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Pegavision Corporation

2021 Annual General Shareholders' Meeting Minutes

(Translation)

- Time : 9:30 a.m., July 15, 2021, Thursday
- Place : Pegavision's Guishan Fab (No.5, Shing Yeh St., Guishan Dist., Taoyuan City 333,Taiwan (R.O.C.))
- Total outstanding Pegavision shares: 70,000,000 shares
- Total Pegavision shares with voting rights: 70,000,000 shares
- Total shares held by shareholders presented in person or by proxy: 56,870,108 shares
- Percentage of shares held by shareholders presented in person or by proxy: 81.24%
- Chairman: T.H Tung, the Chairman of the Board of Directors
- Directors Present: Ming-Tung Kuo, Te-Sheng Yang, Jen-Lu Yao, Shu-Yu Lee
- Attendees: Ching-Piao Cheng, CPA, Ernst & Young
Hung-Sheng Chu, Attorney, Phoebus & Artemis Attorneys-at-Law and CPAs
Ching-Hsiang Wang, Senior Manager of Finance & Accounting Division
- Recorder: Shin-Han Lee
- Corporate Governance Officer: Ching-Hsiang Wang

The aggregate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

- Chairman's Address (omitted)

I. Items to be reported

- (I) Summary: The Company's 2020 operational and financial results (Business Report).
Details: Please refer to Attachment 1 (pages 12 to 14) for the 2020 business report.
- (II) Summary: Audit Committee's review report on 2020 financial statements.
Details: Please refer to Attachment 2 (page 15) for Audit Committee's Review Report.
- (III) Summary: The 2020 compensation of directors and employee bonus.
Details:

1. Employee remuneration totaling NT\$107,315,533 (representing 11.5% of pre-tax profit) and director remuneration totaling NT\$9,331,785 (representing 1% of pre-tax profit) have been proposed for 2020 according to Article 27 of the Company's Articles of Incorporation, both amounts are to be entirely paid in cash.
2. The sum of director remuneration paid in cash to directors and corporate representatives who hold positions within the group amounted to NT\$9,328,000.
3. No differences exist between the estimated amount and the actual distribution of the employee bonuses and there is NT\$3,785 differences between the estimated amount and the actual distribution of the remuneration to directors for the year ended December 31, 2020.

(IV) Summary: The cash dividends distribution of 2020 earnings.

Details:

1. According to Article 27-1 of the Company's Articles of Incorporation, cash distribution to shareholders shall be resolved in a board meeting, and reported in the upcoming shareholder meeting. A proposal has been made to pay NT\$350,000,000 in cash dividends at NT\$5 per share.
2. The amount of cash dividend distribution shall be calculated using the payout ratio and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income. At which time, a proposal will also be raised to authorize the Chairman to set details such as the dividend baseline date.

(V) Summary: The Amendments of the Company's "Rules and Procedures of Board of Director Meetings".

Details:

1. The amendment to the Company's "Rules and Procedures of Board of Director Meetings" to conform to the revised template of "Rules of Procedure for Board of Directors Meetings" that the authority had published through Letter No. Tai-Zheng-Zhi-Li-1090009468 on June 3, 2020.
2. Please refer to Attachment 5 (pages 38 to 47) for a comparison between existing and amended terms of the Company's "Rules and Procedures of Board of Director Meetings".

II. Items to be approved

- (I) Summary: Adoption of the Company's 2020 business report and financial statements (proposed by board of directors).

Details:

1. The Company's 2020 business report and financial statements have been reviewed by the Audit Committee and approved by the board of directors; the financial statements have also been audited by CPA Ching-Piao Cheng and CPA Shao-Pin Kuo of Ernst & Young.
2. Please refer to Attachment 1 (pages 12 to 14) for the 2020 business report, and Attachment 3 (pages 16 to 36) for standalone and consolidated financial statements.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
56,870,108 votes*	54,963,256 votes*	1,008 votes*	1,905,844 votes*	0 Votes*
(52,851,255 votes)	(50,956,903 votes)	(1,008 votes)	(1,893,344 votes)	

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

- (II) Summary: Adoption of the 2020 Earnings Appropriation (proposed by board of directors).

Details:

1. The Company reported NT\$715,358,609 of net income in 2020; after providing for legal reserves of NT\$71,535,861 and special reserves of NT\$1,651,872 and adding to undistributed earnings of NT\$1,202,597,392 carried from previous years, the Company had NT\$1,848,072,012 of earnings that were available for distribution.
2. Please refer to Attachment 4 (page 37) for the Company's 2020 earnings appropriation report.

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
56,870,108 votes*	54,963,158 votes*	1,106 votes*	1,905,844 votes*	0 Votes*

(52,851,255 votes)	(50,956,805 votes)	(1,106 votes)	(1,893,344 votes)	
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*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

III. Items to be discussed and resolved by shareholders and the election

- (I) Summary: The amendments to the Company's "Rules and Procedures of Shareholders Meetings" (proposed by board of directors).

Details:

1. The following amendments have been made to conform to the revised template of "Rules and Procedures of Shareholders Meetings" that the authority had published through Letter No. Tai-Zheng-Zhi-Li-1090009468 on June 3, 2020:
 - 1.1 The matters specified in the Article 56-1 and the Article 60-2 of the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" cannot be raised by means of an extraordinary motion in the shareholders' meeting.
 - 1.2 A shareholder may submit to the Company a written proposal for urging the corporation to promote public interests or fulfill its social responsibilities pursuant to Article 172-1 of the Company Act. The number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.
2. Please refer to Attachment 6 (pages 48 to 50) for a comparison between existing and amended terms of the Company's "Rules and Procedures of Shareholders Meetings".

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
56,870,108 votes*	54,147,315 votes*	1,008 votes*	2,721,785 votes*	0 Votes*
(52,851,255 votes)	(50,140,962 votes)	(1,008 votes)	(2,709,285 votes)	

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

(II) Summary: The amendments to the Company's "Rules for the Election of Directors" (proposed by board of directors).

Details:

1. The following amendments have been made to conform to the revised template of "Procedures for Election of Directors and supervisors" that the authority had published through Letter No. Tai-Zheng-Zhi-Li-1090009468 on June 3, 2020:
 - 1.1 The company hereby proposes to amend the content of relevant provisions in order to conform to requirement that the listed company must appoint independent directors.
 - 1.2 From 2021, the election of the directors and supervisors of the TWSE/GTSM Listed Companies must adopt a candidates nomination system. The company hereby proposes to amend the content of relevant provisions.
 - 1.3 In accordance with the Article 173 of Company Act, the shareholders, under special circumstance, convene a shareholders' meeting should obtaining an approval from the competent authority. The company hereby proposes to amend the terminology of relevant provisions.
2. Please refer to Attachment 7 (pages 51 to 54) for a comparison between existing and amended terms of the Company's " Rules for the Election of Directors "

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
56,870,108 votes*	54,148,315 votes*	1,008 votes*	2,720,785 votes*	0
(52,851,255 votes)	(50,141,962 votes)	(1,008 votes)	(2,708,285 votes)	Votes*

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

(III) Summary: Re-election of all directors (proposed by board of directors).

Details:

1. The term of office of existing directors of the Company will be ended on June 6, 2021. The company proposes to re-elect all directors of 5th Directors in 2021 Annual Meeting of Shareholders according to the

Article 17 of Company's "Articles of Incorporation". The shareholders' meeting shall elect 9 directors (including 3 independent directors).

2. The new directors' inauguration date will start after the end of 2021 Annual Meeting of Shareholders. Their three-year term will start from May 25, 2021 and conclude on May 24, 2024. The term of office of existing directors will be expired until the time new directors have been assumed their office.
3. The Company's director election adopted a candidates nomination system according to the Article 17 of Company's "Articles of Incorporation". The nomination list of directors has been approved by the meeting of the Board of the Company. Personal information of the nominees is as follows:

The nomination list of directors (9 candidates)

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Director	T.H. Tung	<p>Master degree in Computer and Communication Engineering, National Taipei University of Technology</p> <p>Honorary PH.D in Engineering, National Taipei University of Technology</p>	<p>Vice Chairman of Asustek Computer Inc. ("Asus")</p>	<p>Chairman and CEO of Pegatron Corporation Chairman: Pegavision Corporation、PIOTEK HOLDING LIMITED、Lumens Digital Optics In、ASROCK INCORPORATION、ASUSPOWER INVESTMENT CO., LTD、ASUSTEK INVESTMENT CO., LTD、RI-KUAN METAL CORPORATION、Fisfisa Media</p> <p>Director : Kinsus Interconnect Technology Corp、ASROCK INCORPORATION、AZUREWAVE TECHNOLOGY INC、FUYANG TECHNOLOGY CORPORATION、HUA-YUAN INVEXTMENT LIMITED、AS FLY TRAVEL SERVICE LIMITED、Huawei Investment Co., Ltd、PEGA INTERNATIONAL LIMITED、Casetek Holdings Limited (Cayman)、Pegatron Holding Ltd.、Unihan Holding Ltd.、Magnificent Brightness Ltd.、Casetek Holdings Ltd.、Protek Global Holdings Ltd.、Digitex Global Holdings Ltd.、Kinsus Corp.(USA)、Pegatron Holland Holding B.V.、Powtek Holdings Limited、Cotek Holdings Limited、Grand Upright Technology Limited、Aslink Precision Co., Ltd.、The Alliance Cultural Foundation、Hanguang Education Foundation、Lung Yingtai Cultural Foundation、ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND、Fair Winds Foundation、Bridge Across the Strait Foundation、Full Foods Cultural Foundation、Bulareyyaung Dance Comapny、Q PLACE CREATIVE INC.</p> <p>President : Chinese Cultural and Creative Development Association Vice President : Monte Jode Science & Technology Association of Taiwan Director : Taipei Computer Association Supervisor : National Performing Arts Center</p>	645,729

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Director	Peter Kuo	Electrical Engineering, National Taipei University of Technology	President of Unicap Electronics	Chairman and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP. Vice Chairman of Pegavision Corporation Director : Kinsus Corp. (USA) 、Kinsus Investment Co., LTD 、Kinsus Holding(Samoa) Limited 、Kinsus Holding (Cayman) Limited 、Piotek Holding Ltd. 、Piotek Holdings Ltd.(Cayman) 、Piotek (HK) Trading Limited	1,928,868
Director	Rep. of Kinsus Investment Co., Ltd.: TS Yang	Master of Business Administration, National Chengchi University	Senior Vice President of Kinsus Interconnect Technology Corp. President of Piotek Computer (Suzhou) Co., Ltd 、 President of Flexium Interconnect Inc.	Supervisor of FUYANG TECHNOLOGY CORPORATION President of Pegavision Corporation	21,233,736
Director	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	Physics, National Tsing Hua University	President of Kinsus Interconnect Technology Corporation 、 Manufacturing Manager of Motorola Taiwan	President of KINSUS INTERCONNECT TECHNOLOGY CORP. Director of FUYANG TECHNOLOGY CORPORATION	21,233,736
Director	Rep. of Asuspower Investment Co., Ltd.: Wen-Yung Ho	Medicine, Taipei Medical University Doctor of Medicine, National Taiwan University	Associate Professor of Taipei Medical University 、 Attending Physician of National Taiwan University Hospital 、 Director of Chinese Television System Inc. 、 Director of Taiwan Public Television Service Foundation	Director : ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND 、GFC Cultural & Educational Foundation 、 Full Foods Cultural Foundation	5,480,121
Director	Rep. of Asuspower Investment Co., Ltd.: Jeffrey Wun	Master's degree in Mechanical Engineering, National Tsing Hua University	Vice President of UMAX Computer Corporation	President and Director of LUMENS DIGITAL OPTICS INC. Member of Remuneration committee of AVISION INC.	5,480,121
Independent Director	Shu-Yu Lee	Accounting, National Chengchi University Master of Business Administration, National Chengchi University	Senior Vice President of Friendly Securities Co., Ltd. Sales Vice President of Mega Securities Co., Ltd. Sales Vice President of Fubon Securities Co. Ltd.	COO of FULAGAI Capital Co., Ltd.	0

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Independent Director	Eric Yao	Architecture, TungHai University	Professor of Architecture, TungHai University 、 University Chair Professor of Architecture, TungHai University 、 University Chair Professor of National University of the Arts	DX CREATIVE HOUSE CO., LTD 、 DXMEDIA LIMITED 、 Founder and Owner of ERIC YAO CREATIVE CONSULTANTS CO., LTD. 、 Independent Director of The Eslite Spectrum Corporation 、 Taishin International Bank Charity Foundation 、 Kindom Yushan Education Foundaion 、 CLOUD GATE CULTURE AND ARTS FOUNDATION	0
Independent Director	Chi-Wan Lai	College of Medicine, National Taiwan University	Chairman/Chief executive officer of Taiwan Medical Accreditation Council 、 Executive Secretary/Standing Committee Member and Convener of Medical Education Committee of the Ministry Education, R.O.C. 、 Vice president of Tzu Chi University and Dean of Tzu Chi University College of Medicine 、 Professor of Neurology, University of Kansas School of Medicine	Chair Professor of Medical Education and Attending Neurologist of Koo Foundation Sun Yat-San Cancer Center	0

4 Please follow the Company’s “Rules for Director Elections” to conduct election.

Voting Result:

Title	Shareholder’s No or Identification	Name	Votes Received
Director	124	T.H. Tung	53,460,216
Director	6	Peter Kuo	52,201,015
Director	2	Rep. of Kinsus Investment Co., Ltd.: TS Yang	51,858,012
Director	2	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	51,678,776
Director	1	Rep. of Asuspover Investment Co., Ltd.:Wen-Yung Ho	51,435,936
Director	1	Rep. of Asuspover Investment Co., Ltd.:Jeffrey Wun	51,199,265
Independent Director	A22293****	Shu-Yu Lee	51,115,509
Independent Director	A10248****	Eric Yao	50,892,981
Independent Director	A10198****	Chi-Wan Lai	50,556,625

Further Explanation: Due to “Measures for public companies to postpone shareholders' meetings for pandemic prevention”, the Company suspended the convening of a shareholders’ meetings from May 24 to June 30 2021. Pegavision Board of Directors approved to change the date of 2021 Annual Shareholders' Meeting on July 15, 2021. The new directors’ term date will start after the actual re-election date. Therefore, their three-year term will start from July 15, 2021 and conclude on July 14, 2024.

(IV) Summary: Proposal of Release the Prohibition on Directors from Participation in Competitive Business (proposed by board of directors).

Details:

1. According to the regulation , “the behavior belongs to the scope of business that directors conduct for his/her own or for others shall explain the major content of the behavior to shareholders’ meeting and acquire the approval”, Article 209, The Company ACT.
2. If a newly elected director or his/her representative does anything for himself or on behalf of another person that is within the scope of the company's business as previously mentioned, it is proposed to remove the noncompetition restriction on the condition that the interests of the company are not impaired. The concurrent positions of director candidates are as follows:

Title	Name	The concurrent positions of director candidates
Director	T.H. Tung	<p>Chairman and CEO of Pegatron Corporation Chairman: Pegavision Corporation 、PIOTEK HOLDING LIMITED 、Lumens Digital Optics In 、ASROCK INCORPORATION 、ASUSPOWER INVESTMENT CO., LTD 、ASUSTEK INVESTMENT CO., LTD 、RI-KUAN METAL CORPORATION 、Fisfisa Media</p> <p>Director : Kinsus Interconnect Technology Corp 、ASROCK INCORPORATION 、AZUREWAVE TECHNOLOGY INC 、FUYANG TECHNOLOGY CORPORATION 、HUA-YUAN INVEXTMENT LIMITED 、AS FLY TRAVEL SERVICE LIMITED 、Huawei Investment Co., Ltd 、PEGA INTERNATIONAL LIMITED 、Casetek Holdings Limited (Cayman) 、Pegatron Holding Ltd. 、Unihan Holding Ltd. 、Magnificent Brightness Ltd. 、Casetek Holdings Ltd. 、Protek Global Holdings Ltd. 、Digitek Global Holdings Ltd. 、Kinsus Corp.(USA) 、Pegatron Holland Holding B.V. 、Powtek Holdings Limited 、Cotek Holdings Limited 、Grand Upright Technology Limited 、Aslink Precision Co., Ltd. 、The Alliance Cultural Foundation 、 Hanguang Education Foundation 、Lung Yingtai Cultural Foundation 、ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND 、Fair Winds Foundation 、Bridge Across the Strait Foundation 、Full Foods Cultural Foundation 、Bulareyyaung Dance Comapny 、Q PLACE CREATIVE INC.</p> <p>President : Chinese Cultural and Creative Development Association Vice President : Monte Jode Science &Technology Association of Taiwan Director : Taipei Computer Association Supervisor : National Performing Arts Center</p>
Director	Peter Kuo	<p>Chairman and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP. Vice Chairman of Pegavision Corporation Director : Kinsus Corp. (USA) 、Kinsus Investment Co., LTD 、Kinsus Holding(Samoa) Limited 、Kinsus Holding (Cayman) Limited 、Piotek Holding Ltd. 、Piotek Holdings Ltd.(Cayman) 、Piotek (HK) Trading Limited</p>
Director	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	<p>President of KINSUS INTERCONNECT TECHNOLOGY CORP. Director of FUYANG TECHNOLOGY CORPORATION</p>
Director	Rep. of Asuspwer Investment Co., Ltd.: Wen-Yung Ho	<p>Director : ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND 、GFC cultural & educational foundation 、Full Foods Cultural Foundation</p>
Director	Rep. of Asuspwer Investment Co., Ltd.: Jeffrey Wun	<p>President and Director of LUMENS DIGITAL OPTICS INC. Member of Remuneration committee of AVISION INC.</p>
Independent Director	Shu-Yu Lee	<p>COO of FULAGAI Capital Co., Ltd.</p>

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
56,870,108 votes*	54,088,773 votes*	44,523 votes*	2,736,812 votes*	0 Votes*
(52,851,255 votes)	(50,090,420 votes)	(44,523 votes)	(2,716,312 votes)	

*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

IV. Other Question and Special Motion: None

V. Adjournment

(Note: This minutes is extracted from the 2021 Annual General Shareholders' Meeting, the details are subject to the audio and video recording.)

Attachment 1

Pegavision Corporation

Business Report

Operating results

The previous year was full of challenges. Due to the effects of COVID-19, the International Monetary Fund and World Bank estimated growth of the global economy at -4.3% for 2020, representing the largest decline since the end of World War II. According to Cooper Companies, total revenues generated by soft contact lens manufacturers worldwide were estimated at US\$8.2 billion, representing a decline of over 8% compared to US\$9 billion in 2019 and an industry decline that surpassed the decline of the global economy. However, despite the challenging environment, the Company still managed to deliver record-high revenues and profits owing to the contribution and exceptional performance of its employees. Below is a report of the Company's 2020 business performance and operating plans for 2021:

The Company generated consolidated revenues of NT\$3.98 billion in 2020, up by NT\$620 million or 18.6% from the NT\$3.36 billion the year before. Meanwhile, gross profit margins widened by 5.9 percentage points from 44.5% to 50.4%, net income increased by NT\$240 million or by 50% from NT\$480 million to NT\$720 million and earnings per share rose by NT\$2.6 from NT\$7.62 to NT\$10.22. The Company reported record-high consolidated revenues in 2020 mainly due to the growing sale of proprietary brands and OEM service in Mainland China and growing OEM service in Japan. In addition, improvements in terms of capacity utilization and production efficiency were also reflected on the gross profit margin and current net income.

In terms of technology development, the Company committed NT\$370 million of R&D expenses in 2020 to support new product development and to improve production technology, representing a 33.8% increase over the previous year's NT\$280 million. In 2020, the Company's proprietary hydrogel-based lens obtained EU: CE certification, while toric and multifocal cosmetic lenses also obtained U.S. 510(k) clearance. Both of these represent an important milestone in the Company's development efforts.

Summary of current business plan

Since its inception, the Company has adhered to its business philosophy of "Expanding Consumers' Vision" and bringing healthier and more fashionable wearing experience to consumers with the following emphases:

- From a healthy optics perspective, introduce products such as progressive multifocal presbyopia, progressive multifocal cosmetic presbyopia, toric cosmetic and myopia control lenses to satisfy the needs of all age groups.
- From a comfort perspective, introduce a new generation of cosmetic and non-cosmetic silicone hydrogel-based lenses offering long-lasting moisture and high oxygen permeability to deliver a more comfortable wearing experience.
- From a health perspective, develop contact lenses with blue light/UV blocking and anti-dry eye features to protect vision for modern consumers.

In terms of production, the Company will continue adopting flexible production and inspection technologies and develop a modularized production system for improved production efficiency and product quality. In terms of sales, the Company will strive to raise international awareness of its proprietary brand by selling products not only through proprietary retail stores, but also through reputable channels and online platforms overseas; as for OEM service, the Company aims to strengthen customer attachment by engaging them in product development and mutually beneficial arrangements and will explore revenue growth with an enriched product portfolio.

Future prospect

Global sale of contact lens has shown signs of recovery since the second half of 2020. As COVID-19 vaccines become available, the world may finally be able to control the pandemic and look forward to a global economic recovery that brings the contact lens market back to its growth path in 2021. Given our improved workforce and competitiveness, the Company expects to maintain revenue growth above industry average as business environment turns favorable.

From a long-term perspective, strong increase in the number of people with myopia will continue to fuel the industry's growth. As people spend more time with electronic devices, as much as one-third of the world's population are estimated to have developed myopia, and this number is likely to grow to 50% by 2050. As a response to this trend, the Company will continue investing resources into improving production capacity and product quality, and commit greater efforts into new product development and

certification as well as growing overseas markets. While strengthening competitiveness, the Company will be taking steps to reduce dependency on a single location/market and thereby reduce potential adverse impacts a policy or regulatory change may have on the Company's operations. On behalf of all employees at Pegavision, we thank you for your ongoing trust and support, and reaffirm our commitments to creating value for shareholders, enforcing corporate governance, fulfilling corporate social responsibilities, and creating a brighter future together.

Pegavision Corporation

Chairman T.H. Tung

President T.S Yang

Head of Accounting C.H. Wang

Attachment 2

Pegavision Corporation Audit Committee's Review Report

The Board of Directors has prepared the Company's 2020 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit Pegavision's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Pegavision Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Pegavision Corporation

Chairman of the Audit Committee : Andrew T. Huang

January 29, 2021

Attachment 3

INDEPENDENT AUDITORS' REPORT

To: the Board of Directors and Shareholders of
Pegavision Corporation

Opinion

We have audited the accompanying parent-company-only balance sheets of Pegavision Corporation (the "Company") as of December 31, 2020 and 2019, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of significant accounting policies (together referred as "the parent-company-only financial statements").

In our opinion, the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2020 and 2019, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$3,836,666 thousand for the year ended December 31, 2020 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Japan, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on sale revenues, and executing sale cut-off tests, etc. Besides, we evaluate whether the parameter which the management used as for the individual price estimates is appropriate and whether the trade price is allocated properly. We also recalculated the amount of the customer loyalty programmes as of December 31, 2020. We have also evaluated the appropriateness of the related disclosure in Note 6 to the financial statements.

Market valuation on Inventory

We determined the market valuation on inventory is also one of key audit matters. The Company's net inventory amounted to NT\$291,848 thousand, representing 5% of total assets, as of December 31, 2020, which is significant to the Company's financial statements. The market of the Company's main products, is characterized by fierce competition and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value.

Our audit procedures therefore include, but not limit to, evaluating the Company's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), evaluating the physical inventory stock take plan report provided by the management and choose the significant location to perform the observation, and inspecting the current status of inventory usage, etc. We also evaluated the appropriateness of related disclosure in the Note 5 and 6 to the financial statements.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the accompanying notes, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2020 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we

determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Cheng,Ching – Piao

/s/Kuo,Shao – Pin

Ernst & Young
Taiwan, R.O.C
January 29th, 2021

Notice to Readers

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

Accordingly, the accompanying parent-company-only 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
Parent-Company-Only Balance Sheets
As of December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2020		2019	
Code	Accounts	Notes	Amount	%	Amount	%
11XX	Current assets					
1100	Cash and cash equivalents	4,6(1)	\$952,903	15	\$589,701	11
1110	Financial assets at fair value through profit or loss	4,6(2)	566,769	9	316,120	6
1170	Accounts receivable, net	4,6(3)	258,283	4	92,997	2
1180	Accounts receivable - related parties, net	4,6(3),7	582,063	9	322,474	6
1200	Other receivables		3,680	-	2,338	-
1310	Inventories, net	4,6(4)	291,848	5	502,797	10
1410	Prepayments		42,177	1	18,882	1
1470	Other current assets		26,309	-	9,309	-
11XX	Total current assets		<u>2,724,032</u>	<u>43</u>	<u>1,854,618</u>	<u>36</u>
15XX	Non-current assets					
1550	Investment accounted for under equity method	4,6(5)	54,156	1	62,539	1
1600	Property, plant and equipment, net	4,6(6),8	3,085,192	49	3,023,144	58
1755	Right-of-use assets, net	4,6(17)	95,539	2	150,715	3
1780	Intangible assets, net	4,6(7)	6,296	-	4,536	-
1840	Deferred tax assets	4,6(21)	14,035	-	3,949	-
1900	Other non-current assets	6(6),6(8),7,8,9	303,997	5	113,778	2
15XX	Total non-current assets		<u>3,559,215</u>	<u>57</u>	<u>3,358,661</u>	<u>64</u>
1XXX	Total Assets		<u>\$6,283,247</u>	<u>100</u>	<u>\$5,213,279</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation
Parent-Company-Only Balance Sheets (Continued)
As of December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2020		2019	
Code	Accounts	Notes	Amount	%	Amount	%
21XX	Current liabilities					
2100	Short-term borrowings	6(9)	\$367,890	6	\$128,914	2
2130	Contract liabilities	6(15), 7	39,635	1	31,448	1
2150	Notes payable		554	-	3,730	-
2170	Accounts payable		144,089	2	99,619	2
2200	Other payables	6(10), 7	805,619	13	622,460	12
2230	Current tax liabilities	4,6(21)	62,274	1	21,049	-
2280	Lease liabilities	4,6(17)	38,317	-	109,912	2
2300	Other current liabilities	6(11),6(12),7,8	132,320	2	86,076	2
21XX	Total current liabilities		<u>1,590,698</u>	<u>25</u>	<u>1,103,208</u>	<u>21</u>
25XX	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(12),8	14,705	-	-	-
2570	Deferred tax liabilities	4,6(21)	23,366	1	8,623	-
2580	Lease liabilities	4,6(17)	57,895	1	46,981	1
2645	Guarantee deposits received	7	634	-	762	-
2670	Other non-current liabilities		234	-	-	-
25XX	Total non-current liabilities		<u>96,834</u>	<u>2</u>	<u>56,366</u>	<u>1</u>
2XXX	Total liabilities		<u>1,687,532</u>	<u>27</u>	<u>1,159,574</u>	<u>22</u>
3100	Capital	6(14)				
3110	Common stock		700,000	11	700,000	14
3200	Capital surplus	6(14)	1,804,928	29	1,804,928	35
3300	Retained earnings	6(14)				
3310	Legal reserve		171,179	3	123,630	2
3320	Special reserve		9,795	-	5,237	-
3350	Unappropriated retained earnings		1,917,956	30	1,429,704	27
3400	Other equity interest		(8,143)	-	(9,794)	-
3XXX	Total equity		<u>4,595,715</u>	<u>73</u>	<u>4,053,705</u>	<u>78</u>
	Total liabilities and equity		<u>\$6,283,247</u>	<u>100</u>	<u>\$5,213,279</u>	<u>100</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation
Parent-Company-Only Statements of Comprehensive Income
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2020		2019	
			Amount	%	Amount	%
4000	Operating revenue	4,6(15),7	\$3,836,666	100	\$3,096,188	100
5000	Operating costs	6(3),7	(1,985,728)	(52)	(1,804,453)	(58)
5900	Gross profit from operations		1,850,938	48	1,291,735	42
5910	Unrealized gross profit (loss) from sales		(72,165)	(2)	44,161	1
5950	Gross profit from operations		1,778,773	46	1,335,896	43
6000	Operating expenses	7				
6100	Selling expenses		(417,648)	(11)	(335,227)	(11)
6200	Administrative expenses		(176,322)	(4)	(156,743)	(5)
6300	Research and development expenses		(374,460)	(10)	(279,802)	(9)
6450	Expected credit gains (losses)	6(16)	(3,223)	-	2,192	-
	Operating expenses total		(971,653)	(25)	(769,580)	(25)
6900	Operating income		807,120	21	566,316	18
7000	Non-operating income and expenses	6(19)				
7100	Interest income		4,157	-	3,178	-
7010	Other income		11,791	-	7,761	-
7020	Other gains and losses		(25,654)	-	(19,213)	-
7050	Finance costs		(3,789)	-	(21,865)	-
7060	Share of profit or loss of subsidiaries, associates and joint ventures	4,6(5)	22,906	-	11,138	-
	Non-operating income and expense total		9,411	-	(19,001)	-
7900	Income from continuing operations before income tax		816,531	21	547,315	18
7950	Income tax	4,6(21)	(101,172)	(2)	(71,823)	(3)
8200	Net income		715,359	19	475,492	15
8300	Other comprehensive income (loss)	6(20)				
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		1,651	-	(4,557)	-
	Total other comprehensive income, net of tax		1,651	-	(4,557)	-
8500	Total comprehensive income		\$717,010	19	\$470,935	15
9750	Earnings per share - basic (in NT\$)	4,6(22)	\$10.22		\$7.62	
9850	Earnings per share - diluted (in NT\$)	4,6(22)	\$10.16		\$7.56	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation
Parent-Company-Only Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital	Capital Surplus	Retained Earnings			Other Components of equity	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	
		3100	3200	3310	3320	3350	3410	3XXX
A1	Balance as of January 1, 2019	\$600,000	\$240,000	\$69,515	\$4,491	\$1,099,073	\$(5,237)	\$2,007,842
	Appropriation and distribution of 2018 earnings:							
B1	Legal reserve appropriated			54,115		(54,115)		-
B3	Special reserve appropriated				746	(746)		-
B5	Cash dividends - common shares					(90,000)		(90,000)
D1	Net income for 2019					475,492		475,492
D3	Other comprehensive income (loss) for 2019						(4,557)	(4,557)
D5	Total comprehensive income	-	-	-	-	475,492	(4,557)	470,935
E1	Capital increase by cash	100,000	1,564,928					1,664,928
Z1	Balance as of December 31, 2019	<u>\$700,000</u>	<u>\$1,804,928</u>	<u>\$123,630</u>	<u>\$5,237</u>	<u>\$1,429,704</u>	<u>\$(9,794)</u>	<u>\$4,053,705</u>
A1	Balance as of January 1, 2020	\$700,000	\$1,804,928	\$123,630	\$5,237	\$1,429,704	\$(9,794)	\$4,053,705
	Appropriation and distribution of 2019 earnings:							
B1	Legal reserve appropriated			47,549		(47,549)		-
B3	Special reserve appropriated				4,558	(4,558)		-
B5	Cash dividends - common shares					(175,000)		(175,000)
D1	Net income for 2020					715,359		715,359
D3	Other comprehensive income (loss) for 2020						1,651	1,651
D5	Total comprehensive income	-	-	-	-	715,359	1,651	717,010
Z1	Balance as of December 31, 2020	<u>\$700,000</u>	<u>\$1,804,928</u>	<u>\$171,179</u>	<u>\$9,795</u>	<u>\$1,917,956</u>	<u>\$(8,143)</u>	<u>\$4,595,715</u>

(The accompanying notes are an integral part of the parent-company-only financial statements.)

Pegavision Corporation
Parent-Company-Only Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2020	2019	Code	Items	2020	2019
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$816,531	\$547,315	B00040	Disposal (acquisition) of financial assets at amortised cost	-	75,281
A20010	Profit or loss not effecting cash flows:			B01800	Acquisition of investment accounted for under equity method	(40,000)	(47,497)
A20100	Depreciation (including right-of-use assets)	598,538	676,594	B01900	Proceeds from disposal of investment accounted for under equity method	775	-
A20200	Amortization	2,929	1,866	B02700	Acquisition of property, plant and equipment	(709,244)	(1,258,880)
A20300	Expected credit losses (gain)	3,223	(2,192)	B02800	Proceeds from disposal of property, plant and equipment	1,599	16
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(947)	(166)	B03700	Decrease (increase) in refundable deposits	(5,441)	4,567
A20900	Interest expense	3,789	21,865	B04500	Acquisition of intangible assets	(4,689)	(4,096)
A21200	Interest income	(4,157)	(3,178)	BBBB	Net cash provided by (used in) investing activities	<u>(757,000)</u>	<u>(1,230,609)</u>
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(22,906)	(11,138)	CCCC	Cash flows from financing activities:		
A22500	Loss on disposal of property, plant and equipment	(1,599)	(16)	C00100	Increase in (repayment of) short-term borrowings	238,976	(30,587)
A23700	Impairment loss on non-financial assets	19,627	12,149	C01600	Increase in long-term borrowings	15,000	1,100,000
A23900	Unrealized (gains) losses	72,165	(44,161)	C01700	Repayment of long-term borrowings	-	(1,700,000)
A29900	Loss (gain) on lease modification	(160)	(184)	C03000	Increase in guarantee deposits received	(128)	(1,297)
A29900	Loss (gain) on government grants	(21)	-	C04020	Payments of lease liabilities	(117,225)	(128,486)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends paid	(175,000)	(90,000)
A31115	Financial assets at fair value through profit or loss	(249,702)	(315,954)	C04600	Capital increase by cash	-	1,664,928
A31150	Accounts receivable	(168,509)	41,339	CCCC	Net cash provided by (used in) financing activities	<u>(38,377)</u>	<u>814,558</u>
A31160	Accounts receivable - related parties	(259,589)	(15,280)	EEEE	Net Increase (decrease) in cash and cash equivalents	363,202	237,912
A31180	Other receivables	(1,330)	303	E00100	Cash and cash equivalents at beginning of period	589,701	351,789
A31200	Inventories	210,949	198,949	E00200	Cash and cash equivalents at end of period	<u>\$952,903</u>	<u>\$589,701</u>
A31230	Prepayments	(23,295)	(2,110)				
A31240	Other current assets	(17,000)	3,136				
A32125	Contract liabilities	8,187	(124,129)				
A32130	Notes payable	(3,176)	2,551				
A32150	Accounts payable	44,470	(12,097)				
A32180	Other payables	137,679	(70,586)				
A32230	Other current liabilities	46,179	22,849				
A33000	Cash generated from operations	<u>1,211,875</u>	<u>927,725</u>				
A33100	Interest received	4,145	4,371				
A33300	Interest paid	(2,151)	(20,481)				
A33500	Income tax paid	(55,290)	(257,652)				
AAAA	Net cash provided by (used in) operating activities	<u>1,158,579</u>	<u>653,963</u>				

(The accompanying notes are an integral part of the parent-company-only financial statements.)

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Pegavision Corporation as of December 31, 2020 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Pegavision Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Pegavision Corporation

By

Tung, Tzu-Hsien
Chairman
January 29th, 2021

INDEPENDENT AUDITORS' REPORT

To : the Board of Directors and Shareholders of
Pegavision Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Pegavision Corporation (the “Company”) and its subsidiaries as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as “the consolidated financial statements”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2020 and 2019, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated financial statements for the year ended December 31, 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Group's revenue amounting to NT\$3,978,413 thousand for the year ended December 31, 2020 is a significant account to the Group's consolidated financial statements. The Group has conducted these sale activities in multi-marketplace, including Taiwan, China, Japan, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on sale revenues, and executing sale cut-off tests, etc. Besides, we evaluate whether the parameter which the management used as for the individual price estimates is appropriate and whether the trade price is allocated properly. We also recalculated the amount of the customer loyalty programmes as of December 31, 2020. We have also evaluated the appropriateness of the related disclosure in Note 6 to the consolidated financial statements.

Market valuation on Inventory

We determined the market valuation on inventory is also one of key audit matters. The Group's net inventory amounted to NT\$389,405 thousand, representing 6% of total assets, as of December 31, 2020, which is significant to the Group's consolidated financial statements. The market of the Group's main products, is characterized by fierce competition and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value.

Our audit procedures therefore include, but not limit to, evaluating the Group's policy with respect to assessment the loss from slow-moving inventory and phased-out items, (including identification method, testing the accuracy of inventory aging schedule, analysis on inventory movement), evaluating the physical inventory stock take plan report provided by the management and choose the significant location to perform the observation, and inspecting the current status of inventory usage, etc. We also evaluated the appropriateness of related disclosure in the Note 5 and 6 to the consolidated financial statements.

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

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

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2020 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2020 and 2019.

/s/Cheng, Ching-Piao

/s/Kuo, Shao-Pin

Ernst & Young
Taiwan, R.O.C.
January 29th, 2021

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 audit 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 December 31, 2020 and 2019

(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2020		As of December 31, 2019	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,246,001	19	\$812,807	15
1110	Financial assets at fair value through profit or loss	4, 6(2)	566,769	9	316,120	6
1170	Accounts receivable, net	4, 6(3), 6(15), 7	574,715	9	253,311	5
1200	Other receivables		3,680	-	2,338	-
1310	Inventories, net	4, 6(4)	389,405	6	549,992	10
1410	Prepayments		54,070	1	23,275	-
1470	Other current assets		56,138	1	29,340	1
11xx	Total current assets		<u>2,890,778</u>	<u>45</u>	<u>1,987,183</u>	<u>37</u>
15xx	Non-current assets					
1600	Property, plant and equipment, net	4, 6(5), 8, 9	3,090,551	48	3,029,925	57
1755	Right-of-use assets, net	4, 6(16)	106,734	2	166,708	3
1780	Intangible assets, net	4, 6(6)	6,296	-	4,536	-
1840	Deferred tax assets	4, 6(20)	14,636	-	4,689	-
1900	Other non-current assets	6(5), 6(7), 7, 8	307,036	5	116,664	3
15xx	Total non-current assets		<u>3,525,253</u>	<u>55</u>	<u>3,322,522</u>	<u>63</u>
1xxx	Total Assets		<u>\$6,416,031</u>	<u>100</u>	<u>\$5,309,705</u>	<u>100</u>

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

Pegavision Corporation and Subsidiaries
Consolidated Balance Sheets-(Continued)
As of December 31, 2020 and 2019
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2020		As of December 31, 2019	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(8)	\$367,890	6	\$128,914	3
2130	Contract liabilities	6(14)	80,262	1	70,765	1
2150	Notes payable		554	-	3,730	-
2170	Accounts payable		144,090	2	99,619	2
2200	Other payables	6(9), 7	841,310	13	652,391	12
2230	Current tax liabilities	4, 6(20)	82,178	2	32,819	1
2280	Lease liabilities	4, 6(16)	41,846	1	113,937	2
2300	Other current liabilities	6(10), 6(11)	158,836	2	86,297	2
21xx	Total current liabilities		1,716,966	27	1,188,472	23
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(11), 8	14,705	-	-	-
2570	Deferred tax liabilities	4, 6(20)	23,366	-	8,623	-
2580	Lease liabilities	4, 6(16)	64,400	1	58,143	1
2645	Guarantee deposits received		645	-	762	-
2670	Other non-current liabilities	4, 6(10), 6(11)	234	-	-	-
25xx	Total non-current liabilities		103,350	1	67,528	1
2xxx	Total liabilities		1,820,316	28	1,256,000	24
3100	Capital	6(13)				
3110	Common stock		700,000	11	700,000	13
3200	Capital surplus	6(13)	1,804,928	28	1,804,928	34
3300	Retained earnings	6(13)				
3310	Legal reserve		171,179	3	123,630	2
3320	Special reserve		9,795	-	5,237	-
3350	Unappropriated retained earnings		1,917,956	30	1,429,704	27
3400	Other equity interest		(8,143)	-	(9,794)	-
3xxx	Total equity		4,595,715	72	4,053,705	76
	Total liabilities and equity		\$6,416,031	100	\$5,309,705	100

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

Pegavision Corporation and Subsidiaries
Consolidated Statements Of Comprehensive Incomes
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2020		2019	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(14)	\$3,978,413	100	\$3,355,133	100
5000	Operating costs	6(4), 7	(1,973,888)	(50)	(1,862,103)	(55)
5900	Gross profit		2,004,525	50	1,493,030	45
6000	Operating expenses	7				
6100	Selling expenses		(552,737)	(14)	(427,763)	(13)
6200	Administrative expenses		(218,086)	(6)	(195,045)	(6)
6300	Research and development expenses		(374,460)	(9)	(279,802)	(8)
6450	Expected credit gains (losses)	6(15)	(3,554)	-	1,694	-
	Operating expenses total		(1,148,837)	(29)	(900,916)	(27)
6900	Operating income		855,688	21	592,114	18
7000	Non-operating income and expenses	6(18)				
7100	Interest income		4,813	-	3,839	-
7010	Other income		12,025	-	8,900	-
7020	Other gains or losses		(23,714)	-	(21,841)	-
7050	Finance costs		(3,958)	-	(22,157)	(1)
	Total non-operating incomes and expenses		(10,834)	-	(31,259)	(1)
7900	Income from continuing operations before income tax		844,854	21	560,855	17
7950	Income tax	4, 6(20)	(129,495)	(3)	(85,363)	(3)
8200	Net income		715,359	18	475,492	14
8300	Other comprehensive income (loss)	6(19)				
8360	Items that may be reclassified subsequently to profit or loss					
8380	Exchange differences resulting from translating the financial statements of a foreign operation		1,651	-	(4,557)	-
	Total other comprehensive income, net of tax		1,651	-	(4,557)	-
8500	Total comprehensive income		\$717,010	18	\$470,935	14
9750	Earnings per share-basic (in NTD)	4, 6(21)	\$10.22		\$7.62	
9850	Earnings per share-diluted (in NTD)	4, 6(21)	\$10.16		\$7.56	

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

Pegavision Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent						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	3XXX
A1	Balance as of January 1, 2019	\$600,000	\$240,000	\$69,515	\$4,491	\$1,099,073	\$(5,237)	\$2,007,842
	Appropriation and distribution of 2018 earnings							
B1	Legal reserve appropriated			54,115		(54,115)		-
B3	Special reserve appropriated				746	(746)		-
B5	Cash dividends-common shares					(90,000)		(90,000)
D1	Net income for 2019					475,492		475,492
D3	Other comprehensive income (loss) for 2019						(4,557)	(4,557)
D5	Total comprehensive income	-	-	-	-	475,492	(4,557)	470,935
E1	Capital increase by cash	100,000	1,564,928					1,664,928
Z1	Balance as of December 31, 2019	<u>\$700,000</u>	<u>\$1,804,928</u>	<u>\$123,630</u>	<u>\$5,237</u>	<u>\$1,429,704</u>	<u>\$(9,794)</u>	<u>\$4,053,705</u>
A1	Balance as of January 1, 2020	\$700,000	\$1,804,928	\$123,630	\$5,237	\$1,429,704	\$(9,794)	\$4,053,705
	Appropriation and distribution of 2019 earnings							
B1	Legal reserve appropriated			47,549		(47,549)		-
B3	Special reserve appropriated				4,558	(4,558)		-
B5	Cash dividends-common shares					(175,000)		(175,000)
D1	Net income for 2020					715,359		715,359
D3	Other comprehensive income (loss) for 2020						1,651	1,651
D5	Total comprehensive income	-	-	-	-	715,359	1,651	717,010
Z1	Balance as of December 31, 2020	<u>\$700,000</u>	<u>\$1,804,928</u>	<u>\$171,179</u>	<u>\$9,795</u>	<u>\$1,917,956</u>	<u>\$(8,143)</u>	<u>\$4,595,715</u>

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

Pegavision Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2020 and 2019
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2020	2019	Code	Items	2020	2019
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$844,854	\$560,855	B00040	Disposal (acquisition) of financial assets at amortised cost	-	75,281
A20000	Adjustments:			B02700	Acquisition of property, plant and equipment	(711,244)	(1,266,497)
A20010	Profit or loss not effecting cash flows:			B02800	Proceeds from disposal of property, plant and equipment	1,599	16
A20100	Depreciation (including right-of-use assets)	606,087	685,206	B03700	Decrease (increase) in refundable deposits	(4,698)	3,867
A20200	Amortization	2,929	1,866	B04500	Acquisition of intangible assets	(4,689)	(4,096)
A20300	Expected credit losses (gain)	3,554	(1,694)	BBBB	Net cash provided by (used in) investing activities	(719,032)	(1,191,429)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(947)	(166)				
A20900	Interest expense	3,958	22,157	CCCC	Cash flows from financing activities:		
A21200	Interest income	(4,813)	(3,839)	C00100	Increase in (repayment of) short-term borrowings	238,976	(30,587)
A22500	Loss (gain) on disposal of property, plant and equipment	(1,599)	1,530	C01600	Increase in long-term borrowings	15,000	1,100,000
A23700	Impairment loss on non-financial assets	19,627	12,149	C01700	Repayments of long-term borrowings	-	(1,700,000)
A29900	Loss (gain) on lease modification	(160)	(273)	C03000	Increase (decrease) in guarantee deposits received	(117)	(1,297)
A29900	Loss (gain) on government grants	(21)	-	C04020	Payments of lease liabilities	(122,692)	(136,145)
A30000	Changes in operating assets and liabilities:			C04500	Cash dividends paid	(175,000)	(90,000)
A31115	Financial assets at fair value through profit or loss	(249,702)	(315,954)	C04600	Capital increase by cash	-	1,664,928
A31150	Accounts receivable	(324,972)	(59,172)	CCCC	Net cash provided by (used in) financing activities	(43,833)	806,899
A31180	Other receivables	(1,329)	303				
A31200	Inventories	160,587	246,908	DDDD	Effect of exchange rate changes	1,843	(4,909)
A31230	Prepayments	(30,795)	(5,965)				
A31240	Other current assets	(26,798)	15,334	EEEE	Increase (decrease) in cash and cash equivalents	433,194	382,808
A32125	Contract liabilities	9,497	(61,058)	E00100	Cash and cash equivalents at beginning of period	812,807	429,999
A32130	Notes payable	(3,176)	2,551	E00200	Cash and cash equivalents at end of period	\$1,246,001	\$812,807
A32150	Accounts payable	44,471	(12,097)				
A32180	Other payables	143,439	(58,090)				
A32230	Other current liabilities	72,474	22,804				
A33000	Cash generated from operations	1,267,165	1,053,355				
A33100	Interest received	4,800	5,032				
A33300	Interest paid	(2,151)	(20,481)				
A33500	Income tax paid	(75,598)	(265,659)				
AAAA	Net cash provided by (used in) operating activities	1,194,216	772,247				

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

Attachment 4

Pegavision Corporation Earnings Appropriation Report 2020

Unit: NTD

Item	Amount
Opening undistributed earnings	1,202,597,392
Plus: 2020 net income	715,358,609
Subtotal	1,917,956,001
Provisions:	
Provision for legal reserve (10%)	(71,535,861)
Provision for special reserve	1,651,872
Subtotal of distributable earnings for the year	1,848,072,012
Distributions:	
Shareholders' dividends - NT\$5 cash per share	(350,000,000)
Closing undistributed earnings	1,498,072,012
Note 1: The appropriation will be allocated out of 2020 earnings as a priority.	

Chairman: T.H. Tung

President: Te-Sheng Yang

Head of Accounting:
Ching-Hsiang Wang

Attachment 5

Pegavision Corporation

Comparison Table for the Articles of Rules and Procedures of Board of Director Meetings before and after revision

Amended clause	Existing clause	Explanation
<p>Article 4: The Company shall convene board of directors meetings at least once every quarter. Convention of board meeting shall be communicated to directors 7 days in advance with detailed agenda; however, board meetings may be convened in shorter notices in case of emergency.</p> <p>Omitted from this point onwards.</p>	<p>Article 4: The Company shall convene board of directors meetings at least once every quarter. Convention of board meeting shall be communicated to directors <u>and supervisors</u> 7 days in advance with detailed agenda; however, board meetings may be convened in shorter notices in case of emergency</p> <p>Omitted from this point onwards.</p>	<p>Since the Company has established an audit committee to replace Supervisors, Paragraph 1 has been amended.</p>
<p>Article 5 The shareholders service department has been designated as the meeting organizer, whose responsibilities are to handle matters relating to regular board meetings. The meeting organizer gathers opinions from directors in advance to determine motions and agenda for the upcoming board meeting, and</p>	<p>Article 5 The shareholders service department has been designated as the meeting organizer, whose responsibilities are to handle matters relating to regular board meetings. The meeting organizer gathers opinions from directors in advance to determine motions and agenda for the upcoming board meeting, and</p>	<p>Since the Company has established an audit committee to replace Supervisors, Paragraph 1 has been amended.</p>

<p>notifies all directors to attend within the timeframe mentioned in Article 4. The meeting organizer shall also prepare adequate materials and have them sent to participants along with the meeting notice.</p> <p>Omitted from this point onwards.</p>	<p>notifies all directors <u>while inviting supervisors</u> to attend within the timeframe mentioned in Article 4. The meeting organizer shall also prepare adequate materials and have them sent to participants along with the meeting notice.</p> <p>Omitted from this point onwards.</p>	
<p>Article 7 The following issues concerning the Company shall be resolved by the board of directors: I. Operating plans of the Company. II. Annual financial reports and second quarter financial reports <u>that must be audited and attested by a CPA.</u> III. Establishment or amendment of the Company's internal control system <u>and assessment of the effectiveness of the internal control system</u> pursuant to Article 14-1 of the Securities and Exchange Act. IV. Establishment or amendment of asset acquisition and disposal</p>	<p>Article 7 The following issues concerning the Company shall be resolved by the board of directors: I. Operating plans of the Company. II. Annual <u>and semi-annual financial reports.</u> III. Establishment or amendment of the Company's internal control system according to Article 14-1 of the Securities and Exchange Act. IV. Establishment or amendment of asset acquisition and disposal</p>	<p>I. Amended Paragraph 1-2 to conform to revisions of Article 14-5 of Securities and Exchange Act. II. Added Paragraph 1-3 to conform to Article 10-3 of the Company's "Rules of Operating of Board of Director Meetings".</p>

<p>procedures, derivative trading procedures, external party lending procedures, external party endorsement and guarantee procedures, and other procedures of major financial or business consequence according to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance or private placement of securities with equity characteristics.</p> <p>VI. Appointment and dismissal of finance, accounting, or internal audit officers.</p> <p>VII. <u>A donation to a related party or a major donation to a non-related party, provided that a public-interest donation for imperative disaster relief relating to a major natural disaster may be submitted to the following board meeting for retroactive recognition.</u></p> <p>VIII. Any decisions that shall be resolved in a shareholder meeting or a board of directors meeting as required by law or Articles of Incorporation, and any major issues</p>	<p>procedures, derivative trading procedures, external party lending procedures, external party endorsement and guarantee procedures, and other procedures of major financial or business consequence according to Article 36-1 of the Securities and Exchange Act.</p> <p>V. Offering, issuance or private placement of securities with equity characteristics.</p> <p>VI. Appointment and dismissal of finance, accounting, or internal audit officers.</p> <p>VII. Any decisions that shall be resolved in a shareholder meeting or a board of directors meeting as required by law or Articles of Incorporation, and any major issues</p>	<p>III. To conform to Article 10-8 of the Company’s “Rules of Operating of Board of Director Meetings”, the Company added Paragraph 1-7, Paragraph 2 and Paragraph 3. Also renumbered Paragraph 1-7 of existing Article to Paragraph 1-8, and Paragraph 2 of existing Article to Paragraph 4</p>
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<p>prompted by the competent authority.</p> <p><u>The term "related party" in subparagraph 7 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation, or cumulative donations within a 1-year period to a single recipient, at an amount of NTD100 million or more, or at an amount equal to or greater than 1 percent of net operating revenue or 5 percent of paid-in capital as stated in the CPA-attested financial report for the most recent year.</u></p> <p><u>The term "within a 1-year period" in the preceding paragraph means a period of 1 year calculated retroactively from the date on which the current board of directors meeting is convened. Amounts already submitted to and passed by a resolution of the board are exempted from inclusion in the</u></p>	<p>prompted by the competent authority.</p>	
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<p><u>calculation.</u></p> <p><u>At least one independent director of this Corporation shall attend the meeting in person.</u></p> <p>With respect to the matters which must be approved by resolutions at a board meeting as provided in <u>the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting,</u> that independent director shall <u>appoint</u> another independent director to attend the meeting as proxy. If an independent director objects to or expresses reservations about such a matter, it shall be recorded in the board meeting minutes; if an independent director intends to express an objection or reservation but is unable to attend the meeting in person, then unless there is a legitimate reason to do otherwise, that director shall issue a written opinion in advance, which shall be recorded in the board meeting minutes.</p>	<p>Independent directors, if available, shall personally attend board meetings or appoint other independent directors to attend on their behalf for any decisions that have to be resolved in a board of directors meeting according to <u>Article 14-3</u> of the Securities and Exchange Act. All objections and reservations expressed by independent directors shall be detailed in board of directors meeting minutes. If the independent director is unable to express objections or reservations in person during the board of directors meeting, the opinion shall be expressed in writing in advance and recorded in board meeting minutes unless there is justifiable reason not to do so.</p>	<p>IV. In order to clarify the powers of independent directors and strengthen their participation of the operation of the Board, the Company amend Paragraph 4 to conform to Article 11 of the Company's "Rules of Operating of Board of Director Meetings". The laws regulate the Company at least one independent director shall attend the meeting in person. With respect to the matters which must be approved by resolutions at a board meeting as provided in the first paragraph, any and all independent directors shall attend the meeting. Where an independent director is unable to attend the meeting, that independent director shall appoint another independent director to attend the meeting as proxy.</p>
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<p>Article 10</p> <p>Board meetings of the Company shall be convened and chaired by the Chairman. However, the first meeting of each newly elected board of directors, <u>it shall be called and chaired by the director that received votes representing the largest portion of voting rights at the shareholders meeting in which the directors were elected</u>; If two or more directors are equally eligible to serve as convener, one shall be elected among themselves to serve as convener.</p> <p>Omitted from this point onwards.</p>	<p>Article 10</p> <p>Board meetings of the Company that are convened by the Chairman shall be chaired by the Chairman. However, if the first meeting of a <u>newly elected board is convened by the director who receives the highest number of votes at the shareholder meeting, the meeting chairperson shall be elected among all directors present at that meeting</u>. If two or more directors are equally eligible to serve as convener, one shall be elected among themselves to serve as convener.</p> <p>Omitted from this point onwards.</p>	<p>According to the Paragraph 1 of Article 10 of “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”, the meeting shall be chaired by the director who received votes representing the largest portion of voting rights at the shareholders' meeting.</p>
<p>Article 12</p> <p>Paragraph 1 and 2 are unchanged.</p>	<p>Article 12</p> <p>Paragraph 1 and 2 are unchanged.</p> <p><u>Supervisors may be invited to present opinions and discuss motions at board meeting, but are unable to exercise voting rights over matters that are to be resolved exclusively under board authority.</u></p>	<p>Since the Company has established an audit committee to replace Supervisors, Paragraph 3 has been deleted.</p>
<p>Article 18</p> <p>Proceeding of the Company's board meetings shall be recorded</p>	<p>Article 18</p> <p>Proceeding of the Company's board meetings shall be recorded</p>	

<p>indetailed minutes. The meeting minutes shall duly include the following details:</p> <p>I. The meeting session (or year), time, and venue.</p> <p>II. Name of the meeting chairperson.</p> <p>III. Directors' attendance, including the number and names of attendees, absentees, and those on leave of absence.</p> <p>IV. Names and titles of other participants invited to the meeting.</p> <p>V. Name of the minutes taker.</p> <p>VI. The reported issues.</p> <p>VII. Discussions: the method of resolution and outcome of each motion; a summary of opinions, objections or reservations expressed by directors, experts and other personnel; <u>the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their</u></p>	<p>indetailed minutes. The meeting minutes shall duly include the following details:</p> <p>I. The meeting session (or year), time, and venue.</p> <p>II. Name of the meeting chairperson.</p> <p>III. Directors' attendance, including the number and names of attendees, absentees, and those on leave of absence.</p> <p>IV. Names and titles of other participants invited to the meeting.</p> <p>V. Name of the minutes taker.</p> <p>VI. The reported issues.</p> <p>VII. Discussions: the method of resolution and outcome of each motion; a summary of opinions, objections or reservations expressed by directors, <u>supervisors</u>, experts and other personnel either on record or through written statements.</p>	<p>I. Since the Company has established an audit committee to replace Supervisors, Paragraph 1-7 and 1-8 has been amended. In addition, amended the content related any opinion issued in writing by an independent director and director recusal interest to conform to the Paragraph 1 of Article 17 of “ Regulations Governing Procedure for Board of Directors</p>
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<p><u>recusal</u>; opinions expressing objections or reservations at the meeting that were included in records or stated in writing; <u>and any opinion issued in writing by an independent director under Article 7, paragraph 4.</u></p> <p>VIII. Special motions: the name of the proposer; the method of resolution and the result for each motion; a summary of the comments made by directors, supervisors, experts, or other persons; <u>the name of any director that is an interested party as referred to in paragraph 1 of the preceding article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their</u> <u>recusal</u>; opinions expressing objections or reservations at the meeting that were included in records or stated in writing.</p> <p>IX. Other details deemed relevant for inclusion in meeting minutes.</p> <p><u>Any of the following</u></p>	<p>VIII. Special motions: the name of the proposer, the method of resolution and outcome of each motion; a summary of opinions, objections or reservations expressed by directors, supervisors, experts and other personnel either on record or through written statements.</p> <p>IX. Other details deemed relevant for inclusion in meeting minutes.</p> <p>The attendance log</p>	<p>Meetings of Public Companies”.</p> <p>II. Added new article of freedom of information to</p>
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<p><u>matters in relation to a resolution passed at a meeting of the board of directors shall be stated in the meeting minutes and within two days of the meeting be published on an information reporting website designated by the competent authority:</u></p> <p><u>1. Any matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing.</u></p> <p><u>2. If the company has an audit committee, any matter that has not been passed by the audit committee, but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee.</u></p> <p><u>3. The remuneration passed by the board of directors exceeds the recommendation of the remuneration committee.</u></p> <p>The attendance log constitutes part of the board meeting minutes, and therefore shall be kept properly over the Company's existence.</p>	<p>constitutes part of the board meeting minutes, and therefore shall be kept properly over the Company's existence.</p> <p>Meeting minutes shall be signed or sealed by the chairperson and the minutes taker, and distributed to all directors and supervisors within 20 days after the meeting. The minutes should also be treated as part of the Company's key files and retained as such over the Company's existence.</p> <p>Preparation and distribution of meeting minutes mentioned in Paragraph 1 can be made in electronic form.</p>	<p>conform to the Paragraph 2 of Article 17 of “Regulations Governing Procedure for Board of Directors Meetings of Public Companies” and Article 7 of “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange”.</p>
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<p>Meeting minutes shall be signed or sealed by the chairperson and the minutes taker, and distributed to all directors and supervisors within 20 days after the meeting. The minutes should also be treated as part of the Company's key files and retained as such over the Company's existence. Preparation and distribution of meeting minutes mentioned in Paragraph 1 can be made in electronic form.</p>		
<p>Article 20 Establishment and amendment of the conference rules are subject to approval by the Company's board of directors and acknowledgment in shareholder meeting. The board of directors is authorized to make subsequent amendments as deemed necessary. The above rules were first established on April 29, 2014. The second amendment was made on May 27, 2020 <u>The third amendment was made on July 15, 2021.</u></p>	<p>Article 20 Establishment and amendment of the conference rules are subject to approval by the Company's board of directors and acknowledgment in shareholder meeting. The board of directors is authorized to make subsequent amendments as deemed necessary. The above rules were first established on April 29, 2014. The second amendment was made on May 27, 2020</p>	<p>Added revision date.</p>

Attachment 6

Pegavision Corporation

Comparison Table for the Articles of Rules and Procedures of Shareholders Meetings before and after revision

Amended clause	Existing clause	Explanation
<p>Article 3: Paragraphs 1, 2 and 3 are unchanged.</p> <p>Issues that involve election or dismissal of directors, amendments to the articles of Incorporation, reduction of capital, application for the approval of ceasing its status as a public company, approval of competing with the company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the corporation, or any matter under paragraph 1, Article 185, of the "Company Act", Articles 26-1 and 43-6 of the "Securities and Exchange Act", or <u>Articles 56-1 and 60-2 of "Regulations Governing the Offering and Issuance of Securities</u></p>	<p>Article 3: Paragraphs 1, 2 and 3 are unchanged.</p> <p>Issues that involve election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, cessation of public ownership, permission for directors' competing business involvement, capitalization of earnings, capitalization of capital reserve, corporate liquidation, merger, divestment, or <u>any matters</u> listed in Paragraph 1, Article 185 of The Company Act and Articles 26-1 and Article 43-6 of Securities and Exchange Act shall be raised as regular motions with summaries explained in the meeting agenda, and cannot be raised in the form of special motion. The notification can be</p>	<p>I. In order to prevent the listed companies from misunderstanding that all paragraphs other than the 1 paragraph of Article 185 of Company Act can be proposed by means of an extraordinary motion. The Company proposed to include other regulations and provisions other than the company law listed in the original provisions before the amendment that cannot be proposed by means of an extraordinary motion.</p>

<p><u>by Securities Issuers” shall be raised as regular motions with summaries explained in the meeting agenda, and cannot be raised in the form of special motion. The notification can be served by posting relevant details onto the website designated by the securities authority or the Company and sharing a link to the webpage.</u></p>	<p>served by posting relevant details onto the website designated by the securities authority or the Company and sharing a link to the webpage.</p>	
<p>Paragraphs 5 is unchanged.</p>	<p>Paragraphs 5 is unchanged.</p>	
<p>Shareholders that own more than 1% of the Company's outstanding shares are entitled to propose motions for discussion in annual general meetings; each shareholder may only propose one motion; proposals above that limit will be excluded from discussion. <u>According to the Article 172-1 of the “Company Act”, a shareholder may submit to the Company a written proposal for urging the corporation to promote public interests or fulfill its social responsibilities. The</u></p>	<p>Shareholders that own more than 1% of the Company's outstanding shares are entitled to propose motions for discussion in annual general meetings; each shareholder may only propose one motion; proposals above that limit will be excluded from discussion. However, shareholders' suggestions that are intended to enhance the Company's efforts toward public interest or social responsibilities <u>may still be accepted as motions by the board of directors.</u> The</p>	

<p><u>number of items so proposed, however, is limited to one only, and no proposal containing more than one item will be included in the meeting agenda.</u> The board of directors may disregard shareholders' proposals if the proposed motions exhibit any of the conditions described in Paragraph 4, Article 172-1 of The Company Act.</p> <p>Omitted from this point onwards.</p>	<p>board of directors may disregard shareholders' proposals if the proposed motions exhibit any of the conditions described in Paragraph 4, Article 172-1 of The Company Act.</p> <p>Omitted from this point onwards.</p>	<p>II. Amended Paragraph 6 to this Article to conform to Paragraph 5 of Article 172 of the “Company Act” and the Letter No. Jing-Shang-10700105410.</p>
<p>Article 20: The above rules were established on April 29, 2014. The 1st amendment was made on June 16, 2015. The 2nd amendment was made on May 27, 2020. <u>The 3rd amendment was made on July 15, 2021.</u></p>	<p>Article 20: The above rules were established on April 29, 2014. The 1st amendment was made on June 16, 2015. The 2nd amendment was made on May 27, 2020.</p>	<p>Added revision date.</p>

Attachment 7

Pegavision Corporation

Comparison Table for the Articles of Rules for the Election of Directors before and after revision

Amended clause	Existing clause	Explanation
<p>Article 5</p> <p>Paragraphs 1 and 2 are unchanged.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the “Securities and Exchange Act”, a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	<p>Article 5</p> <p>Paragraphs 1 and 2 are unchanged.</p> <p>When the number of independent directors falls below that required under the proviso of Article 14-2, paragraph 1 of the “Securities and Exchange Act”, <u>or the related provisions of the Taiwan Stock Exchange Corporation rules governing the review of listings, or subparagraph 8 of the Standards for Determining Unsuitability for GTSM Listing under Article 10, Paragraph 1 of the GreTai Securities Market Rules Governing the Review of Securities for Trading on the GTSM,</u> a by-election shall be held at the next shareholders meeting to fill the vacancy. When the independent directors are dismissed en</p>	<p>Amended Paragraph 3 to conform to the requirement that the TWSE/GTSM Listed Companies must appoint independent directors, from Official Letter No. Financial-Supervisory-Securities-Corporate-1070345233 on Dec 19, 2018.</p>

	<p>masse, a special shareholders meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.</p>	
	<p>Article 10 <u>If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each</u></p>	<p>To conform to Official Letter No. Financial-Supervisory-Securities-Corporate-1080311451 on Apr 25, 2019, the election of the directors and supervisors of the TWSE/GTSM Listed Companies must adopted a candidates nomination system since 2021, and the shareholders shall elect the directors from among the nominees listed in the roster of director candidates. Shareholders can know the director candidates' name, education background, past work experience and other information from the nominees listed before the shareholders' meeting. It is unnecessary to Shareholder's account number or ID card as a method to identify director candidates. Therefore, the Company delete this Article.</p>

	<u>respective representative shall be entered.</u>	
<p><u>Article 10</u></p> <p>A ballot is invalid under any of the following circumstances:</p> <p>I. The ballot was not prepared by <u>a person with the right to convene</u></p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list.</u></p> <p>V. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p>Article 11</p> <p>A ballot is invalid under any of the following circumstances:</p> <p>I. The ballot was not prepared by <u>the board of directors.</u></p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot <u>is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u></p> <p>V. Other words or <u>marks are entered in addition to the candidate's account name or shareholder account</u></p>	<p>Adjust Article number since the deletion of Article 10.</p> <p>The Company purpose to amend Paragraph 1 of this Article to conform to the Article 173 of Company Act, the shareholders, under special circumstance (e.g., the board of directors fails to give a notice for convening a special meeting of shareholders) convene a shareholders' meeting should obtaining an approval from the competent authority. In addition, the Company amend the paragraph 4, 5 and deleted paragraph 6 of this Article to conform to Official Letter No. Financial-Supervisory-Securities-Corporate-1080311451 on Apr 25, 2019, the election of the directors and supervisors of the TWSE/GTSM Listed Companies must adopted a candidates nomination system since 2021, and the shareholders shall elect the directors from among the nominees</p>

	<p><u>number (or identity card number) and the number of voting rights allotted.</u></p> <p>VI. <u>The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p>	<p>listed in the roster of director candidates.</p>
<u>Article 11</u>	<u>Article 12</u>	Adjust Article number since the deletion of Article 10.
<u>Article 12</u>	<u>Article 13</u>	Adjust Article number since the deletion of Article 10.
<u>Article 13</u>	<u>Article 14</u>	Adjust Article number since the deletion of Article 10.
<p><u>Article 14</u></p> <p>The above rules were established on April 29, 2014.</p> <p>The 1st amendment was made on June 16, 2015.</p> <p><u>The 2rd amendment was made on July 15, 2021.</u></p>	<p><u>Article 15</u></p> <p>The above rules were established on April 29, 2014.</p> <p>The 1st amendment was made on June 16, 2015.</p>	<p>Adjust Article number since the deletion of Article 10.</p> <p>Added revision date.</p>