3320	3350	3410	31XX	36XX	3XXX
A1	Balance as of January 1, 2022	\$700,000	\$1,804,931	\$242,715	\$8,143	\$2,746,643	\$(16,367)	\$5,486,065	\$22,362	\$5,508,427
	Appropriation and distribution of 2021 earnings									
B5	Cash dividends-common share					(595,000)		(595,000)		(595,000)
D1	Net income for the three-month period ended March 31, 2022					359,964		359,964	(1,152)	358,812
D3	Other comprehensive income (loss), net of tax, for the three-month period ended March 31, 2022						6,417	6,417		6,417
D5	Total comprehensive income (loss)	-	-	-	-	359,964	6,417	366,381	(1,152)	365,229
Z1	Balance as of March 31, 2022	<u>\$700,000</u>	<u>\$1,804,931</u>	<u>\$242,715</u>	<u>\$8,143</u>	<u>\$2,511,607</u>	<u>\$(9,950)</u>	<u>\$5,257,446</u>	<u>\$21,210</u>	<u>\$5,278,656</u>
A1	Balance as of January 1, 2023	\$700,000	\$1,810,341	\$367,572	\$16,367	\$3,546,106	\$(12,934)	\$6,427,452	\$58,280	\$6,485,732
	Appropriation and distribution of 2022 earnings									
B5	Cash dividends-common share					(700,000)		(700,000)		(700,000)
D1	Net income for the three-month period ended March 31, 2023					338,400		338,400	6,549	344,949
D3	Other comprehensive income (loss), net of tax, for the three-month period ended March 31, 2023						(806)	(806)	(49)	(855)
D5	Total comprehensive income (loss)	-	-	-	-	338,400	(806)	337,594	6,500	344,094
Z1	Balance as of March 31, 2023	<u>\$700,000</u>	<u>\$1,810,341</u>	<u>\$367,572</u>	<u>\$16,367</u>	<u>\$3,184,506</u>	<u>\$(13,740)</u>	<u>\$6,065,046</u>	<u>\$64,780</u>	<u>\$6,129,826</u>

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



Pegavision Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the three-month periods ended March 31, 2023 and 2022 (Reviewed but unaudited)  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31,		Code	Items	For the three-month periods ended March 31,	
		2023	2022			2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$403,275	\$422,668	B00040	Disposal (acquisition) of financial assets measured at amortised cost	(526,000)	-
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(102,668)	(527,644)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	-	129
A20100	Depreciation (including right-of-use assets)	238,293	213,935	B03800	Decrease (increase) in refundable deposits	6,167	(237)
A20200	Amortization	3,443	1,720	B04500	Acquisition of intangible assets	(3,303)	(1,736)
A20300	Expected credit losses (gain)	1,930	1,709	B06800	Decrease (increase) in other non-current assets	-	(4)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(2,834)	(49)	BBBB	Net cash provided by (used in) investing activities	(625,804)	(529,492)
A20900	Interest expense	8,323	1,688	CCCC	Cash flows from financing activities:		
A21200	Interest income	(4,011)	(1,249)	C00100	Increase in (repayment of) short-term borrowings	259,701	217,517
A22500	Loss (gain) on disposal of property, plant and equipment	-	(129)	C01700	Repayment of long-term borrowings	(103,715)	-
A23700	Impairment loss on non-financial assets	2,797	9,034	C03000	Increase (decrease) in guarantee deposits received	(4)	427
A29900	Gain on government grants	(110)	(69)	C04020	Payments of lease liabilities	(35,454)	(14,155)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	120,528	203,789
A31115	Financial assets at fair value through profit or loss	(689,000)	(72,000)	DDDD	Effect of exchange rate changes	(1,376)	6,887
A31150	Accounts receivable	(2,864)	(11,944)	EEEE	Increase (decrease) in cash and cash equivalents	(838,660)	149,844
A31180	Other receivables	(10,234)	(10,545)	E00100	Cash and cash equivalents at beginning of period	1,846,120	1,848,965
A31200	Inventories	(20,785)	(58,140)	E00200	Cash and cash equivalents at end of period	\$1,007,460	\$1,998,809
A31230	Prepayments	(26,322)	5,596				
A31240	Other current assets	(5,098)	22,568				
A32125	Contract liabilities	7,631	5,685				
A32130	Notes payable	(2,559)	(1,376)				
A32150	Accounts payable	(6,100)	(619)				
A32180	Other payables	(155,857)	(23,694)				
A32230	Other current liabilities	(49,318)	(30,296)				
A33000	Cash generated from operations	(309,400)	474,493				
A33100	Interest received	2,934	1,297				
A33300	Interest paid	(6,016)	(990)				
A33500	Income tax paid	(19,526)	(6,140)				
AAAA	Net cash provided by (used in) operating activities	(332,008)	468,660				

(The accompanying notes are an integral part of the consolidated 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 OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the three-month periods ended March 31, 2023 and 2022 were authorized for issue by the Board of Directors on April 28th, 2023.

## 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 Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised, or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised, or amended, by International Accounting Standards Board (“IASB”) which are not endorsed by FSC, and not yet adopted by the Group as of the end of the reporting period 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 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

(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 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.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The Group assesses all standards and interpretations have no material impact on the Group.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 Interim Financial Reporting as endorsed and became effective by the FSC.

Except the following 4(3) ~ 4(4), the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022. For more details, please refer to Note 4 of the Company's consolidated financial statements for the year ended December 31, 2022.

(2) Basis of preparation

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

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(3)Basis of consolidation

The same principles of consolidation have been applied in the Company's consolidated financial statements as those applied in the Company's consolidated financial statements for the year ended December 31, 2022. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2022.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%)			
			Mar 31, 2023	Dec 31, 2022	Mar 31, 2022	Note
The Company	Pegavision Japan Inc.	Selling medical equipment	100.00%	100.00%	100.00%	None
The Company	Pegavision (Jiangsu) Limited	Producing and selling medical equipment	100.00%	100.00%	100.00%	None
The Company	Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	-%	-%	100.00%	Note 1
The Company	Mayin Investment Co., Ltd.	Investing activities	100.00%	100.00%	100.00%	None
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Selling medical equipment and cosmetic products	85.00%	85.00%	100.00%	Note 2
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Selling medical equipment and cosmetic products	55.00%	55.00%	55.00%	None
BeautyTech Platform Corporation	Aquamax Vision Corporation	Selling medical equipment and cosmetic products	-%	-%	100.00%	Note 1

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

BeautyTech Platform Corporation	Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	100.00%	100.00%	Not Applicable	Note 1
BeautyTech Platform Corporation	BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	Note 1
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	Not Applicable	Note 1
Pegavision Contact Lenses (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	Selling medical equipment	100.00%	100.00%	100.00%	None
FacialBeau International Corporation	FacialBeau (Jiangsu) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	Note 1
FacialBeau International Corporation	IKIDO Inc.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	Note 1
FacialBeau International Corporation	RODNA Co., Ltd.	Selling medical equipment and cosmetic products	100.00%	100.00%	Not Applicable	Note 1
FacialBeau International Corporation	Aquamax Vision Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	Not Applicable	Note 1

Note 1: To improve the synergy of the Group, the board of directors decided to reorganize and set up the Subsidiaries on July 26, 2021:

- (a) BeautyTech Platform (Shanghai) Corporation which is 100% held by BeautyTech Platform Corporation was registered on January 24, 2022.
- (b) BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD. which is 100% held by BeautyTech Platform Corporation was registered on August 30, 2022.
- (c) FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022. The investment amount has not been remitted as of March 31, 2023.
- (d) The equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from the Company.
- (e) IKIDO Inc. which is 100% held by FacialBeau International Corporation was registered on March 14, 2022.
- (f) RODNA Co., Ltd. which is 100% held by FacialBeau International Corporation was registered on June 23, 2022.
- (g) The equity of Aquamax Vision Corporation was transferred to FacialBeau International Corporation from BeautyTech Platform Corporation.

Note 2: To improve the synergy of the Group, the board of directors of BeautyTech Platform Corporation decided to reorganize and issue new shares on August 26, 2022. BeautyTech Platform Corporation issued new shares on September 26, 2022 and retained 15% of the new shares for employee. The ownership interest in BeautyTech Platform Corporation of Mayin Investment Co., Ltd. was reduced to 85%.



(4)Income tax

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. Only current income tax expense is using the estimated average annual effective income tax rate while deferred income tax is recognized and measured in consistent with annual financial reporting in accordance with IAS 12, "Income Tax." The impact of tax rate change in interim period, if any, is recognized in earnings, other comprehensive income or directly equity.

5.SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated 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.

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2023 as those applied in the Company's consolidated financial statements for the year ended December 31, 2022. For significant accounting judgments, estimates and assumptions, please refer to Note 5 of the Company's consolidated financial statements for the year ended December 31, 2022.

6.CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Cash and petty cash	\$3,646	\$4,358	\$4,083
Checkings and savings	370,480	447,024	611,280
Time deposit	633,334	1,394,738	1,383,446
Total	<u>\$1,007,460</u>	<u>\$1,846,120</u>	<u>\$1,998,809</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$1,356,234	\$666,000	\$139,020
Valuation adjustment	2,088	488	57
Total	<u>\$1,358,322</u>	<u>\$666,488</u>	<u>\$139,077</u>
Current	\$1,358,322	\$666,488	\$139,077
Non-current	-	-	-
Total	<u>\$1,358,322</u>	<u>\$666,488</u>	<u>\$139,077</u>

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

(3) Financial asset measured at amortized cost

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Time deposit	\$526,000	\$-	\$-
Less: loss allowance	-	-	-
Total	<u>\$526,000</u>	<u>\$-</u>	<u>\$-</u>
Current	<u>\$526,000</u>	<u>\$-</u>	<u>\$-</u>
Non-current	<u>\$-</u>	<u>\$-</u>	<u>\$-</u>

The Group deals with financial institution with good credit condition, there is no significant credit risk.

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

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(4)Accounts receivable, net

A.Accounts receivable, net

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Accounts receivable, gross	\$756,199	\$753,335	\$654,248
Less: loss allowance	(10,070)	(8,140)	(16,709)
Total accounts receivable, net	<u>\$746,129</u>	<u>\$745,195</u>	<u>\$637,539</u>

B.Accounts receivable were not pledged.

C.Accounts receivable are generally on T/T to 90 days terms. The total carrying amount is NT\$756,199 thousand, NT\$753,335 thousand and NT\$654,248 thousand as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively. Please refer to Note 6 (16) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(5)Inventory

A.Details of inventory:

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Merchandises	\$10,039	\$6,197	\$2,503
Raw materials	86,202	92,656	103,670
Supplies	8,853	7,947	6,977
Work in process	159,963	146,162	208,345
Finished goods	324,356	315,666	310,419
Total	<u>\$589,413</u>	<u>\$568,628</u>	<u>\$631,914</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. For the three-month periods ended March 31, 2023 and 2022, the Group recognized NT\$693,549 thousand and NT\$694,969 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

Item	For the three-month period ended March 31,	
	2023	2022
Loss (Gain) from inventory market decline	\$(24,848)	\$6,174
Loss from inventory write-off obsolescence	17,157	4,615
Total	\$(7,691)	\$10,789

The Group 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.

(6)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 1/1/2023	\$1,514,524	\$165,620	\$4,876,270	\$1,973	\$84,335	\$991,212	\$1,133,177	\$8,767,111
Addition	-	-	-	-	134	297	172,771	173,202
Disposals	-	-	(700)	-	(74)	(1,030)	-	(1,804)
Transfer	-	-	29,966	-	354	20,180	(53,803)	(3,303)
Effect of EX rate	-	-	-	-	11	353	27	391
As of 3/31/2023	<u>\$1,514,524</u>	<u>\$165,620</u>	<u>\$4,905,536</u>	<u>\$1,973</u>	<u>\$84,760</u>	<u>\$1,011,012</u>	<u>\$1,252,172</u>	<u>\$8,935,597</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of 1/1/2022	\$1,317,564	\$69,345	\$4,755,399	\$1,505	\$78,435	\$875,893	\$823,483	\$7,921,624
Addition	-	-	-	-	-	-	255,442	255,442
Disposals	-	-	(7,673)	-	(747)	(11,361)	-	(19,781)
Transfer	-	-	79,784	218	1,753	62,671	(146,162)	(1,736)
Effect of EX rate	-	-	-	-	48	493	2,156	2,697
As of 3/31/2022	<u>\$1,317,564</u>	<u>\$69,345</u>	<u>\$4,827,510</u>	<u>\$1,723</u>	<u>\$79,489</u>	<u>\$927,696</u>	<u>\$934,919</u>	<u>\$8,158,246</u>

Depreciation and impairment:

As of 1/1/2023	\$-	\$41,075	\$2,865,878	\$1,114	\$75,651	\$657,393	\$-	\$3,641,111
Depreciation	-	1,068	171,759	75	1,625	29,250	-	203,777
Impairment loss	-	-	-	-	-	2,797	-	2,797
Disposal	-	-	(700)	-	(74)	(1,030)	-	(1,804)
Transfer	-	-	-	-	-	-	-	-
Effect of EX rate	-	-	-	-	3	38	-	41
As of 3/31/2023	<u>\$-</u>	<u>\$42,143</u>	<u>\$3,036,937</u>	<u>\$1,189</u>	<u>\$77,205</u>	<u>\$688,448</u>	<u>\$-</u>	<u>\$3,845,922</u>

As of 1/1/2022	\$-	\$27,309	\$2,227,640	\$876	\$68,438	\$548,624	\$-	\$2,872,887
Depreciation	-	778	168,964	51	2,497	26,695	-	198,985
Impairment loss	-	198	-	-	-	8,836	-	9,034
Disposal	-	-	(7,673)	-	(747)	(11,361)	-	(19,781)
Transfer	-	-	-	-	-	-	-	-
Effect of EX rate	-	-	-	-	13	283	-	296
As of 3/31/2022	<u>\$-</u>	<u>\$28,285</u>	<u>\$2,388,931</u>	<u>\$927</u>	<u>\$70,201</u>	<u>\$573,077</u>	<u>\$-</u>	<u>\$3,061,421</u>

Net carrying amount:

As of 3/31/2023	<u>\$1,514,524</u>	<u>\$123,477</u>	<u>\$1,868,599</u>	<u>\$784</u>	<u>\$7,555</u>	<u>\$322,564</u>	<u>\$1,252,172</u>	<u>\$5,089,675</u>
As of 12/31/2022	<u>\$1,514,524</u>	<u>\$124,545</u>	<u>\$2,010,392</u>	<u>\$859</u>	<u>\$8,684</u>	<u>\$333,819</u>	<u>\$1,133,177</u>	<u>\$5,126,000</u>
As of 3/31/2022	<u>\$1,317,564</u>	<u>\$41,060</u>	<u>\$2,438,579</u>	<u>\$796</u>	<u>\$9,288</u>	<u>\$354,619</u>	<u>\$934,919</u>	<u>\$5,096,825</u>

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

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Property, plant, and equipment	\$5,051,752	\$5,037,447	\$4,936,968
Prepayment for equipment	37,923	88,553	159,857
Total	<u>\$5,089,675</u>	<u>\$5,126,000</u>	<u>\$5,096,825</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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B. For the three-month periods ended March 31, 2023 and 2022, NT\$2,797 thousand and NT\$9,034 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 pledged.

(7) Intangible assets

	<u>Computer software</u>
<u>Cost:</u>	
As of January 1, 2023	\$48,385
Additions – acquired separately	-
Transfer	3,303
Derecognized upon retirement	-
Effect of EX rate	-
As of March 31, 2023	<u>\$51,688</u>
As of January 1, 2022	\$34,865
Additions – acquired separately	-
Transfer	1,736
Derecognized upon retirement	-
Effect of EX rate	72
As of March 31, 2022	<u>\$36,673</u>
<u>Amortization and Impairment:</u>	
As of January 1, 2023	\$26,162
Amortization	3,443
Derecognized upon retirement	-
Effect of EX rate	-
As of March 31, 2023	<u>\$29,605</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
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As of January 1, 2022	\$20,783
Amortization	1,720
Derecognized upon retirement	-
Effect of EX rate	12
As of March 31, 2022	<u>\$22,515</u>
<u>Carrying amount, net:</u>	
As of March 31, 2023	<u>\$22,083</u>
As of December 31, 2022	<u>\$22,223</u>
As of March 31, 2022	<u>\$14,158</u>

Amounts of amortization recognized for intangible assets are as follows:

	<u>For the three-month period ended March 31,</u>	
	<u>2023</u>	<u>2022</u>
Manufacturing expense	\$93	\$72
Selling expense	130	220
Administrative expense	2,938	1,101
Research and development expense	282	327
Total	<u>\$3,443</u>	<u>\$1,720</u>

(8)Other non-current assets

	<u>As of</u>		
	<u>31 Mar. 2023</u>	<u>31 Dec. 2022</u>	<u>31 Mar. 2022</u>
Refundable deposits	\$61,642	\$67,809	\$68,803
Prepayment for equipment	37,923	88,553	159,857
Total	<u>\$99,565</u>	<u>\$156,362</u>	<u>\$228,660</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
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(9)Short-term borrowings

A.Details of Short-term borrowings

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Unsecured bank loans	\$544,168	\$284,467	\$662,383

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Interest Rate (%)	5.3%~5.92%	3.04%~5.63%	0.704%~1.49%

B.The Group's unused short-term lines of credits amounts to NT\$604,312 thousand, NT\$1,018,762 thousand and NT\$545,530 thousand, as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

(10)Other payable

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Accrued expenses	\$1,113,594	\$1,269,451	\$1,096,235
Accrued interest payable	2,068	813	524
Payable to equipment suppliers	194,744	127,513	342,275
Dividends payable	700,000	-	595,000
Total	\$2,010,406	\$1,397,777	\$2,034,034

(11)Other current liabilities

A.Details of other current liabilities

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Other current liabilities	\$19,850	\$65,703	\$25,322
Refund liability	175,179	178,644	99,405
Deferred government grants income	447	447	281
Long-term borrowings-current portion	9,561	4,457	729
Total	\$205,037	\$249,251	\$125,737



Pegavision Corporation and Subsidiaries  
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B.The changes in the Group's balances of deferred government grants income are as follows:

	For the three-month period ended March, 31	
	2023	2022
Beginning balance	\$663	\$1,065
Received during the period	-	-
Released to the statement of comprehensive income	(110)	(69)
Ending Balance	\$553	\$996
Current	\$447	\$281
Non-current	\$106	\$715

C.Please refer to Note 6(12) for more details on interest rate of deferred government grants income.

(12)Long-term borrowings

A.Details of long-term borrowings

Debtor	Type of Loan	Maturity	As of			Repayment
			31 Mar. 2023	31 Dec. 2023	31 Mar. 2022	
Chang Hwa Commercial Bank – Beitou Branch	Credit loan	2020.03.25-2025.03.15	\$4,974	\$4,968	\$4,949	Notes 1
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2020.11.10-2030.10.15	9,352	9,654	9,851	Notes 2
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2021.04.08-2030.10.15	37,410	38,616	39,288	Notes 2
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2021.09.02-2028.09.02	-	92,152	85,875	Notes 3
Mega International Commercial Bank – Lan-Ya Branch	Secured loan	2021.10.08-2026.09.15	4,952	4,946	4,928	Notes 4

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Chang Hwa Commercial Bank – Beitou Branch	Secured loan	2022.06.22-2031.06.21	209,000	219,000	-	Note 5
Total			265,688	369,336	144,891	
Less: current portion			(9,561)	(4,457)	(729)	
Non-current portion			\$256,127	\$364,879	\$144,162	

Note 1: A term is defined as every 1 months 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 months 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. The borrowing was repaid in advance as of January 6, 2023.

Note 4: A term is defined as every 1 months starting from the initial draw-down date. Grace period is 2 years (24 terms). The rest is repayable in installments of equal amount for 36 terms.

Note 5: 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 204 terms

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

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
The interest rate intervals (%)	1.15%~1.90%	1.025%~6.43%	1.15%~1.50%

The Group 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 Group shall recognize the government grant income when it is reasonably assured that the Group 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.

(13) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2023 and 2022 were NT\$12,774 thousand and NT\$12,792 thousand, respectively.

(14) Equity

A. Common stock

As of March 31, 2023, December 31, 2022 and March 31, 2022, the Company's authorized capital were NT\$1,000,000 thousand, NT\$1,000,000 thousand and NT\$800,000 thousand respectively, and paid-in capital were NT\$700,000 thousand, each share at par value of NT\$10, divided into 70,000 thousand shares. Each share has one voting right and a right to receive dividends.

As of May 24, 2022, the Company's Annual Shareholder's Meeting has approved the change of the authorized share capital amounted to NT\$1,000,000 thousand. As of June 13, 2022, the change registration was completed, and the change in the authorized share capital was approved and recorded by the competent authority

B. Capital surplus

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Additional paid-in capital	\$1,804,928	\$1,804,928	\$1,804,928
Increase (decrease) through changes in ownership interests in subsidiaries	4,609	4,609	3
Share-based payment transaction	804	804	-
Total	\$1,810,341	\$1,810,341	\$1,804,931

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 dividend 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 Group'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.

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e. The appropriations of earnings for the Years 2022 and 2021 were approved through the Board of Directors' meetings and shareholders' meeting held on February 13th, 2023 and May 24th, 2022, respectively. The details of the distribution are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2022	2021	2022	2021
Legal reserve	\$152,754	\$124,857		
Special reserve	(3,432)	8,224		
Cash dividend	700,000	595,000	\$10.0	\$8.5

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the three-month period ended March 31,	
	2023	2022
Beginning balance	\$58,280	\$22,362
Comprehensive income attributable to NCIs	6,500	(1,152)
Ending balance	\$64,780	\$21,210

(15) Operating revenue

	For the three-month period ended March 31,	
	2023	2022
Revenue from customer contracts		
Sales of goods	\$1,459,658	\$1,488,385

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Analysis of revenue from contracts with customers for the three-month periods ended March 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

	For the three-month period ended March 31,	
	2023	2022
	Single department	Single department
Sales of goods	\$1,459,658	\$1,488,385
The timing for revenue recognition:		
At a point in time	\$1,459,658	\$1,488,385

B. Contract balances

a. Contract liabilities – current

	As of			
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022	1 Jan. 2022
Sales of goods	\$82,433	\$74,709	\$59,471	\$51,556
Customer loyalty programmes	2,901	2,994	10,441	12,671
Total	\$85,334	\$77,703	\$69,912	\$64,227

The changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2023 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(65,219)	\$(2,994)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	72,943	2,901

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The changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2022 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(50,873)	\$(12,671)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	58,788	10,441

(16)Expected credit gains (losses)

	For the three-month period ended March 31,	
	2023	2022
Operating expenses – Expected credit gains (losses)		
Accounts receivable	\$(1,930)	\$(1,709)

A.The Group 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:

March 31, 2023

	Not past due	Past due		
		<=60 days	Separate assessment	Total
Gross carrying amount	\$737,999	\$11,532	\$6,668	\$756,199
Loss rate	0.45%	1%	100%	
Lifetime expected credit losses	(3,287)	(115)	(6,668)	(10,070)
Carrying amount of accounts receivable	\$734,712	\$11,417	\$-	\$746,129



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December 31, 2022

		Past due		
	Not past due	<=60 days	Separate assessment	Total
Gross carrying amount	\$733,379	\$18,027	\$1,929	\$753,335
Loss rate	0.82%	1%	100%	
Lifetime expected credit losses	(6,031)	(180)	(1,929)	(8,140)
Carrying amount of accounts receivable	\$727,348	\$17,847	\$-	\$745,195

March 31, 2022

		Past due		
	Not past due	<=60 days	Separate assessment	Total
Gross carrying amount	\$621,917	\$18,993	\$13,338	\$654,248
Loss rate	0.51%	1%	100%	
Lifetime expected credit losses	(3,181)	(190)	(13,338)	(16,709)
Carrying amount of accounts receivable	\$618,736	\$18,803	\$-	\$637,539

B.The movement in the provision for impairment of accounts receivable for the three-month periods ended March 31, 2023 and 2022 are as follows:

	Accounts receivable
As of January 1, 2023	\$8,140
Addition (reversal)	1,930
Effect of EX rate	-
As of March 31, 2023	\$10,070
As of January 1, 2022	\$14,971
Addition (reversal)	1,709
Effect of EX rate	29
As of March 31, 2022	\$16,709

(17)Leases

A.Group as a lessee

The Group leases various properties, including real estate such as buildings, machinery and equipment, transportation equipment. The lease terms range from 1 to 10 years. The Group may not allow to lend, sublease, sell without obtaining the consent from the lessors.

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

a.Amounts recognized in the consolidated balance sheet

I.Right-of-use assets

	<u>Buildings</u>
<u>Cost:</u>	
As of 1/1/2023	\$492,223
Addition	3,467
Disposal	(3,933)
Effect of EX rate	161
As of 3/31/2023	<u>\$491,918</u>
As of 1/1/2022	\$207,324
Addition	5,052
Disposal	-
Effect of EX rate	2,236
As of 3/31/2022	<u>\$214,612</u>
<u>Depreciation and impairment:</u>	
As of 1/1/2023	\$135,280
Depreciation	34,516
Impairment loss	-
Disposal	(3,829)
Effect of EX rate	71
As of 3/31/2023	<u>\$166,038</u>

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As of 1/1/2022	\$49,666
Depreciation	14,950
Impairment loss	-
Disposal	-
Effect of EX rate	599
As of 3/31/2022	<u>\$65,215</u>

Net carrying amount:

As of 3/31/2023	<u>\$325,880</u>
As of 12/31/2022	<u>\$356,943</u>
As of 3/31/2022	<u>\$149,397</u>

II. Lease liabilities

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Lease liabilities	<u>\$332,365</u>	<u>\$363,360</u>	<u>\$154,574</u>
Current	<u>\$132,014</u>	<u>\$132,253</u>	<u>\$51,917</u>
Non-current	<u>\$200,351</u>	<u>\$231,107</u>	<u>\$102,657</u>

Please refer to Note 6(19) (d) for the interest on lease liabilities recognized for the three-month periods ended March 31, 2023 and 2022, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2023, December 31, 2022 and March 31, 2022.

b. Income and costs relating to leasing activities

	For the three-month period ended March 31,	
	2023	2022
The expense relating to short-term leases	\$ (4,809)	\$ (29,047)
The expense relating to leases of low-value assets	(337)	(463)
Income from subleasing right-of-use assets	197	-

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As of March 31, 2023 and 2022, the portfolio of short-term leases of the Group 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 expense disclosed above and the amount of its lease commitments is NT\$0.

For the three-month periods ended March 31, 2023 and 2022, the Group recognized NT\$19 thousand and NT\$238 thousand respectively as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment.

c.Cash outflow relating to leasing activities

	For the three-month period ended March 31,	
	2023	2022
Cash outflow for leases	\$40,600	\$43,665

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

Function Nature	For the three-month period ended March 31,					
	2023			2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	\$229,631	\$179,316	\$408,947	\$231,850	\$164,057	\$395,907
Labor and health insurance	20,861	9,329	30,190	21,428	8,311	29,739
Pension	6,817	5,957	12,774	7,711	5,081	12,792
Other employee benefit expense	10,283	8,803	19,086	10,617	13,039	23,656
Depreciation	217,999	20,294	238,293	192,323	21,612	213,935
Amortization	93	3,350	3,443	72	1,648	1,720

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 Group'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. 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 three-month periods ended March 31, 2023 amounted to NT\$49,632 thousand and NT\$4,309 thousand, respectively. The employees' compensation and remuneration to directors for the three-month periods ended March 31, 2022 amounted to NT\$54,338 thousand and NT\$4,725 thousand, respectively, recognized as employee benefits.

The Company's Board has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$231,589 thousand and NT\$20,136 thousand, respectively, in a meeting held on February 13, 2023. The NT\$2 thousand differences between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2022, were recognized as gain or loss in the next year.

The Company's Board has determined the employees' compensation and directors' remuneration, all in cash, to be NT\$186,084 thousand and NT\$16,179 thousand, respectively, in a meeting held on February 15, 2022. The NT\$2 thousand differences between the estimated amount and the actual distribution of the employee bonuses and remuneration to directors for the year ended December 31, 2021, were recognized as gain or loss in the next year.

(19)Non-operating incomes and expenses

A.Interest income

	For the three-month period ended March 31,	
	2023	2022
Interest income		
Deposit interest	\$862	\$718
Financial assets measured at amortized cost	3,149	531
Total	\$4,011	\$1,249

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B.Other incomes

	For the three-month period ended March 31,	
	2023	2022
Rent income	\$318	\$-
Government grants income	110	69
Other income - others	1,737	3,295
Total	\$2,165	\$3,364

C.Other gains and losses

	For the three-month period ended March 31,	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	\$-	\$129
Foreign exchange gain (loss), net	(8,791)	10,791
Gain (loss) on financial assets at fair value through profit or loss	2,834	49
Impairment loss on non-financial assets	(2,797)	(9,034)
Other losses	(51)	(43)
Total	\$(8,805)	\$1,892

D.Finance costs

	For the three-month period ended March 31,	
	2023	2022
Interests on borrowings from bank	\$7,338	\$1,308
Interest on lease liabilities	985	380
Total	\$8,323	\$1,688

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(20)Components of other comprehensive income (loss)

For the three-month periods ended March 31, 2023

	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 period:					
Exchange differences arising on translation of foreign operations	<u>\$ (855)</u>	<u>\$ -</u>	<u>\$ (855)</u>	<u>\$ -</u>	<u>\$ (855)</u>

For the three-month periods ended March 31, 2022

	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 period:					
Exchange differences arising on translation of foreign operations	<u>\$ 6,417</u>	<u>\$ -</u>	<u>\$ 6,417</u>	<u>\$ -</u>	<u>\$ 6,417</u>

(21)Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the three-month period ended March 31,	
	2023	2022
Current income tax expense:		
Current income tax expense	\$56,240	\$61,084
Adjustments in respect of current income tax of prior periods	812	198
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	1,274	2,574
Total income tax expense	<u>\$58,326</u>	<u>\$63,856</u>

B.The assessment of income tax return

	<u>The assessment of income tax return</u>
The Company	Assessed and approved up to 2020.
Subsidiary - BeautyTech Platform Corporation	Assessed and approved up to 2021.
Subsidiary - Mayin Investment Co., Ltd.	The first-time assessment of 2021 has not yet been approved.
Subsidiary-FacialBeau International Corporation	The first-time assessment of 2021 has not yet been approved.

(22)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.



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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 three-month period ended March 31,	
	2023	2022
Net income available to common shareholders of the parent	\$338,400	\$359,964
Weighted average number of common stocks outstanding (in thousand shares)	70,000	70,000
Basic earnings per share (in NT\$)	\$4.83	\$5.14

B. Diluted earnings per share

	For the three-month period ended March 31,	
	2023	2022
Net income available to common shareholders of the parent	\$338,400	\$359,964
Net income available to common shareholders of the parent after dilution	\$338,400	\$359,964
Weighted average number of common stocks outstanding (in thousand shares)	70,000	70,000
Effect of dilution:		
Employee bonus (compensation) - stock (in thousand shares)	364	335
Weighted average number of common stocks outstanding after dilution (in thousand shares)	70,364	70,335
Diluted earnings per share (in NT\$)	\$4.81	5.12

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	Relation
Pegatron Corporation	Ultimate parent company
Kinsus Interconnect Technology Corp.	Parent company
Pegatron Japan Inc.	Other related party
Pegatron Czech S.R.O.	Other related party

(2) Significant transactions with related parties

### A. Sales

Related parties	For the three-month period ended March 31,	
	2023	2022
Kinsus Interconnect Technology Corp.	\$-	\$57

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 for related parties were 90 days after monthly closing.

### B. Lease-related parties

#### a. Right-of-use assets

Related parties	Nature	As of		
		31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Pegatron Japan Inc.	Buildings	\$130	\$331	\$938
Pegatron Corporation	Buildings	239,688	264,484	-
Total		\$239,818	\$264,815	\$938

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b. Lease liabilities

Related parties	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Pegatron Japan Inc.	\$131	\$333	\$940
Pegatron Corporation	240,998	265,533	-
Total	<u>\$241,129</u>	<u>\$265,866</u>	<u>\$940</u>

c. Lease payment (Rental expense)

Related parties	Nature	For the three-month period ended March 31,	
		2023	2022
Pegatron Corporation	Buildings	<u>\$94</u>	<u>\$25,212</u>

d. Interest expenses

Related parties	For the three-month period ended March 31,	
	2023	2022
Pegatron Japan Inc.	\$-	\$2
Pegatron Corporation	745	-
Total	<u>\$745</u>	<u>\$2</u>

C. Operating expense

Related parties	Nature	For the three-month period ended March 31,	
		2023	2022
Pegatron Corporation	Provide services	<u>\$-</u>	<u>\$83</u>
Pegatron Corporation	Pay utilities	<u>\$32,621</u>	<u>\$34,278</u>
Pegatron Japan Inc.	Provide services and pay utilities and postage	<u>\$26</u>	<u>\$27</u>
Pegatron Czech S.R.O.	Provide services	<u>\$40</u>	<u>\$37</u>

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D. Refundable deposits

Related parties	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Pegatron Corporation	\$10,000	\$10,000	\$10,000

E. Other payables

Related parties	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Pegatron Corporation	\$21,503	\$23,570	\$30,935

F. Salaries and rewards to key management of the Group

	For the three-month period ended March, 31	
	2023	2022
Short-term employee benefits and post-employment benefits	\$9,754	\$9,387

8. ASSETS PLEDGED AS COLLATERAL

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

Item	Carrying Amount as of			Secured liabilities
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022	
Property, plant, and equipment - Land (carrying amount)	\$196,960	\$196,960	\$-	Secured borrowings
Property, plant, and equipment - Buildings (carrying amount)	123,477	124,544	41,059	Secured borrowings
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	\$322,437	\$323,504	\$43,059	

## 9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of March 31, 2023, the Group's outstanding contracts relating to significant construction in progress and purchased property, plant and equipment were as follows:

Nature of Contract	Contract Amount	Amount Paid	Amount unpaid
Buildings	\$1,615,848	\$1,039,933	\$575,914

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 EVENTS

None.

## 12. OTHERS

(1) Categories of financial instruments

### Financial assets

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	\$1,358,322	\$666,488	\$139,077
Financial assets measured at amortized cost			
Cash and cash equivalents (exclude cash on hand)	1,003,814	1,841,762	1,994,726
Accounts receivables	746,129	745,195	637,539
Other receivables	16,833	5,523	17,205
Refundable deposits	59,642	67,809	68,803
Subtotal	1,826,418	2,660,289	2,718,273
Total	\$3,184,740	\$3,326,777	\$2,857,350

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Financial liabilities

	As of		
	31 Mar. 2023	31 Dec. 2022	31 Mar. 2022
Financial liabilities at amortized cost:			
Short-term borrowings	\$544,168	\$284,467	\$662,383
Payables	2,196,300	1,592,330	2,234,775
Long-term borrowings (including current portion with maturity less than 1 year)	265,688	369,336	144,891
Lease liabilities	332,365	363,360	154,574
Total	<u>\$3,338,521</u>	<u>\$2,609,493</u>	<u>\$3,196,623</u>

(2) Financial risk management objectives and policies

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

The Group 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 Group 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 and interest rate risk.

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are 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 Group's exposure to foreign currency risk relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign operations.

The Group has certain foreign currency receivables denominated in the same foreign currency as certain foreign currency payables; therefore natural hedge is achieved. Therefore, hedge accounting is not adopted.

The foreign currency sensitivity analysis of possible change in foreign exchange rates on the Group's profit/loss and equity is performed on significant monetary items denominated in foreign currencies as of the reporting period-end. The Group's foreign currency risk is mainly related to volatility in the exchange rates of US dollars and CNY dollars. The information of the sensitivity analyses is as follows:

When NTD appreciates/depreciates against USD by 1%, net income (loss) for the three-month periods ended March 31, 2023 and 2022 would decrease/increase by NT\$9,992 thousand and increase/decrease NT\$1,222 thousand, respectively.

When NTD appreciates/depreciates against CNY by 1%, net income (loss) for the three-month periods ended March 31, 2023 and 2022 would decrease/increase by NT\$1,697 thousand and NT\$858 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 Group's exposure to interest rate risk relates primarily to the Group'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 three-month periods ended March 31, 2023 and 2022 would increase /decrease by NT\$585 thousand and by NT\$66 thousand, respectively.

(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 Group 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 Group'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 Group's internal credit ratings. The Group also employs some credit enhancement instruments (e.g., prepayment or insurance) to reduce certain customers' credit risk.

As of March 31, 2023, December 31, 2022 and March 31, 2022, receivables from the top ten customers were accounted for 77.13%, 73.91% and 65.91% of the Group's total accounts receivable, respectively. The concentration of credit risk is relatively insignificant for the remaining receivables.

Credit risk from balances with banks, fixed-income securities and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group 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. Conclusively, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, 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).



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(5)Liquidity risk management

The Group 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 Group'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.

Non-derivative financial instruments

	<u>Less than 1 year</u>	<u>1 to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>4 to 5 years</u>	<u>&gt;5 years</u>	<u>Total</u>
<u>As of March 31, 2023</u>							
Borrowings	\$564,418	\$14,096	\$13,256	\$23,454	\$22,239	\$218,293	\$855,756
Payables	2,196,300	-	-	-	-	-	2,196,300
Lease liabilities	134,999	124,638	56,267	8,511	5,411	7,710	337,536
<u>As of December 31, 2022</u>							
Borrowings	\$296,456	\$25,058	\$44,659	\$47,518	\$45,647	\$241,002	\$700,340
Payables	1,592,330	-	-	-	-	-	1,592,330
Lease liabilities	135,582	125,779	83,335	9,905	6,088	8,775	369,464
<u>As of March 31, 2022</u>							
Borrowings	\$665,226	\$6,384	\$17,413	\$25,983	\$25,177	\$76,463	\$816,646
Payables	2,234,775	-	-	-	-	-	2,234,775
Lease liabilities	53,120	40,380	26,616	19,545	5,955	11,929	157,545

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(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the three-month periods ended March 31, 2023:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	\$284,467	\$369,336	\$974	\$363,360	\$1,018,137
Cash flows	259,701	(103,715)	(4)	(35,454)	120,528
Non-cash changes					
Lease range changes	-	-	-	3,363	3,363
Interests on lease liabilities	-	-	-	985	985
Others	-	67	-	-	67
Currency rate change	-	-	-	111	111
As of March 31, 2023	<u>\$544,168</u>	<u>\$265,688</u>	<u>\$970</u>	<u>\$332,365</u>	<u>\$1,143,191</u>

Movement schedule of liabilities for the three-month periods ended March 31, 2022:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2022	\$444,866	\$141,993	\$515	\$161,503	\$748,877
Cash flows	217,517	-	427	(14,155)	203,789
Non-cash changes					
Lease range changes	-	-	-	5,052	5,052
Interests on lease liabilities	-	-	-	380	380
Others	-	72	-	-	72
Currency rate change	-	2,826	-	1,794	4,620
As of March 31, 2022	<u>\$662,383</u>	<u>\$144,891</u>	<u>\$942</u>	<u>\$154,574</u>	<u>\$962,790</u>

(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 Group 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 maturity.
- 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 Group and private Group 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 Group'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 Group.

(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 Group 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 Group's assets and liabilities

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

As of March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$1,358,322	\$-	\$-	\$1,358,322
<u>Financial liabilities:</u>				
None				

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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As of December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$666,488	\$-	\$-	\$666,488
<u>Financial liabilities:</u>				
None				

As of March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$139,077	\$-	\$-	\$139,077
<u>Financial liabilities:</u>				
None				

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(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					
	31 Mar. 2023			31 Dec. 2022		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	<u>\$50,844</u>	30.4206	<u>\$1,546,691</u>	<u>\$30,245</u>	30.7175	<u>\$929,038</u>
CNY	<u>\$48,111</u>	4.4314	<u>\$213,200</u>	<u>\$28,276</u>	4.4105	<u>\$124,713</u>
<u>Financial liabilities</u>						
Monetary items:						
USD	<u>\$17,981</u>	30.4515	<u>\$547,536</u>	<u>\$11,874</u>	30.7175	<u>\$364,753</u>
CNY	<u>\$9,826</u>	4.4314	<u>\$43,545</u>	<u>\$16,679</u>	4.4105	<u>\$73,563</u>
<u>Foreign currency resulting in exchange gain or loss</u>						
USD			<u>\$(9,392)</u>	USD		<u>\$32,964</u>
CNY			<u>\$348</u>	CNY		<u>\$1,205</u>
Other			<u>\$253</u>	Other		<u>\$(2,539)</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	As of		
	31 Mar. 2022		
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	\$22,066	28.591	\$630,888
CNY	\$29,499	4.509	\$133,017
<u>Financial liabilities</u>			
Monetary items:			
USD	\$26,310	28.625	\$753,118
CNY	\$10,465	4.509	\$47,189
<u>Foreign currency resulting in exchange gain or loss</u>			
USD			\$4,399
CNY			\$5,383
Other			\$1,009

(10)Capital management

The primary objective of the Group'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 Group manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group 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: Please refer to attachment 1.

C. Marketable securities held as of March 31, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

D. Individual securities acquired or disposed of with accumulated amount of at least NT\$ 300 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: Please refer to attachment 3.

E. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: None.

F. Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: None.

G. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: Please refer to attachment 4.

H. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of March 31, 2023: Please refer to attachment 5.

I. Derivative instrument transactions: None.

J. Inter Group relationships and significant inter Group transactions for the three-month period ended March 31, 2023: Please refer to attachment 9.

(2) Information on investees

A. Investees over whom the Group exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 6.

B. Investees over which the Group 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 March 31, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 7.
- d. Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital for the three-month periods ended March 31, 2023: None.
- e. Acquisition of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: None.
- f. Disposal of individual real estate with amount of at least NT\$300 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: None.
- g. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2023: Please refer to attachment 8.
- h. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of March 31, 2023: None.
- i. Derivative instrument transactions: None.

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023	Accumulated Outflow of Investment from Taiwan to Mainland China as of March 31, 2023	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	\$85,620 (USD 3,000)	(1)	\$85,620	\$-	\$-	\$85,620	\$(1,037) (Note 5 and 6)	100%	\$(1,037) (Note 5、6 and 7)	\$78,379 (Note 5、6 and 7)	\$-	\$85,620	\$85,620	\$3,677,896

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	\$14,885 (USD 500)	(3) (Note 2)	\$14,885	\$-	\$-	\$14,885	\$486 (Note 5 and 6)	85%	\$413 (Note 5、6 and 7)	\$25,399 (Note 5、6 and 7)	\$-	\$14,885	\$14,885	\$182,901
Pegavision Contact Lenses (Shanghai) Corporation	selling medical equipment	\$112,559 (USD 3,600)	(3) (Note 3)	\$112,559	\$-	\$-	\$112,559	\$12,106 (Note 5 and 6)	85%	\$10,290 (Note 5、6 and 7)	\$89,836 (Note 5、6 and 7)	\$-	\$95,043	\$95,043	
Gemvision Technology (Zhejiang) Limited	selling medical equipment	\$97,491 (RMB 22,000) (Note 5)	(3) (Note 4)	\$-	\$-	\$-	\$-	\$12,322 (Note 5 and 6)	85%	\$10,474 (Note 5、6 and 7)	\$80,301 (Note 5、6 and 7)	\$-	\$-	\$-	

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.

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

Note 5: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 6: Gain/loss on investment is recognized based on the reviewed financial statements of the parent company's Auditors in Taiwan.

Note 7: Transaction between consolidated entities are eliminated in the consolidated financial statements.

B. Significant transactions with investees in China:

- a. Purchase and balances of related accounts payable as of March 31, 2023: None.
- b. Sale and balance of related accounts receivable as of March 31, 2023: Please refer to attachment 9.
- c. Property transaction amounts and resulting gain or loss: 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: Please refer to attachment 9.
- g. Above transactions are eliminated upon preparation of consolidated financial statements. Please refer to attachment 9 for details.

(4) Information on major shareholders

Shares		
Major shareholders	Shares	%
Kinsus Investment Co., Ltd.	21,233,736	30.33%
Asuspower Investment Co., Ltd.	5,480,121	7.82%
Asustek Investment Co., Ltd.	4,934,434	7.04%
Nomura Asset Management Co., Ltd. (Labor Pension Fund)	3,745,580	5.35%

14. OPERATING SEGMENT

The major operating revenues of the Group come from selling contact lenses. The chief operating decision maker reviewed the overall operating results to make decision about resources to be allocated to and evaluated the overall performance.

Pegavision Corporation and Subsidiaries  
Endorsement/Guarantee Provided to Others  
For the three-month period ended March 31, 2023

Attachment 1  
(New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
No. (Note 1)	Name	Name	Nature of Relationship										
-	-	-	-	-	\$-	\$-	\$-	\$-	-%	-	-	-	-

Note 1: The Company is coded "0".

Note 2: The endorsement and guaranteed amount of the Company and the consolidated subsidiary is NT\$2,000 thousand.

Pegavision Corporation and Subsidiaries

Marketable Securities Held as of March 31, 2023 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 2

(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 March 31, 2023			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Pegavision Corporation	Money market funds:							
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	35,328,728	\$543,692	-%	\$544,539	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	32,948,876	546,521	-%	547,492	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	9,390,455	120,000	-%	120,025	
	Add: Valuation Adjustment				1,843			
	Total				<u>\$1,212,056</u>		<u>\$1,212,056</u>	

Pegavision Corporation and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT\$300 Million or 20% of The Paid-In Capital

For the Year Ended March 31, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
		Account			Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount
Pegavision Corporation	Money Market Funds:													
	Yuanta Wan-Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	17,190,427	<u>\$264,000</u>	34,372,508	<u>\$529,000</u>	16,234,207	<u>\$250,000</u>	<u>\$249,308</u>	<u>\$692</u>	35,328,728	<u>\$543,692</u>
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,482,095	<u>\$306,000</u>	24,704,233	<u>\$410,000</u>	10,237,452	<u>\$170,000</u>	<u>\$169,479</u>	<u>\$521</u>	32,948,876	<u>\$546,521</u>



Pegavision Corporation and Subsidiaries

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 ,March 31, 2023

Attachment 4

(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	\$615,540	47.47%	90 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable		Note
									\$574,183	50.23%	
									Contract liability		Note
									\$(441)	1.43%	

Note: Transactions are eliminated when preparing the consolidated financial statements.

Pegavision Corporation and Subsidiaries

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

As of March 31, 2023

Attachment 5

(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	\$574,183 (note)	5.41	\$-	-	\$-	\$-
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	\$130,485 (note)	3.04	\$-	-	\$-	\$-

Note : Transactions are eliminated when preparing the consolidated financial statements.

Pegavision Corporation and Subsidiaries  
Investees over Whom the Company Exercise Significant Influence or Control (Excluding Investees in Mainland China)  
As of March 31, 2023

Attachment 6

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of March 31, 2022			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of March 31, 2023	As of December 31, 2022	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>\$102,293</u>	<u>\$9,678</u>	<u>\$9,678</u>	Note1
Pegavision Corporation	Mayin Investment Co. , Ltd.	Taiwan	Investing activities	<u>NTD 246,003</u>	<u>NTD 246,003</u>	21,000,000 shares	100.00%	<u>\$419,513</u>	<u>\$35,560</u>	<u>\$35,560</u>	Note1
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>\$259,109</u>	<u>\$43,791</u>	<u>\$37,223</u>	Note1
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>\$27,342</u>	<u>\$3,529</u>	<u>\$1,941</u>	Note1
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	<u>USD 200</u>	<u>USD 200</u>	200,000 shares	100.00%	<u>\$6,238</u>	<u>\$8</u>	<u>\$8</u>	Note1
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>\$6,639</u>	<u>\$(196)</u>	<u>\$(196)</u>	Note1
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	<u>KRW 100,000</u>	<u>KRW 100,000</u>	-	100.00%	<u>\$2,226</u>	<u>\$(22)</u>	<u>\$(22)</u>	Note1
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	<u>JPY 9,900</u>	Not applicable	198 shares	100.00%	<u>\$2,218</u>	<u>\$(47)</u>	<u>\$(47)</u>	Note1

Note 1: Transactions are eliminated when preparing the consolidated financial statements.

Pegavision Corporation and Subsidiaries

Marketable Securities Held as of March 31, 2023 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 7

(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 March 31, 2023			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Mayin Investment Co. , Ltd.	Money market funds:							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	392,329	\$5,000	-	\$5,015	
BeautyTech Platform Corporation	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	4,164,558	69,011	-	69,133	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	4,034,091	62,010	-	62,112	
FacialBeau International Corporation	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	641,696	10,000	-	10,006	
	Add: Valuation Adjustment				245			
	Total				<u>\$146,266</u>		<u>\$146,266</u>	

Pegavision Corporation and Subsidiaries

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 March 31, 2023

Attachment 8

(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	\$615,540	100.00%	90 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$573,742	100.00%	Note

Note : Transactions are eliminated when preparing the consolidated financial statements.

Pegavision Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions for the Year Ended March 31, 2023

Attachment 9

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	<u>2023.01.01~2023.03.31</u>						
0	Pegavision Corporation	Pegavision Japan Inc.	1	Sales revenue	\$615,540	90 days after monthly closing	42.17%
0	Pegavision Corporation	Pegavision Japan Inc.	1	Accounts receivable	574,183	90 days after monthly closing	5.78%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Sales revenue	41,330	Within 180 days after monthly closing	2.83%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Accounts receivable	71,226	Within 180 days after monthly closing	0.72%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Sales revenue	87,196	Within 120 days after monthly closing	5.97%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Accounts receivable	130,485	Within 120 days after monthly closing	1.31%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Operating expense	13,500	Within 120 days after monthly closing	0.92%
0	Pegavision Corporation	FacialBeau International Corporation	1	Sales revenue	21,554	Within 90 days after monthly closing	1.48%
0	Pegavision Corporation	FacialBeau International Corporation	1	Accounts receivable	22,645	Within 90 days after monthly closing	0.23%
1	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	34,073	Within 30 days after monthly closing	2.33%
1	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Accounts receivable	14,107	Within 30 days after monthly closing	0.14%
2	BeautyTech Platform Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	7,341	Within 180 days after monthly closing	0.50%
3	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	10,599	30 days after monthly closing	0.73%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

- (1) Parent company is coded "0".
- (2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three types and the types are required to be indicated:

- (1) From the parent company to a subsidiary.
- (2) From a subsidiary to the parent company.
- (3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: Amounts in foregin currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 5: Transactions exceeding NT\$5,000 thousand have been disclosed.