

# Pegavision Corporation

## 2024 Annual General Shareholders' Meeting

### Meeting Agenda (Translation)

May 24, 2024

Avenue: Pegavision's Guishan Fab (No.5, Shing Yeh St., Guishan Dist.,  
Taoyuan City 333, Taiwan (R.O.C.))

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---Disclaimer---

THIS IS A TRANSLATION OF THE AGENDA FOR THE 2024 ANNUAL GENERAL SHAREHOLDERS MEETING OF PEGAVISION CORPORATION. THE TRANSLATION IS FOR REFERENCE ONLY. IF THERE IS ANY DISCREPANCY BETWEEN THE ENGLISH VERSION AND CHINESE VERSION, THE CHINESE VERSION SHALL PREVAIL.

# Pegavision Corp.

## 2024 Annual General Shareholders' Meeting Procedure

- I. Call Meeting to Order**
- II. Chairperson Remarks**
- III. Items to be reported**
- IV. Items to be approved**
- V. Items to be discussed and resolved by shareholders and the election**
- VI. Other Questions and Special Motion**
- VII. Adjournment**

# Pegavision Corp.

## 2024 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m., May 24, 2024, Friday

Place : Pegavision's Guishan Fab (No.5, Shing Yeh St., Guishan Dist., Taoyuan City  
333, Taiwan (R.O.C.))

Convening method: Physical Shareholders Meeting

### **I. Call Meeting to Order**

### **II. Chairperson Remarks**

### **III. Items to be reported :**

1. The Company's 2023 operational and financial results (Business Report)
2. Audit Committee's Review Report on 2023 Financial Statements
3. The 2023 compensation of directors and employee bonus
4. The cash dividends distribution of 2023 earnings

### **IV. Items to be approved:**

1. Adoption of 2023 Business Report and Financial Statements (proposed by Board of Directors)
2. Adoption of 2023 Earnings Appropriation (proposed by Board of Directors)

### **V. Items to be discussed and resolved by shareholders and the election:**

1. Amendment to the Company's Articles of Incorporation (proposed by Board of Directors)
2. Re-election of all directors (proposed by Board of Directors)
3. Proposal of Release the Prohibition on Directors from Participation in Competitive Business (proposed by Board of Directors)

### **VI. Other Questions and Special Motion**

### **VII. Adjournment**

## **I. Items to be reported**

- (I) Summary : The Company's 2023 operational and financial results (Business Report).  
Details: Please refer to Attachment 1 (pages 12 to 14) for the 2023 Business Report.
- (II) Summary : Audit Committee's Review Report on the 2023 financial statements.  
Details: Please refer to Attachment 2 (page 15) for Audit Committee's Review Report.
- (III) Summary : The 2023 compensation of directors and employee bonus.  
Details :
1. Pursuant to Article 27 of the company's Articles of Incorporation, 2023 employees' and directors' remuneration resolved is NT\$246,865,001 (representing 11.5% of pre-tax profit) and NT\$21,461,414 (representing 1% of pre-tax profit) respectively, and the both amounts will 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\$21,460,000.
  3. No differences exist between the estimated amount and the actual distribution of the employee bonuses and there is negative NT\$1,414 differences between the estimated amount and the actual distribution of the remuneration to directors for the year ended December 31, 2023.
- (IV) Summary : The cash dividends distribution of 2023 earnings.  
Details :
1. Pursuant 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\$780,000,000 in cash dividends at NT\$10 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.

## **II. Items to be approved**

- (I) Summary : Adoption of the Company's 2023 Business Report and Financial Statements (proposed by board of directors).

Details :

1. The Company's 2023 business report and financial statements have been approved by the board of directors; the financial statements have also been audited by CPA Chih-Ming Chang and CPA Shao-Pin Kuo of Ernst & Young and reviewed by the Audit Committee.
2. Please refer to Attachment 1 (pages 12 to 14) for the 2023 business report, and Attachment 4 (pages 16 to 37) for standalone and consolidated financial statements.

Resolutions :

- (II) Summary : Adoption of the 2023 Earnings Appropriation (proposed by board of directors).

Details :

1. The Company reported NT\$1,655,902,355 of net income in 2023; after providing for legal reserves of NT\$165,590,236 and special reserves of NT\$14,851,606, and adding to undistributed earnings of NT\$2,696,784,282 carried from previous years, the Company had NT\$4,172,244,795 of earnings that were available for distribution.
2. Please refer to Attachment 4 (page 38) for the Company's 2023 earnings appropriation report.

Resolutions :

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

- (I) Summary : Amendment to the Company's Articles of Incorporation (Proposed by Board of Directors).

Details :

1. In accordance with the amended content of the Company Law issued under the No.10700083291 Letter by the President on August 1, 2018, the proposal is to amend partial provisions of the Company's "Articles of Incorporation" are as follows:
  - 1.1 Pursuant to the provisions of Article 162 of the amended Company Act, the requirement for three or more directors to sign or affix seals on stock certificates has been relaxed to only

require the signature or seal of a director representing the company. Furthermore, as the current institutions eligible to serve as certifiers for stock issuance are now limited to banks, the relevant content of Article 7 of the Company's Articles of Incorporation has been amended.

1.2 According to the provisions of Article 237 of the amended Company Act, it is stipulated that when the legal reserve reaches the paid-in capital, there is no need to make further allocations. Therefore, the relevant content of Article 27-1 of the Company's Articles of Incorporation has been amended.

2. The Company's Articles of Incorporation are amended for the above reasons. A comparison table of the Company's Articles of Incorporation please refer to Attachment 5 (pages 39 to 41)

Resolutions :

- (II) 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 July 14, 2024. The company proposes to re-elect all directors of 6th Directors in 2024 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 2024 Annual Meeting of Shareholders. Their three-year term will start from May 24, 2024 and conclude on May 23, 2026. 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	Master degree in Computer and Communication Engineering, National Taipei University of Technology、Honorary PH.D in Engineering, National Taipei University of Technology	Vice Chairman of Asustek Computer Inc. (“Asus”)、Chairman of Kinsus Interconnect Technology Corp.、Chairman of Pegavision Corporation	Chairman and Chief Strategy Officer of Pegatron Corporation Chairman: Kinsus Investment Co., Ltd.、Lumens Digital Optics In、ASROCK INCORPORATION、ASUSPOWER INVESTMENT CO., LTD、ASUSTEK INVESTMENT CO., LTD、RI-KUAN METAL CORPORATION、Fisfisa Media、FacialBeau International Corporation、BeautyTech Platform Corporation Vice Chairman : New Frontier Foundation Director : Kinsus Interconnect Technology Corp、Pegavision Corporation、ASROCK INCORPORATION、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、CLOUD GATE CULTURE AND ARTS FOUNDATION、Q PLACE CREATIVE INC.、Lovely Taiwan Foundation、The Liu Kuo-sung Foundation、Koo Foundation、CHENG HSIN GENERAL HOSPITAL.	1,101,077



Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
				Independent Director of PChome Online Inc. President : Monte Jade Science & Technology Association of Taiwan 、 Contact Lens Development Association Vice President : Taiwan Climate Partnership Managing Director : Taipei Computer Association Director : Institute for Biotechnology and Medicine Industry	
Director	Peter Kuo	Electrical Engineering, National Taipei University of Technology	President of Unicap Electronics 、 Chairman and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP.	Chairman : Pegavision Corporation 、 Mayin Investment Co., Ltd. Vice Chairman : FacialBeau International Corporation 、 BeautyTech Platform Corporation Director : PEGATRON CORPORATION 、 KINSUS INTERCONNECT TECHNOLOGY CORP. 、 Kinsus Corp. (USA) 、 Kinsus Investment Co., LTD 、 LUMENS DIGITAL OPTICS INC. Chief Strategy Officer of Pegavision Corporation 、 Monte Jade Science and Technology Association Managing Director : Contact Lens Development Association	1,325,533
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 Independent Director of DIVA LABORATORIES, LTD.	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 and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP. Director : FUYANG TECHNOLOGY CORPORATION 、 KINSUS INTERCONNECT TECHNOLOGY CORP. 、 Pegavision Corporation 、 Monte Jade Science and Technology Association 、 Taiwan Printed Circuit Association 、 Taoyuan Enterprise Chamber	21,233,736
Director	Rep. of Asuspowers 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. Independent Director 、 Member of Remuneration committee of AVISION INC.	6,372,796

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
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 Bliss&Wisdom Publishing Co. Ltd.	6,372,796
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. Rep. of BASO PRECISION OPTICS LTD.	0
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	Founder and Owner of DX CREATIVE HOUSE CO., LTD DXMEDIA LIMITED ERIC YAO CREATIVE CONSULTANTS CO., LTD. Director of Kindom Yushan Education Foundaion CLOUD GATE CULTURE AND ARTS FOUNDATION Independent Director of The Eslite Spectrum Corporation	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:

(III) 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 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	Chairman and Chief Strategy Officer of Pegatron Corporation Chairman: Kinsus Investment Co., Ltd. 、 Lumens Digital Optics In 、 ASROCK INCORPORATION 、 ASUSPOWER INVESTMENT CO., LTD 、 ASUSTEK INVESTMENT CO., LTD 、 RI-KUAN METAL CORPORATION 、 Fisfisa Media 、 FacialBeau International Corporation 、 BeautyTech Platform Corporation Director : Kinsus Interconnect Technology Corp 、 ASROCK INCORPORATION 、 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. 、 Q PLACE CREATIVE INC. Independent Director of PChome Online Inc.
Director	Peter Kuo	Chairman of Mayin Investment Co., Ltd. Vice Chairman : FacialBeau International Corporation 、 BeautyTech Platform Corporation Director : Pegatron Corporation 、 KINSUS INTERCONNECT TECHNOLOGY CORP. 、 Kinsus Corp. (USA) 、 Kinsus Investment Co., Ltd. 、 LUMENS DIGITAL OPTICS INC.
Director	TS Yang	Independent Director of DIVA LABORATORIES, LTD.
Director	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	Director : KINSUS INTERCONNECT TECHNOLOGY CORP. 、 FUYANG TECHNOLOGY CORPORATION
Director	Rep. of Asuspower Investment Co., Ltd.: Jeffrey Wun	President and Director of LUMENS DIGITAL OPTICS INC. Independent Director of The AVISION INC.
Director	Rep. of Asuspower Investment Co., Ltd.: Wen-Yung Ho	Director : Full Foods Cultural Foundation
Independent Director	Shu-Yu Lee	COO of FULAGAI Capital Co., Ltd. Rep. of BASO PRECISION OPTICS LTD.
Independent Director	Eric Yao	DX CREATIVE HOUSE CO., LTD 、 DXMEDIA LIMITED 、 Founder and Owner of ERIC YAO CREATIVE CONSULTANTS CO., LTD. 、 Independent Director of The Eslite Spectrum Corporation
Independent Director	Chi-Wan Lai	Attending Neurologist of Koo Foundation Sun Yat-San Cancer Center

Resolutions :

**IV. Other Question and Special Motion**

**V. Adjournment**

# Attachment 1

## Pegavision Corporation

### Business Report

Dear Shareholders,

In the year 2023, it proved to be a notably challenging year for businesses. The ongoing repercussions of the Russo-Ukrainian War continued to exert negative impacts on the global economy. Additionally, the tightening monetary policies adopted by central banks worldwide to curb high inflation added pressure to economic activities. Furthermore, the technology rivalry between the United States and China, along with the resurgence of regional conflicts in the Middle East, deepened market concerns regarding geopolitical tensions. Global economic growth also further decelerated from 3% in the previous year to 2.6%.

However, the growth rate of the contact lens industry continued to outperform the global economic performance. In 2023, the total revenue of global soft contact lens manufacturers was estimated to be approximately \$102 billion, representing a 3% increase from the previous year. Our company once again exceeded the industry average and achieved record-high revenue and profits. Herewith is the business performance of the Company in 2023 and our business plan for 2024:

In 2023, the company's consolidated revenue for the full year amounted to NT\$6,789.86 million, an increase of NT\$468.66 million from the previous year's NT\$6,321.20 million, representing a year-on-year growth of 7.41%. The gross profit margin was 54%, up by 2% from the previous year's 52%. The net profit attributable to the owners of the parent company for the period was NT\$1,655.90 million, an increase of NT\$113.77 million from the previous year's NT\$1,542.14 million, representing a year-on-year growth of 7.4%. Earnings per share were NT\$22.83, an increase of NT\$0.8 from the previous year's NT\$22.03. The company's performance in consolidated revenue and net profit for the year 2023 was primarily driven by the growth of contract manufacturing business in the Japanese market. Furthermore, continuous improvements in capacity utilization and production efficiency also had a positive impact on the gross profit margin. Therefore, despite the increase in share capital due to cash capital increase in 2023, the earnings per share for the full year continued to grow.

### Technological Developments

Pegavision committed TWD 592.40 million of its R&D expenses in 2023 to support new product development and to improve production technology. R&D expenses increased by 3% over the NT\$575.93 million invested the previous year. Moreover, we acquired 46 new patents and 43 product licenses in 2023. These include:

- Environmentally friendly silicone hydrogel material;

- Pressure-relieving myopia control contact lenses;
- First product certification in Indonesia;
- First anti-blue light product certification in Japan;
- First 59% product certification in Taiwan and the United States;
- And the first color lenses in Taiwan with vitamin B2 component-containing solution.

## **Environmental, Social, and Governance (ESG)**

Under international trends and government policies, the strengthening of environmental, social, and governance (ESG) practices has become key to maintaining corporate competitiveness and gaining trust from stakeholders. In 2023, our company saw a 6.7% decrease in electricity consumption per unit of product compared to the previous year, an 11% reduction in water usage, and a 3.2% decrease in waste generation. Additionally, our company was included in the ESG rating by MSCI for the first time.

## **Summary of Current Business Plan**

In 2023, in addition to continued investment in the research and development of automation equipment to enhance production efficiency and product quality, our company also focused on breakthroughs in manufacturing system flexibility and shorter lead times. Regarding our product portfolio, Crystal Optics currently holds product certifications covering 41 countries including Taiwan, Japan, China, the United States, the European Union, the United Kingdom, India, Australia, Singapore, Malaysia, Vietnam, Thailand, the Philippines, and Indonesia. With the gradual introduction of high-end optical products and the global certification layout, we aim to better serve our brand customers. It is anticipated that our company's sales volume in 2024 will surpass that of 2023 and continue to maintain growth above the industry average.

## **Future prospect**

Despite facing uncertainties in the macroeconomic landscape, the essential nature of contact lenses as a consumer necessity allows us to reasonably anticipate a long-term annual growth rate of 4-6% in the global contact lens market. The medical device industry, to which contact lenses belong, is characterized by high capital investment, high technological barriers, lengthy product certification processes, and strict regulations. As a specialized manufacturer of soft contact lenses, our company is dedicated to smart manufacturing while continuously enhancing our capabilities in product research and development, patent applications, and certification layout.

On behalf of employees at Pegavision, we thank you for your continued trust and support. We will adhere to the business philosophy of "Expanding the consumer's horizon," maintaining our commitment and dedication to products, the environment, and personnel. We will tirelessly strive to create higher value for our shareholders.

Pegavision Corporation

Chairman Peter Kuo

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 2023 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 : Eric Yao

January 29, 2024



## **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, 2023 and 2022, 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 material accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), 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, 2023 and 2022, and the 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 the Standards on Auditing of 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”). Based on our audits and the reports of the other auditors, 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, 2023. 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\$5,976,139 thousand for the year ended December 31, 2023 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. 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\$419,085 thousand, representing 3% of total assets, as of December 31, 2023, 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.

## **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of invested associates accounted for using the equity method by the Company, which were audited by other independent auditors. The financial statements of invested associates as of December 31, 2023 were audited by other independent auditors, whose report thereon has been furnished to us, and our opinions expressed herein are based solely on other auditors. These accounted for using the equity method amounted to NT\$19,817 thousand, accounting for 0.15% of the total assets as of December 31, 2023, and the related shares of profit or loss of associates and joint ventures accounted for using the equity method amounted to NT\$(183) thousand, accounting for (0.01)% of the Company's net income before income tax for the year ended December 31, 2023.

## **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 the Standards on Auditing of 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 the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 2023 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/Chang,Chih-Ming

/s/Kuo,Shao-Pin

Ernst & Young  
Taiwan, R.O.C  
January 29, 2024

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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,036,711	8	\$1,399,682	16
1110	Financial assets at fair value through profit or loss	4, 6(2)	2,410,211	18	570,445	6
1136	Financial assets measured at amortized cost	6(3)	2,019,990	15	-	-
1170	Accounts receivable, net	4, 6(4)	283,892	2	377,093	4
1180	Accounts receivable - related parties, net	4, 6(4), 7	785,308	6	519,072	6
1200	Other receivables		18,007	-	4,411	-
1210	Other receivables - related parties	7	-	-	257	-
1310	Inventories, net	4, 6(5)	419,085	3	405,945	5
1410	Prepayments		112,565	1	58,749	1
1470	Other current assets		18,147	1	15,643	-
	Total current assets		<u>7,103,916</u>	<u>54</u>	<u>3,351,297</u>	<u>38</u>
15xx	Non-current assets					
1550	Investment accounted for using equity method	4, 6(6)	754,776	6	456,699	5
1600	Property, plant and equipment, net	4, 6(7), 8	4,317,829	33	4,643,032	52
1755	Right-of-use assets, net	4, 6(19)	165,302	1	264,484	3
1780	Intangible assets, net	4, 6(8)	19,176	-	21,549	-
1840	Deferred tax assets	4, 6(23)	28,868	-	16,057	-
1900	Other non-current assets	6(7), 6(9), 7, 8, 9	733,287	6	127,970	2
	Total non-current assets		<u>6,019,238</u>	<u>46</u>	<u>5,529,791</u>	<u>62</u>
	Total Assets		<u>\$13,123,154</u>	<u>100</u>	<u>\$8,881,088</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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2023		2022	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(10)	\$908,620	7	\$284,467	3
2130	Contract liabilities	6(17), 7	31,949	-	10,625	-
2150	Notes payable		589	-	3,441	-
2170	Accounts payable		226,949	2	184,648	2
2200	Other payables	6(11), 7	1,365,648	10	1,230,750	14
2230	Current tax liabilities	4, 6(23)	44,825	-	66,520	1
2280	Lease liabilities	4, 6(19)	99,770	1	98,584	1
2300	Other current liabilities	6(12), 6(13), 8	261,870	2	226,875	3
	Total current liabilities		<u>2,940,220</u>	<u>22</u>	<u>2,105,910</u>	<u>24</u>
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(13), 8	156,092	1	145,879	2
2570	Deferred tax liabilities	4, 6(23)	51,312	-	34,282	-
2580	Lease liabilities	4, 6(19)	67,180	1	166,949	2
2645	Guarantee deposits received	7	400	-	400	-
2670	Other non-current liabilities	6(12)	268	-	216	-
	Total non-current liabilities		<u>275,252</u>	<u>2</u>	<u>347,726</u>	<u>4</u>
	Total liabilities		<u>3,215,472</u>	<u>24</u>	<u>2,453,636</u>	<u>28</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(15)				
3110	Common stock		780,000	6	700,000	8
3200	Capital surplus	6(15)	4,269,521	33	1,810,341	20
3300	Retained earnings	6(15)				
3310	Legal reserve		520,327	4	367,572	4
3320	Special reserve		12,934	-	16,367	-
3350	Unappropriated retained earnings		4,352,686	33	3,546,106	40
3400	Other equity interest		(27,786)	-	(12,934)	-
	Total equity		<u>9,907,682</u>	<u>76</u>	<u>6,427,452</u>	<u>72</u>
	Total liabilities and equity		<u>\$13,123,154</u>	<u>100</u>	<u>\$8,881,088</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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(17), 7	\$5,976,139	100	\$5,603,362	100
5000	Operating costs	6(3), 7	<u>(3,069,545)</u>	<u>(51)</u>	<u>(2,971,928)</u>	<u>(53)</u>
5900	Gross profit		2,906,594	49	2,631,434	47
5910	Unrealized gains (losses) from sales		<u>(12,786)</u>	-	30,814	1
	Gross profit from operations		<u>2,893,808</u>	<u>49</u>	<u>2,662,248</u>	<u>48</u>
6000	Operating expenses	7				
6100	Selling expenses		(164,512)	(3)	(144,177)	(2)
6200	Administrative expenses		(359,910)	(6)	(323,756)	(6)
6300	Research and development expenses		(597,041)	(10)	(551,472)	(10)
6450	Expected credit gains (losses)	6(18)	<u>(40,101)</u>	<u>(1)</u>	5,534	-
	Operating expenses total		<u>(1,161,564)</u>	<u>(20)</u>	<u>(1,013,871)</u>	<u>(18)</u>
6900	Operating income		<u>1,732,244</u>	<u>29</u>	<u>1,648,377</u>	<u>30</u>
7000	Non-operating income and expenses	6(21), 7				
7100	Interest income		23,819	-	6,358	-
7010	Other income		5,657	-	10,572	-
7020	Other gains and losses		(2,745)	-	(4,072)	1
7050	Finance costs		(40,624)	-	(18,814)	-
7060	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(6)	<u>159,969</u>	<u>3</u>	<u>119,670</u>	<u>1</u>
	Non-operating income and expense total		<u>146,076</u>	<u>3</u>	<u>113,714</u>	<u>2</u>
7900	Income from continuing operations before income tax		1,878,320	32	1,762,091	32
7950	Income tax	4, 6(23)	<u>(222,418)</u>	<u>(4)</u>	<u>(219,956)</u>	<u>(4)</u>
8200	Net income		<u>1,655,902</u>	<u>28</u>	<u>1,542,135</u>	<u>28</u>
8300	Other comprehensive income (loss)	6(22)				
8360	Items that may be reclassified subsequently to profit or loss					
8380	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures		<u>(14,852)</u>	-	3,433	-
	Total other comprehensive income, net of tax		<u>(14,852)</u>	-	3,433	-
8500	Total comprehensive income		<u>\$1,641,050</u>	<u>28</u>	<u>\$1,545,568</u>	<u>28</u>
9750	Earnings per share - basic (in NT\$)	4, 6(24)	<u>\$22.83</u>		<u>\$22.03</u>	
9850	Earnings per share - diluted (in NT\$)	4, 6(24)	<u>\$22.61</u>		<u>\$21.84</u>	

(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, 2023 and 2022  
(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, 2022	\$700,000	\$1,804,931	\$242,715	\$8,143	\$2,746,643	\$(16,367)	\$5,486,065
	Appropriation and distribution of 2021 earnings							
B1	Legal reserve appropriated			124,857		(124,857)		-
B3	Special reserve appropriated				8,224	(8,224)		-
B5	Cash dividends - common shares					(595,000)		(595,000)
D1	Net income for 2022					1,542,135		1,542,135
D3	Other comprehensive income (loss) for 2022						3,433	3,433
D5	Total comprehensive income	-	-	-	-	1,542,135	3,433	1,545,568
H3	Reorganization		4,729			(5,423)		(694)
M5	Difference between consideration given / received and carrying amount of interests in subsidiaries acquired / disposed of		(962)			(9,168)		(10,130)
N1	Share-based payment transaction		1,643					1,643
Z1	Balance as of December 31, 2022	<u>\$700,000</u>	<u>\$1,810,341</u>	<u>\$367,572</u>	<u>\$16,367</u>	<u>\$3,546,106</u>	<u>\$(12,934)</u>	<u>\$6,427,452</u>
A1	Balance as of January 1, 2023	\$700,000	\$1,810,341	\$367,572	\$16,367	\$3,546,106	\$(12,934)	\$6,427,452
	Appropriation and distribution of 2022 earnings							
B1	Legal reserve appropriated			152,755		(152,755)		-
B3	Special reserve appropriated				(3,433)	3,433		-
B5	Cash dividends - common shares					(700,000)		(700,000)
D1	Net income for 2023					1,655,902		1,655,902
D3	Other comprehensive income (loss) for 2023						(14,852)	(14,852)
D5	Total comprehensive income	-	-	-	-	1,655,902	(14,852)	1,641,050
E1	Proceeds from issuing shares	80,000	2,459,180					2,539,180
Z1	Balance as of December 31, 2023	<u>\$780,000</u>	<u>\$4,269,521</u>	<u>\$520,327</u>	<u>\$12,934</u>	<u>\$4,352,686</u>	<u>\$(27,786)</u>	<u>\$9,907,682</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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$1,878,320	\$1,762,091	B00040	Increase in financial assets measured at amortized cost	(2,019,990)	-
A20010	Profit or loss not effecting cash flows:			B01800	Acquisition of investment accounted for using the equity method	(206,415)	(126,000)
A20100	Depreciation (including right-of-use assets)	863,457	860,427	B01900	Proceeds from disposal of investment accounted for under equity method	42,000	95,043
A20200	Amortization	13,264	8,288	B02700	Acquisition of property, plant and equipment	(1,078,283)	(1,069,186)
A20300	Expected credit losses (gain)	40,101	(5,534)	B02800	Proceeds from disposal of property, plant and equipment	114	180
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(14,539)	(698)	B03700	Decrease (increase) in refundable deposits	140	542
A20900	Interest expense	40,624	18,814	B04500	Acquisition of intangible assets	(10,891)	(18,287)
A21200	Interest income	(23,819)	(6,358)	BBBB	Net cash provided by (used in) investing activities	(3,273,325)	(1,117,708)
A21900	Share-based payments awards	57,849	804				
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(159,969)	(119,670)	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	(114)	(180)	C00100	Increase in (repayment of) short-term borrowings	624,153	(160,399)
A23700	Impairment loss on non-financial assets	19,488	37,686	C01600	Increase in long-term borrowings	122,900	9,104
A23900	Unrealized (gains) losses	12,786	(30,814)	C01700	Repayment of long-term borrowings	(100,821)	(1,042)
A29900	Loss (gain) on government grants	(69)	(402)	C03000	Increase (decrease) in guarantee deposits received	-	(4)
A30000	Changes in operating assets and liabilities:			C04020	Payments of lease liabilities	(101,120)	(67,415)
A31115	Financial assets at fair value through profit or loss	(1,825,227)	(514,723)	C04500	Dividend distribution	(700,000)	(595,000)
A31150	Accounts receivable	53,100	(52,178)	C04500	Proceeds from issuing shares	2,480,000	-
A31160	Accounts receivable - related parties	(266,236)	19,112	CCCC	Net cash provided by (used in) financing activities	2,325,112	(814,756)
A31180	Other receivables	(3,240)	1,112				
A31190	Other receivables - related parties	257	71	EEEE	Increase (decrease) in cash and cash equivalents	(362,971)	(47,590)
A31200	Inventories	(13,140)	370	E00100	Cash and cash equivalents at beginning of period	1,399,682	1,447,272
A31230	Prepayments	(53,816)	(2,537)	E00200	Cash and cash equivalents at end of period	\$1,036,711	\$1,399,682
A31240	Other current assets	(2,504)	10,659				
A32125	Contract liabilities	21,324	(13,375)				
A32130	Notes payable	(2,852)	1,225				
A32150	Accounts payable	42,301	(14,935)				
A32180	Other payables	144,061	84,132				
A32230	Other current liabilities	23,169	98,633				
A33000	Cash generated from operations	844,576	2,142,020				
A33100	Interest received	13,463	6,183				
A33300	Interest paid	(32,903)	(15,990)				
A33500	Income tax paid	(239,894)	(247,339)				
AAAA	Net cash provided by (used in) operating activities	585,242	1,884,874				

(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, 2023 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

Guo, Ming-Dong

Chairman

January 29, 2024

## 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, 2023 and 2022, 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 material accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), 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, 2023 and 2022, 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 and became effective 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 the Standards on Auditing of 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”). Based on our audits and the reports of the other auditors, 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, 2023. 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\$6,789,861 thousand for the year ended December 31, 2023 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. 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\$583,479 thousand, representing 4% of total assets, as of December 31, 2023, 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.

### **Other Matter – Making Reference to the Audits of Component Auditors**

We did not audit the financial statements of invested associates accounted for using the equity method by the Company and its subsidiaries, which were audited by other independent auditors. The financial statements of invested associates as of December 31, 2023 were audited by other independent auditors, whose report thereon has been furnished to us, and our opinions expressed herein are based solely on other auditors. These investment accounted for using the equity method amounted to NT\$19,817 thousand, accounting for 0.14% of the total assets as of December 31, 2023, and the related shares of profit or loss of associates and joint ventures accounted for using the equity method amounted to NT\$(183) thousand, accounting for (0.01)% of the Company's net income before income tax for the year ended December 31, 2023.

### **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 the Standards on Auditing of 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 the Standards on Auditing of in the Republic of China, we exercise professional judgment and 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 2023 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, 2023 and 2022.



/s/Chang, Chih-Ming

/s/Kuo, Shao-Pin

Ernst & Young  
Taiwan, R.O.C.  
January 29, 2024

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*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, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,500,502	11	\$1,846,120	19
1110	Financial assets at fair value through profit or loss	4, 6(2)	2,635,465	19	666,488	7
1136	Financial assets measured at amortized cost	6(3)	2,098,369	15	-	-
1170	Accounts receivable, net	4, 6(4), 6(15), 7	831,045	6	745,195	8
1200	Other receivables		34,630	-	5,523	-
1220	Current tax assets		442	-	2,929	-
1310	Inventories, net	4, 6(5)	583,479	4	568,628	6
1410	Prepayments		127,135	1	76,884	1
1470	Other current assets		63,553	1	59,062	1
	Total current assets		<u>7,874,620</u>	<u>57</u>	<u>3,970,829</u>	<u>42</u>
15xx	Non-current assets					
1550	Investment accounted for using equity method	4, 6(6)	19,817	-	-	-
1600	Property, plant and equipment, net	4, 6(7), 8, 9	4,724,153	34	5,037,447	52
1755	Right-of-use assets, net	4, 6(19), 7	266,620	2	356,943	4
1780	Intangible assets, net	4, 6(8)	19,540	-	22,223	-
1840	Deferred tax assets	4, 6(23)	38,390	-	17,793	-
1900	Other non-current assets	6(7), 6(9), 7, 8	915,712	7	156,362	2
	Total non-current assets		<u>5,984,232</u>	<u>43</u>	<u>5,590,768</u>	<u>58</u>
	Total Assets		<u>\$13,858,852</u>	<u>100</u>	<u>\$9,561,597</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, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2023		As of December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(10)	\$908,620	7	\$284,467	3
2130	Contract liabilities	6(17), 7	87,354	1	77,703	1
2150	Notes payable		589	-	3,910	-
2170	Accounts payable		232,727	2	190,643	2
2200	Other payables	6(11), 7	1,571,000	10	1,397,777	15
2230	Current tax liabilities	4, 6(23)	95,548	1	105,500	1
2280	Lease liabilities	4, 6(19), 7	133,272	1	132,253	1
2300	Other current liabilities	6(12), 6(13), 8	277,722	2	249,251	3
	Total current liabilities		3,306,832	24	2,441,504	26
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(13), 8	365,092	3	364,879	4
2570	Deferred tax liabilities	4, 6(23)	65,368	-	37,185	-
2580	Lease liabilities	4, 6(19), 7	140,048	1	231,107	2
2645	Guarantee deposits received		1,004	-	974	-
2670	Other non-current liabilities	4, 6(12)	268	-	216	-
	Total non-current liabilities		571,780	4	634,361	6
	Total liabilities		3,878,612	28	3,075,865	32
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(15)				
3110	Common stock		780,000	6	700,000	7
3200	Capital surplus	6(15)	4,269,521	30	1,810,341	19
3300	Retained earnings	6(15)				
3310	Legal reserve		520,327	4	367,572	4
3320	Special reserve		12,934	-	16,367	-
3350	Unappropriated retained earnings		4,352,686	31	3,546,106	37
3400	Other equity interest		(27,786)	-	(12,934)	-
36xx	Non-controlling interests	6(15)	72,558	1	58,280	1
	Total equity		9,980,240	72	6,485,732	68
	Total liabilities and equity		\$13,858,852	100	\$9,561,597	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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(17), 7	\$6,789,861	100	\$6,321,198	100
5000	Operating costs	6(5)	(3,121,577)	(46)	(3,005,756)	(48)
5900	Gross profit		3,668,284	54	3,315,442	52
6000	Operating expenses	7				
6100	Selling expenses		(622,839)	(9)	(555,426)	(9)
6200	Administrative expenses		(431,736)	(6)	(371,077)	(6)
6300	Research and development expenses		(592,395)	(9)	(575,925)	(9)
6450	Expected credit gains (losses)	6(18)	(40,203)	(1)	6,859	-
	Operating expenses total		(1,687,173)	(25)	(1,495,569)	(24)
6900	Operating income		1,981,111	29	1,819,873	28
7000	Non-operating income and expenses	6(21)				
7100	Interest income		29,917	1	8,628	-
7010	Other income		13,626	-	19,478	-
7020	Other gains or losses		(304)	-	(8,175)	-
7050	Finance costs		(45,527)	(1)	(22,526)	-
7060	Share of profit or loss of associates and joint ventures accounted		(183)	-	-	-
	Total non-operating incomes and expenses		(2,471)	-	(2,595)	-
7900	Income from continuing operations before income tax		1,978,640	29	1,817,278	28
7950	Income tax	4, 6(23)	(300,709)	(4)	(271,937)	(4)
8200	Net income		1,677,931	25	1,545,341	24
8300	Other comprehensive income (loss)	6(22)				
8360	Items that may be reclassified subsequently to profit or loss					
8380	Exchange differences resulting from translating the financial statements of a foreign operation		(15,362)	-	2,673	-
8399	Income tax relating to components of other comprehensive income		(45)	-	-	-
	Total other comprehensive income, net of tax		(15,407)	-	2,673	-
8500	Total comprehensive income		\$1,662,524	25	\$1,548,014	24
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$1,655,902	25	\$1,542,135	24
8620	Non-controlling interests		22,029	-	3,206	-
			\$1,677,931	25	\$1,545,341	24
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$1,641,050	25	\$1,545,568	24
8720	Non-controlling interests		21,474	-	2,446	-
			\$1,662,524	25	\$1,548,014	24
9750	Earnings per share-basic (in NTD)	4, 6(24)	\$22.83		\$22.03	
9850	Earnings per share-diluted (in NTD)	4, 6(24)	\$22.61		\$21.84	

(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, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Code	Items	Equity Attributable to Shareholders of the Parent							Non-controlling interests	Total Equity
		Capital	Capital Surplus	Retained Earnings				Total		
				Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations			
3100	3200	3310	3320	3350	3410	31XX	36XX	3XXX		
A1	Balance as of January 1, 2022	\$700,000	\$1,804,931	\$242,715	\$8,143	\$2,746,643	\$(16,367)	\$5,486,065	\$22,362	\$5,508,427
	Appropriation and distribution of 2021 earnings									
B1	Legal reserve appropriated			124,857		(124,857)		-		-
B3	Special reserve appropriated				8,224	(8,224)		-		-
B5	Cash dividends-common shares					(595,000)		(595,000)		(595,000)
D1	Net income for 2022					1,542,135		1,542,135	3,206	1,545,341
D3	Other comprehensive income (loss) for 2022						3,433	3,433	(760)	2,673
D5	Total comprehensive income	-	-	-	-	1,542,135	3,433	1,545,568	2,446	1,548,014
H3	Reorganization		4,729			(5,423)		(694)	694	-
M5	Difference between consideration given / received and carrying amount of interests in subsidiaries acquired / disposed of		(962)			(9,168)		(10,130)	10,130	-
N1	Share-based payment transaction		1,643					1,643	148	1,791
O1	Non-controlling interests								22,500	22,500
Z1	Balance as of December 31, 2022	<u>\$700,000</u>	<u>\$1,810,341</u>	<u>\$367,572</u>	<u>\$16,367</u>	<u>\$3,546,106</u>	<u>\$(12,934)</u>	<u>\$6,427,452</u>	<u>\$58,280</u>	<u>\$6,485,732</u>
A1	Balance as of January 1, 2023	\$700,000	\$1,810,341	\$367,572	\$16,367	\$3,546,106	\$(12,934)	\$6,427,452	\$58,280	\$6,485,732
	Appropriation and distribution of 2022 earnings									
B1	Legal reserve appropriated			152,755		(152,755)		-		-
B3	Special reserve appropriated				(3,433)	3,433		-		-
B5	Cash dividends-common shares					(700,000)		(700,000)		(700,000)
D1	Net income for 2023					1,655,902		1,655,902	22,029	1,677,931
D3	Other comprehensive income (loss) for 2023						(14,852)	(14,852)	(555)	(15,407)
D5	Total comprehensive income	-	-	-	-	1,655,902	(14,852)	1,641,050	21,474	1,662,524
E1	Proceeds from issuing shares	80,000	2,459,180					2,539,180	304	2,539,484
O1	Non-controlling interests								(7,500)	(7,500)
Z1	Balance as of December 31, 2023	<u>\$780,000</u>	<u>\$4,269,521</u>	<u>\$520,327</u>	<u>\$12,934</u>	<u>\$4,352,686</u>	<u>\$(27,786)</u>	<u>\$9,907,682</u>	<u>\$72,558</u>	<u>\$9,980,240</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, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022	Code	Items	2023	2022
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$1,978,640	\$1,817,278	B00040	Increase in financial assets measured at amortized cost	(2,098,369)	-
A20000	Adjustments:			B01800	Acquisition of investments accounted for using the equity method	(20,000)	-
A20010	Profit or loss not effecting cash flows:			B02700	Acquisition of property, plant and equipment	(1,111,502)	(1,410,912)
A20100	Depreciation (including right-of-use assets)	923,368	923,876	B02800	Proceeds from disposal of property, plant and equipment	114	180
A20200	Amortization	13,574	8,837	B03800	(Increase) decrease in refundable deposits	4,878	755
A20300	Expected credit losses (gain)	40,203	(6,859)	B04500	Acquisition of intangible assets	(10,891)	(18,527)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(16,175)	(761)	B05350	Acquisition of right-of use assets	(161,852)	-
A20900	Interest expense	45,527	22,526	BBBB	Net cash provided by (used in) investing activities	(3,397,622)	(1,428,504)
A21200	Interest income	(29,917)	(8,628)				
A21900	Share-based payments awards	59,484	1,791	CCCC	Cash flows from financing activities:		
A22300	Share of profit or loss of associates and joint ventures	183	-	C00100	Increase in (repayment of) short-term borrowings	624,153	(160,399)
A22500	Loss (gain) on disposal of property, plant and equipment	(114)	(180)	C01600	Increase in long-term borrowings	122,900	228,104
A23700	Impairment loss on non-financial assets	19,488	40,759	C01700	Repayment of long-term borrowings	(110,821)	(1,042)
A29900	Loss (gain) on lease modification	(12)	(90)	C03000	Increase (decrease) in guarantee deposits received	30	459
A29900	Loss (gain) on government grants	(69)	(402)	C04020	Payments of lease liabilities	(141,084)	(117,882)
A30000	Changes in operating assets and liabilities:			C04500	Dividend distribution	(707,500)	(595,000)
A31115	Financial assets at fair value through profit or loss	(1,952,802)	(598,699)	C04600	Proceeds from issuing shares	2,480,000	-
A31150	Accounts receivable	(126,050)	(111,031)	C05800	Non-controlling interests changed	-	22,500
A31180	Other receivables	(18,090)	1,381	CCCC	Net cash provided by (used in) financing activities	2,267,678	(623,260)
A31200	Inventories	(14,851)	5,146				
A31230	Prepayments	(50,251)	(3,475)	DDDD	Effect of exchange rate changes	(15,150)	1,456
A31240	Other current assets	(4,491)	4,733				
A32125	Contract liabilities	9,651	13,476	EEEE	Increase (decrease) in cash and cash equivalents	(345,618)	(2,845)
A32130	Notes payable	(3,321)	1,594	E00100	Cash and cash equivalents at beginning of period	1,846,120	1,848,965
A32150	Accounts payable	42,084	(9,777)	E00200	Cash and cash equivalents at end of period	\$1,500,502	\$1,846,120
A32180	Other payables	184,495	149,523				
A32230	Other current liabilities	16,645	89,324				
A32000	Cash generated from operations	1,117,199	2,340,342				
A33100	Interest received	18,898	8,432				
A33300	Interest paid	(36,795)	(18,102)				
A33500	Income tax paid	(299,826)	(283,209)				
AAAA	Net cash provided by (used in) operating activities	799,476	2,047,463				

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

## Attachment 4

### Pegavision Corporation Earnings Appropriation Report 2023

Unit: NTD

Item	Amount
Opening undistributed earnings	2,696,784,282
Plus: 2023 net income	1,655,902,355
Subtotal	4,352,686,637
Provisions:	
Provision for legal reserve (10%)	(165,590,236)
Provision for special reserve	(14,851,606)
Subtotal of distributable earnings for the year	4,172,244,795
Distributions:	
Shareholders' dividends - NT\$10 cash per share	(780,000,000)
Closing undistributed earnings	3,392,244,795
Note 1: The appropriation will be allocated out of 2023 earnings as a priority.	

Chairman:  
Peter Kuo

President:  
Te-Sheng Yang

Head of Accounting:  
Ching-Hsiang Wang

## Attachment 5

### Pegavision Corporation

#### Comparison Table for the Articles of Incorporation before and after revision

Amended clause	Existing clause	Explanation
<p>Article 7: The Company issues owner-registered shares only. Every share certificate shall be issued with the signatures or seals of <u>Director representing the company and issued after being certified by a bank eligible to serve as a certifier for stock issuance according to the law.</u> Shares of the Company may be issued in non-tangible form, subject to registration with the centralized securities depository.</p>	<p>Article 7: The Company issues owner-registered shares only. Every share certificate shall be issued with the signatures or seals of <u>at least 3 directors.</u> Shares of the Company may be issued in non-tangible form, subject to registration with the centralized securities depository.</p>	<p>In according to the amendment of Article 162 of the Company Act,. Due to current practice, regulatory authorities no longer handle stock certification matters, and public companies now appoint banks as certifiers for stock issuance. Additionally, the requirement for three or more directors to sign or affix seals on stock certificates has been relaxed to only requiring the signature or seal of a director representing the company. Therefore, the company's articles of association are amended accordingly in accordance with the law.</p>
<p>Article 27-1: When it is determined that the company has earnings for a fiscal year, the earnings shall firstly to be appropriated to profit-seeking business income tax and reimbursement of previous losses as required by law, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if</p>	<p>Article 27-1: When it is determined that the company has earnings for a fiscal year, the earnings shall firstly to be appropriated to profit-seeking business income tax and reimbursement of previous losses as required by law, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if</p>	<p>In according to the amendment of Article 237 of the Company Act,.The original provision defines "total capital" as the paid-up capital in practice (refer to the interpretation in the letter numbered 09102247860 issued by the Ministry of Economic Affairs on November 4, 2022). Therefore, when the legal reserve set aside by the</p>



Amended clause	Existing clause	Explanation
<p>the Company has accumulated legal reserve to an amount equal to <u>Paid-up</u> capital. Next, provisions for special reserve are to be made according to laws or instructions of the authority. The remainder plus undistributed earnings accumulated in previous years can then be distributed or retained, for which the board of directors is required to propose an earnings appropriation plan and seek resolution in a shareholder meeting.</p> <p>Cash distribution of the above surplus to shareholders shall be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.</p>	<p>the Company has accumulated legal reserve to an amount equal to <u>share</u> capital. Next, provisions for special reserve are to be made according to laws or instructions of the authority. The remainder plus undistributed earnings accumulated in previous years can then be distributed or retained, for which the board of directors is required to propose an earnings appropriation plan and seek resolution in a shareholder meeting.</p> <p>Cash distribution of the above surplus to shareholders shall be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.</p>	<p>company equals the paid-up capital, there is no need for further allocation. Consequently, the company's articles of association are amended in accordance with the law.</p>
<p>Article 33</p> <p>This Articles of Incorporation was approved unanimously by all founders on August 12, 2009.</p> <p>The 1st amendment was made on April 29, 2014.</p> <p>The 2nd amendment was made on June 16, 2015.</p> <p>The 3rd amendment was made on June 14, 2016.</p> <p>The 4th amendment was made on June 14, 2018.</p>	<p>Article 33</p> <p>This Articles of Incorporation was approved unanimously by all founders on August 12, 2009.</p> <p>The 1st amendment was made on April 29, 2014.</p> <p>The 2nd amendment was made on June 16, 2015.</p> <p>The 3rd amendment was made on June 14, 2016.</p> <p>The 4th amendment was made on June 14, 2018.</p>	<p>Added revision date.</p>

Amended clause	Existing clause	Explanation
<p>The 5th amendment was made on June 14, 2019.</p> <p>The 6th amendment was made on May 24, 2022.</p> <p><u>The 7th amendment was made on May 24, 2024.</u></p>	<p>The 5th amendment was made on June 14, 2019.</p> <p>The 6th amendment was made on May 24, 2022.</p>	

# Appendix 1

## Pegavision Corporation

### Articles of Incorporation

#### Chapter One General Provisions

Article 1: The Company is incorporated according to The Company Act, and has been named PEGAVISION CORPORATION.

Article 2: Business activities of the Company are as follows:

- |        |         |                                                  |
|--------|---------|--------------------------------------------------|
| I.     | CF01011 | Medical Materials and Equipment Manufacturing    |
| II.    | F108031 | Wholesale of Drugs, Medical Goods                |
| III.   | F208031 | Retail Sale of Medical Equipments                |
| IV.    | CE01030 | Photographic and Optical Equipment Manufacturing |
| V.     | CE01010 | Precision Instruments Manufacturing              |
| VI.    | F113030 | Wholesale of Precision Instruments               |
| VII.   | F213040 | Retail Sale of Precision Instruments             |
| VIII.  | CC01040 | Lighting Facilities Manufacturing.               |
| IX.    | F113020 | Wholesale of Household Appliance                 |
| X.     | F213010 | Retail Sale of Household Appliance               |
| XI.    | F401010 | International Trade                              |
| XII.   | IG01010 | Biotechnology Services                           |
| XIII.  | C802041 | Drugs and Medicines Manufacturing                |
| XIV.   | F108021 | Wholesale of Drugs and Medicines                 |
| XV.    | F208021 | Retail Sale of Drugs and Medicines               |
| XVI.   | JZ99060 | Spectacles Shops                                 |
| XVII.  | F110020 | Wholesale of Spectacles                          |
| XVIII. | F210020 | Retail Sale of Spectacles                        |
| XIX.   | F206020 | Retail Sale of Articles for Daily Use            |
| XX.    | F106020 | Wholesale of Articles for Daily Use              |
| XXI.   | F208040 | Retail Sale of Cosmetics                         |
| XXII.  | F108040 | Wholesale of Cosmetics                           |
| XXIII. | F399990 | Retail sale of Others                            |
| XXIV.  | F203010 | Retail sale of Food and Grocery                  |
| XXV.   | F102170 | Wholesale of Food and Grocery                    |

XXVI.	I401010	General Advertising Services
XXVII.	F399010	Convenience Stores
XXVIII.	F301010	Department Stores
XXIX.	F301020	Supermarkets
XXX.	I301010	Software Design Services
XXXI.	ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval

Article 3: The Company is headquartered in Taoyuan City, and may establish domestic or foreign branches subject to board of directors' approval.

Article 4: Public announcements of the Company shall be duly made in accordance with Article 28 of The Company Act.

## Chapter Two Share Capital

Article 5: The Company has an authorized capital of One Billion New Taiwan Dollars, at a par value of NTD 10 per share, which can be offered in multiple issues. Unissued shares may be offered over multiple issues, subject to board of directors' resolution. The Company shall reserve four million shares of its authorized capital to meet exercise of warrants, preferred shares with warrant and corporate bonds with warrant, which can be offered over multiple issues with board of directors' resolution.

Article 5-1: Any transfer of shares to employees below the average buyback price or issuance of employee warrants with exercise price below the level stipulated in "Regulations Governing the Offering and Issuance of Securities by Securities Issuers" shall be resolved in a shareholder meeting with the presence of shareholders representing more than half of outstanding shares, and voted in favor by more than two-thirds of votes present in the meeting.

Article 5-2: The Company may use a variety of compensation instruments including: treasury stocks purchased according to The Company Act and Securities and Exchange Act, employee warrants, new shares and issuance of restricted shares, which can be transferred to, granted to or subscribed by employees of controlling or controlled entities who satisfy certain criteria. The board of directors is authorized to set these

criteria at its discretion.

- Article 6: The sum of investments in other business entities is not subject to the restrictions imposed under Article 13 of The Company Act (i.e. 40% of paid-up capital).
- Article 7: The Company issues owner-registered shares only. Every share certificate shall be issued with the signatures or seals of at least 3 directors. Shares of the Company may be issued in non-tangible form, subject to registration with the centralized securities depository.
- Article 8: No changes can be made to the shareholders registry within the 60 days prior to annual general meeting, or within 30 days prior to extraordinary shareholder meeting, or within 5 days before the baseline date for dividends or other gains distributed by the Company. The above periods shall date back from the date of meeting or from the baseline date.
- Article 9: Unless otherwise specified by law or securities regulation, all share administration-related affairs and matters concerning exercising of shareholders' rights shall proceed according to "Regulations Governing the Administration of Shareholder Services of Public Companies."
- Article 10: Shareholders of the Company are required to complete a seal specimen card and provide a signature or seal pattern at the time of account opening. Seal specimen cards shall be retained by the Company's shareholder service department or stock transfer agent for future reference, and the same requirement applies to subsequent changes.

### Chapter Three Shareholder Meetings

- Article 11: The Company holds two types of shareholder meeting: annual general meeting and extraordinary shareholder meeting. Annual general meetings are convened at least once a year at a time no later than six months after the end of a financial year, whereas extraordinary shareholder meetings can be convened at any time deemed necessary. Convention of annual general meeting shall be notified 30 days in advance, whereas extraordinary shareholder meetings are to be notified 15 days in advance. Details such as the meeting date, venue and proposals shall be communicated to each shareholder in

writing or using electronic form; however, shareholders with less than 1,000 shares can be communicated by way of public announcement instead.

Shareholders' meetings can be held by means of visual communication network or other methods promulgated by the central competent authority. The relevant conditions, operating procedures and other matters regulated by the securities regulatory authority shall be complied with.

Article 12: Shareholder meetings that are convened by the board of directors are to be chaired by the Chairman. If the Chairman is on leave or unable to perform duty for any reason, a person of acting duty shall be appointed according to Article 208 of The Company Act. For shareholder meetings that are convened by any authorized party other than the board of directors, the convener shall chair the meeting. If two or more parties are equally eligible to serve as convener, one shall be elected among themselves to serve as convener.

Article 13: If a shareholder is unable to attend shareholder meeting in person, a proxy can be appointed by presenting a properly signed/sealed proxy form printed in the Company's prescribed format, while specifying the scope of delegated authority.

Article 14: Shareholders are entitled to one voting right for every share held, except for shares that are subject to voting restrictions outlined in The Company Act. Shareholders shall be given the option to exercise voting rights in writing or electronically during shareholder meetings, as the laws may require. Shareholders who opt to exercise voting rights using electronic method mentioned in the preceding Paragraph are considered to have participated shareholder meeting in person, but waived their rights to participate in any special motion or any amendment to original motions that may arise during the shareholder meeting.

Article 15: Except otherwise regulated by The Company Act, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and that the motion is voted in favor by more than 50% of all voting rights represented at the meeting.

Article 16: If the Company is solely owned by a single corporate shareholder, the board of directors shall be authorized to exercise shareholders' authorities on behalf; in which

case, rules pertaining to shareholder meeting stipulated in the Articles of Incorporation are no longer applicable.

#### Chapter Four Directors, Audit Committee and Managers

Article 17: The Company has 5 to 9 directors, who shall be elected by shareholders using the nomination system stipulated in The Company Act from capable candidates to serve a term of 3 years. Term of service can be extended if re-elected. The Company may purchase liability insurance policies to insure itself against liabilities of its directors over the course of service.

The director seats mentioned above may include independent directors, which shall be no fewer than 3 and account for no less than one-fifth of the board. Restrictions concerning independent directors' eligibility, shareholding, concurrent employment, nomination and other compliance issues are governed by relevant laws of the securities authority.

Article 17-1: The Company shall comply with Article 14-4 of the Securities and Exchange Act by assembling an Audit Committee that consists entirely of independent directors.

Article 17-2: Functional committees of various purposes may be assembled under the board of directors. Each functional committee shall establish a separate foundation principle, and implement once approved by the board of directors.

Article 18: The board of directors shall consist entirely of directors, whose authority includes the following matters:

- I. Proposal of business plans.
- II. Proposal of earnings appropriation or loss reimbursement plans.
- III. Proposal of capital-raising and capital reduction plans.
- IV. Making of key policies and organizational rules within the Company.
- V. Appointment and dismissal of the Company's managers.
- VI. Branch establishment and removal.
- VII. Budgeting and year-end account closure.
- VIII. Any other authorities vested under The Company Act or shareholders' resolutions.

- Article 19: The board of directors shall appoint one Chairman during a board meeting where more than two-thirds of directors are present with the support of more than half of all attending directors. A Vice Chairman may be appointed as needed. The Chairman serves as the Company's representative to the outside world.
- Article 20: Unless otherwise specified in The Company Act, board of directors meetings are to be convened by the Chairman. Unless otherwise regulated by The Company Act, board resolutions are passed only if more than half of total board members are present in a meeting, and with more than half of attending directors voting in favor.
- Article 21: The Chairman serves as the chairperson for board meetings. If the Chairman is unable to perform duties due to leave of absence or any reason, a delegate shall be appointed in accordance with Article 208 of The Company Act. Directors are expected to attend board meetings in person; directors who are unable to attend in person may appoint another director as proxy to attend on behalf. For board meetings that proceed by way of video conferencing, all directors who participate in the video conference are considered to have attended the meeting in person. Directors seeking proxy attendance from another director are required to issue a separate proxy letter for every board meeting, and specify the extent of delegated authority for each motion. Each proxy attendant may only represent the presence of one absent director.
- Article 22: Convention of board meeting can be notified to each director through writing, fax or e-mail according to Article 204 of The Company Act. Meetings may also be convened at any time in the case of emergency.
- Article 23: Matters concerning Audit Committee, including composition, duties and authority, are governed by Securities and Exchange Act and related laws.
- Article 24: The Company may compensate its directors for the services rendered based on directors' involvements and contributions to the Company's operations, in reference to local and foreign peer levels. Directors who concurrently assume duties within the Company are entitled to receive remuneration according to Article 27 of the Articles of Incorporation, and can be paid monthly salaries at managers' standard.  
The Company may create managerial positions. Appointment, dismissal and remuneration of whom shall comply with Article 29 of The Company Act.



## Chapter Five Accounting

Article 25: The Company's accounting period starts from January 1 and ends December 31 each year. Account closure is performed at the end of each year.

Article 26: At the end of each financial year, the Company shall prepare the following reports according to Article 228 of The Company Act and present them for review by the Audit Committee and resolution by the board of directors before seeking acknowledgment in an annual general meeting.

I. Business report.

II. Financial statements.

III. Earnings appropriation or loss reimbursement proposals.

Article 27: When it is determined that the company has profit for a fiscal year, the company shall appropriate the employee's and directors remuneration according to following sequence; however, in the case that the company still has retained losses, profits shall first be reserved to offset cumulative losses and then appropriate according to following sequence:

I. Employee remuneration - No less than 10%, which can be paid in cash or in shares to employees of controlling or controlled entities who satisfy certain criteria. The board of directors is authorized to set this criteria at its discretion.

II. Director remuneration - No more than 1%.

Article 27-1: When it is determined that the company has earnings for a fiscal year, the earnings shall firstly to be appropriated to profit-seeking business income tax and reimbursement of previous losses as required by law, followed by a 10% provision for legal reserve. However, no further provision of legal reserve is required if the Company has accumulated legal reserve to an amount equal to share capital. Next, provisions for special reserve are to be made according to laws or instructions of the authority. The remainder plus undistributed earnings accumulated in previous years can then be distributed or retained, for which the board of directors is required to propose an earnings appropriation plan and seek resolution in a shareholder meeting. If the Company's Cash distribution is from all or part of legal reserve and capital reserve to shareholders shall be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending

directors, and reported in the upcoming shareholder meeting.

Article 28: The distribution of the dividends of the company will coordinate with the surplus of that year based on the principal of stabilization. The Company operates in a rapidly changing industry and has therefore adopted a balanced dividend policy to cater for future capital requirements and long-term operations. As a result, the Company shall pay out no less than 10% of current year's distributable earnings as dividends under Article 27-1, with cash portion accounting for no less than 10% of total dividends.

Article 29: Dividends are distributed only to the shareholders listed on the shareholders registry five days before the cash/stock dividend baseline date.

#### Chapter Six Additional Rules

Article 30: The Company's organizational rules and administrative principles shall be established separately by the board of directors.

Article 31: The Company may offer guarantees and endorsements to external parties as needed to facilitate business activities.

Article 32: Any matters that are not addressed in the Articles of Incorporation shall be governed by The Company Act and the relevant regulations.

Article 33: This Articles of Incorporation was approved unanimously by all founders on August 12, 2009.

The 1st amendment was made on April 29, 2014.

The 2nd amendment was made on June 16, 2015.

The 3rd amendment was made on June 14, 2016.

The 4th amendment was made on June 14, 2018.

The 5th amendment was made on June 14, 2019.

The 6th amendment was made on May 24, 2022.

Pegavision Corporation

Chairman: Peter Kuo

## Appendix 2

### Pegavision Corporation

#### Rules and Procedures of Shareholders Meetings

Article 1: This policy has been established in accordance with Article 5 of "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" to promote proper governance over the Company's shareholder meetings and to enforce supervisory and administrative functions of such meetings.

Article 2: Unless otherwise specified by law or Articles of Incorporation, shareholder meetings shall proceed according to the terms of this policy.

Article 3: Unless otherwise specified by law, shareholder meetings are to be convened by the board of directors.

The Company shall prepare an electronic file that contains the meeting notice, a proxy form, a detailed agenda of topics to be acknowledged or discussed during the meeting, and notes on the election or dismissal of directors and post it onto the Market Observation Post System (MOPS) at least 30 days before an annual general meeting, or 15 days before an extraordinary shareholder meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholder meeting, an electronic copy of the shareholder meeting handbook and supplementary information shall be prepared and posted onto MOPS. Hard copies of the shareholder meeting manual and supplementary information also have to be prepared at least 15 days before the meeting and made accessible to shareholders at any time. These documents shall be made available at the Company's premises and at the share transfer agent, and distributed on-site at the shareholder meeting.

The meeting notice and announcement shall include a detailed agenda. Notice and announcements can be served in electronic form with the recipient's consent. 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 Articles 56-1 and 60-2 of "Regulations Governing the Offering and Issuance of Securities 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

If the shareholder meeting notice has already notified upfront of a full re-election of directors and independent directors with specific duty commencement date, then no further changes can be made to the duty commencement date, whether through special motion or otherwise, when re-election is completed during the meeting.

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. 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 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. 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.

The Company shall announce, before the book closure date of annual general meeting, the conditions, places and time within which shareholders' proposals are accepted. The acceptance period shall not be less than ten days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy and participate in the discussion.

The Company shall notify each proposing shareholder the outcomes of their proposed motions before the date the meeting notice is sent. Meanwhile, motions that satisfy the conditions listed in this Article shall be included as part of the meeting notice. During the shareholder meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from discussion.

Article 4: Shareholders may appoint proxies to attend shareholder meetings on their behalf by completing the Company's proxy form and specifying the scope of delegated authority.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms shall be received by the Company at least 5 days before the

shareholder meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous proxy arrangement.

Should the shareholder decide to attend shareholder meeting personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice shall be sent to the Company by no later than two days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, vote of the proxy attendant shall prevail.

Article 5: Shareholder meetings shall be held at locations that are suitable and convenient for shareholders to attend. Meetings shall not commence anytime earlier than 9AM or later than 3PM. Independent directors' opinions shall be fully taken into consideration when choosing the meeting venue and time.

Article 6: Shareholders and representatives thereof (collectively referred to as shareholders) shall attend shareholder meetings by presenting valid conference pass, attendance card or other document of similar nature. Proxy form acquirers are required to bring identity proof for verification.

An attendance log shall be prepared to record shareholders' attendance; alternatively, shareholders may present attendance cards to signify their presence. Shareholders who attend the meeting shall be given a copy of the meeting handbook, annual report, attendance card, speech note, motion ballot and any information relevant to the meeting. Prepare additional ballots if director election is also being held during the meeting.

Where the shareholder is a government agency or corporate entity, more than one representative may attend shareholder meetings on their behalf. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend shareholder meeting.

Article 7: Shareholder meetings that are convened by the board of directors shall be chaired by the Chairman. If the Chairman is on leave or is unable to exercise duties for any reason, the Vice Chairman will act on behalf; if there is no Vice Chairman or if the Vice Chairman is also on leave or is unable to exercise duties for any reason, the Chairman may appoint one managing director to assume acting duty; if there is no managing director, one of the directors shall be appointed to perform acting duty; if no delegate is appointed by the Chairman, one shall be appointed among managing directors or directors.

Shareholder meetings that are convened by the board of directors should have more than have of the board attending.

For shareholder meetings that are convened by any authorized party other than the board of directors, the convener shall chair the meeting. If two or more parties are equally eligible to serve as convener, one shall be elected among themselves to serve as convener.

The Company may summon its lawyers, certified public accountants, and any relevant personnel to be present at shareholder meetings.

Article 8: The entire proceeding of shareholder meeting shall be recorded in video or audio. These recordings shall be retained for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Article 9: Shareholders' presence is determined by the number of shares represented in a meeting. The number of shares represented in a meeting is calculated based on attendance log records or the attendance cards collected, plus the number of shares that have voting rights exercised in writing or through electronic means. The chairperson should announce commencement of meeting as soon as it is due. However, if current attendants represent less than half of the Company's outstanding shares, the chairperson may announce to postpone the meeting up to two times, for a period totaling no more than one hour.

The chairperson shall dismiss the meeting if attending shareholders still represent less than one-third of outstanding shares after two postponements.

If attending shareholders still represent more than one-third but less than half of outstanding shares after two postponements, the attending shareholders may reach a tentative resolution according to Paragraph 1, Article 175 of The Company Act. This tentative resolution shall then be communicated to every shareholder and another shareholder meeting shall be held within the next month.

If the number of shares represented accumulate to more than half of all outstanding shares as the meeting progresses, the chairperson may propose the tentative resolutions for final voting according to Article 174 of The Company Act.

Article 10: For shareholder meetings that are convened by the board of directors, the board of directors will determine the meeting agenda. All proposed motions (including special motions and amendments to existing motions) shall be voted on a case-by-

case basis. The agenda cannot be changed unless resolved during the shareholder meeting.

The above rule also applies to shareholder meetings that are convened by any authorized party other than the board of directors.

In either of the two situations described above, the chairperson cannot dismiss the meeting while a motion (including special motion) is still in progress. If the chairperson violates conference rules by dismissing the meeting when not allowed to do so, other members of the board shall immediately assist attending shareholders in electing another chairperson that has the support of more than half of voting rights represented on-site to continue the meeting.

For any motions, amendments or special motions proposed during the meeting, the chairperson may announce to discontinue further discussions if the issue in question is considered to have been sufficiently discussed to proceed with voting, and shall allocate ample time to vote.

Article 11: Shareholders who wish to speak during the meeting shall produce a speech note detailing the topic, shareholder ID (or the attendance ID serial) and shareholder's name. The order of shareholders' comments is determined by the chairperson. Shareholders who submit a speech note without actually speaking are considered to have remained silent. If the shareholder's actual comments differ from those stated in the speech note, the actual comments expressed shall be taken into record. Each shareholder shall speak for no more than two times, for 5 minutes each, on the same motion unless otherwise agreed by the chairperson. The chairperson may stop shareholders from speaking if they violate any terms of the policy or speak outside the discussed topic.

While a shareholder is speaking, other shareholders cannot speak simultaneously or interfere in any way unless agreed by the chairperson and the person speaking. Any violators shall be restrained by the chairperson.

Where a corporate shareholder has appointed two or more representatives to attend the shareholder meeting, only one representative may speak per motion.

After a shareholder has finished speaking, the chairperson may answer the shareholder's queries personally or appoint any relevant personnel to do so.

Article 12: Votes in a shareholder meeting are vested based on the number of shares represented.

Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution.

Shareholders cannot vote, or appoint proxies to vote, on any motions that present a conflict between their own interests and interests of the Company.

The number of shares held by shareholders who are not permitted to vote shall be excluded from the calculation of total voting rights.

With the exception of trust enterprises and certain share transfer agencies approved by the authority, a proxy may not represent more than 3% of total voting rights in aggregate when representing two or more shareholders during the meeting. Voting rights that exceed this threshold shall be excluded from calculation.

Article 13: Shareholders are entitled to one vote per share, except for shares that are subject to voting restrictions or situations outlined in Paragraph 2, Article 179 of The Company Act.

The Company shall give shareholders the option to exercise voting rights in writing or using the electronic method during shareholder meetings. Instructions for exercising voting rights in writing or through electronic means shall be stated clearly on the meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended shareholder meeting in person. However, they are considered to have waived their rights to participate in any special motion or any amendment to the original discussion that may arise during the shareholder meeting. For this reason, the Company should avoid proposing special motions or amendments to the original motion where possible. Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, this excludes situations where a proper declaration is issued to withdraw the previous arrangement.

Shareholders who wish to attend the shareholder meeting in person after exercising their voting rights in writing or using electronic methods are required to withdraw their votes using the same method by which the vote was cast in the first place, and by no later than two days before the day of shareholder meeting. The written/electronic vote shall prevail if not withdrawn before the cutoff time. If a shareholder exercises vote in writing or through electronic means and at the same time delegates a proxy to attend shareholder meeting, the voting decision exercised by the proxy shall prevail.

Unless otherwise regulated by The Company Act or stated in the Articles of Incorporation, a motion is passed when supported by shareholders representing more than half of total voting rights in the meeting. A motion is considered passed if the chairperson receives no objection from any attending shareholders. This voting method is deemed as effective as does the conventional ballot method.



In cases where several amendment or alternative solutions have been proposed at the same time, the chairperson shall determine the order in which proposals are to be voted. However, if any solution is passed, all other proposals shall be deemed rejected and no further voting is necessary.

The chairperson shall appoint ballot examiners and ballot counters to support the voting process. The ballot examiner shall be a shareholder. Motion and election votes are to be counted openly at the shareholder meeting. Results of the vote shall be announced on-site and recorded in minutes.

Article 14: Shareholder meetings that involve election of directors shall proceed according to the Company's election policy. Results of the election shall be announced on-site.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company in accordance with Article 189 of The Company Act, the abovementioned documents shall be retained until the end of the litigation.

Article 15: Shareholder meeting resolutions shall be compiled into detailed minutes, signed or sealed by the chairperson, and disseminated to each shareholder by no later than 20 days after the meeting. Preparation and distribution of meeting minutes can be made in electronic form.

The Company may disseminate meeting minutes by announcing details over MOPS.

The minutes shall detail the date and venue of the meeting, the chairperson's name, the method of resolution, the proceeding and results of various votes (including weight). Minutes shall be retained for as long as the Company exists.

Article 16: During the shareholder meeting, the Company shall disclose information regarding the number of shares acquired by acquirers and the number of shares represented by proxies using the prescribed format. The Company shall disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).

Article 17: Officers of the shareholder meeting shall wear proper identification or arm badge.

The chairperson may instruct security staff to help maintain order in the meeting. While maintaining order in the meeting, all security staff are required to wear arm badges that identify their role as "Security."

The chairperson may stop anyone who attempts to speak using instruments that are not provided by the Company.

The chairperson may instruct security staff to remove shareholders who continue to violate conference rules despite being warned.

Article 18: The chairperson may put the meeting in recess at appropriate times. In the event of force majeure, the chairperson may suspend the meeting temporarily and resume at another time.

If the shareholder meeting is unable to conclude all scheduled motions (including special motions) before the venue is due for return, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

Article 19: The above rules are subject to approval by the board of directors, and shall take effect immediately once approved during shareholder meeting; the same applies to all subsequent revisions.

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

The 3rd amendment was made on July 15, 2021

## Appendix 3

### Pegavision Corporation

#### Rules for the Election of Directors

Article 1: To ensure a just, fair, and open election of directors, these Rules are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/ TPEX Listed Companies.

Article 2: Except as otherwise provided by law and regulation or by this Corporation's articles of incorporation, elections of directors shall be conducted in accordance with these Rules.

Article 3: The overall composition of the board of directors shall be taken into consideration in the selection of this Corporation's directors. Each board member shall have the necessary knowledge, skill, and experience to perform their duties; the abilities that must be present in the board as a whole are as follows:

- I. The ability to make judgments about operations.
- II. Accounting and financial analysis ability.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. An international market perspective.
- VII. Leadership ability.
- VIII. Decision-making ability.

More than half of the directors shall be persons who have neither a spousal relationship nor a relationship within the second degree of kinship with any other director.

Article 4: The qualifications for the independent directors of this Corporation shall comply with Articles 2, 3, and 4 of the Regulations Governing

Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of independent directors of this Corporation shall comply with Articles 5, 6, 7, 8, and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and shall be conducted in accordance with Article 24 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.

Article 5: Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.

When the number of directors falls below five due to the dismissal of a director for any reason, this Corporation shall hold a by-election to fill the vacancy at its next shareholders meeting. When the number of directors falls short by one third of the total number prescribed in this Corporation's articles of incorporation, this Corporation shall call a special shareholders meeting within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

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.

Article 6: The directors of the Company shall be elected under the single-nomination accumulated method. Each share shall be entitled the number of voting rights that is the same as the number of directors to be elected. The voting rights may be casted to elect one or more persons

Article 7: The board of directors shall prepare separate ballots for directors in numbers corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders meeting. Provided that no ballots will be prepared separately for any exercise of the voting right in electronic form. The names of electors could be substituted with numbers of attendance.

Article 8: The number of voting rights for independent directors and non-independent directors shall be calculated separately in accordance with the articles of association of the Company and the number of seats determined by board resolution. The elected persons shall be in the order of the number of voting rights received. If two or more persons receive the same number of voting rights and, as a result, the number of elected persons exceeds the number of seats available, a random draw shall be organized among the persons who have received the same number of votes. If any such person is not present, the chairman may participate in the random draw on such person's behalf. For the election purposes under the preceding paragraph, the number of votes shall be calculated by adding the number of votes cast on site at a shareholders' meeting plus the number of votes cast by electronic voting.

Article 9: Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10: A ballot is invalid under any of the following circumstances:

- I. The ballot was not prepared by a person with the right to convene.

- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot does not conform to the director candidate list.
- V. Other words or marks are entered in addition to the number of voting rights allotted.

Article 11: The votes shall be opened on site upon completion of voting. The chairman shall announce the results of the vote opening on site with the list of elected persons.

Article 12: The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 13: These Rules, and any amendments hereto, shall be approved by the Board, and then be implemented after approval by a shareholders' meeting.

Article 14: The above rules were first established on April 29, 2014.

The first amendment was made on June 16, 2015.

The second amendment was made on July 15, 2021

## Appendix 4

### Directors' Shareholdings

- I. The Company has paid-up capital of NT\$780,000,000, issued in 78,000,000 shares.
- II. According to Article 26 of Securities and Exchange Act, the entire board of directors is required to maintain a minimum holding position of 6,240,000 shares.
- III. Directors' individual and aggregate shareholding as at the book closure date prior to this annual general meeting are shown as follows:

Date: March 26, 2024

Title	Name	Shareholding when elected		Shareholding position as at the book closure date	
		No. of shares	Percentage	No. of shares	Percentage
Chairman	Peter Kuo	1,928,868	2.76%	1,325,533	1.70%
Director	Tzu-Hsien Tung	645,729	0.92%	1,101,077	1.41%
Director	Kinsus Investment Co., Ltd. Representative: Te-Sheng Yang	21,233,736	30.33%	21,233,736	27.22%
Director	Kinsus Investment Co., Ltd. Representative: Ho-Hsu Chen	21,233,736	30.33%	21,233,736	27.22%
Director	Asuspover Investment Co., Ltd. Representative: Mu-Jung Wun	5,480,121	7.83%	6,372,796	8.17%
Director	Asuspover Investment Co., Ltd. Representative: Wen-Yung Ho	5,480,121	7.83%	6,372,796	8.17%
Independent director	Jen-Lu Yao	-	-	-	-
Independent director	Shu-Yu Lee	-	-	-	-
Independent director	Chi-Wan Lai	-	-	-	-
Total directors' shareholding		29,288,454	41.84%	30,033,142	38.50%

## **Appendix 5**

Update on shareholders' proposals for the current annual general meeting:

1. According to Article 172-1 of The Company Act: "Shareholders that own more than 1% of the company's outstanding shares are entitled to propose, in writing, motions for discussion in annual general meetings."
2. Each shareholder may only propose one motion; proposals above that limit are excluded from discussion. Proposals shall be limited to 300 words only; proposals that exceed 300 words will not be accepted for discussion.
3. The Company had been accepting shareholders' proposals for this year's annual general meeting from March 18 to March 27, 2024, with relevant announcements made on MOPS.
4. No proposal were received from shareholders during that period.