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# Pegavision Corporation

## 2024 Annual General Shareholders' Meeting Minutes

(Translation)

- Time : 9:00 a.m., May 24, 2024, Friday
- Place : Pegavision's Guishan Fab (No.5, Shing Yeh St., Guishan Dist., Taoyuan City 333, Taiwan (R.O.C.))
- Convening method: Physical Shareholders Meeting
- Total outstanding Pegavision shares: 78,000,000 shares
- Total Pegavision shares with voting rights: 78,000,000 shares
- Total shares held by shareholders presented in person or by proxy: 60,382,633 shares
- Percentage of shares held by shareholders presented in person or by proxy: 77.41%
- Chairman: Ming-Tung Kuo, the Chairman of the Board of Directors
- Directors Present: T.H Tung, Te-Sheng Yang, Ho-Hsu Chen, Jen-Lu Yao
- Attendees: Chih-Ming Chang, CPA, Ernst & Young  
Hung-Sheng Chu, Attorney, Phoebus & Artemis Attorneys-at-Law and CPAs  
Ching-Hsiang Wang, Director of Finance & Accounting Division
- Recorder: Wei-Chieh Peng
- Corporate Governance Officer: Ching-Hsiang Wang

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

- Chairman's Address (omitted)

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

- (I) Summary: The Company's 2023 operational and financial results (Business Report).

Details: Please refer to Attachment 1 (pages 11 to 13) for the 2023 Business Report.

- (II) Summary: Audit Committee's review report on 2023 financial statements.

Details: Please refer to Attachment 2 (page 14) for Audit Committee's Review Report.

- (III) Summary: The 2023 compensation of directors and employee bonus.

Details:

1. Pursuant to Article 27 of the company's Articles of Incorporation, 2023 employees' and directors' remuneration resolved is NT\$246,865,001 (representing 11.5% of pre-tax profit) and NT\$21,461,414 (representing 1% of pre-tax profit) respectively, and the both amounts will be entirely paid in cash.
2. The sum of director remuneration paid in cash to directors and corporate representatives who hold positions within the group amounted to NT\$21,460,000.
3. No differences exist between the estimated amount and the actual distribution of the employee bonuses and there is negative NT\$1,414 differences between the estimated amount and the actual distribution of the remuneration to directors for the year ended December 31, 2023.

- (IV) Summary: The cash dividends distribution of 2023 earnings.

Details:

1. Pursuant to Article 27-1 of the Company's Articles of Incorporation, cash distribution to shareholders shall be resolved in a board meeting, and reported in the upcoming shareholder meeting. A proposal has been made to pay NT\$780,000,000 in cash dividends at NT\$10 per share.
2. The amount of cash dividend distribution shall be calculated using the payout ratio and truncated to the nearest NT\$1. Fractions that do not amount to a full NT\$1 shall be summed and recognized by the Company as other income. At which time, a proposal will also be raised to authorize the Chairman to set details such as the dividend baseline date.

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

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

Details:

1. The Company's 2023 business report and financial statements have been

approved by the board of directors; the financial statements have also been audited by CPA Chih-Ming Chang and CPA Shao-Pin Kuo of Ernst & Young and reviewed by the Audit Committee.

- Please refer to Attachment 1 (pages 11 to 13) for the 2023 business report, and Attachment 3 (pages 15 to 36) for standalone and consolidated financial statements.

**Voting Results:**

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
60,382,633 votes*	59,198,217 votes*	5,771 votes*	1,178,645 votes*	0 Votes*
(57,717,788 votes)	(56,567,072 votes)	(5,771 votes)	(1,144,945 votes)	

\*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

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

**Details:**

- The Company reported NT\$1,655,902,355 of net income in 2023; after providing for legal reserves of NT\$165,590,236 and special reserves of NT\$14,851,606, and adding to undistributed earnings of NT\$2,696,784,282 carried from previous years, the Company had NT\$4,172,244,795 of earnings that were available for distribution.
- Please refer to Attachment 4 (page 37) for the Company's 2023 earnings appropriation report.

**Voting Results:**

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
60,382,633 votes*	59,214,216 votes*	7,772 votes*	1,160,645 votes*	0 Votes*
(57,717,788 votes)	(56,583,071 votes)	(7,772 votes)	(1,126,945 votes)	

\*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

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

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

Details :

1. In accordance with the amended content of the Company Law issued under the No.10700083291 Letter by the President on August 1, 2018, the proposal is to amend partial provisions of the Company's "Articles of Incorporation" are as follows:
  - 1.1 Pursuant to the provisions of Article 162 of the amended Company Act, the requirement for three or more directors to sign or affix seals on stock certificates has been relaxed to only require the signature or seal of a director representing the company. Furthermore, as the current institutions eligible to serve as certifiers for stock issuance are now limited to banks, the relevant content of Article 7 of the Company's Articles of Incorporation has been amended.
  - 1.2 According to the provisions of Article 237 of the amended Company Act, it is stipulated that when the legal reserve reaches the paid-in capital, there is no need to make further allocations. Therefore, the relevant content of Article 27-1 of the Company's Articles of Incorporation has been amended.
2. The Company's Articles of Incorporation are amended for the above reasons. A comparison table of the Company's Articles of Incorporation please refer to Attachment 5 (pages 38 to 40)

Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
60,382,633 votes*	59,210,974 votes*	10,745 votes*	1,160,914 votes*	0 Votes*
(57,717,788 votes)	(56,579,829 votes)	(10,745 votes)	(1,127,214 votes)	

\*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

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

1. The term of office of existing directors of the Company will be ended on July 14, 2024. The company proposes to re-elect all directors of 6th Directors in 2024 Annual Meeting of Shareholders according to the Article 17 of Company's "Articles of Incorporation". The

- shareholders' meeting shall elect 9 directors (including 3 independent directors).
2. The new directors' inauguration date will start after the end of 2024 Annual Meeting of Shareholders. Their three-year term will start from May 24, 2024 and conclude on May 23, 2026. The term of office of existing directors will be expired until the time new directors have been assumed their office.
  3. The Company's director election adopted a candidates nomination system according to the Article 17 of Company's "Articles of Incorporation". The nomination list of directors has been approved by the meeting of the Board of the Company. Personal information of the nominees is as follows:

### The nomination list of directors (9 candidates)

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Director	T.H. Tung	Master degree in Computer and Communication Engineering, National Taipei University of Technology、Honorary PH.D in Engineering, National Taipei University of Technology	Vice Chairman of Asustek Computer Inc. ("Asus")、Chairman of Kinsus Interconnect Technology Corp.、Chairman of Pegavision Corporation	Chairman and Chief Strategy Officer of Pegatron Corporation Chairman: Kinsus Investment Co., Ltd.、Lumens Digital Optics In、ASROCK INCORPORATION、ASUSPOWER INVESTMENT CO., LTD、ASUSTEK INVESTMENT CO., LTD、RI-KUAN METAL CORPORATION、Fisfisa Media、FacialBeau International Corporation、BeautyTech Platform Corporation Vice Chairman : New Frontier Foundation Director : Kinsus Interconnect Technology Corp、Pegavision Corporation、ASROCK INCORPORATION、HUA-YUAN INVEXTMENT LIMITED、AS FLY TRAVEL SERVICE LIMITED、Huawei Investment Co., Ltd、PEGA INTERNATIONAL LIMITED、Casetek Holdings Limited (Cayman)、Pegatron Holding Ltd.、Unihan Holding Ltd.、Magnificent Brightness Ltd.、Casetek Holdings Ltd.、Protek Global Holdings Ltd.、Digitek Global Holdings Ltd.、Kinsus Corp.(USA)、Pegatron Holland Holding B.V.、Powtek Holdings Limited、Cotek Holdings Limited、Grand Upright Technology Limited、Aslink Precision Co., Ltd.、The Alliance Cultural Foundation、Hanguang Education Foundation、Lung Yingtai Cultural Foundation、	1,101,077

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
				<p>ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND、Fair Winds Foundation、Bridge Across the Strait Foundation、Full Foods Cultural Foundation、Bulareyyaung Dance Comapny、CLOUD GATE CULTURE AND ARTS FOUNDATION、Q PLACE CREATIVE INC.、Lovely Taiwan Foundation、The Liu Kuo-sung Foundation、Koo Foundation、CHENG HSIN GENERAL HOSPITAL.</p> <p>Independent Director of PChome Online Inc.</p> <p>President：Monte Jade Science &amp;Technology Association of Taiwan、Contact Lens Development Association</p> <p>Vice President：Taiwan Climate Partnership</p> <p>Managing Director：Taipei Computer Association</p> <p>Director：Institute for Biotechnology and Medicine Industry</p>	
Director	Peter Kuo	Electrical Engineering, National Taipei University of Technology	President of Unicap Electronics、Chairman and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP.	<p>Chairman：Pegavision Corporation、Mayin Investment Co., Ltd.</p> <p>Vice Chairman：FacialBeau International Corporation、BeautyTech Platform Corporation</p> <p>Director：PEGATRON CORPORATION、KINSUS INTERCONNECT TECHNOLOGY CORP.、Kinsus Corp. (USA)、Kinsus Investment Co., LTD、LUMENS DIGITAL OPTICS INC.</p> <p>Chief Strategy Officer of Pegavision Corporation、Monte Jade Science and Technology Association</p> <p>Managing Director：Contact Lens Development Association</p>	1,325,533
Director	Rep. of Kinsus Investment Co., Ltd.: TS Yang	Master of Business Administration, National Chengchi University	Senior Vice President of Kinsus Interconnect、Technology Corp. President of Piotek Computer (Suzhou) Co., Ltd、President of Flexium Interconnect Inc.	<p>Supervisor of FUYANG TECHNOLOGY CORPORATION</p> <p>President of Pegavision Corporation</p> <p>Independent Director of DIVA LABORATORIES, LTD.</p>	21,233,736

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Director	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	Physics, National Tsing Hua University	President of Kinsus Interconnect Technology Corporation 、 Manufacturing Manager of Motorola Taiwan	President and CEO of KINSUS INTERCONNECT TECHNOLOGY CORP. Director : FUYANG TECHNOLOGY CORPORATION 、 KINSUS INTERCONNECT TECHNOLOGY CORP. 、 Pegavision Corporation 、 Monte Jade Science and Technology Association 、 Taiwan Printed Circuit Association 、 Taoyuan Enterprise Chamber	21,233,736
Director	Rep. of Asuspower Investment Co., Ltd.: Jeffrey Wun	Master's degree in Mechanical Engineering, National Tsing Hua University	Vice President of UMAX Computer Corporation	President and Director of LUMENS DIGITAL OPTICS INC. Independent Director 、 Member of Remuneration committee of AVISION INC.	6,372,796
Director	Rep. of Asuspower Investment Co., Ltd.: Wen-Yung Ho	Medicine, Taipei Medical University Doctor of Medicine, National Taiwan University	Associate Professor of Taipei Medical University 、 Attending Physician of National Taiwan University Hospital 、 Director of Chinese Television System Inc. 、 Director of Taiwan Public Television Service Foundation	Director : ANDREW T. HUANG MEDICAL EDUCATION PROMOTION FUND 、 GFC Cultural & Educational Foundation 、 Full Foods Cultural Foundation 、 Bliss&Wisdom Publishing Co. Ltd.	6,372,796
Independent Director	Shu-Yu Lee	Accounting, National Chengchi University Master of Business Administration, National Chengchi University	Senior Vice President of Friendly Securities Co., Ltd. Sales Vice President of Mega Securities Co., Ltd. Sales Vice President of Fubon Securities Co. Ltd.	COO of FULAGAI Capital Co., Ltd. Rep. of BASO PRECISION OPTICS LTD.	0
Independent Director	Eric Yao	Architecture, TungHai University	Professor of Architecture, TungHai University 、 University Chair Professor of Architecture, TungHai University 、 University Chair Professor of National University of the Arts	Founder and Owner of DX CREATIVE HOUSE CO., LTD 、 DXMEDIA LIMITED 、 ERIC YAO CREATIVE CONSULTANTS CO., LTD. 、 Director of Kindom Yushan Education Foundaion 、 CLOUD GATE CULTURE AND ARTS FOUNDATION 、 Independent Director of The Eslite Spectrum Corporation	0

Candidate Type	Candidate Name	Education	Experience	Current Position	Current Shareholding
Independent Director	Chi-Wan Lai	College of Medicine, National Taiwan University	Chairman/Chief executive officer of Taiwan Medical Accreditation Council、Executive Secretary/Standing Committee Member and Convener of Medical Education Committee of the Ministry Education, R.O.C.、Vice president of Tzu Chi University and Dean of Tzu Chi University College of Medicine、Professor of Neurology, University of Kansas School of Medicine	Chair Professor of Medical Education and Attending Neurologist of Koo Foundation Sun Yat-San Cancer Center	0

4. Please follow the Company's "Rules for Director Elections" to conduct election.

**Voting Result:**

Title	Shareholder's No or Identification	Name	Votes Received
Director	124	T.H. Tung	48,576,847
Director	6	Peter Kuo	48,748,260
Director	2	Rep. of Kinsus Investment Co., Ltd.: TS Yang	47,765,778
Director	2	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	47,648,835
Director	1	Rep. of Asuspover Investment Co., Ltd.:Wen-Yung Ho	46,723,757
Director	1	Rep. of Asuspover Investment Co., Ltd.:Jeffrey Wun	47,068,569
Independent Director	A22293****	Shu-Yu Lee	46,459,820
Independent Director	A10248****	Eric Yao	46,736,096
Independent Director	A10198****	Chi-Wan Lai	46,425,967

(III) Summary: Proposal of Release the Prohibition on Directors from Participation in Competitive Business (proposed by Board of Directors).

Details:

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



of director candidates are as follows :

Title	Name	The concurrent positions of director candidates
Director	T.H. Tung	Chairman and Chief Strategy Officer of Pegatron Corporation Chairman: Kinsus Investment Co., Ltd. 、 Lumens Digital Optics In 、 ASROCK INCORPORATION 、 ASUSPOWER INVESTMENT CO., LTD 、 ASUSTEK INVESTMENT CO., LTD 、 RI-KUAN METAL CORPORATION 、 Fisfisa Media 、 FacialBeau International Corporation 、 BeautyTech Platform Corporation Director : Kinsus Interconnect Technology Corp 、 ASROCK INCORPORATION 、 HUA-YUAN INVEXTMENT LIMITED 、 AS FLY TRAVEL SERVICE LIMITED 、 Huawei Investment Co., Ltd 、 PEGA INTERNATIONAL LIMITED 、 Casetek Holdings Limited (Cayman) 、 Pegatron Holding Ltd. 、 Unihan Holding Ltd. 、 Magnificent Brightness Ltd. 、 Casetek Holdings Ltd. 、 Protek Global Holdings Ltd. 、 Digitek Global Holdings Ltd. 、 Kinsus Corp.(USA) 、 Pegatron Holland Holding B.V. 、 Powtek Holdings Limited 、 Cotek Holdings Limited 、 Grand Upright Technology Limited 、 Aslink Precision Co., Ltd. 、 Q PLACE CREATIVE INC. Independent Director of PChome Online Inc.
Director	Peter Kuo	Chairman of Mayin Investment Co., Ltd. Vice Chairman : FacialBeau International Corporation 、 BeautyTech Platform Corporation Director : Pegatron Corporation 、 KINSUS INTERCONNECT TECHNOLOGY CORP. 、 Kinsus Corp. (USA) 、 Kinsus Investment Co., Ltd. 、 LUMENS DIGITAL OPTICS INC.
Director	TS Yang	Independent Director of DIVA LABORATORIES, LTD.
Director	Rep. of Kinsus Investment Co., Ltd.: Scott Chen	Director : KINSUS INTERCONNECT TECHNOLOGY CORP. 、 FUYANG TECHNOLOGY CORPORATION
Director	Rep. of Asuspower Investment Co., Ltd.: Jeffrey Wun	President and Director of LUMENS DIGITAL OPTICS INC. Independent Director of The AVISION INC.
Director	Rep. of Asuspower Investment Co., Ltd.: Wen-Yung Ho	Director : Full Foods Cultural Foundation
Independent Director	Shu-Yu Lee	COO of FULAGAI Capital Co., Ltd. Rep. of BASO PRECISION OPTICS LTD.
Independent Director	Eric Yao	DX CREATIVE HOUSE CO., LTD 、 DXMEDIA LIMITED 、 Founder and Owner of ERIC YAO CREATIVE CONSULTANTS CO., LTD. 、 Independent Director of The Eslite Spectrum Corporation
Independent Director	Chi-Wan Lai	Attending Neurologist of Koo Foundation Sun Yat-San Cancer Center

#### Voting Results:

Number of shares presented at the time of voting	For	Against	Abstained	Invalid
60,382,633 votes*	53,186,108 votes*	340,871 votes*	6,855,654 votes*	0
(57,717,788 votes)	(50,554,963 votes)	(340,871 votes)	(6,821,954 votes)	Votes*

\*including votes casted electronically (number in brackets)

RESOLVED, the above proposal was accepted as submitted.

#### IV. Other Question and Special Motion: None

## **V. Adjournment**

No shareholders raised questions at this Annual Meeting of Shareholders.

(Note: This minutes is extracted from the 2024 Annual General Shareholders' Meeting, the details are subject to the audio and video recording.)

# Attachment 1

## Pegavision Corporation

### Business Report

Dear Shareholders,

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

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

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

### Technological Developments

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

- Environmentally friendly silicone hydrogel material;

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

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

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

## **Summary of Current Business Plan**

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

## **Future prospect**

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

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

Pegavision Corporation

Chairman Peter Kuo

President T.S Yang

Head of Accounting C.H. Wang

## **Attachment 2**

# **Pegavision Corporation Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and proposal for allocation of earnings. The CPA firm of Ernst & Young Taiwan was retained to audit Pegavision's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and earnings allocation proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Pegavision Corporation. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Pegavision Corporation

Chairman of the Audit Committee : Eric Yao

January 29, 2024

## **Attachment 3**

### **INDEPENDENT AUDITORS' REPORT**

To: the Board of Directors and Shareholders of  
Pegavision Corporation

#### **Opinion**

We have audited the accompanying parent-company-only balance sheets of Pegavision Corporation (the “Company”) as of December 31, 2023 and 2022, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of material accounting policies (together referred as “the parent-company-only financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as of December 31, 2023 and 2022, and the parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### **Basis for Opinion**

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

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of the most significance in our audit of parent-company-only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Company's revenue amounting to NT\$5,976,139 thousand for the year ended December 31, 2023 is a significant account to the Company's financial statements. The Company has conducted these sale activities in multi-marketplace, including Taiwan, China, Japan, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on sale revenues, and executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the financial statements.

## Market valuation on Inventory

We determined the market valuation on inventory is also one of key audit matters. The Company's net inventory amounted to NT\$419,085 thousand, representing 3% of total assets, as of December 31, 2023, which is significant to the Company's financial statements. The market of the Company's main products, is characterized by fierce competition and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value.

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



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

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

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent-company-only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Chang,Chih-Ming

/s/Kuo,Shao-Pin

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

Notice to Readers

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

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

Pegavision Corporation  
Parent-Company-Only Balance Sheets  
As of December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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

Pegavision Corporation  
Parent-Company-Only Balance Sheets (Continued)  
As of December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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

Pegavision Corporation  
Parent-Company-Only Statements of Comprehensive Income  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except Earnings Per Share)

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

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

Pegavision Corporation  
Parent-Company-Only Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Capital	Capital Surplus	Retained Earnings			Other Components of equity	Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange differences arising on translation of foreign operations	
		3100	3200	3310	3320	3350	3410	3XXX
A1	Balance as of January 1, 2022	\$700,000	\$1,804,931	\$242,715	\$8,143	\$2,746,643	\$(16,367)	\$5,486,065
	Appropriation and distribution of 2021 earnings							
B1	Legal reserve appropriated			124,857		(124,857)		-
B3	Special reserve appropriated				8,224	(8,224)		-
B5	Cash dividends - common shares					(595,000)		(595,000)
D1	Net income for 2022					1,542,135		1,542,135
D3	Other comprehensive income (loss) for 2022						3,433	3,433
D5	Total comprehensive income	-	-	-	-	1,542,135	3,433	1,545,568
H3	Reorganization		4,729			(5,423)		(694)
M5	Difference between consideration given / received and carrying amount of interests in subsidiaries acquired / disposed of		(962)			(9,168)		(10,130)
N1	Share-based payment transaction		1,643					1,643
Z1	Balance as of December 31, 2022	<u>\$700,000</u>	<u>\$1,810,341</u>	<u>\$367,572</u>	<u>\$16,367</u>	<u>\$3,546,106</u>	<u>\$(12,934)</u>	<u>\$6,427,452</u>
A1	Balance as of January 1, 2023	\$700,000	\$1,810,341	\$367,572	\$16,367	\$3,546,106	\$(12,934)	\$6,427,452
	Appropriation and distribution of 2022 earnings							
B1	Legal reserve appropriated			152,755		(152,755)		-
B3	Special reserve appropriated				(3,433)	3,433		-
B5	Cash dividends - common shares					(700,000)		(700,000)
D1	Net income for 2023					1,655,902		1,655,902
D3	Other comprehensive income (loss) for 2023						(14,852)	(14,852)
D5	Total comprehensive income	-	-	-	-	1,655,902	(14,852)	1,641,050
E1	Proceeds from issuing shares	80,000	2,459,180					2,539,180
Z1	Balance as of December 31, 2023	<u>\$780,000</u>	<u>\$4,269,521</u>	<u>\$520,327</u>	<u>\$12,934</u>	<u>\$4,352,686</u>	<u>\$(27,786)</u>	<u>\$9,907,682</u>

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

Pegavision Corporation  
Parent-Company-Only Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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



## **MANAGEMENT REPRESENTATION LETTER**

The entities that are required to be included in the combined financial statements of Pegavision Corporation as of December 31, 2023 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Pegavision Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Pegavision Corporation

By

Guo, Ming-Dong

Chairman

January 29, 2024

## INDEPENDENT AUDITORS' REPORT

To : the Board of Directors and Shareholders of  
Pegavision Corporation

### **Opinion**

We have audited the accompanying consolidated balance sheets of Pegavision Corporation (the “Company”) and its subsidiaries as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of material accounting policies (together referred as “the consolidated financial statements”).

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Revenue Recognition

We determine that revenue recognition is one of the key audit matters. The Group's revenue amounting to NT\$6,789,861 thousand for the year ended December 31, 2023 is a significant account to the Group's consolidated financial statements. The Group has conducted these sale activities in multi-marketplace, including Taiwan, China, Japan, etc. Furthermore, the timing of fulfilling performance obligation needs to be determined based on varieties of sale terms and conditions enacted in the main sale contracts or sale orders. We therefore conclude that there are significant risks with respect to the topic of revenue recognition.

Our audit procedures therefore include, but not limit to, evaluating the properness of accounting policy for revenue recognition, assessing and testing the effectiveness of relevant internal controls related to revenue recognition, sampling-test of details, including obtaining major sale orders or agreements to inspect the terms and conditions, checking the consistency of the fulfillment timing, performing analytical review procedures on sale revenues, and executing sale cut-off tests, etc. We have also evaluated the appropriateness of the related disclosure in Note 6 to the consolidated financial statements.

### Market valuation on Inventory

We determined the market valuation on inventory is also one of key audit matters. The Group's net inventory amounted to NT\$583,479 thousand, representing 4% of total assets, as of December 31, 2023, which is significant to the Group's consolidated financial statements. The market of the Group's main products, is characterized by fierce competition and the trend of consumers' preference, management, in timely considering the status of new products development and the demand from clients, has to evaluate the loss due to market value decline as well as write-down on slow-moving inventories to their net realizable value.

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

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

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

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

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

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

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

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

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

As part of an audit in accordance with the Standards on Auditing of in the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Other**

We have audited and expressed an unqualified opinion on the parent-company-only financial statements of the Company as of and for the years then ended December 31, 2023 and 2022.

/s/Chang, Chih-Ming

/s/Kuo, Shao-Pin

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

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

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

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



Pegavision Corporation and Subsidiaries  
Consolidated Balance Sheets (Continued)  
As of December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

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

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

Pegavision Corporation and Subsidiaries  
Consolidated Statements Of Comprehensive Incomes  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

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

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

Pegavision Corporation and Subsidiaries  
Consolidated Statements of Changes in Equity  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed In Thousands of New Taiwan Dollars)

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

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

Pegavision Corporation and Subsidiaries  
Consolidated Statements of Cash Flows  
For the Years Ended December 31, 2023 and 2022  
(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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

## Attachment 4

### Pegavision Corporation Earnings Appropriation Report 2023

Unit: NTD

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

Chairman:  
Peter Kuo

President:  
Te-Sheng Yang

Head of Accounting:  
Ching-Hsiang Wang

## Attachment 5

### Pegavision Corporation

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

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

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

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