

# Pegavision Corporation

## 2025 Annual General Shareholders' Meeting

### Meeting Agenda (Translation)

May 21, 2025

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 2025 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.

## 2025 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**
- VI. Other Questions and Special Motion**
- VII. Adjournment**

# Pegavision Corp.

## 2025 Annual General Shareholders' Meeting Agenda

Time : 9:00 a.m., May 21, 2025, Wednesday

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 2024 operational and financial results (Business Report)
2. Audit Committee's Review Report on 2024 Financial Statements
3. The 2024 compensation of directors and employee bonus
4. The cash dividends distribution of 2024 earnings

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

1. Adoption of 2024 Business Report and Financial Statements (proposed by Board of Directors)
2. Adoption of 2024 Earnings Appropriation (proposed by Board of Directors)

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

1. Amendment to the Company's Articles of Incorporation (proposed by Board of Directors)

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

### **VII. Adjournment**

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

- (I) Summary : The Company's 2024 operational and financial results (Business Report).  
Details: Please refer to Attachment 1 (pages 7 to 9) for the 2024 Business Report.
- (II) Summary : Audit Committee's Review Report on the 2024 financial statements.  
Details: Please refer to Attachment 2 (page 10) for Audit Committee's Review Report.
- (III) Summary : The 2024 compensation of directors and employee bonus.  
Details :
1. Pursuant to Article 27 of the company's Articles of Incorporation, 2024 employees' and directors' remuneration resolved is NT\$267,906,237 (representing 11.5% of pre-tax profit) and NT\$23,296,194 (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\$23,294,000.
  3. No differences exist between the estimated amount and the actual distribution of the employee bonuses and there is negative NT\$2,194 differences between the estimated amount and the actual distribution of the remuneration to directors for the year ended December 31, 2024.
- (IV) Summary : The cash dividends distribution of 2024 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\$858,000,000 in cash dividends at NT\$11 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 2024 Business Report and Financial Statements (proposed by board of directors).

Details :

1. The Company's 2024 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 7 to 9) for the 2024 business report, and Attachment 3 (pages 11 to 33) for standalone and consolidated financial statements.

Resolutions :

- (II) Summary : Adoption of the 2024 Earnings Appropriation (proposed by board of directors).

Details :

1. The Company reported NT\$1,830,675,626 of net income in 2024; after providing for legal reserves of NT\$183,067,563, the reversed special reserves of NT\$8,025,398, and adding to undistributed earnings of NT\$3,392,244,795 carried from previous years, the Company had NT\$5,047,878,256 of earnings that were available for distribution.
2. Please refer to Attachment 4 (page 34) for the Company's 2024 earnings appropriation report.

Resolutions :

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

- (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. 11300069631 Letter by the President on August 7, 2024, Article 14 of the Securities and Exchange Act stipulates that the company shall specify in its articles of incorporation a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to its grassroots employees. Therefore, the relevant content of Article 27 of the company's articles of incorporation has been

- amended.
2. The amendment to Article 27-1 of the company's articles of incorporation defines the distributable earnings for the current year and accumulated distributable earnings, with related textual adjustments made accordingly.
  3. 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 35 to 37)

Resolutions :

#### **IV. Other Question and Special Motion**

#### **V. Adjournment**

# Attachment 1

## Pegavision Corporation

### Business Report

Dear Shareholders,

2024 was a challenging year for Pegavision. The Chinese market faced significant pressures from deflation, downgraded consumption, and challenges surrounding “Made in China,” all of which intensified competition and limited business growth. Meanwhile, the Japanese market maintained steady growth, though the ongoing depreciation of the Japanese Yen placed continuous pressure on the Company’s revenue as we provide exchange rate support to our customers. Despite these short-term challenges, Pegavision’s exceptional R&D and manufacturing capabilities, coupled with our unwavering commitment to top-quality standards, earned the trust of all our clients, allowing the Company to continue recording historical highs in both revenue and profits. The business performance in 2024 and the business plan for 2025 are reported as follows:

### 2024 Financial Performance

The consolidated revenue of the Company in 2024 was NT\$6,817.31 million, representing an increase of NT\$27.44 million over the last year, with an annual growth rate of 0.40%. Our gross profit margin was 56%, representing an increase of 2% compared to the previous year. Net income attributable to shareholders of the parent company was NT\$1,830.68 million, representing an increase of NT\$174.77 million over the last year, with an annual growth rate of 10.6%. Earnings per share were NT\$23.47, representing an increase of NT\$0.64 over the previous year. The consolidated revenue performance of the Company in 2024 was primarily attributed to the continued growth of customers in the Japanese and European markets; our production capacity utilization rate and production efficiency increased continuously, which created positive effects on our profit margin. Therefore, our net income and earnings per share throughout the year maintained steady growth despite price-cutting competition in the Chinese market and pressure from exchange rates in Japan.

### Technological Developments

Pegavision committed 9.5% of its operating revenues, totaling NT\$646.17 million, to R&D expenses in 2024. These funds were allocated to support new product development, certification, and to improve production technologies. We acquired 26 new patents in 2024, covering areas such as automated process testing, material formulations, surface coating technologies, and packaging sterilization techniques. Moreover, we acquired 52 product licenses across various countries. These include:

- The first silicone hydrogel lenses in Japan;
- The first lens containing a vitamin B12 solution in Japan;



- The first lens containing a menthol solution in China;
- The first third-generation Multicolor Anti-Blue Light Contact Lenses in Japan, Taiwan and the U.S.; and
- The first silicone hydrogel contact lenses in South East Asia.

## **Environmental, Social, and Corporate Governance**

Apart from being ranked among the top 6% to 20% of all listed companies in the TWSE 2024 Corporate Governance Evaluation System, the Company also received the Taiwan Intellectual Property Management System (TIPS) A-Level certification and the ISO 27001 certification for Information Security, Cybersecurity and Privacy Protection. Moreover, we completed the solar panel installation of our Guishan and Daxi Plants. Moving forward, we will continue to invest in green manufacturing to achieve our goal of sustainable corporate development.

## **Summary of Current Business Plan**

In 2024, Pegavision made significant advancements in production automation for silicon hydrogel products, optimizing production costs, enhancing product quality, and expanding product licenses. Coupled with the Company's capacity expansion in Daxi (Taiwan), Nantong (China), and Thái Bình (Vietnam), we are well-positioned to better serve our brand customers and mitigate the impact of reliance on a single market or customer on our revenue. We estimate that the growth in our operating revenues in 2025 will be even more favorable than that of 2024 and will be greater than the industry average.

## **Outlook**

Facing uncertain macroeconomic development, the fact that contact lenses are living necessities allows us to reasonably expect that the global contact lens market will maintain an annual growth rate ranging from 4% to 6% in the long run. Medical devices operate within a capital-intensive industry characterized by high technological entry barriers, long product certification times, and strict regulations. As a professional manufacturer of soft contact lenses, we invest much attention and ample resources in smart manufacturing as well as product R&D, patent application, and certification.

On behalf of the employees at Pegavision, we thank you for your continued trust and support. Upholding our business philosophy of broadening horizons for consumers, we will adhere to this responsibility with our commitment to our products, the environment, and our personnel and persistently go to all lengths necessary to create greater value for 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 2024 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

February 17, 2025

## **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, 2024 and 2023, 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, 2024 and 2023, 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, 2024.

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\$5,924,458 thousand for the year ended December 31, 2024 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\$516,227 thousand, representing 4% of total assets, as of December 31, 2024, which is significant to the Company's financial statements. Due to the fierce competition in the contact lens market and the continuous introduction of new products, 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 as of December 31, 2023, 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 0.15% 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 2024 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  
February 17, 2025

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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			2024		2023	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$1,142,305	8	\$1,036,711	8
1110	Financial assets at fair value through profit or loss	4, 6(2)	977,900	7	2,410,211	18
1136	Financial assets measured at amortized cost	6(3)	942,990	7	2,019,990	15
1170	Accounts receivable, net	4, 6(4)	198,594	2	283,892	2
1180	Accounts receivable - related parties, net	4, 6(4), 7	852,520	6	785,308	6
1200	Other receivables		8,764	-	18,007	-
1210	Other receivables - related parties	7	7,107	-	-	-
1310	Inventories, net	4, 6(5)	516,227	4	419,085	3
1410	Prepayments		99,770	1	112,565	1
1470	Other current assets		20,753	-	18,147	1
	Total current assets		<u>4,766,930</u>	<u>35</u>	<u>7,103,916</u>	<u>54</u>
15xx	Non-current assets					
1550	Investment accounted for using equity method	4, 6(6)	1,416,995	10	754,776	6
1600	Property, plant and equipment, net	4, 6(7), 7	7,390,086	54	4,317,829	33
1755	Right-of-use assets, net	4, 6(19)	-	-	165,302	1
1780	Intangible assets, net	4, 6(8)	21,981	-	19,176	-
1840	Deferred tax assets	4, 6(23)	71,462	-	28,868	-
1900	Other non-current assets	6(7), 6(9), 7, 8, 9	128,938	1	733,287	6
	Total non-current assets		<u>9,029,462</u>	<u>65</u>	<u>6,019,238</u>	<u>46</u>
	Total Assets		<u>\$13,796,392</u>	<u>100</u>	<u>\$13,123,154</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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			2024		2023	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(10)	\$351,503	3	\$908,620	7
2130	Contract liabilities	6(17)	11,389	-	31,949	-
2150	Notes payable		2,122	-	589	-
2170	Accounts payable		191,701	1	226,949	2
2200	Other payables	6(11), 7	1,455,510	11	1,365,648	10
2230	Current tax liabilities	4, 6(23)	66,721	1	44,825	-
2280	Lease liabilities	4, 6(19)	-	-	99,770	1
2300	Other current liabilities	6(12), 6(13), 8	331,554	2	261,870	2
	Total current liabilities		<u>2,410,500</u>	<u>18</u>	<u>2,940,220</u>	<u>22</u>
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(13), 8	357,588	3	156,092	1
2570	Deferred tax liabilities	4, 6(23)	58,550	-	51,312	-
2580	Lease liabilities	4, 6(19)	-	-	67,180	1
2645	Guarantee deposits received	7	3,300	-	400	-
2670	Other non-current liabilities	6(12)	47	-	268	-
	Total non-current liabilities		<u>419,485</u>	<u>3</u>	<u>275,252</u>	<u>2</u>
	Total liabilities		<u>2,829,985</u>	<u>21</u>	<u>3,215,472</u>	<u>24</u>
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(15)				
3110	Common stock		780,000	5	780,000	6
3200	Capital surplus	6(15)	4,269,544	31	4,269,521	33
3300	Retained earnings	6(15)				
3310	Legal reserve		685,917	5	520,327	4
3320	Special reserve		27,786	-	12,934	-
3350	Unappropriated retained earnings		5,222,920	38	4,352,686	33
3400	Other equity interest		(19,760)	-	(27,786)	-
	Total equity		<u>10,966,407</u>	<u>79</u>	<u>9,907,682</u>	<u>76</u>
	Total liabilities and equity		<u>\$13,796,392</u>	<u>100</u>	<u>\$13,123,154</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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code	Accounts	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(17), 7	\$5,924,458	100	\$5,976,139	100
5000	Operating costs	6(5), 7	(2,928,639)	(49)	(3,069,545)	(51)
5900	Gross profit		2,995,819	51	2,906,594	49
5910	Unrealized gains (losses) from sales		3,140	-	(12,786)	-
	Gross profit from operations		2,998,959	51	2,893,808	49
6000	Operating expenses	7				
6100	Selling expenses		(180,597)	(3)	(164,512)	(3)
6200	Administrative expenses		(353,914)	(6)	(359,910)	(6)
6300	Research and development expenses		(646,400)	(11)	(597,041)	(10)
6450	Expected credit gains (losses)	6(18)	41,567	1	(40,101)	(1)
	Operating expenses total		(1,139,344)	(19)	(1,161,564)	(20)
6900	Operating income		1,859,615	32	1,732,244	29
7000	Non-operating income and expenses	6(21), 7				
7100	Interest income		18,254	-	23,819	-
7010	Other income	7	42,123	1	5,657	-
7020	Other gains and losses		31,168	1	(2,745)	-
7050	Finance costs	7	(54,325)	(1)	(40,624)	-
7060	Share of profit or loss of subsidiaries, associates and joint ventures	4, 6(6)	141,582	2	159,969	3
	Non-operating income and expense total		178,802	3	146,076	3
7900	Income from continuing operations before income tax		2,038,417	35	1,878,320	32
7950	Income tax	4, 6(23)	(207,741)	(4)	(222,418)	(4)
8200	Net income		1,830,676	31	1,655,902	28
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		8,026	-	(14,852)	-
	Total other comprehensive income, net of tax		8,026	-	(14,852)	-
8500	Total comprehensive income		\$1,838,702	31	\$1,641,050	28
9750	Earnings per share - basic (in NT\$)	4, 6(24)	\$23.47		\$22.83	
9850	Earnings per share - diluted (in NT\$)	4, 6(24)	\$23.24		\$22.61	

(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, 2024 and 2023  
(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, 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>
A1	Balance as of January 1, 2024	\$780,000	\$4,269,521	\$520,327	\$12,934	\$4,352,686	\$(27,786)	\$9,907,682
	Appropriation and distribution of 2023 earnings							
B1	Legal reserve appropriated			165,590		(165,590)		-
B3	Special reserve appropriated				14,852	(14,852)		-
B5	Cash dividends - common shares					(780,000)		(780,000)
C7	Changes in associated and joint ventures accounted for using the equity method		23					23
D1	Net income for 2024					1,830,676		1,830,676
D3	Other comprehensive income (loss) for 2024						8,026	8,026
D5	Total comprehensive income	-	-	-	-	1,830,676	8,026	1,838,702
Z1	Balance as of December 31, 2024	<u>\$780,000</u>	<u>\$4,269,544</u>	<u>\$685,917</u>	<u>\$27,786</u>	<u>\$5,222,920</u>	<u>\$(19,760)</u>	<u>\$10,966,407</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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	\$2,038,417	\$1,878,320	B00040	Increase in financial assets measured at amortized cost	1,077,000	(2,019,990)
A20010	Profit or loss not effecting cash flows:			B01800	Acquisition of investment accounted for using the equity method	(509,448)	(206,415)
A20100	Depreciation (including right-of-use assets)	642,542	863,457	B01900	Proceeds from disposal of investment accounted for under equity method	-	42,000
A20200	Amortization	17,843	13,264	B02700	Acquisition of property, plant and equipment	(3,107,578)	(1,078,283)
A20300	Expected credit losses (gain)	(41,567)	40,101	B02800	Proceeds from disposal of property, plant and equipment	30	114
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(25,691)	(14,539)	B03700	Decrease (increase) in refundable deposits	12,620	140
A20900	Interest expense	54,325	40,624	B04500	Acquisition of intangible assets	(20,648)	(10,891)
A21200	Interest income	(18,254)	(23,819)	BBBB	Net cash provided by (used in) investing activities	(2,548,024)	(3,273,325)
A21900	Share-based payments awards	-	57,849				
A22300	Share of profit or loss of subsidiaries, associates and joint ventures	(141,582)	(159,969)	CCCC	Cash flows from financing activities:		
A22500	Loss (gain) on disposal of property, plant and equipment	(30)	(114)	C00100	Increase in (repayment of) short-term borrowings	(557,117)	624,153
A23700	Impairment loss on non-financial assets	19,242	19,488	C01600	Increase in long-term borrowings	205,000	122,900
A23900	Unrealized (gains) losses	(3,140)	12,786	C01700	Repayment of long-term borrowings	(13,210)	(100,821)
A29900	Loss (gain) on government grants	(1,612)	-	C03000	Increase (decrease) in guarantee deposits received	2,900	-
A29900	Impairment losses on non-financial assets	(316)	(69)	C04020	Payments of lease liabilities	(25,280)	(101,120)
A30000	Changes in operating assets and liabilities:			C04500	Dividend distribution	(780,000)	(700,000)
A31115	Financial assets at fair value through profit or loss	1,458,002	(1,825,227)	C04500	Proceeds from issuing shares	-	2,480,000
A31150	Accounts receivable	126,865	53,100	CCCC	Net cash provided by (used in) financing activities	(1,167,707)	2,325,112
A31160	Accounts receivable - related parties	(67,212)	(266,236)				
A31180	Other receivables	3,847	(3,240)	EEEE	Increase (decrease) in cash and cash equivalents	105,594	(362,971)
A31190	Other receivables - related parties	(7,107)	257	E00100	Cash and cash equivalents at beginning of period	1,036,711	1,399,682
A31200	Inventories	(97,142)	(13,140)	E00200	Cash and cash equivalents at end of period	\$1,142,305	\$1,036,711
A31230	Prepayments	12,795	(53,816)				
A31240	Other current assets	(2,606)	(2,504)				
A32125	Contract liabilities	(20,560)	21,324				
A32130	Notes payable	1,533	(2,852)				
A32150	Accounts payable	(35,248)	42,301				
A32180	Other payables	82,678	144,061				
A32230	Other current liabilities	79,255	23,169				
A33000	Cash generated from operations	4,075,277	844,576				
A33100	Interest received	23,650	13,463				
A33300	Interest paid	(56,401)	(32,903)				
A33500	Income tax paid	(221,201)	(239,894)				
AAAA	Net cash provided by (used in) operating activities	3,821,325	585,242				

(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, 2024 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

February 17, 2025

## **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, 2024 and 2023, 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, 2024 and 2023, 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, 2024. 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\$6,817,305 thousand for the year ended December 31, 2024 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\$671,023 thousand, representing 5 % of total assets, as of December 31, 2024, 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 as of December 31, 2023, 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 2024 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, 2024 and 2023.

/s/Chang, Chih-Ming

/s/Kuo, Shao-Pin

Ernst & Young  
Taiwan, R.O.C.  
February 17, 2025

Notice to Readers

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

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

Pegavision Corporation and Subsidiaries  
Consolidated Balance Sheets  
As of December 31, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Assets			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	4, 6(1)	\$2,002,176	14	\$1,500,502	11
1110	Financial assets at fair value through profit or loss	4, 6(2)	1,121,378	8	2,635,465	19
1136	Financial assets measured at amortized cost	6(3)	1,134,932	8	2,098,369	15
1170	Accounts receivable, net	4, 6(4), 6(18), 7	806,188	5	831,045	6
1200	Other receivables	7	21,001	-	34,630	-
1220	Current tax assets		780	-	442	-
1310	Inventories, net	4, 6(5)	671,023	5	583,479	4
1410	Prepayments		119,066	1	127,135	1
1470	Other current assets		40,980	-	63,553	1
	Total current assets		5,917,524	41	7,874,620	57
15xx	Non-current assets					
1550	Investment accounted for using equity method	4, 6(6)	19,751	-	19,817	-
1600	Property, plant and equipment, net	4, 6(7), 8, 9	7,860,209	54	4,724,153	34
1755	Right-of-use assets, net	4, 6(19), 7	370,874	2	266,620	2
1780	Intangible assets, net	4, 6(8)	22,054	-	19,540	-
1840	Deferred tax assets	4, 6(23)	83,325	1	38,390	-
1900	Other non-current assets	6(7), 6(9), 7, 8	272,026	2	915,712	7
	Total non-current assets		8,628,239	59	5,984,232	43
	Total Assets		\$14,545,763	100	\$13,858,852	100

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

Pegavision Corporation and Subsidiaries  
Consolidated Balance Sheets (Continued)  
As of December 31, 2024 and 2023  
(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			As of December 31, 2024		As of December 31, 2023	
Code	Accounts	Notes	Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	6(10)	\$351,503	3	\$908,620	7
2130	Contract liabilities	6(17), 7	55,329	-	87,354	1
2150	Notes payable		2,262	-	589	-
2170	Accounts payable		196,289	1	232,727	2
2200	Other payables	6(11), 7	1,684,261	12	1,571,000	10
2230	Current tax liabilities	4, 6(23)	118,311	1	95,548	1
2280	Lease liabilities	4, 6(19), 7	31,533	-	133,272	1
2300	Other current liabilities	6(12), 6(13), 8	350,662	2	277,722	2
	Total current liabilities		2,790,150	19	3,306,832	24
25xx	Non-current liabilities					
2540	Non-current portion of long-term borrowings	6(13), 8	548,764	4	365,092	3
2570	Deferred tax liabilities	4, 6(23)	70,906	-	65,368	-
2580	Lease liabilities	4, 6(19), 7	73,586	1	140,048	1
2645	Guarantee deposits received	7	3,615	-	1,004	-
2670	Other non-current liabilities	4, 6(12)	47	-	268	-
	Total non-current liabilities		696,918	5	571,780	4
	Total liabilities		3,487,068	24	3,878,612	28
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(15)				
3110	Common stock		780,000	5	780,000	6
3200	Capital surplus	6(15)	4,269,544	29	4,269,521	30
3300	Retained earnings	6(15)				
3310	Legal reserve		685,917	5	520,327	4
3320	Special reserve		27,786	-	12,934	-
3350	Unappropriated retained earnings		5,222,920	36	4,352,686	31
3400	Other equity interest		(19,760)	-	(27,786)	-
36xx	Non-controlling interests	6(15)	92,288	1	72,558	1
	Total equity		11,058,695	76	9,980,240	72
	Total liabilities and equity		\$14,545,763	100	\$13,858,852	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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Code	Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(17), 7	6,817,305	100	6,789,861	100
5000	Operating costs	6(5), 7	(2,993,356)	(44)	(3,121,577)	(46)
5900	Gross profit		3,823,949	56	3,668,284	54
6000	Operating expenses	7				
6100	Selling expenses		(689,611)	(10)	(622,839)	(9)
6200	Administrative expenses		(443,114)	(7)	(431,736)	(6)
6300	Research and development expenses		(646,167)	(10)	(592,395)	(9)
6450	Expected credit gains (losses)	6(18)	41,733	1	(40,203)	(1)
	Operating expenses total		(1,737,159)	(26)	(1,687,173)	(25)
6900	Operating income		2,086,790	30	1,981,111	29
7000	Non-operating income and expenses	6(21)				
7100	Interest income		26,691	-	29,917	1
7010	Other income	7	45,211	1	13,626	-
7020	Other gains or losses		33,945	1	(304)	-
7050	Finance costs	7	(59,754)	(1)	(45,527)	(1)
7060	Share of profit or loss of associates and joint ventures accounted		(89)	-	(183)	-
	Total non-operating incomes and expenses		46,004	1	(2,471)	-
7900	Income from continuing operations before income tax		2,132,794	31	1,978,640	29
7950	Income tax	4, 6(23)	(279,310)	(4)	(300,709)	(4)
8200	Net income		1,853,484	27	1,677,931	25
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		9,516	-	(15,362)	-
8399	Income tax relating to components of other comprehensive income		(52)	-	(45)	-
	Total other comprehensive income, net of tax		9,464	-	(15,407)	-
8500	Total comprehensive income		\$1,862,948	27	\$1,662,524	25
8600	Net income (loss) attributable to:					
8610	Shareholders of the parent		\$1,830,676	27	\$1,655,902	25
8620	Non-controlling interests		22,808	-	22,029	-
			\$1,853,484	27	\$1,677,931	25
8700	Comprehensive income (loss) attributable to:					
8710	Shareholders of the parent		\$1,838,702	27	\$1,641,050	25
8720	Non-controlling interests		24,246	-	21,474	-
			\$1,862,948	27	\$1,662,524	25
9750	Earnings per share-basic (in NTD)	4, 6(24)	\$23.47		\$22.83	
9850	Earnings per share-diluted (in NTD)	4, 6(24)	\$23.24		\$22.61	

(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, 2024 and 2023  
(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, 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	\$780,000	\$4,269,521	\$520,327	\$12,934	\$4,352,686	\$(27,786)	\$9,907,682	\$72,558	\$9,980,240
A1	Balance as of January 1, 2024	\$780,000	\$4,269,521	\$520,327	\$12,934	\$4,352,686	\$(27,786)	\$9,907,682	\$72,558	\$9,980,240
	Appropriation and distribution of 2023 earnings									
B1	Legal reserve appropriated			165,590		(165,590)		-		-
B3	Special reserve appropriated				14,852	(14,852)		-		-
B5	Cash dividends-common shares					(780,000)		(780,000)		(780,000)
C7	Changes in associates and joint ventures accounted for using the equity method		23					23		23
D1	Net income for 2024					1,830,676		1,830,676	22,808	1,853,484
D3	Other comprehensive income (loss) for 2024						8,026	8,026	1,438	9,464
D5	Total comprehensive income	-	-	-	-	1,830,676	8,026	1,838,702	24,246	1,862,948
O1	Non-controlling interests								(4,516)	(4,516)
Z1	Balance as of December 31, 2024	\$780,000	\$4,269,544	\$685,917	\$27,786	\$5,222,920	\$(19,760)	\$10,966,407	\$92,288	\$11,058,695

(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, 2024 and 2023  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income before income tax	\$2,132,794	\$1,978,640	B00040	(Increase) decrease in financial assets measured at amortized cost	963,437	(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	(3,320,046)	(1,111,502)
A20100	Depreciation (including right-of-use assets)	709,315	923,368	B02800	Proceeds from disposal of property, plant and equipment	30	114
A20200	Amortization	18,134	13,574	B03800	(Increase) decrease in refundable deposits	13,922	4,878
A20300	Expected credit losses (gain)	(41,733)	40,203	B04500	Acquisition of intangible assets	(20,648)	(10,891)
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(29,416)	(16,175)	B05350	Acquisition of right-of use assets	(112,795)	(161,852)
A20900	Interest expense	59,754	45,527	BBBB	Net cash provided by (used in) investing activities	(2,476,100)	(3,397,622)
A21200	Interest income	(26,691)	(29,917)				
A21900	Share-based payments awards	-	59,484	CCCC	Cash flows from financing activities:		
A22300	Share of profit or loss of associates and joint ventures	89	183	C00100	Increase in (repayment of) short-term borrowings	(557,117)	624,153
A22500	Loss (gain) on disposal of property, plant and equipment	192	(114)	C01600	Increase in long-term borrowings	232,369	122,900
A23700	Impairment loss on non-financial assets	19,242	19,488	C01700	Repayment of long-term borrowings	(55,666)	(110,821)
A29900	Gain on lease modification	(1,805)	(12)	C03000	Increase (decrease) in guarantee deposits received	2,611	30
A29900	Gain on government grants	(316)	(69)	C04020	Payments of lease liabilities	(66,298)	(141,084)
A30000	Changes in operating assets and liabilities:			C04500	Dividend distribution	(780,000)	(700,000)
A31115	Financial assets at fair value through profit or loss	1,543,503	(1,952,802)	C04600	Proceeds from issuing shares	-	2,480,000
A31150	Accounts receivable	66,581	(126,050)	C05800	Non-controlling interests changed	(4,516)	(7,500)
A31180	Other receivables	8,734	(18,090)	CCCC	Net cash provided by (used in) financing activities	(1,228,617)	2,267,678
A31200	Inventories	(87,544)	(14,851)				
A31230	Prepayments	8,069	(50,251)	DDDD	Effect of exchange rate changes	5,576	(15,150)
A31240	Other current assets	22,573	(4,491)				
A32125	Contract liabilities	(32,025)	9,651	EEEE	Increase (decrease) in cash and cash equivalents	501,674	(345,618)
A32130	Notes payable	1,673	(3,321)	E00100	Cash and cash equivalents at beginning of period	1,500,502	1,846,120
A32150	Accounts payable	(36,438)	42,084	E00200	Cash and cash equivalents at end of period	\$2,002,176	\$1,500,502
A32180	Other payables	111,024	184,495				
A32230	Other current liabilities	79,774	16,645				
A32000	Cash generated from operations	4,525,483	1,117,199				
A33100	Interest received	31,586	18,898				
A33300	Interest paid	(60,348)	(36,795)				
A33500	Income tax paid	(295,906)	(299,826)				
AAAA	Net cash provided by (used in) operating activities	4,200,815	799,476				

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

## Attachment 4

### Pegavision Corporation Earnings Appropriation Report 2024

Unit: NTD	
Item	Amount
Opening undistributed earnings	3,392,244,795
Plus: 2024 net income	1,830,675,626
Subtotal	5,222,920,421
Provisions:	
Provision for legal reserve (10%)	(183,067,563)
Reversal for special reserve	8,025,398
Subtotal of distributable earnings for the year	5,047,878,256
Distributions:	
Shareholders' dividends - NT\$11 cash per share	(858,000,000)
Closing undistributed earnings	4,189,878,256
Note 1: The appropriation will be allocated out of 2024 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 27:</p> <p>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:</p> <p>I. Employee remuneration - No less than 10%, <u>of which no less than 25% shall be allocated to base-level employees.</u> Employee remuneration 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</p>	<p>Article 27:</p> <p>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:</p> <p>I. Employee remuneration - No less than 10%, <u>which</u> 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.</p> <p>II. Director remuneration - No more than 1%.</p>	<p>In accordance with the amended content of the Company Law issued under the No. 11300069631 Letter by the President on August 7, 2024, Article 14 of the Securities and Exchange Act stipulates that the company shall specify in its articles of incorporation a certain percentage of annual earnings to be allocated for adjusting salaries or distributing compensation to its grassroots employees.</p>

Amended clause	Existing clause	Explanation
<p>at its discretion.</p> <p>II. Director remuneration - No more than 1%.</p>		
<p>Article 27-1:</p> <p>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 paid-in capital. Next, provisions <u>or reversals</u> of special reserve are to be made according to laws or instructions of the authority. The remainder, <u>which constitutes the current year's distributable profits</u>, plus undistributed earnings accumulated in previous years, <u>will form the accumulated distributable profits, which can then be distributed or retained.</u> The board of directors is required to propose an earnings appropriation plan and seek resolution in a shareholder meeting. If the Company's Cash</p>	<p>Article 27-1:</p> <p>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 paid-in capital. Next, provisions <u>for</u> special reserve are to be made according to laws or instructions of the authority. The remainder plus undistributed earnings accumulated in previous years <u>can then be distributed or retained, for which the</u> 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</p>	<p>Define the current year's distributable profits and accumulated distributable profits, and make the necessary textual adjustments.</p>

Amended clause	Existing clause	Explanation
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.	the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholder meeting.	
<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>The 5th amendment was made on June 14, 2019.</p> <p>The 6th amendment was made on May 24, 2022.</p> <p>The 7th amendment was made on May 24, 2024.</p> <p><u>The 8th amendment was made on May 21, 2025.</u></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>The 5th amendment was made on June 14, 2019.</p> <p>The 6th amendment was made on May 24, 2022.</p> <p>The 7th amendment was made on May 24, 2024.</p>	Added revision date.

## 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 signature or seal of a director representing the Company, and shall be validated by a bank authorized to act as a stock issuance certifier in accordance with the law. 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 paid-in 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.

The 7th amendment was made on May 24, 2024.

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

### 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 23, 2025

Title	Name	Shareholding when elected		Shareholding position as at the book closure date	
		No. of shares	Percentage	No. of shares	Percentage
Chairman	Peter Kuo	1,325,533	1.70%	1,280,533	1.64%
Director	Tzu-Hsien Tung	1,101,077	1.41%	1,101,077	1.41%
Director	Kinsus Investment Co., Ltd. Representative: Te-Sheng Yang	21,233,736	27.22%	21,233,736	27.22%
Director	Kinsus Investment Co., Ltd. Representative: Ho-Hsu Chen	21,233,736	27.22%	21,233,736	27.22%
Director	Asuspover Investment Co., Ltd. Representative: Mu-Jung Wun	6,372,796	8.17%	6,372,796	8.17%
Director	Asuspover Investment Co., Ltd. Representative: Wen-Yung Ho	6,372,796	8.17%	6,372,796	8.17%
Independent director	Jen-Lu Yao	-	-	-	-
Independent director	Shu-Yu Lee	-	-	-	-
Independent director	Chi-Wan Lai	-	-	-	-
Total directors' shareholding		30,033,142	38.50%	29,988,142	38.45%

## **Appendix 4**

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 10 to March 19, 2025, with relevant announcements made on MOPS.
4. No proposal were received from shareholders during that period.