

**Ticker: 6491**

**PEGAVISION CORPORATION AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH REVIEW REPORT OF INDEPENDENT AUDITORS  
AS OF JUNE 30, 2023 AND 2022  
AND FOR THE SIX-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 June 30, 2023 and 2022, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated statements of changes in equity and cash flows for the six-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 Standards on Review Engagement 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 June 30, 2023 and 2022, and their consolidated financial performance for the three-month and six-month periods then ended and cash flows for the six-month periods then ended, 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.

July 31<sup>st</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 June 30, 2023, December 31, 2022 and June 30, 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of June 30, 2023		As of December 31, 2022		As of June 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	6(1)	\$1,024,988	10	\$1,846,120	19	\$1,951,574	20
1110	Financial assets at fair value through profit or loss	6(2)	1,201,728	12	666,488	7	183,053	2
1136	Financial assets measured at amortized cost	6(3)	634,000	6	-	-	-	-
1170	Accounts receivable, net	6(4), 6(16), 7	882,465	9	745,195	8	765,786	8
1200	Other receivables		6,424	-	5,523	-	7,591	-
1220	Current tax assets		-	-	2,929	-	1,811	-
1310	Inventories, net	6(5)	547,160	6	568,628	6	678,327	7
1410	Prepayments		102,486	1	76,884	1	78,240	1
1470	Other current assets		70,494	1	59,062	1	68,608	1
	Total current assets		4,469,745	45	3,970,829	42	3,734,990	39
15xx	Non-current assets							
1600	Property, plant and equipment, net	6(6), 8, 9	4,928,055	50	5,037,447	52	5,163,211	54
1755	Right-of-use assets, net	6(17), 7	293,140	3	356,943	4	441,401	5
1780	Intangible assets, net	6(7)	19,404	-	22,223	-	14,409	-
1840	Deferred tax assets	4, 6(21)	28,066	-	17,793	-	24,809	-
1900	Other non-current assets	6(6), 6(8), 7, 8	103,654	2	156,362	2	202,082	2
	Total non-current assets		5,372,319	55	5,590,768	58	5,845,912	61
	Total Assets		\$9,842,064	100	\$9,561,597	100	\$9,580,902	100

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

Pegavision Corporation and Subsidiaries  
Consolidated Balance Sheets (Continued)  
As of June 30, 2023, December 31, 2022 and June 30, 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of June 30, 2023		As of December 31, 2022		As of June 30, 2022	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term borrowings	6(9)	\$641,152	7	\$284,467	3	\$550,907	6
2130	Contract liabilities	6(15), 7	87,626	1	77,703	1	82,967	1
2150	Notes payable		1,060	-	3,910	-	1,352	-
2170	Accounts payable		187,817	2	190,643	2	184,766	2
2200	Other payables	6(10), 7	1,479,504	15	1,397,777	15	2,012,363	21
2230	Current tax liabilities	4, 6(21)	126,928	1	105,500	1	125,852	1
2280	Lease liabilities	6(17), 7	129,986	1	132,253	1	144,365	1
2300	Other current liabilities	6(11),6(12),8	227,644	2	249,251	3	152,472	2
	Total current liabilities		2,881,717	29	2,441,504	26	3,255,044	34
25xx	Non-current liabilities							
2540	Non-current portion of long-term borrowings	6(12), 8	253,657	3	364,879	4	365,469	4
2570	Deferred tax liabilities	4, 6(21)	54,166	-	37,185	-	44,353	-
2580	Lease liabilities	6(17), 7	168,823	2	231,107	2	303,252	3
2645	Guarantee deposits received		981	-	974	-	959	-
2670	Other non-current liabilities	6(11)	426	-	216	-	643	-
	Total non-current liabilities		478,053	5	634,361	6	714,676	7
	Total liabilities		3,359,770	34	3,075,865	32	3,969,720	41
31xx	Equity Attributable to Shareholders of the Parent							
3100	Capital	6(14)						
3110	Common stock		700,000	7	700,000	7	700,000	7
3200	Capital surplus	6(14)	1,810,341	18	1,810,341	19	1,804,931	19
3300	Retained earnings	6(14)						
3310	Legal reserve		520,327	5	367,572	4	367,572	4
3320	Special reserve		12,934	-	16,367	-	16,367	-
3350	Unappropriated retained earnings		3,401,076	35	3,546,106	37	2,720,513	29
3400	Other equity interest		(25,729)	-	(12,934)	-	(18,554)	-
36xx	Non-controlling interests		63,345	1	58,280	1	20,353	-
	Total equity		6,482,294	66	6,485,732	68	5,611,182	59
	Total liabilities and equity		\$9,842,064	100	\$9,561,597	100	\$9,580,902	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 and six-month periods ended June 30, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended June 30,				For the six-month period ended June 30,			
			2023		2022		2023		2022	
			Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue	6(15), 7	\$1,615,297	100	\$1,414,719	100	\$3,074,955	100	\$2,903,104	100
5000	Operating costs	6(5), 7	(790,295)	(49)	(655,844)	(46)	(1,483,844)	(48)	(1,350,813)	(47)
5900	Gross profit		825,002	51	758,875	54	1,591,111	52	1,552,291	53
6000	Operating expenses	7								
6100	Selling expenses		(147,758)	(9)	(115,822)	(8)	(283,552)	(9)	(248,612)	(9)
6200	Administrative expenses		(97,383)	(6)	(87,315)	(6)	(182,217)	(6)	(180,893)	(6)
6300	Research and development expenses		(137,253)	(9)	(147,278)	(11)	(266,577)	(9)	(294,766)	(10)
6450	Expected credit gains (losses)	6(16)	(6,202)	-	(556)	-	(8,132)	-	(2,265)	-
	Operating expenses total		(388,596)	(24)	(350,971)	(25)	(740,478)	(24)	(726,536)	(25)
6900	Operating income		436,406	27	407,904	29	850,633	28	825,755	28
7000	Non-operating income and expenses	6(19)								
7100	Interest income		5,974	-	1,806	-	9,985	-	3,055	-
7010	Other income		6,520	1	10,176	1	8,685	-	13,540	-
7020	Other gains or losses		1,336	-	(9,592)	(1)	(7,469)	-	(7,700)	-
7050	Finance costs	7	(11,312)	(1)	(4,600)	-	(19,635)	(1)	(6,288)	-
	Total non-operating incomes and expenses		2,518	-	(2,210)	-	(8,434)	(1)	2,607	-
7900	Income from continuing operations before income tax		438,924	27	405,694	29	842,199	27	828,362	28
7950	Income tax	4, 6(21)	(66,375)	(4)	(64,564)	(5)	(124,701)	(4)	(128,420)	(4)
8200	Net income		372,549	23	341,130	24	717,498	23	699,942	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		(12,581)	(1)	(8,604)	(1)	(13,436)	-	(2,187)	-
	Total other comprehensive income, net of tax		(12,581)	(1)	(8,604)	(1)	(13,436)	-	(2,187)	-
8500	Total comprehensive income		\$359,968	22	\$332,526	23	\$704,062	23	\$697,755	24
8600	Net income (loss) attributable to:									
8610	Shareholders of the parent		\$365,892	23	\$341,987	24	\$704,292	23	\$701,951	24
8620	Non-controlling interests		6,657	-	(857)	-	13,206	-	(2,009)	-
			\$372,549	23	\$341,130	24	\$717,498	23	\$699,942	24
8700	Comprehensive income (loss) attributable to:									
8710	Shareholders of the parent		\$353,903	22	\$333,383	23	\$691,497	23	\$699,764	24
8720	Non-controlling interests		6,065	-	(857)	-	12,565	-	(2,009)	-
			\$359,968	22	\$332,526	23	\$704,062	23	\$697,755	24
9750	Earnings per share-basic (in NTD)	6(22)	\$5.23		\$4.89		\$10.06		\$10.03	
9850	Earnings per share-diluted (in NTD)	6(22)	\$5.20		\$4.87		\$10.00		\$9.98	

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

Pegavision Corporation and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the six-month periods ended June 30, 2023 and 2022  
(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			Other Equity interest			
				Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations			
		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									
B1	Legal reserve appropriated			124,857		(124,857)		-		-
B3	Special reserve appropriated				8,224	(8,224)		-		-
B5	Cash dividends-common share					(595,000)		(595,000)		(595,000)
D1	Net income for the six-month period ended June 30, 2022					701,951		701,951	(2,009)	699,942
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2022						(2,187)	(2,187)		(2,187)
D5	Total comprehensive income (loss)	-	-	-	-	701,951	(2,187)	699,764	(2,009)	697,755
Z1	Balance as of June 30, 2022	<u>\$700,000</u>	<u>\$1,804,931</u>	<u>\$367,572</u>	<u>\$16,367</u>	<u>\$2,720,513</u>	<u>\$(18,554)</u>	<u>\$5,590,829</u>	<u>\$20,353</u>	<u>\$5,611,182</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									
B1	Legal reserve appropriated			152,755		(152,755)		-		-
B3	Special reserve appropriated				(3,433)	3,433		-		-
B5	Cash dividends-common share					(700,000)		(700,000)		(700,000)
D1	Net income for the six-month period ended June 30, 2023					704,292		704,292	13,206	717,498
D3	Other comprehensive income (loss), net of tax, for the six-month period ended June 30, 2023						(12,795)	(12,795)	(641)	(13,436)
D5	Total comprehensive income (loss)	-	-	-	-	704,292	(12,795)	691,497	12,565	704,062
O1	Non-controlling interests								(7,500)	(7,500)
Z1	Balance as of June 30, 2023	<u>\$700,000</u>	<u>\$1,810,341</u>	<u>\$520,327</u>	<u>\$12,934</u>	<u>\$3,401,076</u>	<u>\$(25,729)</u>	<u>\$6,418,949</u>	<u>\$63,345</u>	<u>\$6,482,294</u>

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



Pegavision Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the six-month periods ended June 30, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the six-month periods ended June 30,		Code	Items	For the six-month periods ended June 30,	
		2023	2022			2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$842,199	\$828,362	B00040	Increase in financial assets measured at amortized cost	(634,000)	-
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(298,130)	(1,095,458)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	23	129
A20100	Depreciation (including right-of-use assets)	475,128	446,008	B03800	Decrease (increase) in refundable deposits	6,313	1,496
A20200	Amortization	6,862	3,717	B04500	Acquisition of intangible assets	(4,043)	(5,605)
A20300	Expected credit losses (gain)	8,132	2,265	BBBB	Net cash provided by (used in) investing activities	(929,837)	(1,099,438)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(7,266)	(99)				
A20900	Interest expense	19,635	6,288	CCCC	Cash flows from financing activities:		
A21200	Interest income	(9,985)	(3,055)	C00100	Increase in (repayment of) short-term borrowings	356,685	106,041
A22500	Loss (gain) on disposal of property, plant and equipment	(23)	(129)	C01600	Increase in long-term borrowings	-	219,000
A23700	Impairment loss on non-financial assets	11,893	17,631	C01700	Repayment of long-term borrowings	(105,906)	-
A29900	Gain on government grants	89	(140)	C03000	Increase (decrease) in guarantee deposits received	7	444
A30000	Changes in operating assets and liabilities:			C04020	Payments of lease liabilities	(71,182)	(42,869)
A31115	Financial assets at fair value through profit or loss	(527,974)	(115,926)	C04500	Dividend distribution	(707,500)	-
A31150	Accounts receivable	(145,391)	(140,745)	CCCC	Net cash provided by (used in) financing activities	(527,896)	282,616
A31180	Other receivables	1,876	(845)				
A31200	Inventories	21,468	(104,553)	DDDD	Effect of exchange rate changes	(11,485)	1,970
A31230	Prepayments	(25,602)	(4,831)	EEEE	Increase (decrease) in cash and cash equivalents	(821,132)	102,609
A31240	Other current assets	(11,432)	(4,813)	E00100	Cash and cash equivalents at beginning of period	1,846,120	1,848,965
A32125	Contract liabilities	9,923	18,740	E00200	Cash and cash equivalents at end of period	\$1,024,988	\$1,951,574
A32130	Notes payable	(2,850)	(964)				
A32150	Accounts payable	(2,826)	(15,654)				
A32180	Other payables	113,135	109,011				
A32230	Other current liabilities	(26,752)	(4,624)				
A33000	Cash generated from operations	750,239	1,035,644				
A33100	Interest received	7,207	3,017				
A33300	Interest paid	(15,338)	(3,797)				
A33500	Income tax paid	(94,022)	(117,403)				
AAAA	Net cash provided by (used in) operating activities	648,086	917,461				

(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 six-month periods ended June 30, 2023 and 2022 were authorized for issue by the Board of Directors on July 31st, 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 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
f	International Tax Reform – Pillar Two Model Rules– Amendments to IAS 12	1 January 2023
g	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	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.

(f)International Tax Reform – Pillar Two Model Rules– Amendments to IAS 12

The amendments introduced a temporary exception to the requirements to recognise and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes; and targeted disclosure requirements for affected entities. An entity is not required to disclose the information required for any interim period ending on or before 31 December 2023.

(g)Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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 six-month periods ended June 30, 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.

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

(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.

(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 (%)			
			30 Jun. 2023	31 Dec. 2022	30 Jun. 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

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
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Investor	Subsidiary	Main business	Percentage of Ownership (%)			
			30 Jun. 2023	31 Dec. 2022	30 Jun. 2022	Note
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
BeautyTech Platform Corporation	Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	100.00%	100.00%	Not Applicable	Note1
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 and cosmetic products	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%	None

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

Investor	Subsidiary	Main business	Percentage of Ownership (%)			
			30 Jun. 2023	31 Dec. 2022	30 Jun. 2022	Note
FacialBeau International Corporation	RODNA Co., Ltd.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	None
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) 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 six-month period ended June 30, 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		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Cash and petty cash	\$4,655	\$4,358	\$5,709
Checkings and savings	395,186	447,024	558,931
Time deposit	625,147	1,394,738	1,386,934
Total	<u>\$1,024,988</u>	<u>\$1,846,120</u>	<u>\$1,951,574</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		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$1,199,944	\$666,000	\$183,008
Valuation adjustment	1,784	488	45
Total	<u>\$1,201,728</u>	<u>\$666,488</u>	<u>\$183,053</u>
Current	\$1,201,728	\$666,488	\$183,053
Non-current	-	-	-
Total	<u>\$1,201,728</u>	<u>\$666,488</u>	<u>\$183,053</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		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Time deposit	\$634,000	\$-	\$-
Less: loss allowance	-	-	-
Total	<u>\$634,000</u>	<u>\$-</u>	<u>\$-</u>
Current	<u>\$634,000</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		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Accounts receivable, gross	\$898,726	\$753,335	\$783,049
Less: loss allowance	(16,261)	(8,140)	(17,263)
Total accounts receivable, net	<u>\$882,465</u>	<u>\$745,195</u>	<u>\$765,786</u>

B.Receivable were not pledged.

C.Accounts receivable are generally on T/T to 90 days terms. The total carrying amount is NT\$898,726 thousand, NT\$753,335 thousand and NT\$783,049 thousand as of June 30, 2023, December 31, 2022, and June 30, 2022, respectively. Please refer to Note 6 (16) for more details on loss allowance of accounts receivable for the six-month periods ended June 30, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(5)Inventory

A.Details of inventory:

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Merchandises	\$8,538	\$6,197	\$2,350
Raw materials	79,567	92,656	110,438
Supplies	8,353	7,947	8,409
Work in process	137,413	146,162	240,973
Finished goods	313,289	315,666	316,157
Total	<u>\$547,160</u>	<u>\$568,628</u>	<u>\$678,327</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 June 30, 2023 and 2022, the Group recognized NT\$ 790,295 thousand and NT\$655,844 thousand under the caption of costs of sale, respectively. For the six-month periods ended June 30, 2023 and 2022, the Group recognized NT\$1,483,844 thousand and NT\$1,350,813 thousand under the caption of costs of sale, respectively. The following items were also included in cost:

Item	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Loss (Gain) from inventory market decline	\$(1,788)	\$(2,057)	\$(26,636)	\$4,117
Loss from inventory write-off obsolescence	-	14,623	17,157	19,238
Total	\$(1,788)	\$12,566	\$(9,479)	\$23,355

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.

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

(6)Property, plant, and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for	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	-	-	-	-	-	98	3,344	260,810	264,252
Disposals	-	-	(1,150)	-	(74)	-	(8,176)	-	(9,400)
Transfer	-	-	33,751	-	767	-	57,443	(91,961)	-
Effect of EX rate	-	-	-	-	(51)	-	(1,707)	(153)	(1,911)
As of 6/30/2023	<u>\$1,514,524</u>	<u>\$165,620</u>	<u>\$4,908,871</u>	<u>\$1,973</u>	<u>\$84,977</u>	<u>\$98</u>	<u>\$1,042,116</u>	<u>\$1,301,873</u>	<u>\$9,020,052</u>
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	-	-	-	-	-	-	-	666,368	666,368
Disposals	-	-	(16,275)	-	(2,363)	-	(15,962)	-	(34,600)
Transfer	196,960	77,050	106,380	218	2,585	-	66,633	(449,826)	-
Effect of EX rate	-	-	-	-	38	-	258	1,117	1,413
As of 6/30/2022	<u>\$1,514,524</u>	<u>\$146,395</u>	<u>\$4,845,504</u>	<u>\$1,723</u>	<u>\$78,695</u>	<u>\$-</u>	<u>\$926,822</u>	<u>\$1,041,142</u>	<u>\$8,554,805</u>

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for	Total
<u>Depreciation and impairment:</u>									
As of 1/1/2023	\$-	\$41,075	\$2,865,878	\$1,114	\$75,651	\$-	\$657,393	\$-	\$3,641,111
Depreciation	-	2,136	342,024	138	3,042	2	59,150	-	406,492
Impairment loss	-	-	-	-	-	-	11,893	-	11,893
Disposal	-	-	(1,150)	-	(74)	-	(8,176)	-	(9,400)
Transfer	-	-	(804)	-	-	-	804	-	-
Effect of EX rate	-	-	-	-	(21)	-	(236)	-	(257)
As of 6/30/2023	<u>\$-</u>	<u>\$43,211</u>	<u>\$3,205,948</u>	<u>\$1,252</u>	<u>\$78,598</u>	<u>\$2</u>	<u>\$720,828</u>	<u>\$-</u>	<u>\$4,049,839</u>
As of 1/1/2022	\$-	\$27,309	\$2,227,640	\$876	\$68,438	\$-	\$548,624	\$-	\$2,872,887
Depreciation	-	1,682	341,081	113	4,648	-	54,635	-	402,159
Impairment loss	-	198	-	-	959	-	14,850	-	16,007
Disposal	-	-	(16,275)	-	(2,363)	-	(15,962)	-	(34,600)
Transfer	-	-	-	-	-	-	-	-	-
Effect of EX rate	-	-	-	-	1	-	131	-	132
As of 6/30/2022	<u>\$-</u>	<u>\$29,189</u>	<u>\$2,552,446</u>	<u>\$989</u>	<u>\$71,683</u>	<u>\$-</u>	<u>\$602,278</u>	<u>\$-</u>	<u>\$3,256,585</u>

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for	Total
<u>Net carrying amount:</u>									
As of 6/30/2023	\$1,514,524	\$122,409	\$1,702,923	\$721	\$6,379	\$96	\$321,288	\$1,301,873	\$4,970,213
As of 12/31/2022	\$1,514,524	\$124,545	\$2,010,392	\$859	\$8,684	\$-	\$333,819	\$1,133,177	\$5,126,000
As of 6/30/2022	\$1,514,524	\$117,206	\$2,293,058	\$734	\$7,012	\$-	\$324,544	\$1,041,142	\$5,298,220

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

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

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Property, plant, and equipment	\$4,928,055	\$5,037,447	\$5,163,211
Prepayment for equipment	42,158	88,553	135,009
Total	<u>\$4,970,213</u>	<u>\$5,126,000</u>	<u>\$5,298,220</u>

B.For the three-month periods ended June 30, 2023 and 2022, NT\$9,096 thousand and NT\$6,973 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. For the six-month periods ended June 30, 2023 and 2022, NT\$11,893 thousand and NT\$16,007 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

	Computer software
<u>Cost:</u>	
As of January 1, 2023	\$48,385
Additions – acquired separately	4,043
Derecognized upon retirement	-
Effect of EX rate	-
As of June 30, 2023	<u>\$52,428</u>
As of January 1, 2022	\$34,865
Additions – acquired separately	5,605
Derecognized upon retirement	(4,223)
Effect of EX rate	71
As of June 30, 2022	<u>\$36,318</u>



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

	<u>Computer software</u>
<u>Amortization and Impairment:</u>	
As of January 1, 2023	\$26,162
Amortization	6,862
Impairment loss	-
Derecognized upon retirement	-
Effect of EX rate	-
As of June 30, 2023	<u>\$33,024</u>
As of January 1, 2022	\$20,783
Amortization	3,717
Impairment loss	1,624
Derecognized upon retirement	(4,223)
Effect of EX rate	8
As of June 30, 2022	<u>\$21,909</u>
<u>Carrying amount, net:</u>	
As of June 30, 2023	<u>\$19,404</u>
As of December 31, 2022	<u>\$22,223</u>
As of June 30, 2022	<u>\$14,409</u>

Amounts of amortization recognized for intangible assets are as follows:

	<u>For the three-month period ended June 30,</u>		<u>For the six-month period ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Manufacturing expense	\$92	\$92	\$185	\$164
Selling expense	130	125	260	345
Administrative expense	2,936	1,411	5,874	2,512
Research and development expense	261	369	543	696
Total	<u>\$3,419</u>	<u>\$1,997</u>	<u>\$6,862</u>	<u>\$3,717</u>

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

(8)Other non-current assets

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Refundable deposits	\$61,496	\$67,809	\$67,073
Prepayment for equipment	42,158	88,553	135,009
Total	<u>\$103,654</u>	<u>\$156,362</u>	<u>\$202,082</u>

(9)Short-term borrowings

A.Details of Short-term borrowings

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Unsecured bank loans	<u>\$641,152</u>	<u>\$284,467</u>	<u>\$550,907</u>
Interest Rate (%)	5.70%~6.41%	3.04%~5.63%	1.50%~4.52%

B.The Group's unused short-term lines of credits amounts to NT\$679,168 thousand, NT\$1,018,762 and NT\$738,475 thousand, As of June 30, 2023, December 31, 2022 and June 30, 2022, respectively.

(10)Other payable

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Accrued expenses	\$1,382,586	\$1,269,451	\$1,228,940
Accrued interest payable	3,283	813	1,300
Payable to equipment suppliers	93,635	127,513	187,123
Dividends payable	-	-	595,000
Total	<u>\$1,479,504</u>	<u>\$1,397,777</u>	<u>\$2,012,363</u>

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

(11) Other current liabilities

A. Details of other current liabilities

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Other current liabilities	\$26,550	\$65,703	\$24,004
Refund liability	191,045	178,644	126,395
Deferred government grants income	326	447	282
Long-Term Borrowings-Current Portion	9,723	4,457	1,791
Total	<u>\$227,644</u>	<u>\$249,251</u>	<u>\$152,472</u>

B. The changes in the Group's balances of deferred government grants income for the six-month periods ended June 30, 2023 and 2022 are as follows:

	For the six-month period ended June, 30	
	2023	2022
Beginning balance	\$663	\$1,065
Received during the period	-	-
Released to the statement of comprehensive income	89	(140)
Ending Balance	<u>\$752</u>	<u>\$925</u>
Current	<u>\$326</u>	<u>\$282</u>
Non-current	<u>\$426</u>	<u>\$643</u>

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

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

(12) Long-term borrowings

A. Details of long-term borrowings

Debtor	Type of Loan	Maturity	As of			Repayment
			30 Jun. 2023	31 Dec. 2023	30 Jun. 2022	
Chang Hwa Commercial Bank – Beitou Branch	Credit loan	2020.03.25-2025.03.15	\$4,355	\$4,968	\$4,956	Notes 1
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2020.11.10-2030.10.15	9,074	9,654	9,864	Notes 2
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2021.04.08-2030.10.15	35,994	38,616	39,340	Notes 2
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2021.09.02-2028.09.02	-	92,152	89,166	Notes 3
Mega International Commercial Bank – Lan-Ya Branch	Secured loan	2021.10.08-2026.09.15	4,957	4,946	4,934	Notes 4
Chang Hwa Commercial Bank – Beitou Branch	Secured loan	2022.06.22-2031.06.21	209,000	219,000	219,000	Note 5
Total			263,380	369,336	367,260	
Less: current portion			(9,723)	(4,457)	(1,791)	
Non-current portion			\$253,657	\$364,879	\$365,469	

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		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
The interest rate intervals (%)	1.15%~1.90%	1.025%~6.43%	1.28%~2.67%

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 June 30, 2023 and 2022 were NT\$12,735 thousand and NT\$12,362 thousand, respectively. Expenses under the defined contribution plan for the six-month periods ended June 30, 2023 and 2022 were NT\$25,509 thousand and NT\$25,154 thousand, respectively.

(14)Equity

A.Common stock

As of June 30, 2023, December 31, 2022 and June 30, 2022, the Company's authorized capital were NT\$1,000,000 thousand, 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.

B.Capital surplus

	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 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	<u>\$1,810,341</u>	<u>\$1,810,341</u>	<u>\$1,804,931</u>

According to Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of 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.

- e. The appropriations of earnings for the Years 2022 and 2021 were approved through the shareholders’ meetings held on May 24, 2023 and 2022, respectively. The details of the distributions are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2022	2021	2022	2021
Legal reserve	\$152,755	\$124,857		
Special reserve	(3,433)	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.



Pegavision Corporation and Subsidiaries  
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D.Non-controlling interests

	For the six-month period ended June 30,	
	2023	2022
Beginning balance	\$58,280	\$22,362
Dividend distribution of the subsidiary	(7,500)	-
Non-controlling interests increase/(decrease)	12,565	(2,009)
Ending balance	<u>\$63,345</u>	<u>\$20,353</u>

(15)Operating revenue

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Revenue from customer contracts				
Sales of goods	<u>\$1,615,297</u>	<u>\$1,414,719</u>	<u>\$3,074,955</u>	<u>\$2,903,104</u>

Analysis of revenue from contracts with customers for the three-month and six-month periods ended June 30, 2023 and 2022 are as follows:

A.Disaggregation of revenue

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
	Single	Single	Single	Single
	department	department	department	department
Sales of goods	<u>\$1,615,297</u>	<u>\$1,414,719</u>	<u>\$3,074,955</u>	<u>\$2,903,104</u>
The timing for revenue recognition:				
At a point in time	<u>\$1,615,297</u>	<u>\$1,414,719</u>	<u>\$3,074,955</u>	<u>\$2,903,104</u>

Pegavision Corporation and Subsidiaries  
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B.Contract balances

a.Contract liabilities – current

	As of			
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022	1 Jan. 2022
Sales of goods	\$85,435	\$74,709	\$76,038	\$51,556
Customer loyalty programmes	2,191	2,994	6,929	12,671
Total	<u>\$87,626</u>	<u>\$77,703</u>	<u>\$82,967</u>	<u>\$64,227</u>

The changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2023 are as follows:

	Sales of goods	Customer loyalty programmes
The opening balance transferred to revenue	\$(64,604)	\$(2,994)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	75,330	2,191

The changes in the Group's balances of contract liabilities for the six-month periods ended June 30, 2022 are as follows:

	Sales of goods	Customer loyalty programmes
The opening balance transferred to revenue	\$(49,684)	\$(12,671)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	74,166	6,929

(16)Expected credit gains (losses)

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Operating expenses – Expected credit gains (losses)				
Accounts receivable	<u>\$(6,202)</u>	<u>\$(556)</u>	<u>\$(8,132)</u>	<u>\$(2,265)</u>

Pegavision Corporation and Subsidiaries  
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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:

June 30, 2023

	Not past due	Past due			Total
		<=60 days	61-90 days	91-240 days	
Gross carrying amount	\$855,399	\$9,590	\$12,230	\$18,170	\$898,726
Loss rate	0.83%	1%	5%	46.52%	
Lifetime expected credit losses	(7,069)	(96)	(611)	(8,452)	(16,261)
Carrying amount of accounts receivable	\$848,330	\$9,494	\$11,619	\$9,718	\$882,465

December 31, 2022

	Not past due	Past due		Total
		<=60 days	Separate assessment	
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

June 30, 2022

	Not past due	Past due			Total
		<=60 days	61-90 days	Separate assessment	
Gross carrying amount	\$686,496	\$84,400	\$1,925	\$10,228	\$783,049
Loss rate	0.89%	1%	5%	100%	
Lifetime expected credit losses	(6,095)	(844)	(96)	(10,228)	(17,263)
Carrying amount of accounts receivable	\$680,401	\$83,556	\$1,829	\$-	\$765,786

B. The movement in the provision for impairment of accounts receivable for the six-month periods ended June 30, 2023 and 2022 are as follows:

	<u>Accounts receivable</u>
As of January 1, 2023	\$8,140
Addition (reversal)	8,132
Effect of EX rate	<u>(11)</u>
As of June 30, 2023	<u>\$16,261</u>
As of January 1, 2022	\$14,971
Addition (reversal)	2,265
Effect of EX rate	<u>27</u>
As of June 30, 2022	<u>\$17,263</u>

(17) Leases

A. Group as a lessee

The Group leases buildings. 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.

Pegavision Corporation and Subsidiaries  
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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 January1, 2023	\$492,223
Addition	5,415
Disposals	(9,705)
Effect of EX rate	(916)
As of June 30, 2023	<u>\$487,017</u>
As of January1, 2022	\$207,324
Addition	357,948
Disposals	(38,939)
Effect of EX rate	976
As of June 30, 2022	<u>\$527,309</u>
<u>Depreciation and impairment:</u>	
As of January1, 2023	\$135,280
Depreciation	68,636
Impairment loss	-
Disposal	(9,547)
Effect of EX rate	(492)
As of June 30, 2023	<u>\$193,877</u>
As of January1, 2022	\$49,666
Depreciation	43,849
Impairment loss	-
Disposal	(7,849)
Effect of EX rate	242
As of June 30, 2022	<u>\$85,908</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
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	<u>Buildings</u>
<u>Net carrying amount:</u>	
As of June 30, 2023	<u>\$293,140</u>
As of December 31, 2022	<u>\$356,943</u>
As of June 30, 2022	<u>\$441,401</u>

## II. Lease liabilities

	<u>As of</u>		
	<u>30 Jun. 2023</u>	<u>31 Dec. 2022</u>	<u>30 Jun. 2022</u>
Lease liabilities	<u>\$298,809</u>	<u>\$363,360</u>	<u>\$447,617</u>
Current	<u>\$129,986</u>	<u>\$132,253</u>	<u>\$144,365</u>
Non-current	<u>\$168,823</u>	<u>\$231,107</u>	<u>\$303,252</u>

Please refer to Note 6(19) (d) for the interest on lease liabilities recognized for the three-month and six-month periods ended June 30, 2023 and 2022, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of June 30, 2023, December 31, 2022 and June 30, 2022.

## b. Income and costs relating to leasing activities

	<u>For the three-month period ended June 30,</u>		<u>For the six-month period ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The expense relating to short-term leases	\$(4,594)	\$(12,651)	\$(9,403)	\$(41,698)
The expense relating to leases of low-value assets	(285)	(105)	(622)	(568)
Income from subleasing right-of-use assets	199	115	396	115

As of June 30, 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.

Pegavision Corporation and Subsidiaries  
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For the three-month periods ended June 30, 2023 and 2022, the Group recognized NT\$0 as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment; For the six-month periods ended June 30, 2023 and 2022, the Group recognized NT\$19 thousand and NT\$238 thousand 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 six-month period ended June 30,	
	2023	2022
Cash outflow for leases	\$81,207	\$85,135

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

Function Nature	For the three-month period ended June 30,					
	2023			2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	\$232,220	\$181,596	\$413,816	\$210,222	\$164,843	\$375,065
Labor and health insurance	20,936	9,336	30,272	20,677	8,352	29,029
Pension	6,757	5,978	12,735	7,244	5,118	12,362
Other employee benefit expense	11,630	8,652	20,282	11,368	9,305	20,673
Depreciation	215,862	20,973	236,835	211,225	20,848	232,073
Amortization	92	3,327	3,419	93	1,904	1,997

Pegavision Corporation and Subsidiaries  
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Function Nature	For the six-month period ended June 30,					
	2023			2022		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	\$461,851	\$360,912	\$822,763	\$442,072	\$328,900	\$770,972
Labor and health insurance	41,797	18,665	60,462	42,105	16,663	58,768
Pension	13,574	11,935	25,509	14,955	10,199	25,154
Other employee benefit expense	21,913	17,455	39,368	21,985	22,344	44,329
Depreciation	433,861	41,267	475,128	403,548	42,460	446,008
Amortization	185	6,677	6,862	165	3,552	3,717

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 June 30, 2023 and 2022 amounted to NT\$54,047 thousand, NT\$4,701 thousand, and NT\$52,283 thousand, NT\$4,546 thousand respectively; the employees' compensation and remuneration to directors for the six-month periods ended June 30, 2023 and 2022 amounted to NT\$103,679 thousand, NT\$9,010 thousand, and NT\$106,621 thousand, NT\$9,271 thousand respectively, recognized as employee benefits.



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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 15, 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 June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Interest income				
Deposit interest	\$5,510	\$1,279	\$6,372	\$1,997
Financial assets measured at amortized cost	464	527	3,613	1,058
Total	<u>\$5,974</u>	<u>\$1,806</u>	<u>\$9,985</u>	<u>\$3,055</u>

B.Other incomes

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Rental income	\$314	\$115	\$632	\$115
Government grants income	(199)	71	(89)	140
Other income - others	6,405	9,990	8,142	13,285
Total	<u>\$6,520</u>	<u>\$10,176</u>	<u>\$8,685</u>	<u>\$13,540</u>

Pegavision Corporation and Subsidiaries  
Notes to Consolidated Financial Statements (Continued)  
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C. Other gains and losses

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Gain (loss) from disposal of property, plant and equipment	\$23	\$-	\$23	\$129
Foreign exchange gain (loss), net	5,999	(1,035)	(2,792)	9,756
Gains (losses) on financial assets at fair value through profit or loss	4,432	50	7,266	99
Impairment loss on non-financial assets	(9,096)	(8,597)	(11,893)	(17,631)
Other losses	(22)	(10)	(73)	(53)
Total	<u>\$1,336</u>	<u>\$(9,592)</u>	<u>\$(7,469)</u>	<u>\$(7,700)</u>

D. Finance costs

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Interests on borrowings from bank	\$10,420	\$3,661	\$17,758	\$4,969
Interests on lease liabilities	892	939	1,877	1,319
Total	<u>\$11,312</u>	<u>\$4,600</u>	<u>\$19,635</u>	<u>\$6,288</u>

(20) Components of other comprehensive income (loss)

For the three-month periods ended June 30, 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>\$(12,581)</u>	<u>\$-</u>	<u>\$(12,581)</u>	<u>\$-</u>	<u>\$(12,581)</u>

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For the three-month periods ended June 30, 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>\$(8,604)</u>	<u>\$-</u>	<u>\$(8,604)</u>	<u>\$-</u>	<u>\$(8,604)</u>

For the six-month periods ended June 30, 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>\$(13,436)</u>	<u>\$-</u>	<u>\$(13,436)</u>	<u>\$-</u>	<u>\$(13,436)</u>

For the six-month periods ended June 30, 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>\$(2,187)</u>	<u>\$-</u>	<u>\$(2,187)</u>	<u>\$-</u>	<u>\$(2,187)</u>

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(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 June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Current income tax expense (income):				
Current income tax expense	\$65,035	\$60,810	\$121,275	\$121,894
Adjustments in respect of current income tax of prior periods	(4,008)	(806)	(3,196)	(608)
Deferred tax expense (income):				
Deferred tax expense (income) relating to origination and reversal of temporary differences	5,348	4,560	6,622	7,134
Total income tax expense (income)	<u>\$66,375</u>	<u>\$64,564</u>	<u>\$124,701</u>	<u>\$128,420</u>

B.The assessment of income tax return

	The assessment of income tax return
The Company	Assessed and approved up to 2020.
Subsidiary - BeautyTech Platform Corporation	Assessed and approved up to 2021.
Subsidiary - Mayin Investment Co., Ltd.	Assessed and approved up to 2021.
Subsidiary-FacialBeau International Corporation	Assessed and approved up to 2021.

(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 June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Net income available to common shareholders of the parent	\$365,892	\$341,987	\$704,292	\$701,951
Weighted average number of common stocks outstanding (in thousand shares)	70,000	70,000	70,000	70,000
Basic earnings per share (in NT\$)	\$5.23	\$4.89	\$10.06	\$10.03

B. Diluted earnings per share

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Net income available to common shareholders of the parent	\$365,892	\$341,987	\$704,292	\$701,951
Net income available to common shareholders of the parent after dilution	\$365,892	\$341,987	\$704,292	\$701,951
Weighted average number of common stocks outstanding (in thousand shares)	70,000	70,000	70,000	70,000
Effect of dilution:				
Employee bonus (compensation) - stock (in thousand shares)	301	255	420	367
Weighted average number of common stocks outstanding after dilution (in thousand shares)	70,301	70,255	70,420	70,367
Diluted earnings per share (in NT\$)	\$5.20	\$4.87	\$10.00	\$9.98

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 June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Kinsus Interconnect Technology Corp.	\$116	\$-	\$116	\$57
Pegatron Corporation	13	-	13	-
Total	<u>\$129</u>	<u>\$-</u>	<u>\$129</u>	<u>\$57</u>

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 and 30 days after monthly closing.

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B. Lease-related parties

a.Right-of-use assets

Related parties	Nature	As of		
		30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Pegatron Japan Inc.	Buildings	\$1,402	\$331	\$683
Pegatron Corporation	Buildings	214,893	264,484	314,074
Total		<u>\$216,295</u>	<u>\$264,815</u>	<u>\$314,757</u>

b.Lease liabilities

Related parties	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Pegatron Japan Inc.	\$1,403	\$333	\$686
Pegatron Corporation	216,389	265,533	314,385
Total	<u>\$217,792</u>	<u>\$265,866</u>	<u>\$315,071</u>

c.Lease payment (Rental expense)

Related parties	Nature	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2023	2022	2023	2022
Pegatron Corporation	buildings	<u>\$33</u>	<u>\$8,486</u>	<u>\$127</u>	<u>\$33,698</u>

d.Interest expenses

Related parties	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2023	2022	2023	2022
Pegatron Japan Inc.	\$2	\$2	\$2	\$4
Pegatron Corporation	671	634	1,416	634
Total	<u>\$673</u>	<u>\$636</u>	<u>\$1,418</u>	<u>\$638</u>

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C. Operating expense

Related parties	Nature	For the three-month period ended June 30,		For the six-month period ended June 30,	
		2023	2022	2023	2022
Pegatron Corporation	Provide services	\$-	\$83	\$-	\$166
Pegatron Corporation	Pay utilities	\$22,858	\$18,583	\$55,479	\$52,861
Pegatron Japan Inc.	Provide services and pay utilities and postage	\$25	\$25	\$51	\$52
Pegatron Czech S.R.O.	Provide services	\$41	\$37	\$81	\$74

D. Refundable deposits

Related parties	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Pegatron Corporation	\$10,000	\$10,000	\$10,000

E. Contract liabilities

Related parties	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Kinsus Interconnect Technology Corp.	\$104	\$-	\$-

F. Other payables

Related parties	As of		
	30 Jun. 2023	31 Dec. 2022	30 Jun. 2022
Pegatron Corporation	\$28,989	\$23,570	\$42,504
Pegatron Czech S.R.O.	-	-	13
Total	\$28,989	\$23,570	\$42,517



G. Salaries and rewards to key management of the Group

	For the three-month period ended June, 30		For the six-month period ended June, 30	
	2023	2022	2023	2022
Short-term employee benefits and post-employment benefits	\$11,105	\$10,169	\$20,859	\$19,556

8. ASSETS PLEDGED AS COLLATERAL

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

Item	Carrying Amount As of			Secured liabilities
	30 Jun. 2023	31 Dec.2022	30 Jun. 2022	
Property, plant and equipment - Land (carrying amount)	\$196,960	\$196,960	\$196,960	Secured borrowings
Property, plant and equipment - Buildings (carrying amount)	122,408	124,544	117,206	Secured borrowings
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	\$321,368	\$323,504	\$316,166	

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of June 30, 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	\$1,678,571	\$1,169,669	\$508,902

10. LOSSES DUE TO MAJOR DISASTERS

None.

## 11. SIGNIFICANT SUBSEQUENT EVENTS

On April 28, 2023, the Company's board meeting resolved to increase the capital through an issuance of 8,000 thousand new shares. The application has been approved by the FSC with Order No. Jin-Guan-Cheng-Fa-Zi-11203448793. The base date for the price of NT\$310 was July 10, 2023. The base date for the cash capital increase was July 23, 2023.

## 12. OTHERS

### (1) Categories of financial instruments

#### Financial assets

	As of		
	30 Jun. 2023	31 Dec.2022	30 Jun. 2022
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	\$1,201,728	\$666,488	\$183,053
Financial assets measured at amortized cost			
Cash and cash equivalents (exclude cash on hand)	1,020,333	1,841,762	1,945,865
Financial assets measured at amortized cost	634,000	-	-
Accounts receivables	882,465	745,195	765,786
Other receivables	6,424	5,523	7,591
Refundable deposits	61,496	67,809	67,073
Subtotal	2,604,718	2,660,289	\$2,786,315
Total	<u>\$3,806,446</u>	<u>\$3,326,777</u>	<u>\$2,969,368</u>

Financial liabilities

	As of		
	30 Jun. 2023	31 Dec.2022	30 Jun. 2022
Financial liabilities at amortized cost:			
Short-term borrowings	\$641,152	\$284,467	\$550,907
Payables	1,668,381	1,592,330	2,198,481
Long-term borrowings (including current portion with maturity less than 1 year)	263,380	369,336	367,260
Lease liabilities	298,809	363,360	447,617
Total	<u>\$2,871,722</u>	<u>\$2,609,493</u>	<u>\$3,564,265</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 activates. 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 six-month periods ended June 30, 2023 and 2022 would decrease/increase by NT\$ 6,660 thousand and NT\$628 thousand, respectively.

When NTD appreciates/depreciates against CNY by 1%, net income (loss) for the six-month periods ended June 30, 2023 and 2022 would decrease/increase by NT\$ 1,182 thousand and NT\$1,077 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 six-month periods ended June 30, 2023 and 2022 would increase / decrease by NT\$226 thousand and increase / decrease by NT\$ 120 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 June 30, 2023, December 31, 2022 and June 30, 2022, receivables from the top ten customers were accounted for 74.07%, 73.91% and 83.70% 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).

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

(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 June 30, 2023</u>							
Borrowings	\$657,286	\$13,219	\$16,270	\$22,865	\$22,088	\$212,691	\$944,419
Payables	1,668,381	-	-	-	-	-	1,668,381
Lease liabilities	132,596	121,978	29,263	7,899	4,713	6,645	303,094
<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 June 30, 2022</u>							
Borrowings	\$559,512	\$10,238	\$22,852	\$42,918	\$41,370	\$290,220	\$967,110
Payables	2,198,481	-	-	-	-	-	2,198,481
Lease liabilities	148,564	136,742	121,217	30,119	8,103	11,370	456,115

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

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the six-month periods ended June 30, 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	356,685	(105,906)	7	(71,182)	179,604
Non-cash changes					
Lease range changes	-	-	-	5,257	5,257
Interests on lease liabilities	-	-	-	1,877	1,877
Others	-	(50)	-	-	(50)
Currency rate change	-	-	-	(503)	(503)
As of June 30, 2023	<u>\$641,152</u>	<u>\$263,380</u>	<u>\$981</u>	<u>\$298,809</u>	<u>\$1,204,322</u>

Movement schedule of liabilities for the six-month periods ended June 30, 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	106,041	219,000	444	(42,869)	282,616
Non-cash changes					
Lease range changes	-	-	-	326,858	326,858
Interests on lease liabilities	-	-	-	1,319	1,319
Others	-	150	-	-	150
Currency rate change	-	6,117	-	806	6,923
As of June 30, 2022	<u>\$550,907</u>	<u>\$367,260</u>	<u>\$959</u>	<u>\$447,617</u>	<u>\$1,366,743</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 June 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$1,201,728	\$-	\$-	\$1,201,728
<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)

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 June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$183,053	\$-	\$-	\$183,053
<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					
	30 Jun. 2023			31 Dec. 2022		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	\$42,178	31.0808	\$1,310,941	\$30,245	30.7175	\$929,038
CNY	\$41,744	4.3094	\$179,892	\$28,276	4.4105	\$124,713
<u>Financial liabilities</u>						
Monetary items:						
USD	\$20,712	31.1390	\$644,950	\$11,874	30.7175	\$364,753
CNY	\$14,310	4.3094	\$61,667	\$16,679	4.4105	\$73,563
<u>Foreign currency resulting in exchange gain or loss</u>						
USD			\$1,802			\$32,964
CNY			\$(2,388)			\$1,205
Other			\$(2,206)			\$(2,539)

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

	As of		
	30 Jun. 2022		
	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>			
Monetary items:			
USD	<u>\$18,870</u>	30.159	<u>\$569,104</u>
CNY	<u>\$33,808</u>	4.429	<u>\$149,720</u>
<u>Financial liabilities</u>			
Monetary items:			
USD	<u>\$17,033</u>	29.722	<u>\$506,269</u>
CNY	<u>\$9,492</u>	4.429	<u>\$42,043</u>
<u>Foreign currency resulting in exchange gain or loss</u>			
USD			<u>\$14,753</u>
CNY			<u>\$1,336</u>
Other			<u>\$(6,333)</u>

(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 June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 June 30, 2023: Please refer to attachment 5.

I. Derivative instrument transactions: None.

J. Inter Group relationships and significant inter Group transactions for the six-month period ended June 30, 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 June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 six-month period ended June 30, 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 June 30, 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 June 30, 2023	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of June 30, 2023	Accumulated Inward Remittance of Earnings as of June 30, 2023	Accumulated Outflow of Investment from Taiwan to Mainland China as of June 30, 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	\$(4,560) (Note 5 and 6)	100%	\$(4,560) (Note 5、6 and 7)	\$72,767 (Note 5、6 and 7)	\$-	\$85,620	\$85,620	\$3,889,377

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	\$354 (Note 5 and 6)	85%	\$301 (Note 5 、 6 and 7)	\$24,591 (Note 5 、 6 and 7)	\$-	\$14,885	\$14,885	\$179,125
Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	\$112,559 (USD 3,600)	(3) (Note 3)	\$112,559	\$-	\$-	\$112,559	\$31,102 (Note 5 and 6)	85%	\$26,437 (Note 5 、 6 and 7)	\$103,211 (Note 5 、 6 and 7)	\$-	\$95,043	\$95,043	
Gemvision Technology (Zhejiang) Limited	Selling medical equipment and cosmetic products	\$97,491 (RMB 22,000) (Note 5)	(3) (Note 4)	\$-	\$-	\$-	\$-	\$31,312 (Note 5 and 6)	85%	\$26,615 (Note 5 、 6 and 7)	\$93,935 (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.



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

Note 3: To improve the synergy of the Group, the equity of Pegavision 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 June 30, 2023: None.
- b. Sale and balance of related accounts receivable as of June 30, 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

Major shareholders \ Shares	Shares	%
Kinsus Investment Co., Ltd.	21,233,736	30.33%
Asuspowers Investment Co., Ltd.	5,480,121	7.82%
Asustek Investment Co., Ltd.	4,934,434	7.04%

14. SEGMENT INFORMATION

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 June 30, 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 June 30, 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 June 30, 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	322,184	\$4,965	-%	\$4,981	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	836,170	13,890	-%	13,934	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	23,853,171	305,000	-%	305,788	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	49,889,277	779,494	-%	780,233	
	Add: Valuation Adjustment				1,587			
	Total				<u>\$1,104,936</u>		<u>\$1,104,936</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 June 30, 2023

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					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>\$264,208</u>	34,372,508	<u>\$529,000</u>	51,240,751	<u>\$790,500</u>	<u>\$788,035</u> <u>\$(192)</u>	<u>\$2,465</u>	322,184	<u>\$4,981</u>	Note
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss	-	-	18,482,095	<u>\$306,237</u>	24,704,233	<u>\$410,000</u>	42,350,158	<u>\$704,500</u>	<u>\$702,110</u> <u>\$(193)</u>	<u>\$2,390</u>	836,170	<u>\$13,934</u>	Note
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss	-	-	-	<u>\$-</u>	23,853,171	<u>\$305,000</u>	-	<u>\$-</u>	<u>\$-</u> <u>\$788</u>	<u>\$-</u>	23,853,171	<u>\$305,788</u>	Note
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss	-	-	-	<u>\$-</u>	69,077,611	<u>\$1,079,000</u>	19,188,334	<u>\$300,000</u>	<u>\$299,506</u> <u>\$739</u>	<u>\$494</u>	49,889,277	<u>\$780,233</u>	Note

Note: Which is adjustments related to financial assets based on the fair value method.

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 ,June 30, 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	\$1,278,872	48.28%	90 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$447,107	47.00%	Note
									Contract liability \$(33,316)	47.87%	Note
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	Sales	\$145,264	5.48%	Within 120 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$83,603	8.79%	Note

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 June 30, 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	\$447,107 (note)	6.54	\$-	-	\$234,894	\$-

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 June 30, 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 June 30, 2023			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of June 30, 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>\$104,936</u>	<u>\$18,787</u>	<u>\$18,787</u>	Note
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>\$412,689</u>	<u>\$74,170</u>	<u>\$74,170</u>	Note
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>\$253,760</u>	<u>\$91,564</u>	<u>\$77,829</u>	Note
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>\$26,376</u>	<u>\$1,733</u>	<u>\$953</u>	Note
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>\$6,214</u>	<u>\$(29)</u>	<u>\$(29)</u>	Note
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>\$6,786</u>	<u>\$(200)</u>	<u>\$(200)</u>	Note
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>\$2,227</u>	<u>\$(43)</u>	<u>\$(43)</u>	Note
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	<u>JPY 9,900</u>	Not applicable	198 shares	100.00%	<u>\$2,084</u>	<u>\$(46)</u>	<u>\$(46)</u>	Note

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



Pegavision Corporation and Subsidiaries

Marketable Securities Held as of June 30, 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 June 30, 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	-	\$5,029	
BeautyTech Platform Corporation	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-	8,381	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-	34,342	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	3,135,663	49,000	-	49,040	
	Add: Valuation Adjustment				197			
	Total				<u>\$96,792</u>		<u>\$96,792</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 June 30, 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	\$1,278,872	100.00%	90 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$413,791	100.00%	Note
BeautyTech Platform Corporation	Pegavision Corporation	Subsidiary	Purchase	\$145,264	92.63%	Within 120 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$83,603	97.51%	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 June 30, 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>2023.01.01~2023.06.30</u>						
0	Pegavision Corporation	Pegavision Japan Inc.	1	Sales revenue	\$1,278,872	90 days after monthly closing	41.59%
0	Pegavision Corporation	Pegavision Japan Inc.	1	Accounts receivable	447,107	90 days after monthly closing	4.54%
0	Pegavision Corporation	Pegavision Japan Inc.	1	Contract liability	33,316	-	0.34%
0	Pegavision Corporation	Pegavision (Jiangsu) Limited	1	Sales revenue	7,910	Within 180 days after monthly closing	0.26%
0	Pegavision Corporation	Pegavision (Jiangsu) Limited	1	Accounts receivable	7,819	Within 180 days after monthly closing	0.08%
0	Pegavision Corporation	Pegavision (Jiangsu) Limited	1	Operating expense	7,533	Within 180 days after monthly closing	0.24%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Sales revenue	70,863	Within 180 days after monthly closing	2.30%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Accounts receivable	29,447	Within 180 days after monthly closing	0.30%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Sales revenue	145,264	Within 120 days after monthly closing	4.72%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Accounts receivable	83,603	Within 120 days after monthly closing	0.85%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Operating expense	27,000	Within 120 days after monthly closing	0.88%
0	Pegavision Corporation	FacialBeau International Corporation	1	Sales revenue	26,240	Within 90 days after monthly closing	0.85%
1	Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	3	Rent income	6,000	T/T in advance	0.20%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	38,809	Within 30 days after monthly closing	1.26%
3	BeautyTech Platform Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	7,341	Within 180 days after monthly closing	0.24%
4	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	21,122	30 days after monthly closing	0.69%

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.