

Ticker: 6491

**PEGAVISION CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH REVIEW REPORT OF INDEPENDENT AUDITORS
AS OF MARCH 31, 2025 AND 2024
AND FOR THE THREE-MONTH PERIODS THEN ENDED**

Address: No.5 Shing Yeh Street, GuiShan District, Taoyuan City, Taiwan 33341
Telephone: (03)329-8808

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
Index**

Item	Page
1. Cover sheet	1
2. Index	2
3. Independent Auditors' Review Report	3-4
4. Consolidated balance sheets	5-6
5. Consolidated statements of comprehensive income	7
6. Consolidated statements of changes in equity	8
7. Consolidated statements of cash flows	9
8. Footnotes to the consolidated financial statements	
(1) History and organization	10
(2) Date and procedures of authorization of financial statements for issue	10
(3) Newly issued or revised standards and interpretations	10-16
(4) Summary of significant accounting policies	16-20
(5) Significant accounting judgments, estimates and assumptions	20-21
(6) Contents of significant accounts	21-49
(7) Related party transactions	49-52
(8) Assets pledged as collateral	52
(9) Significant contingencies and unrecognized contract commitments	53
(10) Losses due to major disasters	53
(11) Significant subsequent events	53
(12) Others	54-65
(13) Other disclosures	
1. Information on significant transactions	65
2. Information on investees	65-66
3. Information on investments in Mainland China	67-70
(14) Segment information	70

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS

To : the Board of Directors and Shareholders of
Pegavision Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of Pegavision Corporation (the “Company”) and its subsidiaries as of March 31, 2025 and 2024, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three-month periods then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together “the consolidated financial statements”). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of March 31, 2025 and 2024, and their consolidated financial performance and cash flows for the three-month periods ended March 31, 2025 and 2024, 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/ Chen, Kuo-Shuai

Ernst & Young
Taiwan, R.O.C.
April 28th, 2025

Notice to Readers

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

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

Pegavision Corporation and Subsidiaries
Consolidated Balance Sheets
As of March 31, 2025, December 31, 2024 and March 31, 2024
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
11xx	Current assets							
1100	Cash and cash equivalents	6(1)	\$1,397,866	9	\$2,002,176	14	\$1,129,860	8
1110	Financial assets at fair value through profit or loss	6(2)	741,532	5	1,121,378	8	2,270,108	16
1136	Financial assets measured at amortized cost	6(4)	1,973,041	13	1,134,932	8	494,821	4
1170	Accounts receivable, net	6(5), 6(19)	749,456	5	806,188	5	824,367	5
1200	Other receivables	7	40,484	-	21,001	-	72,435	1
1220	Current tax assets		793	-	780	-	3,381	-
1310	Inventories, net	6(6)	744,816	5	671,023	5	637,112	5
1410	Prepayments		125,924	1	119,066	1	143,572	1
1470	Other current assets		70,347	1	40,980	-	81,786	1
	Total current assets		5,844,259	39	5,917,524	41	5,657,442	41
15xx	Non-current assets							
1517	Financial assets at fair value through other comprehensive income	6(3)	50,880	-	-	-	-	-
1550	Investment accounted for using equity method	6(7)	19,695	-	19,751	-	19,912	-
1600	Property, plant and equipment, net	6(8), 7, 8, 9	8,038,823	54	7,860,209	54	7,701,193	55
1755	Right-of-use assets, net	6(20)	362,334	3	370,874	2	371,230	3
1780	Intangible assets, net	6(9)	19,058	-	22,054	-	17,970	-
1840	Deferred tax assets	4, 6(24)	82,574	1	83,325	1	50,894	-
1900	Other non-current assets	6(8), 6(10), 8	482,358	3	272,026	2	139,948	1
	Total non-current assets		9,055,722	61	8,628,239	59	8,301,147	59
	Total Assets		\$14,899,981	100	\$14,545,763	100	\$13,958,589	100

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

Pegavision Corporation and Subsidiaries
Consolidated Balance Sheets (Continued)
As of March 31, 2025, December 31, 2024 and March 31, 2024
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			As of March 31, 2025		As of December 31, 2024		As of March 31, 2024	
Code	Accounts	Notes	Amount	%	Amount	%	Amount	%
21xx	Current liabilities							
2100	Short-term borrowings	6(11)	\$159,481	1	\$351,503	3	\$569,178	4
2130	Contract liabilities	6(18), 7	36,300	-	55,329	-	64,457	-
2150	Notes payable		1,911	-	2,262	-	3,204	-
2170	Accounts payable		237,126	2	196,289	1	222,885	2
2200	Other payables	6(12), 7	2,552,380	16	1,684,261	12	2,304,751	17
2230	Current tax liabilities	4, 6(24)	175,309	2	118,311	1	166,827	1
2250	Provision	4, 6(13)	1,200	-	-	-	-	-
2280	Lease liabilities	6(20), 7	28,907	-	31,533	-	30,284	-
2300	Other current liabilities	6(14), 6(15), 8	285,019	2	350,662	2	258,012	2
	Total current liabilities		3,477,633	23	2,790,150	19	3,619,598	26
25xx	Non-current liabilities							
2540	Non-current portion of long-term borrowings	6(15), 8	550,743	4	548,764	4	470,735	3
2570	Deferred tax liabilities	4, 6(24)	87,930	1	70,906	-	68,518	-
2580	Lease liabilities	6(20), 7	67,056	-	73,586	1	70,774	1
2645	Guarantee deposits received	7	3,618	-	3,615	-	500	-
2670	Other non-current liabilities	6(14)	48	-	47	-	188	-
	Total non-current liabilities		709,395	5	696,918	5	610,715	4
	Total liabilities		4,187,028	28	3,487,068	24	4,230,313	30
31xx	Equity attributable to shareholders of the parent							
3100	Capital	6(17)						
3110	Common stock		780,000	5	780,000	5	780,000	6
3200	Capital surplus	6(17)	4,269,544	28	4,269,544	29	4,269,521	30
3300	Retained earnings	6(17)						
3310	Legal reserve		685,917	5	685,917	5	520,327	4
3320	Special reserve		27,786	-	27,786	-	12,934	-
3350	Unappropriated retained earnings		4,854,106	33	5,222,920	36	4,082,532	29
3400	Other equity interest		(1,295)	-	(19,760)	-	(15,794)	-
36xx	Non-controlling interests		96,895	1	92,288	1	78,756	1
	Total equity		10,712,953	72	11,058,695	76	9,728,276	70
	Total liabilities and equity		\$14,899,981	100	\$14,545,763	100	\$13,958,589	100

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

Pegavision Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the three-month periods ended March 31, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	For the three-month period ended March 31,			
			2025		2024	
			Amount	%	Amount	%
4000	Operating revenue	6(18),7	\$1,593,499	100	\$1,725,121	100
5000	Operating costs	6(6),6(21)	(715,026)	(45)	(729,423)	(42)
5900	Gross profit		878,473	55	995,698	58
6000	Operating expenses	6(21),7				
6100	Selling expenses		(167,475)	(11)	(171,295)	(10)
6200	Administrative expenses		(115,528)	(7)	(102,152)	(6)
6300	Research and development expenses		(165,140)	(10)	(171,748)	(10)
6450	Expected credit gains (losses)	6(19)	755	-	41,229	2
	Operating expenses total		(447,388)	(28)	(403,966)	(24)
6900	Operating income		431,085	27	591,732	34
7000	Non-operating income and expenses	6(22)				
7100	Interest income		11,245	1	5,605	-
7010	Other income	7	130,730	8	6,421	-
7020	Other gains or losses		20,463	1	296	-
7050	Finance costs	7	(12,749)	(1)	(13,430)	-
7060	Share of profit or loss of associates and joint ventures accounted	6(7)	(56)	-	95	-
	Total non-operating incomes and expenses		149,633	9	(1,013)	-
7900	Income from continuing operations before income tax		580,718	36	590,719	34
7950	Income tax	4, 6(24)	(87,439)	(5)	(75,734)	(4)
8200	Net income		493,279	31	514,985	30
8300	Other comprehensive income (loss)	6(23)				
8360	Items that may be reclassified subsequently to profit or loss					
8380	Exchange differences resulting from translating the financial statements of a foreign operation		19,478	1	13,096	1
8399	Income tax relating to components of other comprehensive income		(499)	-	(45)	-
	Total other comprehensive income, net of tax		18,979	1	13,051	1
8500	Total comprehensive income		\$512,258	32	\$528,036	31
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$489,186	31	\$509,846	30
8620	Non-controlling interests		4,093	-	5,139	-
			\$493,279	31	\$514,985	30
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$507,651	32	\$521,838	30
8720	Non-controlling interests		4,607	-	6,198	-
			\$512,258	32	\$528,036	30
9750	Earnings per share-basic (in NTD)	6(25)	\$6.27		\$6.54	
9850	Earnings per share-diluted (in NTD)	6(25)	\$6.23		\$6.51	

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

Pegavision Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the three-month periods ended March 31, 2025 and 2024

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						Total	Non-controlling Interests	Total Equity
		Capital	Capital Surplus	Retained Earnings			Exchange differences arising on translation of foreign operations			
				Legal Reserve	Special reserve	Unappropriated Earnings				
		3100	3200	3310	3320	3350	3410	31XX	36XX	3XXX
A1	Balance as of January 1, 2024	\$780,000	\$4,269,521	\$520,327	\$12,934	\$4,352,686	\$(27,786)	\$9,907,682	\$72,558	\$9,980,240
	Appropriation and distribution of 2023 earnings									
B5	Cash dividends-common share					(780,000)		(780,000)		(780,000)
D1	Net income for the three-month period ended March 31, 2024					509,846		509,846	5,139	514,985
D3	Other comprehensive income, net of tax, for the three-month period ended March 31, 2024						11,992	11,992	1,059	13,051
D5	Total comprehensive income	-	-	-	-	509,846	11,992	521,838	6,198	528,036
Z1	Balance as of March 31, 2024	<u>\$780,000</u>	<u>\$4,269,521</u>	<u>\$520,327</u>	<u>\$12,934</u>	<u>\$4,082,532</u>	<u>\$(15,794)</u>	<u>\$9,649,520</u>	<u>\$78,756</u>	<u>\$9,728,276</u>
A1	Balance as of January 1, 2025	\$780,000	\$4,269,544	\$685,917	\$27,786	\$5,222,920	\$(19,760)	\$10,966,407	\$92,288	\$11,058,695
	Appropriation and distribution of 2024 earnings									
B5	Cash dividends-common share					(858,000)		(858,000)		(858,000)
D1	Net income for the three-month period ended March 31, 2025					489,186		489,186	4,093	493,279
D3	Other comprehensive income , net of tax, for the three-month period ended March 31, 2025						18,465	18,465	514	18,979
D5	Total comprehensive income	-	-	-	-	489,186	18,465	507,651	4,607	512,258
Z1	Balance as of March 31, 2025	<u>\$780,000</u>	<u>\$4,269,544</u>	<u>\$685,917</u>	<u>\$27,786</u>	<u>\$4,854,106</u>	<u>\$(1,295)</u>	<u>\$10,616,058</u>	<u>\$96,895</u>	<u>\$10,712,953</u>

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

Pegavision Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the three-month periods ended March 31, 2025 and 2024
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	For the three-month periods ended March 31,		Code	Items	For the three-month periods ended March 31,	
		2025	2024			2025	2024
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$580,718	\$590,719	B00010	Disposal (acquisition) of financial assets at fair value through other comprehensive income	(50,880)	-
A20000	Adjustments:						
A20010	Profit or loss not effecting cash flows:			B00040	Disposal (acquisition) of financial assets measured at amortised cost	(838,109)	1,603,548
A20100	Depreciation (including right-of-use assets)	170,477	199,548	B02700	Acquisition of property, plant and equipment	(534,484)	(2,586,725)
A20200	Amortization	4,825	3,548	B03800	Decrease (increase) in refundable deposits	1,682	12,366
A20300	Expected credit losses (gain)	(755)	(41,229)	B04500	Acquisition of intangible assets	(1,829)	(1,978)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(3,754)	(7,831)	B05350	Acquisition of right-of use assets	-	(112,573)
A20900	Interest expense	12,749	13,430	BBBB	Net cash provided by (used in) investing activities	(1,423,620)	(1,085,362)
A21200	Interest income	(11,245)	(5,605)	CCCC	Cash flows from financing activities:		
A22300	Share of profit or loss of associates and joint ventures	56	(95)	C00100	Increase in (repayment of) short-term borrowings	(192,022)	(339,442)
A22500	Loss (gain) on disposal of property, plant and equipment	1,472	-	C01600	Increase in long-term borrowings	4,075	101,093
A23700	Impairment loss on non-financial assets	-	19,242	C01700	Repayment of long-term borrowings	(2,878)	(2,593)
A29900	Gain on lease modification	(596)	(1,636)	C03000	Increase (decrease) in guarantee deposits received	3	(504)
A29900	Gain on government grants	(74)	(81)	C04020	Payments of lease liabilities	(9,810)	(36,306)
A30000	Changes in operating assets and liabilities:			CCCC	Net cash provided by (used in) financing activities	(200,632)	(277,752)
A31115	Financial assets at fair value through profit or loss	383,600	373,188				
A31150	Accounts receivable	57,483	47,900	DDDD	Effect of exchange rate changes	15,062	10,534
A31180	Other receivables	(16,277)	(45,520)				
A31200	Inventories	(73,793)	(53,633)	EEEE	Increase (decrease) in cash and cash equivalents	(604,310)	(370,642)
A31230	Prepayments	(6,858)	(16,437)	E00100	Cash and cash equivalents at beginning of period	2,002,176	1,500,502
A31240	Other current assets	(29,367)	(18,233)	E00200	Cash and cash equivalents at end of period	\$1,397,866	\$1,129,860
A32125	Contract liabilities	(19,029)	(22,897)				
A32130	Notes payable	(351)	2,615				
A32150	Accounts payable	40,837	(9,842)				
A32180	Other payables	(2,395)	(15,005)				
A32200	Provision	1,200	-				
A32230	Other current liabilities	(65,204)	(12,625)				
A33000	Cash generated from operations	1,023,719	999,521				
A33100	Interest received	8,044	13,317				
A33300	Interest paid	(13,033)	(14,445)				
A33500	Income tax paid	(13,850)	(16,455)				
AAAA	Net cash provided by (used in) operating activities	1,004,880	981,938				

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

1. HISTORY AND ORGANIZATION

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

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

2. DATE AND PROCEDURE OF AUTHORIZATION OF FINANCIAL STATEMENTS FOR ISSUE

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the three-month periods ended March 31, 2025 and 2024 were authorized for issue by the Board of Directors on April 28th, 2025.

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 1 January 2025. The adoption of these new standards and amendments and interpretations of initial application has no material impact on the Group.

- (2) The Q&A related to the early application of certain amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments" issued by the FSC, which has not yet been adopted by the Group as at the date when the Group’s financial statements were authorized for issue.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

In the Q&A, only Section 4.1 (Classification of Financial Assets) of the application guidance is allowed to early adopt from 1 January 2025. Additionally, entities must also comply with the requirements of paragraphs 20B, 20C and 20D of IFRS 7 and disclose the fact of early adoption of these amendments in the financial statements.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
d	Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 1, 2027
e	Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	January 1, 2026
f	Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
g	Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	January 1, 2026

(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 January 1, 2023 (from the original effective date of January 1, 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 January 1, 2023.

(C) IFRS 18 “Presentation and Disclosure in Financial Statements”

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

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

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

(b) Enhanced transparency of management-defined performance measures

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

(c) Useful grouping of information in the financial statements

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

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

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

(E) Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7

The amendments include:

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

(F) Annual Improvements to IFRS Accounting Standards – Volume 11

(a) Amendments to IFRS 1

The amendments mainly improve the consistency in wording between first-time adoption of IFRS and requirements for hedge accounting in IFRS 9.

(b) Amendments to IFRS 7

The amendments update an obsolete cross-reference relating to gain or loss on derecognition.

(c) Amendments to Guidance on implementing IFRS 7

The amendments improve some of the wordings in the implementation guidance, including the introduction, disclosure of deferred difference between fair value and transaction price and credit risk disclosures.

(d) Amendments to IFRS 9

The amendments add a cross-reference to resolve potential confusion for a lessee applying the derecognition requirements and clarify the term “transaction price”.

(e) Amendments to IFRS 10

The amendments remove the inconsistency between paragraphs B73 and B74 of IFRS 10.

(f) Amendments to IAS 7

The amendments remove a reference to “cost method” in paragraph 37 of IAS 7.

(G) Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7

The amendments include:

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

The 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. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1)Statement of compliance

The consolidated financial statements of the Group for the three-month periods ended March 31, 2025 and 2024 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(5), 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, 2024. For more details, please refer to Note 4 of the Company's consolidated financial statements for the year ended December 31, 2024.

(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, 2024. For the principles of consolidation, please refer to Note 4(3) of the Company's consolidated financial statements for the year ended December 31, 2024.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of Ownership (%)			
			Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	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	Mayin Investment Co., Ltd.	Investing activities	100.00%	100.00%	100.00%	None
The Company	PEGAVISION VIETNAM COMPANY LIMITED	Producing and selling medical equipment	100.00%	100.00%	100.00%	None
The Company	Pegavision (Shanghai) Compamny Limited	Selling medical equipment	100.00%	100.00%	-	Note 1
The Company	PEGAVISION NETHERLANDS B.V	Selling medical equipment	100.00%	-	-	Note 2
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Selling medical equipment and cosmetic products	85.00%	85.00%	85.00%	None
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Selling medical equipment and cosmetic products	55.00%	55.00%	55.00%	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 (%)			
			Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Note
BeautyTech Platform Corporation	Pegavision (Shanghai) Limited	Selling medical equipment	100.00%	100.00%	100.00%	None
BeautyTech Platform Corporation	BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	None
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	None
BeautyTech Platform Corporation	FORIMART Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	-	Note 1
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Selling medical equipment and cosmetic products	70.00%	70.00%	-	Note 1
Pegavision Contact Lenses (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	Selling medical equipment	100.00%	100.00%	100.00%	None
FacialBeau International Corporation	FacialBeau (Jiangsu) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	Note 1

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 (%)			
			Mar 31, 2025	Dec 31, 2024	Mar 31, 2024	Note
FacialBeau International Corporation	IKIDO Inc.	Selling medical equipment and cosmetic products	100.00%	100.00%	100.00%	None
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%	100.00%	None

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) 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, 2025.
- (b)FORIMART Corporation which is 100% held by BeautyTech Platform Corporation was registered on April 16, 2024.
- (c) Pegavision (Shanghai) Company Limited which is 100% held by the Company was registered on April 23, 2024. The investment amount has not been remitted as at March 31, 2025.
- (d) BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY which is 70% held by BeautyTech Platform Corporation was registered on October 9, 2024.

Note 2: To improve the European market, the board of directors decided to reorganize on December 31, 2024. The Company which is 100% held by PEGAVISION NETHERLANDS B.V was registered by February 28, 2025. The investment amount has not been remitted as of March 31, 2025.

(4)Provisions

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

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

(5)Income taxes

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. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to 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.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

The same significant accounting judgments, estimates and assumptions have been applied in the Company's consolidated financial statements for the three-month period ended March 31, 2025 as those applied in the Company's consolidated financial statements for the year ended December 31, 2024. 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, 2024.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Cash and petty cash	\$5,111	\$4,881	\$5,141
Checkings and savings	451,828	533,273	764,607
Time deposit (note)	940,927	1,464,022	360,112
Total	<u>\$1,397,866</u>	<u>\$2,002,176</u>	<u>\$1,129,860</u>

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

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

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Mandatorily measured at fair value through profit or loss:			
Money market fund	\$736,588	\$1,116,752	\$2,263,048
Valuation adjustment	4,944	4,626	7,060
Total	<u>\$741,532</u>	<u>\$1,121,378</u>	<u>\$2,270,108</u>
Current	\$741,532	\$1,121,378	\$2,270,108
Non-current	-	-	-
Total	<u>\$741,532</u>	<u>\$1,121,378</u>	<u>\$2,270,108</u>

No financial asset measured at fair value through profit or loss 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)

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

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Equity instrument investments measured at fair value through other comprehensive income – Non-current:			
Unlisted companies stocks	\$50,880	-	-

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

(4) Financial asset measured at amortized cost

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Time deposit	\$1,973,041	\$1,134,932	\$494,821
Less: loss allowance	-	-	-
Total	\$1,973,041	\$1,134,932	\$494,821
Current	\$1,973,041	\$1,134,932	\$494,821
Non-current	\$-	\$-	\$-

The Group deals with financial institution with good credit, so 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)

(5)Accounts receivable, net

A.Accounts receivable, net

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Accounts receivable, gross	\$755,321	\$812,804	\$831,485
Less: loss allowance	(5,865)	(6,616)	(7,118)
Total accounts receivable, net	<u>\$749,456</u>	<u>\$806,188</u>	<u>\$824,367</u>

B.Accounts receivable were not pledged.

C.Accounts receivable are generally on T/T to 90 days terms. The total carrying amount is NT\$755,321 thousand, NT\$812,804 thousand and NT\$831,485 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. Please refer to Note 6 (19) for more details on loss allowance of accounts receivable for the three-month periods ended March 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk management.

(6)Inventory

A.Details of inventory:

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Merchandises	\$37,367	\$35,774	\$24,880
Raw materials	104,012	88,253	87,121
Supplies	8,498	5,071	9,405
Work in process	221,154	200,993	164,224
Finished goods	373,785	340,932	351,482
Total	<u>\$744,816</u>	<u>\$671,023</u>	<u>\$637,112</u>

B. For the three-month periods ended March 31, 2025 and 2024, the Group recognized NT\$715,026 thousand and NT\$729,423 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Item	For the three-month period ended March 31,	
	2025	2024
Loss (Gain) from inventory market decline	\$13,353	\$6,937

C. The inventories were not pledged.

(7) Investments accounted for under the equity method

The following table lists the investments accounted for using the equity method of the Group:

Investees	As of						Note
	Mar. 31, 2025		Dec. 31, 2024		Mar. 31, 2024		
	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	
<u>Unlisted company</u>							
Zhuhe Investment Co., Ltd.	\$19,695	10.00%	\$19,751	10.00%	\$19,912	11.76%	None

A. Investments in associates

The information regarding non-significant associates of the Group is as follows:

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

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

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of March 31, 2025, December 31, 2024, and March 31, 2024 the aggregated carrying amount of the Group's investment in Zhuhe Investment Co., Ltd. amounted to NT\$19,695 thousand, NT\$19,751 thousand and NT\$19,912 thousand. The summarized financial information for the share of associates of the Group is as follows:

	For the three-month periods ended March 31	For the three-month periods ended March 31
	2025	2024
Profit (loss) from continuing operations	\$(56)	\$95
Other comprehensive income (post-tax)	-	-
Total comprehensive loss	\$(56)	\$95

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

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(8)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 equipment)	Total
<u>Cost:</u>									
As of 1/1/2025	\$3,435,281	\$1,375,667	\$4,965,274	\$1,973	\$94,639	\$2,459	\$1,510,266	\$1,775,809	\$13,161,368
Addition	-	-	-	-	-	-	1,515	546,193	547,708
Disposals	-	-	(3,173)	-	-	-	(9,817)	-	(12,990)
Transfer	-	1,480,550	77,844	-	124	(124)	79,173	(1,637,567)	-
Effect of EX rate	475	1,141	-	-	46	141	1,387	892	4,082
As of 3/31/2025	<u>\$3,435,756</u>	<u>\$2,857,358</u>	<u>\$5,039,945</u>	<u>\$1,973</u>	<u>\$94,809</u>	<u>\$2,476</u>	<u>\$1,582,524</u>	<u>\$685,327</u>	<u>\$13,700,168</u>
As of 1/1/2024	\$1,522,877	\$170,165	\$4,921,250	\$1,973	\$86,656	\$2,532	\$1,078,370	\$2,065,196	\$9,849,019
Addition	-	-	-	-	-	-	-	2,557,349	2,557,349
Disposals	-	-	-	-	-	-	-	-	-
Transfer	1,912,686	1,142,405	2,786	-	1,839	-	169,283	(3,228,999)	-
Effect of EX rate	(224)	(122)	-	-	80	(58)	3,234	148	3,058
As of 3/31/2024	<u>\$3,435,339</u>	<u>\$1,312,448</u>	<u>\$4,924,036</u>	<u>\$1,973</u>	<u>\$88,575</u>	<u>\$2,474</u>	<u>\$1,250,887</u>	<u>\$1,393,694</u>	<u>\$12,409,426</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 equipment)	Total
<u>Depreciation and impairment:</u>									
As of 1/1/2025	\$-	\$106,921	\$3,980,252	\$1,567	\$85,887	\$229	\$903,286	\$-	\$5,078,142
Depreciation	-	14,428	101,641	50	1,590	16	41,506	-	159,231
Impairment loss	-	-	-	-	-	-	-	-	-
Disposal	-	-	(3,173)	-	-	-	(8,345)	-	(11,518)
Transfer	-	-	-	-	-	-	-	-	-
Effect of EX rate	-	32	-	-	38	11	378	-	459
As of 3/31/2025	<u>\$-</u>	<u>\$121,381</u>	<u>\$4,078,720</u>	<u>\$1,617</u>	<u>\$87,515</u>	<u>\$256</u>	<u>\$936,825</u>	<u>\$-</u>	<u>\$5,226,314</u>
As of 1/1/2024	\$-	\$52,979	\$3,522,598	\$1,366	\$80,732	\$32	\$776,230	\$-	\$4,433,937
Depreciation	-	675	134,933	52	1,163	49	28,108	-	164,980
Impairment loss	-	19,242	-	-	-	-	-	-	19,242
Disposal	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-
Effect of EX rate	-	(1)	-	-	51	1	640	-	691
As of 3/31/2024	<u>\$-</u>	<u>\$72,895</u>	<u>\$3,657,531</u>	<u>\$1,418</u>	<u>\$81,946</u>	<u>\$82</u>	<u>\$804,978</u>	<u>\$-</u>	<u>\$4,618,850</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 equipment)	Total
<u>Net carrying amount:</u>									
As of 3/31/2025	\$3,435,756	\$2,735,977	\$961,225	\$356	\$7,294	\$2,220	\$645,699	\$685,327	\$8,473,854
As of 12/31/2024	\$3,435,281	\$1,268,746	\$985,022	\$406	\$8,752	\$2,230	\$606,980	\$1,775,809	\$8,083,226
As of 3/31/2024	\$3,435,339	\$1,239,553	\$1,266,505	\$555	\$6,629	\$2,392	\$445,909	\$1,393,694	\$7,790,576

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		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Property, plant, and equipment	\$8,038,823	\$7,860,209	\$7,701,193
Prepayment for equipment	435,031	223,017	89,383
Total	<u>\$8,473,854</u>	<u>\$8,083,226</u>	<u>\$7,790,576</u>

B.For the three-month periods ended March 31, 2025 and 2024, NT\$0 and NT\$19,242 thousand impairment loss represented the write down of certain property, plant, and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

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

(9)Intangible assets

	<u>Computer software</u>
<u>Cost:</u>	
As of January 1, 2025	\$79,924
Additions – acquired separately	1,829
Depreciation – delete column	-
Effect of EX rate	-
As of March 31, 2025	<u>\$81,753</u>
As of January 1, 2024	\$59,276
Additions – acquired separately	1,978
Depreciation – delete column	-
Effect of EX rate	-
As of March 31, 2024	<u>\$61,254</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, 2025	\$57,870
Amortization	4,825
Derecognized upon retirement	-
Effect of EX rate	-
As of March 31, 2025	<u>\$62,695</u>
As of January 1, 2024	\$39,736
Amortization	3,548
Derecognized upon retirement	-
Effect of EX rate	-
As of March 31, 2024	<u>\$43,284</u>
<u>Carrying amount, net:</u>	
As of March 31, 2025	<u>\$19,058</u>
As of December 31, 2024	<u>\$22,054</u>
As of March 31, 2024	<u>\$17,970</u>

Amounts of amortization recognized for intangible assets are as follows:

	<u>For the three-month period ended March 31,</u>	
	<u>2025</u>	<u>2024</u>
Manufacturing expense	\$21	\$32
Administrative expense	4,323	3,425
Research and development expense	481	91
Total	<u>\$4,825</u>	<u>\$3,548</u>

(10)Other non-current assets

	<u>As of</u>		
	<u>31 Mar. 2025</u>	<u>31 Dec. 2024</u>	<u>31 Mar. 2024</u>
Refundable deposits	\$47,327	\$49,009	\$50,565
Prepayment for equipment	435,031	223,017	89,383
Total	<u>\$482,358</u>	<u>\$272,026</u>	<u>\$139,948</u>

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(11)Short-term borrowings

A.Details of Short-term borrowings

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Unsecured bank loans	\$159,481	\$351,503	\$569,178
Interest Rate (%)	4.86%~4.92%	2.02%~5.33%	5.90%~5.98%

B.The Group's unused short-term lines of credits amounts to NT\$1,301,679 thousand, NT\$1,106,397 thousand and NT\$880,812 thousand, as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(12)Other payables

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Accrued expenses	\$1,562,575	\$1,564,970	\$1,438,941
Accrued interest payable	2,311	3,021	3,953
Payable to equipment suppliers	129,494	116,270	81,857
Dividends payable	858,000	-	780,000
Total	\$2,552,380	\$1,684,261	\$2,304,751

(13)Provisions

	Levies
<u>Cost:</u>	
As of January 1, 2025	\$-
Arising during the period	1,200
Utilized	-
Unused provision reversed	-
As of March 31, 2025	\$1,200

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

(14)Other current liabilities

A.Details of other current liabilities

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Other current liabilities	\$49,761	\$47,519	\$23,429
Refund liability	225,801	293,247	224,938
Deferred government grants income	156	231	325
Long-term borrowings-current portion	9,301	9,665	9,320
Total	<u>\$285,019</u>	<u>\$350,662</u>	<u>\$258,012</u>

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

	For the three-month period ended March, 31	
	2025	2024
Beginning balance	\$278	\$594
Received during the period	-	-
Released to the statement of comprehensive income	(74)	(81)
Ending Balance	<u>\$204</u>	<u>\$513</u>
Current	<u>\$156</u>	<u>\$325</u>
Non-current	<u>\$48</u>	<u>\$188</u>

C.Please refer to Note 6(15) 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)

(15) Long-term borrowings

A. Details of long-term borrowings

Debtor	Type of Loan	Maturity	As of			Repayment
			31 Mar. 2025	31 Dec. 2024	31 Mar. 2024	
Chang Hwa Commercial Bank – Beitou Branch	Credit loan	2020.03.25-2025.03.15	\$-	\$623	\$2,493	Note 1
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2020.11.10-2030.10.15	6,956	7,260	8,169	Note 2
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2021.04.08-2030.10.15	27,520	28,733	32,370	Note 2
Mega International Commercial Bank – Lan-Ya Branch	Secured loan	2021.10.08-2026.09.15	-	-	4,030	Note 3
Chang Hwa Commercial Bank – Beitou Branch	Secured loan	2022.06.22-2031.06.21	167,000	167,000	209,000	Note 4
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2023.12.15-2030.12.15	132,790	131,160	127,996	Note 5
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.03.12-2031.03.12	99,593	98,370	95,997	Note 5
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.09.16-2031.09.16	99,593	98,370	-	Note 5
Industrial and Commercial Bank of China	Secured loan	2024.10.09-2034.10.08	26,592	26,913	-	Note 6
Total			560,044	558,429	480,055	
Less: current portion			(9,301)	(9,665)	(9,320)	
Non-current portion			<u>\$550,743</u>	<u>\$548,764</u>	<u>\$470,735</u>	

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

Note 3: A term is defined as every 1 month starting from the initial draw-down date. Grace period is 2 years (24 terms). The rest is repayable in installments of equal amount for 36 terms.

Note 4: 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.

Note 5: A term is defined as every 3 month 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.

Note 6: A term is defined as every 1 month starting from the initial draw-down date. The rest is repayable in installments of equal amount for 120 terms.

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

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
The interest rate intervals (%)	1.33%~5.16%	1.15%~5.90%	1.15%~6.23%

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.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(16) Post-employment benefits

Defined contribution plan

Expenses under the defined contribution plan for the three-month periods ended March 31, 2025 and 2024 were NT\$14,213 thousand and NT\$13,892 thousand, respectively.

Defined benefits plan

Pension for the three-month periods ended March 31, 2025 and 2024 were NT\$16 thousand and NT\$11 thousand, respectively.

(17) Equity

A. Common stock

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

B. Capital surplus

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Additional paid-in capital	\$4,204,928	\$4,204,928	\$4,204,928
Changes in ownership interests in subsidiaries	4,609	4,609	4,609
Changes in associates and joint ventures accounted for using the equity method	23	23	-
Share-based payment transaction	59,359	59,359	59,359
Expired employee stock warrants	625	625	625
Total	<u>\$4,269,544</u>	<u>\$4,269,544</u>	<u>\$4,269,521</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.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

e.The appropriations of earnings for the Years 2024 and 2023 were approved through the Board of Directors' meetings and shareholders' meeting held on February 17 ,2025 and May 24 ,2024, respectively. The details of the distribution are as follows.

	Appropriation of earnings		Dividend per share (in NT\$)	
	2024	2023	2024	2023
Legal reserve	\$183,068	\$165,590		
Special reserve	8,026	14,852		
Cash dividend	858,000	780,000	\$11.0	\$10.0

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

D.Non-controlling interests

	For the three-month period ended March 31,	
	2025	2024
Beginning balance	\$92,288	\$72,558
Comprehensive income attributable to NCIs	4,607	6,198
Ending balance	\$96,895	\$78,756

(18)Operating revenue

	For the three-month period ended March 31,	
	2025	2024
Revenue from customer contracts		
Sales of goods	\$1,593,499	\$1,725,121

Analysis of revenue from contracts with customers for the three-month periods ended March 31, 2025 and 2024 are as follows:

A.The Group's revenue from contracts with customers is sales of goods. And revenue recognition is at a pontin time.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B.Contract balances

a.Contract liabilities – current

	As of			
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024	1 Jan. 2024
Sales of goods	\$34,846	\$53,710	\$62,516	\$85,544
Customer loyalty programs	1,454	1,619	1,941	1,810
Total	\$36,300	\$55,329	\$64,457	\$87,354

The changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2025 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(49,926)	\$(1,619)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	31,062	1,454

The changes in the Group's balances of contract liabilities for the three-month periods ended March 31, 2024 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	\$(79,335)	\$(1,810)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	56,307	1,941

(19)Expected credit gains (losses)

	For the three-month period ended March 31,	
	2025	2024
Operating expenses – Expected credit gains (losses)		
Accounts receivable	\$755	\$41,229

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

March 31, 2025

	Not past due	Past due				Total
		<=60 days	61-90 days	91-240 days	>=241 days	
Gross carrying amount	\$750,075	\$5,246	\$-	\$-	\$-	\$755,321
Loss rate	0.77%	1.00%	-%	-%	-%	
Lifetime expected credit losses	(5,813)	(52)	-	-	-	(5,865)
Carrying amount of accounts receivable	\$744,262	\$5,194	\$-	\$-	\$-	\$749,456

December 31, 2024

	Not past due	Past due				Total
		<=60 days	61-90 days	91-240 days	>=241 days	
Gross carrying amount	\$796,155	\$16,649	\$-	\$-	\$-	\$812,804
Loss rate	0.81%	1.00%	-%	-%	-%	
Lifetime expected credit losses	(6,450)	(166)	-	-	-	(6,616)
Carrying amount of accounts receivable	\$789,705	\$16,483	\$-	\$-	\$-	\$806,188

March 31, 2024

	Not past due	Past due				Total
		<=60 days	61-90 days	91-240 days	>=241 days	
Gross carrying amount	\$831,181	\$304	\$-	\$-	\$-	\$831,485
Loss rate	0.86%	1.00%	-%	-%	-%	
Lifetime expected credit losses	(7,115)	(3)	-	-	-	(7,118)
Carrying amount of accounts receivable	\$824,066	\$301	\$-	\$-	\$-	\$824,367

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B.The movement in the provision for impairment of accounts receivable for the three-month periods ended March 31, 2025 and 2024 are as follows:

	<u>Accounts receivable</u>
As of January 1, 2025	\$6,616
Addition (reversal)	(755)
Effect of EX rate	4
As of March 31, 2025	<u>\$5,865</u>
As of January 1, 2024	\$48,340
Addition (reversal)	(41,229)
Effect of EX rate	7
As of March 31, 2024	<u>\$7,118</u>

(20)Leases

A.Group as a lessee

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

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

a.Amounts recognized in the consolidated balance sheet

I.Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
<u>Cost:</u>			
As of 1/1/2025	\$274,647	\$182,035	\$456,682
Addition	-	7,038	7,038
Disposal	-	(23,742)	(23,742)
Effect of EX rate	1,915	665	2,580
As of 3/31/2025	<u>\$276,562</u>	<u>\$165,996</u>	<u>\$442,558</u>

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

	Land	Buildings	Total
As of 1/1/2024	\$-	\$512,585	\$512,585
Addition	274,425	6,372	280,797
Disposal	-	(346,400)	(346,400)
Effect of EX rate	-	2,146	2,146
As of 3/31/2024	<u>\$274,425</u>	<u>\$174,703</u>	<u>\$449,128</u>

Depreciation and impairment:

As of 1/1/2025	\$4,391	\$81,417	\$85,808
Depreciation	1,468	9,778	11,246
Impairment loss	-	-	-
Disposal	-	(17,127)	(17,127)
Effect of EX rate	36	261	297
As of 3/31/2025	<u>\$5,895</u>	<u>\$74,329</u>	<u>\$80,224</u>

As of 1/1/2024	\$-	\$245,965	\$245,965
Depreciation	-	34,568	34,568
Impairment loss	-	-	-
Disposal	-	(203,595)	(203,595)
Effect of EX rate	-	960	960
As of 3/31/2024	<u>\$-</u>	<u>\$77,898</u>	<u>\$77,898</u>

Net carrying amount:

As of 3/31/2025	<u>\$270,667</u>	<u>\$91,667</u>	<u>\$362,334</u>
As of 12/31/2024	<u>\$270,256</u>	<u>\$100,618</u>	<u>\$370,874</u>
As of 3/31/2024	<u>\$274,425</u>	<u>\$96,805</u>	<u>\$371,230</u>

II. Lease liabilities

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Lease liabilities	<u>\$95,963</u>	<u>\$105,119</u>	<u>\$101,058</u>
Current	<u>\$28,907</u>	<u>\$31,533</u>	<u>\$30,284</u>
Non-current	<u>\$67,056</u>	<u>\$73,586</u>	<u>\$70,774</u>

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Please refer to Note 6(22) (d) for the interest on lease liabilities recognized for the three-month periods ended March 31, 2025 and 2024, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as of March 31, 2025, December 31, 2024 and March 31, 2024.

b. Income and costs relating to leasing activities

	For the three-month period ended March 31,	
	2025	2024
The expense relating to short-term leases	\$(2,652)	\$(4,652)
The expense relating to leases of low-value assets	(1,476)	(592)
Income from subleasing right-of-use assets	-	241

As of March 31, 2025 and 2024, 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.

c. Cash outflow relating to leasing activities

	For the three-month period ended March 31,	
	2025	2024
Cash outflow for leases	\$13,938	\$41,550

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

Function Nature	For the three-month period ended March 31,					
	2025			2024		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	\$254,889	\$217,142	\$472,031	\$254,782	\$218,073	\$472,855
Labor and health insurance	22,602	10,677	33,279	22,003	10,089	32,092
Pension	7,383	6,846	14,229	7,281	6,622	13,903
Other employee benefit expense	10,756	9,545	20,301	10,828	11,126	21,954
Depreciation	146,633	23,844	170,477	178,383	21,165	199,548
Amortization	21	4,804	4,825	31	3,517	3,548

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

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on profit, the Company estimated the amounts of the employees' compensation and remuneration to directors for the three-month periods ended March 31, 2025 amounted to NT\$73,671 thousand and NT\$6,406 thousand, respectively. The employees' compensation and remuneration to directors for the three-month periods ended March 31, 2024 amounted to NT\$74,379 thousand and NT\$6,468 thousand, respectively, recognized as employee benefits.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the year ended December 31, 2024, the Company distributed the employees' compensation and directors' remuneration in the amount of NT\$267,906 thousand and NT\$23,294 thousand, respectively, which were not significantly different from the amount accounted for in the financial statements.

For the year ended December 31, 2023, the Company distributed the employees' compensation and directors' remuneration in the amount of NT\$246,865 thousand and NT\$21,460 thousand, respectively, which were not significantly different from the amount accounted for in the financial statements.

(22)Non-operating incomes and expenses

A.Interest income

	For the three-month period ended March 31,	
	2025	2024
Financial assets measured at amortized cost	\$11,245	\$5,605

B.Other incomes

	For the three-month period ended March 31,	
	2025	2024
Rent income	\$11,150	\$367
Government grants income	74	81
Construction contract penalty income	108,182	-
Other income - others	11,324	5,973
Total	\$130,730	\$6,421

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Other gains and losses

	For the three-month period ended March 31,	
	2025	2024
Gain (loss) from disposal of property, plant and equipment	\$(1,472)	\$-
Foreign exchange gain (loss), net	17,641	10,249
Gain (loss) on financial assets at fair value through profit or loss	3,754	7,831
Gains on lease modification	596	1,636
Impairment loss on non-financial assets	-	(19,242)
Other losses	(56)	(178)
Total	\$20,463	\$296

D. Finance costs

	For the three-month period ended March 31,	
	2025	2024
Interests on borrowings from bank	\$12,368	\$12,636
Interest on lease liabilities	381	794
Total	\$12,749	\$13,430

(23) Components of other comprehensive income (loss)

For the three-month periods ended March 31, 2025

	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	\$19,478	\$-	\$19,478	\$(499)	\$18,979

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

For the three-month periods ended March 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	\$13,096	\$-	\$13,096	\$(45)	\$13,051

(24)Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the three-month period ended March 31,	
	2025	2024
Current income tax expense:		
Current income tax expense	\$74,810	\$85,609
Adjustments in respect of current income tax of prior periods	(4,733)	(442)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	17,362	(9,433)
Total income tax expense	\$87,439	\$75,734

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B.The assessment of income tax return

	The assessment of income tax return
The Company	Assessed and approved up to 2021.
Subsidiary - BeautyTech Platform Corporation	Assessed and approved up to 2022.
Subsidiary - Mayin Investment Co., Ltd.	Assessed and approved up to 2023.
Subsidiary - FacialBeau International Corporation	Assessed and approved up to 2021.
Subsidiary - FORIMART Corporation	It was established on April 16, 2024 the Republic of China, so there is no income tax declaration yet.

(25)Earnings per share

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

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

A.Basic earnings per share

	For the three-month period ended March 31,	
	2025	2024
Net income available to common shareholders of the parent	\$489,186	\$509,846
Weighted average number of common stocks outstanding (in thousand shares)	78,000	78,000
Basic earnings per share (in NT\$)	\$6.27	\$6.54

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

B. Diluted earnings per share

	For the three-month period ended March 31,	
	2025	2024
Net income available to common shareholders of the parent	\$489,186	\$509,846
Net income available to common shareholders of the parent after dilution	\$489,186	\$509,846
Weighted average number of common stocks outstanding (in thousand shares)	78,000	78,000
Effect of dilution:		
Employee bonus (compensation) - stock (in thousand shares)	573	371
Weighted average number of common stocks outstanding after dilution (in thousand shares)	78,573	78,371
Diluted earnings per share (in NT\$)	\$6.23	\$6.51

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
Kinsus Interconnect Technology Suzhou Corp.	Other related party

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

(2) Significant transactions with related parties

A. Sales

Related parties	For the three-month period ended March 31,	
	2025	2024
Kinsus Interconnect Technology Corp.	\$21	\$14

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

B. Lease-related parties

a. Interest expenses

Related parties	For the three-month period ended March 31,	
	2025	2024
Pegatron Corporation	\$13	\$449

b. Lease payment (Rental expense)

Related parties	Nature	For the three-month period ended March 31,	
		2025	2024
Pegatron Corporation	Buildings	\$-	\$34

c. Rent income

Related parties	Rental Period	Rental subject	Payment term	For the year ended March 31,	
				2025	2024
Pegatron Corporation	2024.04.01~ 2026.03.31	Buildings	Redeemed on the 10th of each month	\$7,148	\$-

The lease agreement for the right of use assets will Pegatron Corporation in March, 2024.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

C. Operating expense

Related parties	Nature	For the three-month period ended March 31,	
		2025	2024
Pegatron Corporation	Provide services	\$-	\$37,312
Pegatron Japan Inc.	Provide services	\$19	\$19
Pegatron Czech S.R.O.	Provide services	\$41	\$54

D. Other revenue

Related parties	Nature	For the three-month period ended March 31,	
		2025	2024
Pegatron Corporation	Pay maintenance fee	\$25	\$-

E. Other receivables

Related parties	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Pegatron Corporation	\$1,066	\$7,107	\$-

F. Contract liabilities

Related parties	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Kinsus Interconnect Technology Corp.	\$82	\$104	\$140

G. Other payables

Related parties	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Pegatron Corporation	\$-	\$7,406	\$24,331
Pegatron Japan inc.	7	-	-
Pegatron CZECH S.R.O	14	14	-
	\$21	\$7,420	\$24,331

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

H. Deposit

Related parties	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Pegatron Corporation	\$3,000	\$3,000	\$-

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

J. Salaries and rewards to key management of the Group

	For the three-month period ended March, 31	
	2025	2024
Short-term employee benefits and post-employment benefits	\$13,048	\$10,679

8. ASSETS PLEDGED AS COLLATERAL

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

Item	Carrying Amount as of			Secured liabilities
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024	
Property, plant, and equipment	\$196,960	\$196,960	\$196,960	Secured borrowings
- Land (carrying amount)				
Property, plant, and equipment	153,677	154,090	92,813	Secured borrowings
- Buildings (carrying amount)				
Refundable deposits	2,000	2,000	2,000	Security deposit to custom authority
Total	\$352,637	\$353,050	\$291,773	

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

9. SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

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

<u>Nature of Contract</u>	<u>Contract Amount</u>	<u>Amount Paid</u>	<u>Amount unpaid</u>
Buildings	\$837,102	\$511,094	\$326,008
Machinery and equipment	20,816	18,735	2,081
Total	<u>\$857,918</u>	<u>\$527,829</u>	<u>\$328,089</u>

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

10. LOSSES DUE TO MAJOR DISASTERS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

12.OTHERS

(1)Categories of financial instruments

Financial assets

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Financial assets at fair value through profit or loss:			
Mandatorily measured at fair value through profit or loss	\$741,532	\$1,121,378	\$2,270,108
Financial assets at fair value through other comprehensive income	50,880	-	-
Financial assets measured at amortized cost			
Cash and cash equivalents (exclude cash on hand)	1,392,755	1,997,295	1,124,719
Financial assets measured at amortized cost	1,973,041	1,134,932	494,821
Accounts receivables	749,456	806,188	824,367
Other receivables	40,484	21,001	72,435
Refundable deposits	47,327	49,009	50,565
Subtotal	4,203,063	4,008,425	2,566,907
Total	<u>\$4,995,475</u>	<u>\$5,129,803</u>	<u>\$4,837,015</u>

Financial liabilities

	As of		
	31 Mar. 2025	31 Dec. 2024	31 Mar. 2024
Financial liabilities at amortized cost:			
Short-term borrowings	\$159,481	\$351,503	\$569,178
Payables	2,792,617	1,882,812	2,530,840
Long-term borrowings (including current portion with maturity less than 1 year)	560,044	558,429	480,055
Lease liabilities	95,963	105,119	101,058
Total	<u>\$3,608,105</u>	<u>\$2,897,863</u>	<u>\$3,681,131</u>

(2) Financial risk management objectives and policies

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

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

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk and interest rate risk.

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

Foreign currency risk

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

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

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

When NTD appreciates/depreciates against USD by 1%, net income (loss) for the three-month periods ended March 31, 2025 and 2024 would decrease/increase by NT\$1,679 thousand and NT\$930 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and bank borrowing with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the three-month periods ended March 31, 2025 and 2024 would increase /decrease by NT\$342 thousand and NT\$255 thousand, respectively.

(4)Credit risk management

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

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

As of March 31, 2025, December 31, 2024 and March 31, 2024, receivables from the top ten customers were accounted for 82.82%, 84.97% and 84.34% 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).

(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.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
<u>As of March 31, 2025</u>							
Borrowings	\$193,311	\$109,896	\$112,811	\$107,636	\$102,488	\$553,773	\$1,179,915
Payables	2,792,617	-	-	-	-	-	2,792,617
Lease liabilities	30,090	24,532	17,787	13,145	8,281	5,025	98,860
<u>As of December 31, 2024</u>							
Borrowings	\$391,770	\$32,829	\$100,463	\$107,673	\$110,318	\$292,027	\$1,035,080
Payables	1,882,812	-	-	-	-	-	1,882,812
Lease liabilities	32,818	26,652	19,037	13,912	9,065	6,861	108,345
<u>As of March 31, 2024</u>							
Borrowings	\$601,504	\$27,862	\$51,107	\$89,753	\$86,028	\$300,124	\$1,156,378
Payables	2,530,840	-	-	-	-	-	2,530,840
Lease liabilities	31,450	23,100	17,769	11,533	8,557	11,878	104,287

(6) Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the three-month periods ended March 31, 2025:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2025	\$351,503	\$558,429	\$3,615	\$105,119	\$1,018,666
Cash flows	(192,022)	1,197	3	(9,810)	(200,632)
Non-cash changes					
Lease range changes	-	-	-	(173)	(173)
Interests Expenses	-	45	-	381	426
Currency rate change	-	373	-	446	819
As of March 31, 2025	\$159,481	\$560,044	\$3,618	\$95,963	\$819,106

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

Movement schedule of liabilities for the three-month periods ended March 31, 2024:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	\$908,620	\$381,496	\$1,004	\$273,320	\$1,564,440
Cash flows	(339,442)	98,500	(504)	(36,306)	(277,752)
Non-cash changes					
Lease range changes	-	-	-	(138,069)	(138,069)
Interests Expenses	-	59	-	794	853
Currency rate change	-	-	-	1,319	1,319
As of March 31, 2024	\$569,178	\$480,055	\$500	\$101,058	\$1,150,791

(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:

- The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity.
- 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

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

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

As of March 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$741,532	\$-	\$-	\$741,532
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	\$-	\$-	\$50,880	\$50,880

Financial liabilities:

None

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$1,121,378	\$-	\$-	\$1,121,378

Financial liabilities:

None

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As of March 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Financial assets:</u>				
Financial assets at fair value through profit or loss				
Money market fund	\$2,270,108	\$-	\$-	\$2,270,108

Financial liabilities:

None

Transfers between Level 1 and Level 2 during the period

During the three-month periods ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

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

	Asset
	At fair value through other comprehensive income
	Stock
Beginning balances as at January 1, 2025	\$-
Total gains and losses recognized for the three-month period ended 31 March 2025:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income)	-
Acquisition/issues for the three-month period ended March 31, 2025	50,880
Ending balances as of March 31, 2025	\$50,880

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

As at 31 March 2024:None

Information on significant unobservable inputs to valuation

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

As of March 31, 2025

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Unlisted companies stocks	Comparable listed OTC Company law	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT\$2,544 thousand

As of December 31, 2024 :None.

As of March 31, 2024: None.

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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

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

	As of					
	31 Mar. 2025			31 Dec. 2024		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
<u>Financial assets</u>						
Monetary items:						
USD	<u>\$20,335</u>	32.6783	<u>\$664,513</u>	<u>\$24,743</u>	33.0398	<u>\$817,514</u>
<u>Financial liabilities</u>						
Monetary items:						
USD	<u>\$14,958</u>	33.1975	<u>\$496,578</u>	<u>\$19,417</u>	32.7900	<u>\$636,689</u>
<u>Foreign currency resulting in exchange gain or loss</u>						
USD			<u>\$8,122</u>	USD		<u>\$8,738</u>
Other			<u>\$9,519</u>	Other		<u>\$13,694</u>
	As of					
	31 Mar. 2024					
	Foreign Currencies	Exchange Rate	NTD			
<u>Financial assets</u>						
Monetary items:						
USD	<u>\$27,280</u>	31.8967	<u>\$887,351</u>			
<u>Financial liabilities</u>						
Monetary items:						
USD	<u>\$24,825</u>	31.9990	<u>\$794,368</u>			
<u>Foreign currency resulting in exchange gain or loss</u>						
USD			<u>\$2,518</u>			
Other			<u>\$7,731</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.Material marketable securities held as of March 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

D.Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2025: Please refer to attachment 3.

E.Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of March 31, 2025: Please refer to attachment 4.

F.Inter Group relationships and significant inter Group transactions for the three-month period ended March 31, 2025: Please refer to attachment 8.

(2)Information on investees

A.Name, locations and related information of investees (excluding investees in Mainland China): Please refer to attachment 5.

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. Material marketable securities held as of March 31, 2025 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 6.

d. Related party transactions with purchase or sales amount of at least NT\$100 million or 20 percent of the paid-in capital for the three-month period ended March 31, 2025: Please refer to attachment 7.

e. Receivables from related parties of at least NT\$100 million or 20 percent of the paid-in capital as of March 31, 2025: 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, 2025	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2025	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of March 31, 2025	Accumulated Inward Remittance of Earnings as of March 31, 2025	Accumulated Outflow of Investment from Taiwan to Mainland China as of March 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
Pegavision (Jiangsu) Limited	Producing and selling medical equipment	\$150,150 (USD 5,000)	(1)	\$150,150	\$-	\$-	\$150,150	\$(5,128) (Note 6 and 7)	100%	\$(5,128) (Note 6、7 and 8)	\$107,520 (Note 6、7 and 8)	\$-	\$150,150	\$150,150	\$6,427,772

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	\$2,341 (Note 6 and 7)	85%	\$1,990 (Note 6 、 7 and 8)	\$36,156 (Note 6 、 7 and 8)	\$-	\$14,885	\$14,885	\$306,072
Pegavision (Shanghai) Limited	selling medical equipment	\$112,559 (USD 3,600)	(3) (Note 3)	\$95,043	\$-	\$-	\$95,043	\$(3,167) (Note 6 and 7)	85%	\$(2,692) (Note 6 、 7 and 8)	\$121,352 (Note 6 、 7 and 8)	\$-	\$95,043	\$95,043	
Gemvision Technology (Zhejiang) Limited	selling medical equipment and cosmetic products	\$99,222 (RMB 22,000) (Note 6)	(3) (Note 4)	\$-	\$-	\$-	\$-	\$(3,169) (Note 6 and 7)	85%	\$(2,694) (Note 6 、 7 and 8)	\$114,198 (Note 6 、 7 and 8)	\$-	\$-	\$-	

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

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

Pegavision Corporation and Subsidiaries

Notes to Consolidated Financial Statements (Continued)

(Amounts Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

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: Pegavision (Shanghai) Limited which is 100% held by the Company was registered on April 23, 2024 the investment amount has not been remitted as of March 31, 2025.

Note 6: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 7: Gain/loss on investment is recognized based on the reviewed financial statements of the parent company's Auditors in Taiwan.

Note 8: Transaction between consolidated entities are eliminated in the consolidated financial statements.

B. Significant transactions with investees in China:

- a. Purchase and balances of related accounts payable as of March 31, 2025: None.
- b. Sale and balance of related accounts receivable as of March 31, 2025: Please refer to attachment 8.
- 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 8.
- g. Above transactions are eliminated upon preparation of consolidated financial statements: Please refer to attachment 8 for details.

14. OPERATING SEGMENT

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

Pegavision Corporation and Subsidiaries
Endorsement/Guarantee Provided to Others
For the three-month period ended March 31, 2025

Attachment 1
(In Thousand of New Taiwan Dollars)

No. (Note 1)	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
		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

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

Attachment 2

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of March 31, 2025			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	366,690	\$5,753	-%	\$5,806	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	14,919,989	252,122	-%	254,635	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	1,366,785	17,700	-%	17,945	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	19,874,477	318,468	-%	318,546	
	Add: Valuation Adjustment				2,889			
	Total				<u>\$596,932</u>		<u>\$596,932</u>	
	Stocks:							
	Azalea Vision BV	-	Financial assets at fair value through other comprehensive income	171,428	<u>\$50,880</u>	7.79%	<u>\$50,880</u>	

Pegavision Corporation and Subsidiaries

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

For the Year Ended ,March 31, 2025

Attachment 3

(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	\$846,141	61.10%	90 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable \$578,244	60.71%	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 March 31, 2024

Attachment 4

(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	\$578,244 (Note)	5.38	\$-	-	\$131,698	\$-
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	\$134,929 (Note)	2.94	\$-	-	\$479	\$-

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

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

Attachment 5

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of March 31, 2025			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of March 31, 2025	As of December 31, 2024	Shares	%	Carrying Value			
Pegavision Corporation	Pagavision Japan Inc.	Japan	Selling medical equipment	JPY 9,900	JPY 9,900	198 shares	100.00%	\$194,915	\$18,564	\$18,564	Note
Pegavision Corporation	Mayin Investment Co. , Ltd.	Taiwan	Investing activities	NTD 246,003	NTD 246,003	32,277,000 shares	100.00%	\$631,435	\$27,918	\$27,918	Note
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Vietnam	Producing and selling medical equipment	NTD 631,333	NTD 631,333	-	100.00%	\$631,728	\$(1,203)	\$(1,203)	Note
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	NTD 20,000	NTD 20,000	2,000,000 shares	10.00%	\$19,695	\$(429)	\$(56)	
Mayin Investment Co. , Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 107,500	NTD 107,500	8,500,000 shares	85.00%	\$433,601	\$32,988	\$28,040	Note
Mayin Investment Co. , Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 27,500	NTD 27,500	2,750,000 shares	55.00%	\$24,411	\$(1,104)	\$(607)	Note
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	USD 200	USD 200	200,000 shares	100.00%	\$6,319	\$(84)	\$(84)	Note
BeautyTech Platform Corporation	FORIMART Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 15,000	NTD 15,000	1,500,000 shares	100.00%	\$15,076	\$25	\$25	Note
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Vietnam	Selling medical equipment and cosmetic products	NTD 6,923	NTD 6,923	-	70.00%	\$5,988	\$(1,319)	\$(923)	Note
FacialBeau International Corporation	Aquamax Vision Corporation	USA	Selling medical equipment and cosmetic products	USD 1,100	USD 1,100	11,000,000 shares	100.00%	\$5,160	\$(452)	\$(452)	Note
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	KRW 100,000	KRW 100,000	-	100.00%	\$1,954	\$-	\$-	Note
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	JPY 9,900	JPY 9,900	198 shares	100.00%	\$2,046	\$(42)	\$(42)	Note

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

Pegavision Corporation and Subsidiaries

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

Attachment 6

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of March 31, 2024			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	-	\$5,151	
BeautyTech Platform Corporation	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	2,029,474	32,000	-	32,528	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-	8,584	
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-	35,173	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	3,927,087	62,732	-	62,943	
FacialBeau International Corporation	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	13,792	218	-	221	
	Add: Valuation Adjustment				2,055			
	Total				<u>\$144,600</u>		<u>\$144,600</u>	

Pegavision Corporation and Subsidiaries

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

For the Year Ended March 31, 2025

Attachment 7

(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	\$846,141	100.00%	90 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable \$578,244	100.00%	Note

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

Pegavision Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions for the Year Ended March 31, 2025

Attachment 8

(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>2025.01.01~2025.03.31</u>						
0	Pegavision Corporation	Pegavision Japan Inc.	1	Sales revenue	\$846,141	90 days after monthly closing	53.10%
0	Pegavision Corporation	Pegavision Japan Inc.	1	Accounts receivable	578,244	90 days after monthly closing	3.88%
0	Pegavision Corporation	Pegavision (Vietnam) Company Limited	1	Other income	8,063	90 days after monthly closing	0.51%
0	Pegavision Corporation	Pegavision (Vietnam) Company Limited	1	Other receivable	8,125	90 days after monthly closing	0.05%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Sales revenue	98,862	Within 120 days after monthly closing	6.20%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Accounts receivable	134,929	Within 120 days after monthly closing	0.91%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Operating expense	16,502	Within 120 days after monthly closing	1.04%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Other payables	5,776	Within 120 days after monthly closing	0.04%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Sales revenue	29,455	Within 180 days after monthly closing	1.85%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Accounts receivable	20,382	Within 180 days after monthly closing	0.18%
0	Pegavision Corporation	FacialBeau International Corporation	1	Sales revenue	5,994	Within 90 days after monthly closing	0.38%
0	Pegavision Corporation	FacialBeau International Corporation	1	Accounts receivable	6,294	Within 90 days after monthly closing	0.04%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	6,691	Within 30 days after monthly closing	0.42%
4	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	13,729	30 days after monthly closing	0.86%

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 type 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 foreign 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.