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PEGAVISION CORPORATION AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
AS OF DECEMBER 31, 2024 AND 2023
AND FOR THE YEARS THEN ENDED

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The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Consolidated Financial Statements
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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

安永聯合會計師事務所

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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.

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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.

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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 Amount	2024 %	2023 Amount	2023 %
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)

		Equity Attributable to Shareholders of the Parent							Non-controlling interests	Total Equity
		Capital	Capital Surplus	Retained Earnings						
				Legal Reserve	Special reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	Total		
Code	Items	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
AAAA	Cash flows from operating activities:		
A10000	Income before income tax	$2,132,794	$1,978,640
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation (including right-of-use assets)	709,315	923,368
A20200	Amortization	18,134	13,574
A20300	Expected credit losses (gain)	(41,733)	40,203
A20400	Net loss (gain) of financial assets (liabilities) at fair value through profit or loss	(29,416)	(16,175)
A20900	Interest expense	59,754	45,527
A21200	Interest income	(26,691)	(29,917)
A21900	Share-based payments awards	-	59,484
A22300	Share of profit or loss of associates and joint ventures	89	183
A22500	Loss (gain) on disposal of property, plant and equipment	192	(114)
A23700	Impairment loss on non-financial assets	19,242	19,488
A29900	Gain on lease modification	(1,805)	(12)
A29900	Gain on government grants	(316)	(69)
A30000	Changes in operating assets and liabilities:		
A31115	Financial assets at fair value through profit or loss	1,543,503	(1,952,802)
A31150	Accounts receivable	66,581	(126,050)
A31180	Other receivables	8,734	(18,090)
A31200	Inventories	(87,544)	(14,851)
A31230	Prepayments	8,069	(50,251)
A31240	Other current assets	22,573	(4,491)
A32125	Contract liabilities	(32,025)	9,651
A32130	Notes payable	1,673	(3,321)
A32150	Accounts payable	(36,438)	42,084
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

Code	Items	2024	2023
BBBB	Cash flows from investing activities:		
B00040	(Increase) decrease in financial assets measured at amortized cost	963,437	(2,098,369)
B01800	Acquisition of investments accounted for using the equity method	-	(20,000)
B02700	Acquisition of property, plant and equipment	(3,320,046)	(1,111,502)
B02800	Proceeds from disposal of property, plant and equipment	30	114
B03800	(Increase) decrease in refundable deposits	13,922	4,878
B04500	Acquisition of intangible assets	(20,648)	(10,891)
B05350	Acquisition of right-of use assets	(112,795)	(161,852)
BBBB	Net cash provided by (used in) investing activities	(2,476,100)	(3,397,622)
CCCC	Cash flows from financing activities:		
C00100	Increase in (repayment of) short-term borrowings	(557,117)	624,153
C01600	Increase in long-term borrowings	232,369	122,900
C01700	Repayment of long-term borrowings	(55,666)	(110,821)
C03000	Increase (decrease) in guarantee deposits received	2,611	30
C04020	Payments of lease liabilities	(66,298)	(141,084)
C04500	Dividend distribution	(780,000)	(700,000)
C04600	Proceeds from issuing shares	-	2,480,000
C05800	Non-controlling interests changed	(4,516)	(7,500)
CCCC	Net cash provided by (used in) financing activities	(1,228,617)	2,267,678
DDDD	Effect of exchange rate changes	5,576	(15,150)
EEEE	Increase (decrease) in cash and cash equivalents	501,674	(345,618)
E00100	Cash and cash equivalents at beginning of period	1,500,502	1,846,120
E00200	Cash and cash equivalents at end of period	$2,002,176	$1,500,502

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

1. HISTORY AND ORGANIZATION

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

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

2. DATE AND PROCEDURE OF AUTHORIZATION FOR FINANCIAL STATEMENTS ISSUANCE

The consolidated financial statements of the Company and its subsidiaries ("the Group") were authorized to be issued in accordance with a resolution of the Board of Directors'meeting held on February 17, 2025.

3. NEWLY ISSUED OR REVISED STANDARDS AND INTERPRETATIONS

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2024. The adoption of these new standards and amendments had no material impact on the Group.

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

(2)Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which have been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Lack of Exchangeability — Amendments to IAS 21	January 1, 2025

(A) Lack of Exchangeability — Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.

The abovementioned amendments are applicable for annual periods beginning on or after 1 January 2025 and have no material impact on the Group.

(3)Standards or interpretations issued, revised or amended, by IASB which have not been endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

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

(A)IFRS 10 “Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(B)IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1 , 2023 (from the original effective date of January 1 , 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard — IFRS 4 Insurance Contracts — from annual reporting periods beginning on or after January 1 , 2023.

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

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

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

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

(b)Enhanced transparency of management-defined performance measures

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

(c)Useful grouping of information in the financial statements

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

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

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

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

The amendments include:

(a) Clarify that a financial liability is derecognised on the settlement date and describe the accounting treatment for settlement of financial liabilities using an electronic payment system before the settlement date.

(b) Clarify how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

(c) Clarify the treatment of non-recourse assets and contractually linked instruments.

(d) Require additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

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

(a)Amendments to IFRS 1

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

(b)Amendments to IFRS 7

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

(c)Amendments to Guidance on implementing IFRS 7

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

(d)Amendments to IFRS 9

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

(e)Amendments to IFRS 10

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

(f)Amendments to IAS 7

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

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

The amendments include:

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

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group’s financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the new or amended standards and interpretations listed under (c), it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4.SUMMARY OF MATERIAL ACCOUNTING POLICIES

(1)Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2024 and 2023 were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2)Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are presented in thousands of New Taiwan Dollars ("NT$") unless otherwise specified.

(3)Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(A)Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(B)Exposure, or rights, to variable returns from its involvement with the investee, and
(C)The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(A)The contractual arrangement with the other vote holders of the investee
(B)Rights arising from other contractual arrangements
(C)The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Company loses control of a subsidiary, it:

(A)Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(B)Derecognizes the carrying amount of any non-controlling interest;
(C)Recognizes the fair value of the consideration received;
(D)Recognizes the fair value of any investment retained;
(E)Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings; and
(F)Recognizes differences in profit or loss.

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

The consolidated entities are listed as follows:

			Percentage of Ownership (%), As of December 31,		
Investor	Subsidiary	Main business	2024	2023	Note
The Company	Pegavision Japan Inc.	Selling medical equipment	100.00%	100.00%	None
The Company	Pegavision (Jiangsu) Limited	Producing and selling medical equipment	100.00%	100.00%	None
The Company	Mayin Investment Co., Ltd.	Investing activities	100.00%	100.00%	None
The Company	PEGAVISION VIETNAM COMPANY LIMITED	Producing and selling medical equipment	100.00%	100.00%	Note 2
The Company	Pegavision (Shanghai) Limited	Selling medical equipment	100.00%	-	Note 1
Mayin Investment Co., Ltd.	BeautyTech Platform Corporation	Selling medical equipment and cosmetic products	85.00%	85.00%	None
Mayin Investment Co., Ltd.	FacialBeau International Corporation	Selling medical equipment and cosmetic products	55.00%	55.00%	None
BeautyTech Platform Corporation	Pegavision Contact Lenses (Shanghai) Corporation	Selling medical equipment	100.00%	100.00%	None

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

			Percentage of Ownership (%) , As of December 31,		
Investor	Subsidiary	Main business	2024	2023	Note
BeautyTech Platform Corporation	BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	None
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (SINGAPORE) PTE. LTD.	Selling medical equipment and cosmetic products	100.00%	100.00%	None
BeautyTech Platform Corporation	FORIMART Corporation	Selling medical equipment and cosmetic products	100.00%	-	Note 1
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Selling medical equipment and cosmetic products	70.00%	-	Note 1
BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	Selling medical equipment	100.00%	100.00%	None
FacialBeau International Corporation	FacialBeau (Jiangsu) Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	Note 1
FacialBeau International Corporation	IKIDO Inc.	Selling medical equipment and cosmetic products	100.00%	100.00%	None

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

			Percentage of Ownership (%), As of December 31,		
Investor	Subsidiary	Main business	2024	2023	Note
FacialBeau International Corporation	RODNA Co., Ltd.	Selling medical equipment and cosmetic products	100.00%	100.00%	None
FacialBeau International Corporation	Aquamax Vision Corporation	Selling medical equipment and cosmetic products	100.00%	100.00%	None

Note 1: To improve the synergy of the Group, the board of directors decided to reorganize and set up the Subsidiaries at July 26, 2021:

(a) FacialBeau (Jiangsu) Corporation which is 100% held by FacialBeau International Corporation was registered on February 25, 2022. The investment amount has not been remitted as of December 31, 2024.

(b) FORIMART Corporation which is 100% held by BeautyTech Platform Corporation was registered on April 16, 2024.

(c) Pegavision (Shanghai) Limited which is 100% held by the Company was registered on April 23, 2024. The investment amount has not been remitted as at December 31, 2023.

(d) BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY which is 70% held by BeautyTech Platform Corporation was registered on October 9, 2024.

Note 2: Taking into consideration the long-term developmental needs and to diversify production risks of the Company, the board meeting was held on February 13, 2023 and passed thee resolotion to establish a wholly owned subsidary PEGAVISION VIETNAM COMPANY LIMITED by Pegavision Corporation, which completed registeration on November 14, 2023.

(4)Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollar, which is the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency rates prevailing at the date of the transaction. At the reporting date, monetary items denominated in foreign currencies are retranslated at the prevailing functional currency closing rate of exchange. Non-monetary items measured at fair value in a foreign currency are retranslated using the exchange rates at the date when the fair value is determined; and non-monetary items measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising from the settlement or translation of monetary items are taken to profit or loss in the period in which they arise except for the following:

(A)Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(B)Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

(C)Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan dollars at the closing rate of exchange prevailing at the balance sheet date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income under exchange differences on translation of foreign operations. On disposal of the foreign operation, cumulative amount of the exchange differences recognized in other comprehensive income under separate component of equity is reclassified from equity to profit or loss when recognizing the disposal gain/loss.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the NCIs in that foreign operation, instead of recognized in profit or loss. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(6)Current and non-current distinction

An asset is classified as current when:

(A)The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
(B)The Group holds the asset primarily for the purpose of trading.
(C)The Group expects to realize the asset within twelve months after the reporting period.
(D)The asset is cash or cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(A)The Group expects to settle the liability in its normal operating cycle.
(B)The Group holds the liability primarily for the purpose of trading.
(C)The liability is due to be settled within twelve months after the reporting period.
(D)The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

(7)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including fixed-term deposits that have maturities equal to or less than three months from the date of acquisition).

(8)Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction coats that are directly attributable to the acquisition or issue of the financial assets and financial liabilities.

(A)Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a)The Group’s business model for managing the financial assets and
(b)The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a)The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b)The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognise the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a)Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b)Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a)The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
(b)The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a)A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b)When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c)Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(I)Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(II)Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity instrument within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable elction to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income are not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on a forementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(B)Impairment of financial assets

The Group is recognized a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet .

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a)An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b)The time value of money; and
(c)Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance for a financial asset at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that condition is no longer met.

(b)At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c)For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(d)For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has been increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(C)Derecognition of financial assets

A financial asset is derecognized when:

(a)The rights to receive cash flows from the asset have expired
(b)The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c)The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(D)Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

(a)It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(b)On initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(c)It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(a)It eliminates or significantly reduces a measurement or recognition inconsistency; or
(b)A group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid or payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(E)Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9)Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(A)In the principal market for the asset or liability, or
(B)In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10)Inventories

Inventories are valued at lower of cost or net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Raw materials — At actual purchase cost, using weighted average method
Finished goods and work in progress — Cost of direct materials and labor and a proportion of manufacturing overheads excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11)Investments accounted for using the equity method

The Group’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in additional paid in capital and investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(A)Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(B)The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12)Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 "Property, plant and equipment". When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	15.5 ~ 28.5 years
Machinery and equipment	2 ~ 6 years
Transportation equipment	5 ~ 6 years
Computer equipment	2 ~ 6 years
Office equipment	2.5 ~ 5 years
Other equipment	1~ 15 years

An item of property, plant and equipment or any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13)Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(A)The right to obtain substantially all of the economic benefits from use of the identified asset; and
(B)The right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the implicit interest rate in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(A)fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(B)variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(C)amounts expected to be payable by the lessee under residual value guarantees;
(D)the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(E)payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(A)the amount of the initial measurement of the lease liability;
(B)any lease payments made at or before the commencement date, less any lease incentives received;
(C)any initial direct costs incurred by the lessee; and
(D)an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14)Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, not meeting the recognition criteria, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies applied to the Group's intangible assets is as follows:

	Cost of Computer Software
Useful economic life	1 ~ 5 years
Amortization method	Straight-line method during the contract term
Internally generated or acquired externally	Acquired externally

(15)Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16)Revenue recognition

The Group’s revenue arising from contracts with customers mainly includes sale of goods. The accounting policies for the Group’s types of revenue are explained as follow:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is contact lenses and revenue is recognized based on the consideration stated in the contract. The Group recognized an allowance for sale return and discount shall be presented under the caption of refund liabilities within other current liabilities when partial or all considerations received might be returned or a chargeback is expected to occur.

The credit period of the Group’s sale of goods is from T/T to 90 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

(17)Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18)Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(19)Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to pension plans that are managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations and the contribution is expensed as incurred.

(20)Income tax

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(A) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(B) In respect of taxable temporary differences associated with investments in subsidiaries, and associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(A) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(B) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized according.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform — Pillar Two Model Rules (Amerdments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5.SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions:

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that would have a significant risk for a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

(1)Accounts receivables - estimation of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

(2)Inventory

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

(3)Revenue recognition - sale returns and allowances

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 for more details.

(4)Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

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

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6.CONTENTS OF SIGNIFICANT ACCOUNTS

(1)Cash and cash equivalents

	As of December 31,	
	2024	2023
Cash and petty cash	$4,881	$5,212
Checkings and savings	533,273	479,509
Time deposit	1,464,022	1,015,781
Total	$2,002,176	$1,500,502

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

	As of December 31,	
	2024	2023
Mandatorily measured at fair value through profit or loss:		
Money market fund	$1,116,752	$2,631,606
Valuation adjustment	4,626	3,859
Total	$1,121,378	$2,635,465
Current	$1,121,378	$2,635,465
Non-current	-	-
Total	$1,121,378	$2,635,465

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

No financial asset measured at fair value through profit or loss was pledged as collateral.

(3)Financial asset measured at amortized cost

	As of December 31,	
	2024	2023
Time deposit	$1,134,932	$2,098,369
Less: loss allowance	-	-
Total	$1,134,932	$2,098,369
Current	$1,134,932	$2,098,369
Non-current	$-	$-

The Group deals with financial institutions with good credit, so there is no significant credit risk.

No financial asset measured at amortized cost was pledged as collateral.

(4)Accounts receivable, net

A. Accounts receivable, net

	As of December 31,	
	2024	2023
Accounts receivable, gross	$812,804	$879,385
Less: loss allowance	(6,616)	(48,340)
Total accounts receivable, net	$806,188	$831,045

B. Accounts receivable were not pledged.

C. Accounts receivable are generally on T/T to 90 days terms. The total carrying amount is NT$812,804 thousand and NT$879,385 thousand as of December 31, 2024 and 2023, respectively. Please refer to Note 6 (18) for more details on loss allowance of accounts receivable for the periods ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk management.

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

(5)Inventory

A.Details of inventory:

	As of December 31,	
	2024	2023
Merchandises	$35,774	$10,876
Raw materials	88,253	89,244
Supplies	5,071	7,558
Work in process	200,993	128,226
Finished goods	340,932	347,575
Total	$671,023	$583,479

B.For the years ended December 31, 2024 and 2023, the Group recognized NT$2,993,356 thousand and NT$3,121,577 thousand under the caption of costs of sale, respectively. The following items were also included in cost.

	For the year ended December 31,	
Item	2024	2023
Loss (Gain) from inventory market decline	$2,926	$(13,293)
Loss from inventory write-off obselencense	14,498	24,573
Total	$17,424	$11,280

The Group recognized gains on recovery of inventory market decline because some of the inventories previously provided with market loss or obsolescence were disposed.

C.The inventories were not pledged.

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

(6)Investments accounted for under the equity method

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

	As of December 31,				
	2024		2023		
Investees	Carrying amount	Percentage of ownership	Carrying amount	Percentage of ownership	Note
Unlisted company					
Zhuhe Investment Co., Ltd.	$19,751	10.00%	$19,817	11.76%	None

A. Investments in associates

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

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

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

As of December 31, 2024 and 2023, the aggregated carrying amount of the Group's investment in Zhuhe Investment Co., Ltd. amounted to NT$19,751 thousand and NT$19,817 thousand. The summarized financial information for the share associates of the Group is as follows:

	For the year ended December 31	
	2024	2023
Profit (loss) from continuing operations	$(89)	$(183)
Other comprehensive income (post-tax)	-	-
Total comprehensive loss	$(89)	$(183)

B. As of December 31, 2023, the investments accounted for using the equity method amounted to NT$19,817 thousand. The share of profit or loss of associates and joint ventures accounted for using the equity method amounted to NT$(183) thousand for the year ended December 31, 2023. The share of other comprehensive income of associates and joint ventures accounted for using the equity method amounted to NT$0 thousand .This is based on the audit reports of the other independent.

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

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

(7)Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total
Cost:									
As of 1/1/2024	$1,522,877	$170,165	$4,921,250	$1,973	$86,656	$2,532	$1,078,370	$2,065,196	$9,849,019
Addition	-	62,546	-	-	-	-	1,957	3,260,580	3,325,083
Disposals	-	-	(8,787)	-	(459)	-	(8,188)	-	(17,434)
Transfer	1,912,687	1,142,405	52,811	-	8,338	-	433,918	(3,550,159)	-
Effect of EX rate	(283)	551	-	-	104	(73)	4,209	192	4,700
As of 12/31/2024	$3,435,281	$1,375,667	$4,965,274	$1,973	$94,639	$2,459	$1,510,266	$1,775,809	$13,161,368

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total
As of 1/1/2023	$1,514,524	$165,620	$4,876,270	$1,973	$84,335	$-	$991,212	$1,133,177	$8,767,111
Addition	8,353	4,545	-	-	-	2,532	3,643	1,076,149	1,095,222
Disposals	-	-	(2,991)	-	(339)	-	(8,617)	-	(11,947)
Transfer	-	-	47,971	-	2,696	-	93,352	(144,019)	-
Effect of EX rate	-	-	-	-	(36)	-	(1,220)	(111)	(1,367)
As of 12/31/2023	$1,522,877	$170,165	$4,921,250	$1,973	$86,656	$2,532	$1,078,370	$2,065,196	$9,849,019

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total
Depreciation and impairment:									
As of 1/1/2024	$-	$52,979	$ 3,522,598	$ 1,366	$ 80,732	$32	$776,230	$-	$ 4,433,937
Depreciation	-	34,697	466,441	201	5,545	197	134,128	-	641,209
Impairment loss	-	19,242	-	-	-	-	-	-	19,242
Disposal	-	-	(8,787)	-	(459)	-	(7,966)	-	(17,212)
Transfer	-	-	-	-	-	-	-	-	-
Effect of EX rate	-	3	-	-	69	-	894	-	966
As of 12/31/2024	$-	$106,921	$3,980,252	$1,567	$85,887	$229	$903,286	$-	$5,078,142

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Computer equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection (including prepayment for property and equipment)	Total
As of 1/1/2023	$-	$41,075	$2,865,878	$1,114	$75,651	$-	$657,393	$-	$3,641,111
Depreciation	-	4,310	660,515	252	5,442	33	115,016	-	785,568
Impairment loss	-	7,594	-	-	-	-	11,894	-	19,488
Disposal	-	-	(2,991)	-	(339)	-	(8,617)	-	(11,947)
Transfer	-	-	(804)	-	-	-	804	-	-
Effect of EX rate	-	-	-	-	(22)	(1)	(260)	-	(283)
As of 12/31/2023	$-	$52,979	$3,522,598	$1,366	$80,732	$32	$776,230	$-	$4,433,937
<u>Net carrying amount:</u>									
As of 12/31/2024	$3,435,281	$1,268,746	$985,022	$406	$8,752	$2,230	$606,980	$1,775,809	$8,083,226
As of 12/31/2023	$1,522,877	$117,186	$1,398,652	$607	$5,924	$2,500	$302,140	$2,065,196	$5,415,082

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

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

	As of December 31,	
	2024	2023
Property, plant and equipment	$7,860,209	$4,724,153
Prepayment for property and equipment	223,017	690,929
Total	$8,083,226	$5,415,082

B.For the years ended December 31, 2024 and 2023, NT$19,242 thousand and NT$19,488 thousand impairment loss represented the write down of certain property, plant and equipment to the recoverable amount. This has been recognized in the statement of comprehensive income. The recoverable value is measured at usage values by the individual units.

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

(8)Intangible assets

	Computer software
Cost:	
As of January 1, 2024	$59,276
Additions – acquired separately	20,648
Depreciation – delete column	-
Effect of EX rate	-
As of December 31, 2024	$79,924
As of January 1, 2023	$48,385
Additions – acquired separately	10,891
Depreciation – delete column	-
Effect of EX rate	-
As of December 31, 2023	$59,276

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

	Computer software
Amortization and Impairment:	
As of January 1, 2024	$39,736
Amortization	18,134
Impairment loss	-
Derecognized upon retirement	-
Effect of EX rate	-
As of December 31, 2024	$57,870
As of January 1, 2023	$26,162
Amortization	13,574
Impairment loss	-
Derecognized upon retirement	-
Effect of EX rate	-
As of December 31, 2023	$39,736
Carrying amount, net:	
As of December 31, 2024	$22,054
As of December 31, 2023	$19,540

Amounts of amortization recognized for intangible assets are as follows:

	For the year ended December 31,	
	2024	2023
Manufacturing expense	$126	$289
Selling expense	-	477
Administrative expense	16,839	11,843
Research and development expense	1,169	965
Total	$18,134	$13,574

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

(9)Other non-current assets

	As of December 31,	
	2024	2023
Refundable deposits	$49,009	$62,931
Prepayment for property and equipment	223,017	690,929
Prepayment for land use right	-	161,852
Total	$272,026	$915,712

(10)Short-term borrowings

	As of December 31,	
	2024	2023
Unsecured bank loans	$351,503	$908,620
Interest Rate (%)	2.02%~5.33%	3.86%~6.25%

The Group’s unused short-term lines of credits amounts to NT$1,106,397 thousand and NT$398,535 thousand, as of December 31, 2024 and 2023, respectively.

(11)Other payable

	As of December 31,	
	2024	2023
Accrued expenses	$1,564,970	$1,453,946
Accrued interest payable	3,021	5,821
Payable to equipment suppliers	116,270	111,233
Total	$1,684,261	$1,571,000

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

(12)Other current liabilities

A.Details of other current liabilities

	As of December 31,	
	2024	2023
Other current liabilities	$47,519	$22,698
Refund liability	293,247	238,294
Deferred government grants income	231	326
Long-Term Borrowings-Current Portion	9,665	16,404
Total	$350,662	$277,722

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

	For the year ended December 31,	
	2024	2023
Beginning balance	$594	$663
Received during the period	-	-
Released to the statement of comprehensive income	(316)	(69)
Ending Balance	$278	$594
Current	$231	$326
Non-current	$47	$268

C.Please refer to Note 6(13) for more details on interest rate of deferred government grants income.

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

(13)Long-term borrowings

A.Details of long-term borrowings

			As of December 31,		
Debtor	Type of Loan	Maturity	2024	2023	Repayment
Chang Hwa Commercial Bank – Beitou Branch	Credit loan	2020.03.25-2025.03.15	$623	$3,118	Note 1
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2020.11.10-2030.10.15	7,260	8,471	Note 2
The Shanghai Commercial & Savings Bank – ZhongLi Branch	Secured loan	2021.04.08-2030.10.15	28,733	33,577	Note 2
Mega International Commercial Bank – Lan-Ya Branch	Secured loan	2021.10.08-2026.09.15	-	4,430	Note 3
Chang Hwa Commercial Bank – Beitou Branch	Secured loan	2022.06.22-2031.06.21	167,000	209,000	Note 4
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2023.12.15-2030.12.15	131,160	122,900	Note 5
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.03.12-2031.03.12	98,370	-	Note 5
Mega International Commercial Bank – Lan-Ya Branch	Credit loan	2024.09.16-2031.09.16	98,370	-	Note 5
Industrial and Commercial Bank of China	Secured loan	2024.10.09-2034.10.08	26,913	-	Note 6
Total			558,429	381,496	
Less: current portion			(9,665)	(16,404)	
Non-current portion			$548,764	$365,092	

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

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

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

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

Note 4: A term is defined as every 1 month starting from the initial draw-down date. Grace period is 3 years (36 terms). The rest is repayable in installments of equal amount for 204 terms.

Note 5: A term is defined as every 3 month starting from the initial draw-down date. Grace period is 3 years (12 terms). The rest is repayable in installments of equal amount for 16 terms.

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

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

	As of December 31,	
	2024	2023
The interest rate intervals(%)	1.15%~5.90%	1.15%~6.34%

The Group obtained from the Ministry of Economy a low-interest government loan amounting NT$60,000 thousands with a term of 5~10 years and annual interest rates of 0.50% and monthly interest payment on the 15th of each month. The loan was recorded under the caption of other liabilities-deferred government grants income. The Group shall recognize the government grant income when it is reasonably assured that the Group satisfy all the terms of the government grant agreement.

C. Please refer to Note 8 for more details regarding assets pleded for secured bank borrowings.

(14)Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries and branches are provided in accordance with the local regulations.

Expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT$55,687 thousand and NT$52,102 thousand, respectively.

Pension for the years ended December 31, 2024 and 2023 were NT$60 thousand and NT$12 thousand, respectively.

(15)Equity

A.Common stock

As of December 31, 2024 and 2023, the Company's authorized capital were NT$1,000,000 thousand, and paid-in capital were NT$780,000 thousand, each share at par value of NT$10, divided into 78,000 thousand shares. Each share has one voting right and a right to receive dividends.

On April 28, 2023, the Company's board of directors resolved to increase capital by cash with a total of 8,000 thousand shares issued at NT$310 per share. The application was approved by the Financial Supervisory Commission with No. Jin-Guan-Cheng-Fa-Zi 1120344879, and the effective date was set on September 7, 2023.

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

B.Capital surplus

	As of December 31,	
	2024	2023
Additional paid-in capital	$4,204,928	$4,204,928
Changes in ownership interests in subsidiaries	4,609	4,609
Changes in associates and joint ventures accounted for using the equity method	23	-
Share-based payment transaction	59,359	59,359
Expired employee stock warrants	625	625
Total	$4,269,544	$4,269,521

According to Taiwan Company Act, the capital surplus shall not be used except for making good the deficit of the Company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them. Capital surplus related to long-term equity investments cannot be used for any purpose.

C.Appropriation of earnings and dividend policies

a.Distribution of earnings

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

I. Payment of all taxes and dues;
II.Offset prior years' operation losses;
III.Set aside 10% of the remaining amount as legal reserve. There is no requirement to further make such reserve when legal reserve reaches the capital amount.
IV.Set aside or reverse special reserve in accordance with law and regulations; and
V.The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

If the above-mentioned dividends are distributed to shareholders in the form of cash, the Board of Directors have been authorized to approve by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, and report to the shareholder's meeting.

b.Dividend policies

The Company is in an industry with versatile environment. For long-term finance planning requirements and to meet the shareholders' demand for cash, the Group's dividend policy aims for steadiness and balancing. Dividends to be distributed in cash for each year shall not be less than 10% of the total dividends paid.

c.Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total authorized capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

d.Special reserve

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the Company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022 on March 31, 2021, which sets out the following provisions for compliance:

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

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the company can reverse the special reserve by proportion and transfer to retained earnings.

The Company did not incur any special reserve upon the first-time adoption of T-IFRS.

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

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

Please refer to Note 6(20) for details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	For the year ended December 31,	
	2024	2023
Beginning balance	$72,558	$58,280
Non-controlling interests increase	2,984	-
Dividend distribution of the subsidiary	(7,500)	(7,500)
Comprehensive income attributable to NCIs	24,246	21,474
Share-based payment transaction	-	304
Ending balance	$92,288	$72,558

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

(16)Share-based payment plans

Certain employees of the Company are entitled to share-based payments as part of their remuneration. Services are provided by the employees with the equity instruments granted as consideation. These plans are accounted for as equity-settled share-based payment transactions.

A. On April 28, 2023, the Company's board of directors resolved to increase cash capital. And the effective date was September 7, 2023. Except for part of new shares for employees to subscribe it.

a.Detailed information relevant to the share-based payment plans as of December 31, 2023, is as follows:

	For the year ended December 31, 2023	
	Options (Unit)	Weighted-average Exercise Price per Share (NT$)
Outstanding at beginning of period	-	$-
Granted	1,200	310
Exercised	(1,187)	310
Expired	(13)	-
Outstanding at end of period	-	
Weighted-average fair value of options granted during the period	$49.57	

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

b.The compensation cost was recognized under the fair value method and the Black-Scholes Option Pricing model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	July 10, 2023
Stock price on the grant date (dollar/shares)	$353.97
Exercise price (dollar/shares)	$310
Expected volatility	40.40%
Expected life	0.142years
Dividend yield (%)	0%
Risk free interest rate	0.7872%

The stock market price on the grant date is evaluated by the income method and the market method.

The expected volatility is estimated based on the annualised standard deviation of the rate of return on the transactions of the previous year.

B.The compensation cost recognized for the cash increase reserved for employees to subscribe is NT$59,484 thousand for the year ended December 31, 2023.

(17)Operating revenue

	For the year ended December 31,	
	2024	2023
Revenue from customer contracts		
Sales of goods	$6,817,305	$6,789,861

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

Analysis of revenue from contracts with customers during the years ended December 31, 2024 and 2023 are as follows:

A.Disaggregation of revenue

	For the year ended December 31,	
	2024	2023
	Single department	Single department
Sales of goods	$6,817,305	$6,789,861
The timing for revenue recognition:		
At a point in time	$6,817,305	$6,789,861

B.Contract balances

a.Contract liabilities – current

As of	2024.12.31	2023.12.31	2023.01.01
Sales of goods	$$53,710	$85,544	$74,709
Customer loyalty programmes	1,619	1,810	2,994
Total	$55,329	$87,354	$77,703

The changes in the Group's balances of contract liabilities for the year ended December 31, 2024 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	$(78,611)	$(1,810)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	46,777	1,619

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

The changes in the Group's balances of contract liabilities for the year ended December 31, 2023 are as follows:

	Sales of goods	Customer loyalty programs
The opening balance transferred to revenue	$(71,646)	$(2,994)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	82,481	1,810

(18)Expected credit gains (losses)

	For the year ended December 31,	
	2024	2023
Operating expenses – Expected credit gains (losses)		
Accounts receivable	$41,733	$(40,203)

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

December 31, 2024

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

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

December 31, 2023

	Not past due	Past due <=60 days	Past due 61-90 days	Past due 91-240 days	Past due >=241 days	Total
Gross carrying amount	$837,532	$775	$-	$-	$41,078	$879,385
Loss rate	0.87%	1.00%	-%	-%	100%	
Lifetime expected credit losses	(7,254)	(8)	-	-	(41,078)	(48,340)
Carrying amount of accounts receivable	$830,278	$767	$-	$-	$-	$831,045

B.The movement in the provision for impairment of accounts receivable for the year ended December 31, 2024 and 2023 are as follows:

	Accounts receivable
As of January 1, 2024	$48,340
Addition (reversal)	(41,733)
Effect of EX rate	9
As of December 31, 2024	$6,616
As of January 1, 2023	$8,140
Addition (reversal)	40,203
Effect of EX rate	(3)
As of December 31, 2023	$48,340

(19)Leases

A.Group as a lessee

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

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

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

a.Amounts recognized in the consolidated balance sheet

I.Right-of-use assets

	Land	Buildings	Total
Cost:			
As of 1/1/2024	$-	$512,585	$512,585
Addition	274,647	41,054	315,701
Disposals	-	(374,283)	(374,283)
Transfer	-	-	-
Effect of EX rate	-	2,679	2,679
As of 12/31/2024	$274,647	$182,035	456,682
As of 1/1/2023	$-	$492,223	$492,223
Addition	-	48,979	48,979
Disposals	-	(27,962)	(27,962)
Transfer	-	-	-
Effect of EX rate	-	(655)	(655)
As of 12/31/2023	$-	$512,585	$512,585
Depreciation and impairment:			
As of 1/1/2024	$-	$245,965	$245,965
Depreciation	4,367	63,739	68,106
Impairment loss	-	-	-
Disposal	-	(229,469)	(229,469)
Transfer	-	-	-
Effect of EX rate	24	1,182	1,206
As of 12/31/2024	$4,391	$81,417	$85,808

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

	Land	Buildings	Total
As of 1/1/2023	$-	$135,280	$135,280
Depreciation	-	137,800	137,800
Impairment loss	-	-	-
Disposal	-	(26,672)	(26,672)
Transfer	-	-	-
Effect of EX rate	-	(443)	(443)
As of 12/31/2023	$-	$245,965	$245,965
Net carrying amount:			
As of 12/31/2024	$270,256	$100,618	$370,874
As of 12/31/2023	$-	$266,620	$266,620

II.Lease liabilities

	As of December 31,	
	2024	2023
Lease liabilities	$105,119	$273,320
Current	$31,533	$133,272
Non-current	$73,586	$140,048

Please refer to Note 6(21)(d) for the interest on lease liabilities recognized during the year ended December 31, 2024 and 2023. Please refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2024 and 2023.

b.Income and costs relating to leasing activities

	For the year ended December 31,	
	2024	2023
The expense relating to short-term leases	$(15,478)	$(19,709)
The expense relating to leases of low-value assets	(3,130)	(1,172)
Income from subleasing right-of-use assets	241	882

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

As of December 31, 2024 and 2023, the portfolio of short-term leases of the Group to which it is committed at the end of the reporting period is dissimilar to the portfolio of short-term leases to which the short-term lease expense disclosed above and the amount of its lease commitments is NT$0.

For the year ended December 31, 2024 and 2023, the Company recognized NT$0 and NT$19 thousand as income to account the rent concession arising as a direct consequence of the covid-19 pandemic as a variable lease payment.

c.Cash outflow relating to leasing activities

	2024	2023
Cash outflow for leases	$84,906	$161,965

B. The Group is the lessor

The Group has entered into leases on certain buildings with lease terms range from one to two years. These leases are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	2024	2023
Lease income for operating leases fixed lease payments	$29,965	$1,361

For operating lease entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2024 and 2023 are as follows:

	2024	2023
Not later than one year	$28,593	$-
Leter than one year but not later than two years	7,148	-
Total	$35,741	$-

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

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

Function / Nature	2024			2023		
	Operating Costs	Operating expenses	Total	Operating Costs	Operating expenses	Total
Employee benefit expense						
Salaries	$1,009,781	$823,245	$1,833,026	$971,475	$822,727	$1,794,202
Labor and health insurance	88,202	40,169	128,371	85,132	38,176	123,308
Pension	29,155	26,592	55,747	27,549	24,592	52,141
Other employee benefit expense	52,762	40,752	93,514	45,852	37,501	83,353
Depreciation	621,400	87,915	709,315	839,514	83,854	923,368
Amortization	126	18,008	18,134	289	13,285	13,574

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

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

Based on profit, the Company estimated the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2024 amounted to NT$267,906 thousand and NT$23,296 thousand, respectively. The employees' compensation and remuneration todirectors for the year ended December 31, 2023 amounted to NT$246,865 thousand and NT$21,461 thousand, respectively, recognized as employee benefits.

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

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

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

(21)Non-operating incomes and expenses

A. Interest income

	For the year ended December 31,	
	2024	2023
Interest income		
Deposit interest	$17,366	$16,368
Financial assets measured at amortized cost	9,325	13,549
Subtotal	$26,691	$29,917

B.Other incomes

	For the year ended December 31,	
	2024	2023
Rent income	$29,965	$1,361
Government grants income	316	69
Other income - others	14,930	12,196
Total	$45,211	$13,626

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

C.Other gains and losses

	For the year ended December 31,	
	2024	2023
Gain (loss) from disposal of property, plant and equipment	$(192)	$114
Foreign exchange gain (loss), net	22,431	5,554
Gains (losses) on financial assets at fair value through profit or loss	29,416	16,175
Gains on lease modification	1,805	12
Impairment loss on non-financial assets	(19,242)	(19,488)
Other losses	(273)	(2,671)
Total	$33,945	$(304)

D.Finance costs

	For the year ended December 31,	
	2024	2023
Interests on borrowings from bank	$57,778	$41,884
Interest on lease liabilities	1,976	3,643
Total	$59,754	$45,527

E.Share of the profit or loss of associates and joint ventures

	For the year ended December 31,	
	2024	2023
Share of the profit or loss of associates and joint ventures	$(89)	$(183)

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

(22)Components of other comprehensive income (loss)

For the year ended December 31, 2024

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	$9,516	$-	$9,516	$(52)	$9,464

For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	$(15,362)	$-	$(15,362)	$(45)	$(15,407)

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

(23)Income tax

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

Income tax expense (benefit) recognized in profit or loss

	For the year ended December 31,	
	2024	2023
Current income tax expense (income):		
Current income tax expense	$315,514	$296,450
Adjustments in respect of current income tax of prior periods	3,292	(3,230)
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	(39,496)	7,489
Total income tax expense (income)	$279,310	$300,709

B.A reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the year ended December 31,	
	2024	2023
Accounting profit before tax from continuing operations	$2,132,794	$1,978,640
Tax payable at the enacted tax rates	$494,940	$483,671
Tax effect of income tax-exempted	(58,552)	(65,472)
Tax effect of expenses not deductible for tax purposes	2,116	1,619
Tax effect of deferred tax assets/liabilities	19,300	6,722
Surtax on undistributed earnings	6,871	45,791
Adjustments in respect of current income tax of prior periods	3,292	(3,230)
Operating loss for income tax deduction	7,285	(380)

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

	For the year ended December 31,	
	2024	2023
Other adjustments according to the Tax Law	(156,986)	(176,214)
Other income tax effects adjusted in accordance with tax laws	(38,956)	8,202
Total income tax expense (income) recognized in profit or loss	$279,310	$300,709

C.Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2024

	Beginning balance as of Jan. 1, 2024	Deferred tax income (expense) recognized in profit or loss	Income tax relating to components of other comprehensive income	Exchange adjustment	Ending balance as of Dec. 31, 2024
Temporary differences					
Unrealized loss on inventory valuation	$29,275	$(3,593)	$-	$-	$25,682
Unrealized exchange gain	(3,267)	3,190	-	-	(77)
Unrealized exchange loss	40	2,870	-	-	2,910
Investment interests accounted for using the equity method	(62,101)	(8,676)	(52)	-	(70,829)
Investment losses accounted for using the equity method	118	(12)	-	-	106
Unrealized refund liability	23,086	20,184	-	-	43,270
Other	(14,129)	25,533	-	(47)	11,357
Deferred tax income/ (expense)		$39,496	$(52)	$(47)	
Net deferred tax assets/(liabilities)	$(26,978)				$12,419
Reflected in balance sheet as follows:					
Deferred tax assets	$38,390				$83,325
Deferred tax liabilities	$65,368				$70,906

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

For the year ended December 31, 2023

	Beginning balance as of Jan. 1, 2023	Deferred tax income (expense) recognized in profit or loss	Income tax relating to components of other comprehensive income	Exchange adjustment	Ending balance as of Dec. 31, 2023
Temporary differences					
Unrealized loss on inventory valuation	$14,052	$15,223	$-	$-	$29,275
Unrealized exchange loss (gain)	2,006	(5,233)	-	-	(3,227)
Investment accounted for using the equity method	(34,282)	(27,656)	(45)	-	(61,983)
Other	(1,168)	10,177	-	(52)	8,957
Deferred tax income/ (expense)		$(7,489)	$(45)	$(52)	
Net deferred tax assets/(liabilities)	$(19,392)				$(26,978)
Reflected in balance sheet as follows:					
Deferred tax assets	$17,793				$38,390
Deferred tax liabilities	$37,185				$65,368

D. The relevant information of the unused income tax offset (loss deduction) of the subsidiary within the group is as follows:

		Unused balance		
		For the year ended December 31,		
Year	Deduction amount	2024	2023	Last offset year
2021	$383	$383	$383	2031
2022	4,062	4,062	4,062	2032
2023	639	639	639	2033
2024	188	188	-	2034
		$5,272	$5,084	

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

E.Unrecognized deferred tax assets

As of December 31, 2024 and 2023, deferred tax assets that have not been recognized as they may not be used to offset future taxable income amounted to NT$153,461 thousand and NT$166,250 thousand, respectively.

F.The assessment of income tax return

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

(24)Earnings per share

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

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

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

A.Basic earnings per share

	For the year ended December 31,	
	2024	2023
Net income available to common shareholders of the parent	$1,830,676	$1,655,902
Weighted average number of common stocks outstanding (in thousand shares)	78,000	72,542
Basic earnings per share (in NT$)	$23.47	$22.83

B.Diluted earnings per share

	2024	2023
Net income available to common shareholders of the parent	$1,830,676	$1,655,902
Net income available to common shareholders of the parent after dilution	$1,830,676	$1,655,902
Weighted average number of common stocks outstanding (in thousand shares)	78,000	72,542
Effect of dilution:		
Employee bonus (compensation) – stock (in thousand shares)	761	682
Weighted average number of common stocks outstanding after dilution (in thousand shares)	78,761	73,224
Diluted earnings per share (in NT$)	$23.24	$22.61

No other transactions that would significantly change the outstanding common stocks or potential common stocks incurred during the period subsequent to reporting date and up to the approval date of financial statements.

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

7.RELATED PARTY TRANSACTIONS

(1)Deal with related parties as of the end of the reporting period

Related parties and Relationship

Related parties	Relation
Pegatron Corporation	Ultimate parent company
Kinsus Interconnect Technology Corp.	Parent company
Pegatron Japan Inc.	Other related party
Pegatron CZECH S.R.O.	Other related party
Kinsus Interconnect Technology Suzhou Corp.	Other related party

(2)Significant transactions with related parties

A. Sales

	For the year ended December 31,	
Related parties	2024	2023
Kinsus Interconnect Technology Corp.	$287	$485
Pegatron Corporation	40	13
Kinsus Interconnect Technology Suzhou Corp.	387	-
Total	$714	$498

Selling prices is set by the fixed price for sale to other customers and taking into account the cost of its after-sales services plus reasonable profit. Collecion terms for related parties were 90 days after monthly closing and 30 days after monthly closing, respectively.

B. Lease-related parties

a.Right-of-use assets

		As of December 31,	
Related parties	Nature	2024	2023
Pegatron Corporation	Buildings	$-	$165,302

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

b.Lease liabilities

Related parties	As of December 31, 2024	As of December 31, 2023
Pegatron Corporation	$-	$166,949

c.Interest expenses

Related parties	For the year ended December 31, 2024	For the year ended December 31, 2023
Pegatron Japan Inc.	$-	$9
Pegatron Corporation	481	2,537
Total	$481	$2,546

d. Lease payment (Rental expense)

Related parties	Nature	For the year ended December 31, 2024	For the year ended December 31, 2023
Pegatron Corporation	Buildings	$34	$195

Note: The lease agreement for the right to use assets with Pegatron Corporation in March 2024.

e. Rent income

Related parties	Rental Period	Rental subject	Payment term	For the year ended December 31, 2024	For the year ended December 31, 2023
Pegatron Corporation	2024.04.01~ 2026.03.31	Buildings	Redeemed on the 10th of each month	$24,115	$-

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

C.Operating expense

		For the year ended December 31,	
Related parties	Nature	2024	2023
Pegatron Corporation	Pay utilities	$45,617	$106,187
Pegatron Japan Inc.	Provide services and pay utilities and postage	$76	$96
Pegatron CZECH S.R.O.	Provide services	$389	$150

D.Accounts receivable

	As of December 31,	
Related parties	2024	2023
Kinsus Interconnect Technology Corp.	$-	$145

E. Other receivables

	As of December 31,	
Related parties	2024	2023
Pegatron Corporation	$7,107	$-

F.Refundable deposits

	As of December 31,	
Related parties	2024	2023
Pegatron Corporation	$-	$10,000

G.Contract Liabilities

	As of December 31,	
Related parties	2024	2023
Kinsus Interconnect Technology Corp.	$104	$140

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

H.Other payables

	As of December 31,	
Related parties	2024	2023
Pegatron Corporation	$7,406	$27,658
Pegatron CZECH S.R.O	14	-
	$7,420	$27,658

I. Deposit deposit

	As of December 31,	
Related parties	2024	2023
Pegatron Corporation	$3,000	$-

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

K.Salaries and rewards to key management of the Group

	For the year ended December 31,	
	2024	2023
Short-term employee benefits and post-employment benefits	$58,148	$48,207

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

8. ASSETS PLEDGED AS COLLATERAL

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

Item	Carrying Amount As of December 31, 2024	2023	Secured liabilities
Property, plant and equipment – Land (carrying amount)	$196,960	$196,960	Secured borrowings
Property, plant and equipment – Buildings (carrying amount)	154,090	112,677	Secured borrowings
Refundable deposits	2,000	2,000	Security deposit to custom authority
Total	$353,050	$311,637	

9.SIGNIFICANT CONTINGENCIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2024, the Group's outstanding contracts relating to significant construction in progress and purchased property, plant and equipment were as follows:

Nature of Contract	Contract Amount	Amount Paid	Amount unpaid
Buildings	$2,251,517	$1,505,719	$766,615
Machinery and equipment	69,117	25,740	22,560
Total	$2,320,634	$1,531,459	$789,175

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

10. LOSSES DUE TO MAJOR DISASTERS

None

11.SIGNIFICANT SUBSEQUENT EVENT

None

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

12.OTHERS

(1)Categories of financial instruments

Financial assets

	As of December 31,	
	2024	2023
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$1,121,378	$2,635,465
Financial assets measured at amortized cost:		
Cash and cash equivalents (exclude cash on hand)	1,997,295	1,495,290
Financial assets measured at amortized cost	1,134,295	2,098,369
Accounts receivables	806,188	831,045
Other receivables	21,001	34,630
Refundable deposits	49,009	62,931
Subtotal	4,008,425	4,522,265
Total	$5,129,803	$7,157,730

Financial liabilities

	As of December 31,	
	2024	2023
Financial liabilities at amortized cost:		
Short-term borrowings	$351,503	$908,620
Payables	1,882,812	1,804,316
Long-term borrowings(including current portion with maturity less than 1 year)	558,429	381,496
Lease liabilities	105,119	273,320
Total	$2,897,863	$3,367,752

(2)Financial risk management objectives and policies

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

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

(3)Market risk

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

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

Foreign currency risk

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

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

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

When NTD appreciates/depreciates against USD by 1%, net income (loss) for the years ended December 31, 2024 and 2023 would decrease/increase by NT$1,808 thousand and NT$69 thousand, respectively.

Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period and presumed to be held for one accounting year, including investments and bank borrowing with variable interest rates. If interest rate increases/decreases by 0.1%, the net income (loss) for the years ended December 31, 2024 and 2023 would increase /decrease by NT$949 thousand and NT$533 thousand, respectively.

(4)Credit risk management

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

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

As of December 31, 2024 and 2023, receivables from the top ten customers were accounted for 84.97% and 79.56% of the Group’s total accounts receivable, respectively. The concentration of credit risk is relatively insignificant for the remaining receivables.

Credit risk from balances with banks, fixed-income securities and other financial instruments is managed by the Group’s finance division in accordance with the Group’s policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Group maintains financial flexibility through the use of cash and cash equivalents, highly-liquid marketable securities, bank loans, etc. The table below summarizes the maturity profile of the Group’s financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted interest payment relating to borrowings with variable interest rates is extrapolated based on the estimated yield curve as of the end of the reporting period.

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

Non-derivative financial instruments

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	>5 years	Total
As of December 31, 2024							
Borrowings	$391,770	$32,829	$100,463	$107,673	$110,318	$292,027	$1,035,080
Payables	1,882,812	-	-	-	-	-	1,882,812
Lease Liabilities	32,818	26,652	19,037	13,912	9,065	6,861	108,345
As of December 31, 2023							
Borrowings	$944,655	$20,425	$31,707	$79,527	$71,457	$286,336	$1,434,107
Payables	1,804,316	-	-	-	-	-	1,804,316
Lease Liabilities	135,797	91,115	17,811	11,905	8,382	13,220	278,230

(6)Movement schedule of liabilities arising from financing activities

Movement schedule of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2024	$908,620	$381,496	$1,004	$273,320	$1,564,440
Cash flows	(557,117)	176,703	2,611	(66,298)	(444,101)
Non-cash changes					
Lease range changes	-	-	-	(105,565)	(105,565)
Interests on lease liabilities	-	230	-	1,976	2,206
Currency rate change	-	-	-	1,686	1,686
As of December 31, 2024	$351,503	$558,429	$3,615	$105,119	$1,018,666

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

Movement schedule of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings	Refundable deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	$284,467	$369,336	$974	$363,360	$1,018,137
Cash flows	624,153	12,079	30	(141,084)	495,178
Non-cash changes					
Lease range changes	-	-	-	47,677	47,677
Interests on lease liabilities	-	-	-	3,643	3,643
Others	-	81	-	-	81
Currency rate change	-	-	-	(276)	(276)
As of December 31, 2023	$908,620	$381,496	$1,004	$273,320	$1,564,440

(7)Fair values of financial instruments

A.The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

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

b.For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds).

c.Fair value of equity instruments without market quotations, bank borrowing and other non-current liabilities are determined based on the counterparty prices or valuation method (including private placement of listed equity securities, unquoted public Group and private Group equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B.Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measure at amortized cost approximates their fair value.

C.Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Group.

(8)Fair value measurement hierarchy

A.Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

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

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

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

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Money market fund	$1,121,378	$-	$-	$1,121,378
Financial liabilities:				
None				

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Money market fund	$2,635,465	$-	$-	$2,635,465
Financial liabilities:				
None				

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

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

	As of December 31,					
	2024			2023		
	Foreign Currencies	Exchange Rate	NTD	Foreign Currencies	Exchange Rate	NTD
Financial assets						
Monetary items:						
USD	$24,743	33.0398	$817,514	$32,068	30.5667	$980,221
Financial liabilities						
Monetary items:						
USD	$19,417	32.7900	$636,689	$31,679	30.7250	$973,333
Foreign currencyresulting in exchange gain or loss						
USD			$8,738	USD		$5,990
Other			$13,694	Other		$(436)

(10)Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages and adjusts its capital structure in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13.ADDITIONAL DISCLOSURES

(1)Information on significant transactions

A.Financing provided to others: None.

B.Endorsement/Guarantee provided to others: Please refer to attachment 1.

C.Marketable securities held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 2.

D.Individual securities acquired or disposed of with accumulated amount of at least NT$ 300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 3.

E.Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 4.

F.Disposal of individual real estate with amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.

G.Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 5.

H.Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31, 2024: Please refer to attachment 6.

I.Derivative instrument transactions: None.

J.InterGroup relationships and significant interGroup transactions for the year ended December 31, 2024: Please refer to attachment 12.

(2)Information on investees

A.Name, locations and related information of investees (excluding investees in Mainland China): Please refer to attachment 7.

B.Investees over which the Group exercises control shall be disclosed of information under Note 13(1):

a.Financing provided to others: None.

b.Endorsement/Guarantee provided to others: None.

c.Marketable securities held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 8.

d.Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 9.

e.Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 10.

f.Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2024: None.

g.Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2024: Please refer to attachment 11.

h.Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as of December 31 2024: None.

i.Derivative instrument transactions: None.

(3)Information on investments in Mainland China:

A. Name of investee in China, main business, paid-in capital, method of investment, investment flows, percentage of ownership, investment gain or loss, carrying amount at the end of reporting period, inward remittance of earning or loss and the upper limit on investment in China:

(In Thousands of New Taiwan Dollars/ In Thousands of foreign currency)

Name of Investee in China	Main Business	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2024	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024	Accumulated Outflow of Investment from Taiwan to Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment in China by Investment Commission, MOEA
					Outflow	Inflow									
Pegavision (Jiangsu) Limited	Producing and selling medical equipment	$150,150 (USD 5,000)	(1)	$101,205	$48,945	$-	$150,150	$(24,991) (Note 6 and 7)	100%	$(24,991) (Note 6, 7 and 8)	$111,161 (Note 5, 6 and 7)	$-	$150,150	$150,150	$6,635,217

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

BeautyTech Platform (Shanghai) Corporation	Selling medical equipment and cosmetic products	$14,885 (USD 500)	(3) (Note 2)	$14,885	$-	$-	$14,885	$8,671 (Note 6 and 7)	85%	$7,370 (Note 6, 7 and 8)	$33,678 (Note 6, 7 and 8)	$-	$14,885	$14,885	$286,399
Pegavision Contact Lenses (Shanghai) Corporation	selling medical equipment	$112,559 (USD 3,600)	(3) (Note 3)	$112,559	$-	$-	$112,559	$8,367 (Note 6 and 7)	85%	$7,112 (Note 6, 7 and 8)	$122,376 (Note 6, 7 and 8)	$-	$95,043	$95,043	
Gemvision Technology (Zhejiang) Limited	Selling medical equipment and cosmetic products	$99,222 (RMB 22,000) (Note 6)	(3) (Note 4)	$-	$-	$-	$-	$8,390 (Note 6 and 7)	85%	$7,131 (Note 6, 7 and 8)	$115,321 (Note 6, 7 and 8)	$-	$-	$-	

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

(1) Go directly to the mainland China for investment.

(2) Reinvest in mainland China through a third-region company.

(3) Other methods.

Note2: 100% Shares of BeautyTech Platform (Shanghai) Corporation owned and directly invested by BeautyTech Platform Corporation.

Note3: To improve the synergy of the Group, the equity of Pegavision Contact Lenses (Shanghai) Corporation was transferred to BeautyTech Platform Corporation from the Company.

Note4: 100% Shares of Gemvision Technology (Zhejiang) Limited owned and directly invested by Pegavision Contact Lenses (Shanghai) Corporation.

Note 5: Pegavision (Shanghai) Limited which is 100% held by the Company was registered on April 23, 2024 the investment amount has not been remitted as of December 31, 2024.

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

Note 7: Gain / loss on investment is recognized based on the audited financial statement of the parent company’s Auditors in Taiwan.

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

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

B.Significant transactions with investees in China:

a.Purchase and balances of related accounts payable as of December 31, 2024: None.

b.Sale and balance of related accounts receivable as of December 31, 2024: Please refer to attachment 12.

c.Property transaction amounts and resulting gain or loss: None.

d.Ending balance of endorsements/guarantees or collateral provided and the purposes: None.

e.Maximum balance, ending balance, interest rate range and total interest for current period from financing provided to others: None.

f.Transactions that have significant impact on profit or loss of current period or the financial position, such as services provided or rendered: Please refer to attachment 12.

g.Above transactions are eliminated upon preparation of consolidated financial statements. Please refer to attachment 12 for details.

(4)Information on major shareholders

Shares / Major shareholders	Shares	%
Kinsus Investment Co., Ltd.	21,233,736	27.22%
Asuspower Investment Co., Ltd.	6,372,796	8.17%
Asustek Investment Co., Ltd.	4,934,434	6.32%

14.OPERATING SEGMENT

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

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

A.Geographical information

Revenues from external customers (Note 1)

	For the year ended December 31,	
	2024	2023
Taiwan	$887,952	$881,477
Other Asian countries	5,455,028	5,550,628
Other countries	474,325	357,756
Total	$6,817,305	$6,789,861

Note 1: The revenue information above is based on the location of the customers.

Non-current assets

	As of December 31,	
	2024	2023
Taiwan	$7,890,060	$5,583,602
China	176,213	102,211
Vietnam	395,629	161,852
Japan	14,252	15,429
Total	$8,476,154	$5,863,094

B.Information about major customers

Individual customer’s sale accounted for at least 10% of consolidated net sale:

	For the year ended December 31,	
Name of customers	2024	2023
Customer A	$1,758,514	$1,781,748
Customer B	696,287	Note 2

Note 2: The net sales revenue of this customer in the current year did not reach more than 10% of the Group's consolidated net revenue, so it will not be disclosed.

Pegavision Corporation and Subsidiaries

Endorsement/Guarantee Provided to Others

For the Year Ended December 31, 2024

Attachment 1

(In Thousands of New Taiwan Dollars)

Endorsement/ Guarantee Provider		Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee secured by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Worth per Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowed	Endorsement provided by parent company to subsidiaries	Endorsement provided by subsidiaries to parent company	Endorsement provided to entities in China
No. (Note 1)	Name	Name	Nature of Relationship										
-	-	-	-	-	$-	$-	$-	$-	-%	-	-	-	-

Note 1: The Company is coded "0".

Note 2: The endorsement and guaranteed amount of the Company and the consolidated subsidiary is NT$2,000 thousand.

Pegavision Corporation and Subsidiaries

Marketable Securities Held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 2

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2024			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
Pegavision Corporation	Money market funds:							
	Yuanta Wan-Tai Money Market Fund	-	Financial assets at fair value through profit or loss	366,690	$5,753	-	$5,784	
	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	12,569,675	212,122	-	213,727	
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	1,366,785	17,700	-	17,878	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	46,378,169	739,451	-	740,511	
	Add: Valuation Adjustment				2,874			
	Total				$977,900		$977,900	

Pegavision Corporation and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT$300 Million or 20% of The Paid-In Capital

For the Year Ended December 31, 2024

Attachment 3

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount	
Pegavision Corporation	Money Market Funds:														
	Yuanta Wan-Tai Money Market Fund	Financial assets at fair value through profit or loss	-	-	6,400,626	$99,550	37,958,477	$594,000	43,992,413	$690,000	$687,711 $(55)	$2,289	366,690	$5,784	Note
	Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss	-	-	6,475,107	$108,558	45,625,414	$769,000	39,530,846	$670,000	$665,268 $1,437	$4,732	12,569,675	$213,727	Note
	Mega Diamond Money Market Fund	Financial assets at fair value through profit or loss	-	-	88,870,417	$1,146,384	22,920,354	$296,700	110,423,986	$1,431,032	$1,424,000 $(1,206)	$7,032	1,366,785	$17,878	Note
	FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss	-	-	67,078,751	$1,055,719	249,745,568	$3,957,330	270,446,150	$4,284,000	$4,272,436 $(102)	$11,564	46,378,169	$740,511	Note

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

Pegavision Corporation and Subsidiaries

Acquisition of Individual Real Estate with Amount of at Least NT$ 300 million or 20% of the Paid-in Capital

As of December 31, 2024

Attachment 4

(In Thousands of New Taiwan Dollars)

							Prior Transaction of Related Counter-party						
Acquiring Company	Name of Property	Transaction Date (Note 1)	Transaction Amount	Payment Status	Counter-party	Relationship	Owner	Relationship with the Company	Transfer Date	Amount	Price Reference	Purpose and Use of Acquisition	Other Terms
Pegavision Corporation	Land	2023.9.21	$1,912,290	By Contract	Pegatron Corporation	Ultimate parent company	ASUSTeK Computer Incorporation	Non-related party	2008.1	Note 2	The transaction amount refer to professional appraisal institutions.	Satisfy the growth of business sales.	None
	Buildings	2023.9.21	1,127,710	By Contract	Pegatron Corporation	Ultimate parent company	ASUSTeK Computer Incorporation	Non-related party	2008.1	Note 2	The transaction amount refer to professional appraisal institutions.	Satisfy the growth of business sales.	None
	Total		$3,040,000										

Note 1: Transaction date means the date of agreement, date of contract signing, date of payment, date of resolution of the board of directors or a committee established by it, or other date that can confirm the counter-party and monetary amount of the transaction, whichever date is earlier.

Note 2: The total amount was NT$1,415,191 thousand.

Note 3:As of March 2024, Land and Buildings transfer have been completed.

Pegavision Corporation and Subsidiaries

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

For the Year Ended December 31, 2024

Attachment 5

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/ Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	Sales	$3,398,548	57.36%	90 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable $679,368	64.27%	Note
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	Sales	$338,641	5.72%	Within 120 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable $134,405	12.71%	Note
Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	Subsidiary	Sales	$191,288	3.23%	Within 180 days after monthly closing	Similar to those to third party customers.	T/T to 90 days after monthly closing	Accounts receivable $27,005	2.55%	Note

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

Pegavision Corporation and Subsidiaries

Receivables from Related Parties of at Least NT$ 100 Million or 20% of the Paid-in Capital

As of December 31, 2024

Attachment 6

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Ratio	Overdue		Amount Received in Subsequent Periods	Loss allowance
					Amount	Action Taken		
Pegavision Corporation	Pegavision Japan Inc.	Subsidiary	$679,368 (Note)	5.38	$61,252	Subsequent recovery	$234,132	$-
Pegavision Corporation	BeautyTech Platform Corporation	Subsidiary	$134,405 (Note)	2.72	$-	-	$36,287	$-

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

Pegavision Corporation and Subsidiaries

Investees over Whom the Company Exercise Significant Influence or Control (Excluding Investees in Mainland China)

As of December 31, 2024

Attachment 7

(In Thousands of Foreign Currency / New Taiwan Dollars)

Investor	Investee	Business Location	Main Business and Product	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2024	As of December 31, 2023	Shares	%	Carrying Value			
Pegavision Corporation	Pagavision Japan Inc.	Japan	Selling medical equipment	JPY 9,900	JPY 9,900	198 shares	100.00%	$165,729	$41,345	$41,345	Note
Pegavision Corporation	Mayin Investment Co. , Ltd.	Taiwan	Investing activities	NTD 246,003	NTD 246,003	21,000,000 shares	100.00%	$601,539	$125,418	$125,418	Note
Pegavision Corporation	PEGAVISION VIETNAM COMPANY LIMITED	Vietnam	Producing and selling medical equipment	NTD 631,333	NTD 170,830	-	100.00%	$628,553	$(101)	$(101)	Note
Pegavision Corporation	Zhuhe Investment Co., Ltd.	Taiwan	Investing activities	NTD 20,000	NTD 20,000	2,000,000 shares	10.00%	$19,751	$(2,297)	$(89)	
Mayin Investment Co. , Ltd.	BeautyTech Platform Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 107,500	NTD 107,500	8,500,000 shares	85.00%	$403,231	$149,423	$127,009	Note
Mayin Investment Co. , Ltd.	FacialBeau International Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 27,500	NTD 27,500	2,750,000 shares	55.00%	$24,916	$(304)	$(167)	Note
BeautyTech Platform Corporation	Beautytech Platform (Singapore) Pte. Ltd.	Singapore	Selling medical equipment and cosmetic products	USD 200	USD 200	200,000 shares	100.00%	$6,242	$(206)	$(206)	Note
BeautyTech Platform Corporation	FORIMART Corporation	Taiwan	Selling medical equipment and cosmetic products	NTD 15,000	-	1,500,000 shares	100.00%	$15,051	$51	$51	Note
BeautyTech Platform Corporation	BEAUTYTECH PLATFORM (VIETNAM) LIMITED LIABILITY COMPANY	Vietnam	Selling medical equipment and cosmetic products	NTD 6,923	-	-	70.00%	$6,867	$(272)	$(190)	Note
FacialBeau International Corporation	Aquamax Vision Corporation	USA	Selling medical equipment and cosmetic products	USD 1,100	USD 1,100	11,000,000 shares	100.00%	$7,387	$250	$250	Note
FacialBeau International Corporation	RODNA Co., Ltd.	Korea	Selling medical equipment and cosmetic products	KRW 100,000	KRW 100,000	-	100.00%	$1,928	$(169)	$(169)	Note
FacialBeau International Corporation	IKIDO Inc.	Japan	Selling medical equipment and cosmetic products	JPY 9,900	JPY 9,900	198 shares	100.00%	$1,970	$(20)	$(20)	Note

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

Pegavision Corporation and Subsidiaries

Marketable Securities Held as of December 31, 2024 (excluding investments in subsidiaries, associates and joint ventures)

Attachment 8

(In Thousands of New Taiwan Dollars)

Name of Held Company	Type and Name of Marketable Securities	Relationship with the Issuer	Financial Statement Account	As of December 31, 2024			Fair Value	Note
				Shares / Units	Carrying Amount	Shareholding %		
	Money market funds:							
Mayin Investment Co. , Ltd.	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss	392,329	$5,000	-	$5,132	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	1,841,751	29,000	-	29,407	
BeautyTech Platform Corporation	Yuanta De-Li Money Market Fund	-	Financial assets at fair value through profit or loss	502,952	8,360	-	8,552	
	Yuanta Wan Tai Money Market Fund	-	Financial assets at fair value through profit or loss	2,221,592	34,235	-	35,042	
	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	3,953,618	62,935	-	63,127	
FacialBeau International Corporation	FSITC Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss	138,940	2,196	-	2,218	
	Add: Valuation Adjustment				1,752			
	Total				$143,478		$143,478	

Pegavision Corporation and Subsidiaries

Individual Securities Acquired or Disposed of with accumulated amount of At Least NT$300 Million or 20% of The Paid-In Capital

For the Year Ended December 31, 2024

Attachment 9

(In Thousands of New Taiwan Dollars)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain/Loss on Disposal	Shares/Units	Amount	
BeautyTech Platform Corporation	Money Market Funds: FSITC Taiwan Money Market Fund	Financial assets at fair value through profit or loss	-	-	8,932,500	$140,584	8,644,048	$137,000	13,622,930	$217,000	$214,065 ($392)	$2,935	3,953,618	$63,127	Note

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

Pegavision Corporation and Subsidiaries

Acquisition of Individual Real Estate with Amount of at Least NT$ 300 million or 20% of the Paid-in Capita

As of December 31, 2024

Attachment 10

(In Thousands of Foreign Currency / New Taiwan Dollars)

Acquiring Company	Name of Property	Transaction Date (Note 1)	Transaction Amount	Payment Status	Counter-party	Relationship	Prior Transaction of Related Counter-party: Owner	Prior Transaction of Related Counter-party: Relationship with the Company	Prior Transaction of Related Counter-party: Transfer Date	Prior Transaction of Related Counter-party: Amount	Price Reference	Purpose and Use of Acquisition	Other Terms
PEGAVISION VIETNAM COMPANY LIMITED	Right-of-use asset — land	2023.7.5 (Note 2)	USD $8,800	By Contract	GREEN i-PARK CORPORATION	None	None	None	None	None	The transaction amount refer to professional appraisal institutions.	Capacity expansion	None
	Buildings	2024.5.24	VND $162,000,000	By Contract	CONSTRUCTION APPLICATION AND TRANSFER OF TECHNOLOGIES.,JSC(CJSC)	None	None	None	None	None	None	Lease of Land for production and business purposes	None

Note 1: Transaction date means the date of agreement, date of contract signing, date of payment, date of resolution of the board of directors or a committee established by it, or other date that can confirm the counter-party and monetary amount of the transaction, whichever date is earlier.

Note 2: As of March 2024, right of use asset — land have been acquired.

Pegavision Corporation and Subsidiaries

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

For the Year Ended December 31, 2024

Attachment 11

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Payable or Receivable		Note
			Purchase/ Sale	Amount	% to Total	Payment/ Collection Term	Unit Price	Payment/ Collection Term	Ending Balance	% to Total	
Pegavision Japan Inc.	Pegavision Corporation	Subsidiary	Purchase	$3,398,548	100.00%	90 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable $679,368	100.00%	Note
BeautyTech Platform Corporation	Pegavision Corporation	Subsidiary	Purchase	$338,641	86.14%	Within 120 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable $134,405	95.63%	Note
Gemvision Technology (Zhejiang) Limited	Pegavision Corporation	Subsidiary	Purchase	$191,288	86.29%	Within 180 days after monthly closing	No suppliers to be compared with	No suppliers to be compared with	Accounts payable $27,005	100.00%	Note

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

Pegavision Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions for the Year Ended December 31, 2024

Attachment 12

(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Financial Statement Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total Assets (Note 3)
	2024.01.01~2024.12.31						
0	Pegavision Corporation	Pegavision Japan Inc.	1	Sales revenue	$3,398,548	90 days after monthly closing	49.85%
0	Pegavision Corporation	Pegavision Japan Inc.	1	Accounts receivable	679,368	90 days after monthly closing	4.67%
0	Pegavision Corporation	Pegavision (Jiangsu) Limited	1	Sales revenue	12,795	Within 180 days after monthly closing	0.19%
0	Pegavision Corporation	Pegavision (Jiangsu) Limited	1	Operating expense	15,184	Within 180 days after monthly closing	0.22%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Sales revenue	338,641	Within 120 days after monthly closing	4.97%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Accounts receivable	134,405	Within 120 days after monthly closing	0.92%
0	Pegavision Corporation	BeautyTech Platform Corporation	1	Operating expense	55,651	Within 120 days after monthly closing	0.82%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Sales revenue	191,288	Within 180 days after monthly closing	2.81%
0	Pegavision Corporation	Gemvision Technology (Zhejiang) Limited	1	Accounts receivable	27,005	Within 180 days after monthly closing	0.91%
0	Pegavision Corporation	FacialBeau International Corporation	1	Sales revenue	24,405	Within 90 days after monthly closing	0.36%
0	Pegavision Corporation	FacialBeau International Corporation	1	Accounts receivable	8,142	Within 90 days after monthly closing	0.06%
1	Mayin Investment Co., Ltd	BeautyTech Platform Corporation	3	Rent income	12,000	T/T in advance	0.18%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	Sales revenue	22,429	Within 30 days after monthly closing	0.33%
2	FacialBeau International Corporation	BeautyTech Platform Corporation	3	other revenue	6,540	Within 30 days after monthly closing	0.10%
3	BeautyTech Platform Corporation	Gemvision Technology (Zhejiang) Limited	3	Sales revenue	15,309	Within 180 days after monthly closing	0.22%
4	BeautyTech Platform (Shanghai) Corporation	Gemvision Technology (Zhejiang) Limited	3	Service revenue	54,129	30 days after monthly closing	0.79%

Note 1: Transaction information between Parent company and its subsidiaries should be disclosed by codes below:

(1) Parent company is coded "0".

(2) The subsidiaries are coded from "1" in the order presented in the table above.

Note 2: Relationship are divided into the following three type and the types are required to be indicated:

(1) From the parent company to a subsidiary.

(2) From a subsidiary to the parent company.

(3) Between subsidiaries.

Note 3: Regarding the percentage of transaction amount to consolidated operating revenues or total assets, it is computed based on the ending balance to consolidated total assets for balance sheet items; and based on interim accumulated amount to consolidated net revenue for income statement items.

Note 4: Amounts in foregin currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

Note 5: Transactions exceeding NT$5,000 thousand have been disclosed.