

**INVENTEC CORPORATION**  
**Minutes of 2022 Annual General Shareholders' Meeting**  
(Translation)

Time : Thursday, June 14, 2022. 9:00 a.m.

Place : International Reception Room of The Grand Hotel, No. 1, Sec. 4, Zhongshan N. Rd., Zhongshan Dist., Taipei City.

Quorum : 2,841,693,466 shares were represented by shareholders in person and by proxy (including by exercising voting rights electronically : 1,919,579,090 shares), which are mounted to 79.21% of the Company's 3,587,475,066 issued and outstanding shares.

Chairman : Cho, Tom-Hwar

Recorder : Wu, Jennifer

Board Members Present :

Director : Cho, Tom-Hwar / Yeh, Kuo-I / Wen, Shih-Chih / Lee, Tsu-Chin / Yeh, Li-Cheng

Independent Director : Chang, Chang-Pang (audit committee convenor) / Chen, Ruey-Long/ Wea, Chi-Lin

Attendance : Wu, Zhi-Guang , Attorney

Lin, Wan-Wan, CPA

## **A. Call the Meeting to Order**

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

## **B. Chairman Remarks: (Omitted)**

## **C. Report Items**

1. 2021 Business Report (Please refer to Appendix 1)
2. 2021 Audit Committee's Review Report (Please refer to Appendix 2)
3. The Status of Distribution Remuneration of Employees and Directors of Board in 2021.

Explanation:

- (1) According to the Article 26 of Articles of Incorporation, if the Company has a profit of the year shall distribute not less than 3% of the balance as remuneration to Employees and not more than 3% of the balance as remuneration to Directors of Board.
- (2) The Board of Directors and Remuneration Committee resolved to distribute NT\$ 558,930,501 as remuneration to employees in cash and NT\$ 83,422,463 as remuneration to Directors of Board. There is no difference between the amount of distribution and the expense which has been recognized in 2021.

#### 4. The Status of Distribution of Profits in Cash Dividends to Shareholders in 2021.

Explanation:

- (1) According to the Article 27 of Articles of Incorporation, the Company authorizes the Board of Directors to distribute dividends and bonuses in cash after resolution, and to report the foregoing to the shareholders' meeting.
- (2) The distributable net profit for 2021 is NT\$ 5,562,405,541. The proposed cash dividend to shareholders is NT\$1.4 per share and NT\$ 5,022,465,092 as the sum.
- (3) The Board of Directors had resolved this profits distribution proposal and would set the ex-dividend date, payment date and arrange other related matters. In addition, the Board of Directors are authorized to adjust the cash distribution ratio in case of change in the number of issued and outstanding shares of the Company.

Questions for non-operating income and expenditure, influence of Inventec Solar Energy Corporation's debt on Inventec, influence of international deflation on Inventec were raised by shareholder account number 596098.

The above shareholders' questions were answered by chairman and the personnel appointed by the chairman.

## D. Ratification Items

### Item 1

**Proposed by the Board**

**Proposal:** Ratification of the 2021 Business Report and Financial Statements.

**Explanation:** The Company's 2021 Individual Financial Statements and Consolidated Financial Statements, including the balance sheet, comprehensive income statement, statements of cash flows, and statement of changes in equity, were audited by independent accountants, Lin, Wan-Wan and Guo, Rou-Lan of KPMG Certified Public Accountants. Also Business Report and Financial Statements have been examined by the Audit Committee of Inventec Corporation and approved by the Board of Directors afterwards. (Please refer to Appendix 1 for Business Report, Appendix 3 for Independent Accountants' Audit Report and Individual Financial Statements, and Appendix 4 for Independent Accountants' Audit Report and Consolidated Financial Statements.)

**Resolution:** Approved and acknowledged as proposed by voting (a total of 2,841,693,466 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,631,707,471, among which 1,709,698,855 was exercised by electronic

transmission, or 92.61% of the total voting rights when votes were cast; the number of votes against is 440,288, among which 440,288 was exercised by electronic transmission; the number of votes abstained is 209,545,707, among which 209,439,947 was exercised by electronic transmission)

Question for “Non-operating income and expenses” on annual report was raised by shareholder account number 596098.

The above shareholders' question was answered by the personnel appointed by the chairman.

## Item 2

## Proposed by the Board

**Proposal:** Adoption of the Proposal for Distribution of 2021 Profits

**Explanation:** The 2021 Profit distribution table had been resolved by the Board of Directors and reviewed by the Audit Committee, please refer to Appendix 5.

**Resolution:** Approved and acknowledged as proposed by voting (a total of 2,841,693,466 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,635,246,646, among which 1,713,238,030 was exercised by electronic transmission, or 92.73% of the total voting rights when votes were cast; the number of votes against is 467,310, among which 467,310 was exercised by electronic transmission ; the number of votes abstained is 205,979,510, among which 205,873,750 was exercised by electronic transmission)

## E. Discussion Items

### Item 1

### Proposed by the Board

**Proposal:** Discussion of Amendments to the “Articles of Incorporation”.

**Explanation:** Propose to amend Article 11-1 and Article 29 of the “Articles of Incorporation” according to the Article 172-2 of the “Company Act” amended per presidential order NO. 11000115851 promulgated on December 29, 2021. Please refer to the comparison chart of amendments below.

**Comparison Chart of Amendments to “Articles of Incorporation”**

Original Version		Amendment Version		Reason
		Article 11-1	The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority and	Amend to comply with Article 172-2 of the Company Act so include

			<u>shall be conduct in accordance with the Company Act and other relevant regulations.</u>	means of visual communication network or other methods promulgated by the central competent authority and make holding shareholders' meetings more flexible.
<b>Article 29</b>	This Articles of Incorporation was established on April 15, 1975. The first amendment was made on May 27, 1975. (The following content omitted.)	<b>Article 29</b>	This Articles of Incorporation was established on April 15, 1975. The first amendment was made on May 27, 1975. (The following content omitted.) <u>The fifty-third amendment was made on June 14, 2022.</u>	Add amendment date.

**Resolution:** Approved as proposed by voting (a total of 2,841,693,466 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,571,518,466, among which 1,649,509,850 was exercised by electronic transmission, or 90.49% of the total voting rights when votes were cast; the number of votes against is 35,150,087, among which 35,150,087 was exercised by electronic transmission; the number of votes abstained is 235,024,913, among which 234,919,153 was exercised by electronic transmission)

## Item 2

## Proposed by the Board

**Proposal:** Discussion of Amendments to the “Rules of Procedure for Shareholders Meetings”.

**Explanation:** Propose to amend Article 3, Article 4, Article 5, Article 8, Article 10, Article 11, Article 12, Article 13, Article 15, Article 16, and Article 19 of the “Rules of Procedure for Shareholders Meetings” according to amendment of the “Company Act”, “Regulations Governing the Administration of Shareholder Services of Public Companies” and the Sample Template for “XXX Co., Ltd. Rules of Procedure for Shareholders Meetings”. Please refer to the comparison chart of amendments below.

### Comparison Chart of Amendments to “Rules of Procedure for Shareholders Meetings”

Original Version		Amendment Version		Reason
<b>Article 3</b>	For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. (The following content omitted.)  When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.	<b>Article 3</b>	For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by this Corporation and stating the scope of the proxy's authorization. (The following content omitted.)  When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.	Add following content in this article: after duplicate proxy forms are delivered, shareholders who want to attend the shareholders' meeting via visual

	After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.		After the service of the power of attorney of a proxy to the company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or <u>via visual communication network</u> or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.	communication network shall file a proxy rescission notice with the Company in writing.
<b>Article 4</b>	The venue for a shareholders meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.	<b>Article 4</b>	The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting. <u>When the Company convene a shareholders' meeting by means of visual communication networks, it's no restriction of venue as stated in the preceding paragraph.</u>	Add following content in this Article: When the Company convene a shareholders' meeting by means of visual communication networks, the venue is no restriction.
<b>Article 5</b>	This Corporation shall specify in its shareholders meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention. The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders and their proxies (collectively, "shareholders")</u> shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. (The following content	<b>Article 5</b>	This Corporation shall specify in its shareholders meeting notices the time during which shareholders, <u>solicitors, proxies ( hereinafter referred to as shareholders)</u> attendance registrations will be accepted, the place to register for attendance, and other matters for attention. <u>In case the shareholders' meeting is to be held in the form of a video conference, the shareholders' participation in the video conference, the method with which they exercise their rights, whether the video conference was held due to natural disasters, accidents, or other force majeure, and alternative plans for shareholders who are unable to attend the video conference shall be fully recorded.</u> The time during which shareholder attendance registrations will be accepted, as stated in the preceding	1. Add registration time, procedures and pre-meeting registration for shareholders who participate in the meeting in the form of video conference.  2. Add following content in this Article: In case the shareholders' meeting is to be held in the form of a video conference, When the Company calculating the

	<p>omitted.)</p> <p>Attendance and voting at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. (The following content omitted.)</p>		<p>paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations. <u>Shareholders shall register on the video conference platform 30 minutes prior to the start of the shareholders' meeting. Those who have completed the registration are deemed to have attended the shareholders' meeting in person.</u></p> <p>Shareholders shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. (The following content omitted.)</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, shareholders who wish to attend shall register with the Company two days prior to the start of the meeting.</u></p> <p>Attendance and voting at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards <u>and the shares registered on the video conference platform</u>, handed in plus the number of shares whose voting rights are exercised by correspondence or electronically. (The following content omitted.)</p>	<p>total number of shares in attendance, the number of shares registered on the video conference platform shall be added.</p>
<b>Article 8</b>	<p>The chair shall call the meeting to order and announce relevant information of the number of non-voting rights and the number of shares attending at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, (The following content omitted.)</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175,</p>	<b>Article 8</b>	<p>The chair shall call the meeting to order and announce relevant information of the number of non-voting rights and the number of shares attending at the appointed meeting time. <u>In case the Company holds a shareholders' meeting through video conferencing, the chair and the minutes taker shall be located in the same place in Taiwan. Furthermore, the chair shall announce the address of the gathering place at the time of the meeting.</u></p> <p>However, when the attending shareholders do not represent a majority of the total number of issued shares, (The following</p>	<p>Add location of the chair and the minutes taker of the shareholders' meeting held in the form of a video conference, and if a tentative resolution adopted, the Company shall convene another shareholders' meeting. Furthermore, In case the shareholders'</p>

	<p>paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month.</p> <p>When, prior to conclusion of the meeting, (The following content omitted.)</p>		<p>content omitted.)</p> <p>If the quorum is not met after two postponements as referred to in the preceding paragraph, and the attending shareholders still represent less than one third of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month. <u>In case the shareholders' meeting is to be held in the form of a video conference, shareholders who wish to attend shall re-register with the Company in accordance with the provisions of Article 5.</u></p> <p>When, prior to conclusion of the meeting, (The following content omitted.)</p>	<p>meeting is to be held in the form of a video conference, shareholders who wish to attend shall register with the Company.</p>
<b>Article 10</b>	<p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p>	<b>Article 10</b>	<p>Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.</p> <p>When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, shareholders participating in the video conference may ask questions in texts on the video conferencing platform once the chair announces the start of the meeting until the meeting ends. The number of questions asked for each proposal shall not exceed two, and each question shall be limited to 200 words. However, the provisions of the preceding article and paragraph 1 of this Article shall not apply. If the question mentioned in the preceding paragraph does not violate any rules and does not</u></p>	<p>Add the methods, procedures, and restrictions of asking questions for shareholders who participate in the shareholders' meeting in the form of a video conference.</p>



			<u>exceed the scope of the proposal, the question shall be disclosed on the video conferencing platform.</u>	
<b>Article 11</b>	The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; (The following content omitted.) the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.	<b>Article 11</b>	<p>The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; (The following content omitted.) the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.</p> <p><u>In case the Company holds a shareholders' meeting via video conference, the shareholders participating in the video conference shall vote on various proposals through the video conferencing platform after the Chair announces the start of the meeting. Shareholders shall complete their voting before the Chair announces the close of voting, and those who fail to cast their votes before the deadline will be deemed as having abstained from voting.</u></p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, the votes shall be counted at that time, and the voting and election results shall be announced after the Chair announces the close of voting. For shareholders who have registered to attend the shareholders' meeting via video conference in accordance with the provisions of Article 5 but wish to attend the physical shareholders' meeting in person, they shall cancel their registration in the same manner as they signed up for it two days before the start of the shareholders' meeting. Those who fail to cancel within the time limit may only attend the shareholders' meeting via the video conference.</u></p> <p><u>Those who exercise their voting rights in writing or electronic transmission without revoking their intentions and still participate in the shareholders' meeting via video conference shall not exercise their voting rights on the original proposal, propose amendments to</u></p>	Shareholders who exercise their voting rights in writing or electronic transmission without revoking their intentions can still register to participate in the shareholders' meeting via video conference. However, they shall not exercise their voting rights on the original proposal, propose amendments to the original proposal, or exercise their voting rights for amendments to the original proposal, except for extempore motions.



			<p><u>the original proposal, or exercise their voting rights for amendments to the original proposal, except for extempore motions.</u></p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, the voting and election results shall be disclosed on the video conferencing platform in accordance with the rules immediately after the voting is over and shall remain for at least 15 minutes after the chairman announces the dismissal of the meeting.</u></p>	
<b>Article 12</b>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares. (The following content omitted.)</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. (The following content omitted.)</p>	<b>Article 12</b>	<p>A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares. (The following content omitted.)</p> <p>A shareholder intending to exercise voting rights by correspondence or electronic means <u>or via the video conference</u> under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. (The following content omitted.)</p>	Add the shareholders can attend the meeting via the video conference.
<b>Article 13</b>	<p>When a meeting is in progress, the chair may announce a break based on time considerations. (The following content omitted.)</p>	<b>Article 13</b>	<p>When a meeting is in progress, the chair may announce a break based on time considerations. (The following content omitted.)</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, the Company may provide a simple connection test for shareholders before the meeting and then also provide relevant services immediately before and during the meeting to assist in the technical issues of communication. Except for matters that do not require postponing or resuming the meeting announced by the Chair separately at the start of the meeting, as stipulated in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, any disconnection of the video conferencing platform or participation for up to 30 minutes due to natural disaster, accidents, or other force majeure before the Chair announces the dismissal of</u></p>	Add handling of disconnection of the video conference.

			<p><u>the meeting shall result in the meeting being postponed or resumed within 5 days of the meeting, to which Article 182 of the Company Act shall not apply. For the meeting that shall be postponed or resumed due to the occurrence of the preceding paragraph, shareholders who have not registered to participate in the original shareholders' meeting via video conference shall not participate in the postponed or resumed meeting.</u></p> <p><u>For a meeting that shall be postponed or resumed in accordance with the second paragraph, regarding shareholders who have signed up for the original shareholders' meeting via video conference and have signed in but do not participate in the postponed or resumed meeting, the number of shares, the voting rights, and the election rights exercised by those shareholders at the original shareholders' meeting shall be included in the total number of shares, voting rights, and election rights of shareholders present at the postponed or resumed meeting.</u></p> <p><u>For the shareholders' meeting that is postponed or resumed in accordance with the provisions of Paragraph 2, it is not necessary to re-discuss and resolve the resolutions for which the voting and counting of votes have already been completed and the voting results or the list of elected directors have already been announced.</u></p> <p><u>In case the video conferencing cannot be resumed due to the occurrence of Paragraph 2, if, after deducting the number of shares held by the shareholders who participate in the video conference, the total number of shares held by the attending shareholders still reaches the statutory quorum for the shareholders' meeting, the shareholders meeting shall be continued, and postponing or resuming the meeting in accordance with Paragraph 2 is not necessary.</u></p> <p><u>For shareholders who participate in the shareholders' meeting via video conference due to the occurrence of the preceding paragraph that requires the meeting to be continued, the number of shares</u></p>	
--	--	--	---	--

			<p><u>held by the shareholders present in the video conference shall be included in the number of total shares held by the attending shareholders. However, they shall be deemed to have abstained from all of the resolutions of said shareholders' meeting.</u></p> <p><u>To postpone or resume the meeting in accordance with the provisions of Paragraph 2, the relevant preparatory work shall be completed in accordance with the date of the original shareholders' meeting, as well as all of the provisions listed in Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. In case the shareholders' meeting is to be held in the form of a video conference, shareholders who are unable to take part in the video conference shall be provided with alternative plans.</u></p>	
<b>Article 15</b>	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting pursuant to Article 183 of the Company Act.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results, (including the statistical tallies of the numbers of votes). Where there is an election of directors, the statistical tallies of the numbers of votes for each candidate shall be disclosed and shall be retained for the duration of the existence of this Corporation.</p>	<b>Article 15</b>	<p>Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chair of the meeting pursuant to Article 183 of the Company Act.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and voting results, (including the statistical tallies of the numbers of votes). Where there is an election of directors, the statistical tallies of the numbers of votes for each candidate shall be disclosed and shall be retained for the duration of the existence of this Corporation.</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, except for matters that shall be recorded in accordance with the preceding paragraph, the minutes of the shareholders' meeting shall include the start and end time of the shareholders' meeting, the method with which the meeting is held, whether the video conference was held due to natural disasters, accidents, or other force majeure, and the situation and</u></p>	<p>Add the matters that shall be recorded in the minutes of the shareholders' meeting via video conference.</p>

			<p><u>troubleshooting methods in the face of obstacles.</u></p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, except for matters that shall be recorded in accordance with the preceding paragraph, the meeting minutes shall include the alternative plans for shareholders who are unable to attend the video conference.</u></p>	
<b>Article 16</b>	<p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting. If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<b>Article 16</b>	<p>On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, <u>and the number of shares whose voting rights are exercised by correspondence or electronically</u> and shall make an express disclosure of the same at the place of the shareholders meeting.</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, the Company shall upload the aforementioned information to the video conferencing platform at least 30 minutes before the start of the shareholders' meeting and said information shall remain until the end of the meeting.</u></p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, the total number of shares held by the attending shareholders shall be disclosed on the video conferencing platform. The same shall apply if the total number of shares and voting rights of the shareholders attending the meeting is otherwise calculated during the meeting.</u></p> <p>If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, this Corporation shall upload the content of such resolution to the MOPS within the prescribed time period.</p>	<p>Add which information shall be disclosed in the meeting minutes in case the shareholders' meeting is to be held in the form of a video conference</p>
<b>Article 19</b>	<p>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall</p>	<b>Article 19</b>	<p>This Corporation, beginning from the time it accepts shareholder attendance registrations, shall</p>	<p>Add the video conference shall be recorded in</p>

	<p>make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p>		<p>make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders meeting, and the voting and vote counting procedures.</p> <p>The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the recording shall be retained until the conclusion of the litigation.</p> <p><u>In case the shareholders' meeting is to be held in the form of a video conference, records shall be kept of shareholders' registration, sign-up, sign-in, proposals, votes, company vote counting results, etc. The video conference shall also be continuously recorded without interruption in both audio and video format.</u></p> <p><u>The materials and audio and video recordings mentioned in the preceding paragraph shall be kept during the period of existence, and the audio and video recordings shall be handed over to those entrusted with the handling of video conference affairs for safekeeping.</u></p>	both audio and video format.
--	--	--	--	------------------------------

**Resolution:** Approved as proposed by voting (a total of 2,841,693,466 shares with voting rights represent when votes were cast; the number of voting rights for approval is 2,571,523,726, among which 1,649,515,110 was exercised by electronic transmission, or 90.49% of the total voting rights when votes were cast; the number of votes against is 35,146,864, among which 35,146,864 was exercised by electronic transmission; the number of votes abstained is 235,022,876, among which 234,917,116 was exercised by electronic transmission)

### Item 3

### Proposed by the Board

**Proposal:** Discussion of Amendments to the “Procedures for Acquisition or Disposal of Assets”

**Explanation:** Propose to amend Article 3, Article 4, Article 5, Article 6, Article 8 and Article 27 of the “Procedures for Acquisition or Disposal of Assets” according to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies” amended per January 28, 2022 Financial Supervisory Commission’s official document NO.1110380465. Please refer to the comparison chart of amendments below.

### Comparison Chart of Amendments to “Procedures for Acquisition or Disposal of Assets”

Original Version		Amendment Version		Reason
<b>Article 3</b>	<p>Terms used in these Procedures are defined as follows:</p> <ol style="list-style-type: none"> <li>Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law. (The following content omitted.)</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following:</p> <ol style="list-style-type: none"> <li>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>They shall undertake an item-by-item evaluation of the <del>comprehensiveness, accuracy,</del> and reasonableness of the sources of data used the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</li> </ol>	<b>Article 3</b>	<p>Terms used in these Procedures are defined as follows:</p> <ol style="list-style-type: none"> <li>Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law. (The following content omitted.)</li> </ol> <p>When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>self-discipline rules of their respective associations</u> and the following:</p> <ol style="list-style-type: none"> <li>Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence.</li> <li>When <u>executing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers.</li> <li>They shall undertake an item-by-item evaluation of the <u>appropriateness</u> and reasonableness of the sources of data used the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</li> <li>They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable and that they have complied with applicable laws and regulations.</li> </ol>	Revise the wordings and add procedures for requiring external experts that when issuing opinion shall comply with self-discipline rules of their respective associations.
<b>Article 4</b>	<p>Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets:</p> <ol style="list-style-type: none"> <li>The case-handling units (The following content omitted.)</li> </ol>	<b>Article 4</b>	<p>Procedures of Evaluation and Operation for the Acquisition or Disposal of Assets:</p> <ol style="list-style-type: none"> <li>The case-handling units (The following content omitted.)</li> </ol>	Article 3 has already been amended to require external experts issuing

	<p>3. In acquiring or disposing of real property, equipment or right-of-use assets, unless transactions with domestic governmental agencies, engaging others to build on its own land, engaging others to build on rented land or the acquisition or disposal of equipment for business use or right-of-use assets, the appraisal report shall be obtained prior to the date of occurrence of the event from a professional appraiser if the transaction amount is more than 20% of the Company's paid-in capital or NTD 300 million and shall further comply with the following provisions:</p> <p>(1) (The following content omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal <del>in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF)</del> and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (The following content omitted.)</p>		<p>3. In acquiring or disposing of real property, equipment or right-of-use assets, unless transactions with domestic governmental agencies, engaging others to build on its own land, engaging others to build on rented land or the acquisition or disposal of equipment for business use or right-of-use assets, the appraisal report shall be obtained prior to the date of occurrence of the event from a professional appraiser if the transaction amount is more than 20% of the Company's paid-in capital or NTD 300 million and shall further comply with the following provisions:</p> <p>(1) (The following content omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (The following content omitted.)</p>	<p>opinions in accordance with self-discipline rules of their respective associations and it's included the Auditing Standards No. 20 published by the ROC mentioned in this Article, so that delete it.</p>
<b>Article 5</b>	<p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price,</p>	<b>Article 5</b>	<p>The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price,</p>	<p>Article 3 has already been amended to require external experts issuing opinions in accordance with self-discipline rules of their</p>



	<p>and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <del>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by Procedures of the Financial Supervisory Commission (FSC).</p>		<p>and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by Procedures of the Financial Supervisory Commission (FSC).</p>	<p>respective associations, and the provision mentioned in this Article is already included, so that delete it.</p>
<b>Article 6</b>	<p>Where the Company acquires or disposes of memberships or intangible assets, right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; <del>the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</del></p>	<b>Article 6</b>	<p>Where the Company acquires or disposes of memberships or intangible assets, right-of-use assets or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>The reason for the amendment is the same as stated in the previous article</p>
<b>Article 8</b>	<p>When the Company engages in any acquisition or disposal of assets from or to a related party (The following content omitted.) The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 27, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the board of directors in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public</p>	<b>Article 8</b>	<p>When the Company engages in any acquisition or disposal of assets from or to a related party (The following content omitted.) <u>The Company, or its non-public listed subsidiary has the transaction of the preceding paragraph with related party and the transaction amount reaches 10 percent or more of the Company's total assets, the Company may not proceed to sign a transaction contract or make a payment until the Company submit the information referred to in the preceding paragraph to the shareholders' meeting and grant</u></p>	<p>Regulate major related party transactions shall be approved by the shareholders' meeting in advance.</p>

	Companies don't need be counted toward the transaction amount. (The following content omitted.)		<p><u>approval. However, the transaction between the Company and the subsidiaries or between the subsidiaries, this restriction shall not apply.</u></p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 27, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by <u>the shareholders' meeting and the board of directors</u> in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies don't need be counted toward the transaction amount. (The following content omitted.)</p>	
<b>Article 27</b>	<p><b>Procedures for Announcement:</b> The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format. (The following content omitted.)</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds. (The following content omitted.)</p>	<b>Article 27</b>	<p><b>Procedures for Announcement:</b> The Company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format. (The following content omitted.)</p> <p>6. Where an asset transaction other than any of those referred to in the preceding five subparagraphs, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>(1) Trading of domestic government bonds <u>or foreign bonds with a credit rating not lower than the sovereign rating of the ROC.</u> (The following content omitted.)</p>	Currently, company purchase domestic bonds is exempt from public disclosure. Therefore, disclosing transaction information is eased and public disclosure of trading foreign bonds with a credit rating not lower than the sovereign rating of the ROC can also be exempted

**Resolution:** Approved as proposed by voting (a total of 2,841,693,466 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,609,499,135 among which 1,687,490,519 was exercised by electronic transmission,

or 91.82% of the total voting rights when votes were cast; the number of votes against is 463,013, among which 463,013 was exercised by electronic transmission; the number of votes abstained is 231,731,318 among which 231,625,558 was exercised by electronic transmission)

#### Item 4

#### Proposed by the Board

**Proposal:** Proposal for Release the Prohibition on Director Chen, Ruey-Long from Participation in Competitive Business.

**Explanation:** (1) According to provisions of Company Act Article 209 Item 1, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.

(2) The meeting of shareholders on June 14, 2021 approved that the prohibition of business strife on current directors were lifted from the on board date. Proposal for release the prohibition on current director from participation in competitive business. Please refer the list of current director's new position in other companies below.

**List of Current Director's New Position in Other Companies**

Position	Name	Serve in other Company	Position in other company
Director	Chen, Ruey-Long	Tatung Company	Director

**Resolution:** Approved as proposed by voting (a total of 2,841,693,466 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,602,509,454 among which 1,680,500,838 was exercised by electronic transmission, or 91.58% of the total voting rights when votes were cast; the number of votes against is 1,407,579, among which 1,407,579 was exercised by electronic transmission; the number of votes abstained is 237,776,433 among which 237,670,673 was exercised by electronic transmission)

**F . Extraordinary Motions :** None

#### G. Adjournment

Meeting adjourned: 9:47 am.

**\*\*In case of any discrepancy between the English version and the Chinese version of the minute of 2022 Annual General Shareholders' Meeting of Inventec Corporation, the Chinese version shall prevail.**

## **Business Report**

Dear shareholders, thank you for participating in the Inventec shareholders' meeting. Due to the impact of COVID-19 on trade over the past year, the severe imbalance between the supply and demand of semiconductors, shipping logistics, and energy issues have all led to long-term tightness, in the supply chain. As the post-epidemic era approaches, such uncertain factors as the intensity of global inflation and the impact of geopolitical tensions will continue to have a profound impact on the economic development of countries around the world.

Inventec's goal has always been to develop high-quality products with core competitiveness, optimize its logistics workflow, and adopt flexible business strategies. Thanks to the efforts of our colleagues, we have succeeded to prosper the revenue this year at a high level of more than NT\$500 billion, setting a new record with unprecedented achievement. We hereby thank all shareholders for their unwavering support hitherto. Please find the 2021 business performance report and the 2022 business plan and future outlook below:

### **2021 Annual Business Report:**

In 2021, the consolidated operating revenue reached more than NT\$519.7 billion, an increase of 2.25% from 2020 (consolidated revenue of more than NT\$508.2 billion); meanwhile, the consolidated operating profit reached more than NT\$4.7 billion, an increase of 6.38% from 2020. However, under the adjusted influence of asset revitalization on non-operating income and expenditure, the consolidated net profit before tax was more than NT\$7.6 billion, a decrease of 25.58% from 2020. Furthermore, the net profit after tax attributable to shareholders of the parent company surpassed NT\$6.5 billion, a decrease of 13.38% from 2020. Consolidated earnings per share after tax was NT\$1.82, a slight decrease from NT\$2.10 in 2020.

Benefiting from the work-from-home economy under the influence of the COVID-19 epidemic, the revenue of laptop computer products increased by 10% compared with the same period last year. On the other hand, despite data centers' increasing demand for server products, the revenue decreased by 4% compared to the same period last year, primarily due to the supply chain shortage. Although old smart devices are gradually being replaced by new smart devices with an adjustment observed in customer orders, the revenue from this area still contributed more than NT\$32.4 billion.

### **Corporate Governance and Sustainability**

Ethical corporate management has always been the prime principle of our corporate governance. By operating functional committees and corporate governance units under the board of directors, we improve corporate governance, enhance information transparency, and strengthen communication channels for stakeholders. We will also focus intensely on environment, social, and governance (ESG)-related issues, the disclosure of relevant information, and publication of a CSR report to reinforce the company's competitiveness for sustainable management. In cooperation with the "Inventec Group Charity Foundation," we also endeavor to carry out public welfare activities and provide social care services.

### **Impacts of external competition, the regulatory environment, and the overall business environment and the company's countermeasures**

As global trade competition intensifies and the influence of geopolitical tensions becomes widespread, the impact of inflation on economic development can no longer be ignored. In response to unfair trade practices with its competitor nations, the US government has issued comprehensive 100-Day critical product supply chain reviews to strengthen relationship with its trading allies and enhance

the global supply chain resilience. As the global economy develops toward a green economy, countries from around the world have pledged to adopt "net zero emission" reduction measures to gradually reduce the potential risks of climate change on corporate sustainability. As for the aforesaid shifting development of industrial environment, the carbon reduction and energy transition requirements will indubitably bring major challenges to the manufacturing industry. To this end, in order to cope with changes to the external business environment and also meet the customer satisfaction, the company has put forward resource integration with a strategic layout and resonate with action plans for digital transformation.

## **2022 Annual Business Plan and Future Outlook**

Due to the various effects of COVID-19 variants that continue to affect the stabilization of the epidemic, geopolitical rivalries between Russia and Ukraine, supply chain disruption, and global inflation that may rise higher than expected, all major research institutions have lowered their forecasted growth rates for the 2022 global economy. In cooperation with global logistics services and supply chain management, the company expects that operating income will continue to grow once the impact of material shortages is alleviated. The annual business plan is described from several aspects as below:

### **I. Aspects of products business:**

1. The server business will benefit from the conversion to new platforms, integrated 5G services, and the increased proportion of orders for AI, edge computing, cloud applications, etc. The global market share is projected to optimistic growth this year.
2. Due to the change in work style and learning mode of the general public under the influence of the COVID-19 epidemic, the demand for laptop computers is booming. In addition to the continuous development of mid-to-high-end hybrid business laptops, the company has also cooperated with brand manufacturers to launch new models of gaming laptops. With the advantages of long-term R&D, design, and manufacturing, laptop computer sales can be maintained at a high level.
3. Due to the gradual bridging of the gap between supply and demand on product, the sales of smart devices this year will be significantly better than that of the previous year, targeting smart home and smart wearable devices, medical application products etc.
4. In terms of emerging businesses, automotive electronics developing in the direction of electric vehicles (EV) and self-driving cars will contribute to significant growth after passing the certification of car manufacturers. As for the application of medical devices, the company is cooperating with medical centers and clinics to provide telemedicine healthcare and medical platform.

### **II. Division of production at home and abroad**

Based on existing production capacity, Inventec endeavors to implement the domestic and overseas production bases in coordination with customer demands. Inventec continues to expand its production bases in North America and Europe. In Asia, it maintains China and Taiwan as prime production centers. Overseas decentralized production focuses on supporting the comprehensive product line, ranging from servers and laptops to automotive electronics and other product lines.

### **III. Environment, Social, and Governance (ESG) Sustainable Development Practices:**

1. Environment aspect: In response to extreme climate change, the company carries out greenhouse gas management and has adopted the principle of science-based targets (SBT) to gradually achieve energy-saving and carbon reduction targets. The company further conducts enterprise water resource management based on the principles of "water conservation and recycling."
2. Social aspect: The company focuses on protecting stakeholders' rights and equities to ensure

corporate sustainability. The company also provides social care services to disadvantaged groups.

3. Governance aspect: Adhering to the principle of integrity management, the company implements the Corporate Governance 3.0-Sustainability Blueprint. the Company has improved its effectiveness by continuing to strengthen the functions of the Board of Directors and conduct internal and external evaluations of Board of directors performance. To achieve a complementary balance between upper and lower governance, the company has also strengthened its disclosure of financial information and emphasized on risk management of information security, thereby promoting the development of corporate sustainability.

Based on the core concept of "innovation, quality, open mind, and execution" and the corporate culture of strict management and thorough execution, Inventec strives to continue to grow with the spirit of "care more, take more responsibility" to face the challenging business environment through experience inheritance, resource sharing, continuous attention to ESG issues, net zero emissions, digital transformation, and other goals. By maintaining a competitive advantage in the five important ABCD5 technologies, the company can provide customers with a full range of product design and solution services. In the future, Inventec will continue to uphold professionalism, challenge itself, improve the company's core competitiveness, and bring better profits and sustainable corporate development to all shareholders and employees.

Finally, best wishes to you all!

Chairman: Cho, Tom-Hwar

President: Wu, Yung-Tsai

Accounting Officer: Yu, Chin-Pao

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

Date: Mar.15, 2022

The Board of Directors has prepared and submitted to us the Company's 2021 Business Report, Financial Statements and proposal for profit distribution. The Financial Statements have been audited, certified and issued an audit report by Wan-Wan Lin and Rou-Lan Kuo of KPMG Certified Public Accountants. The Business Report, Financial Statements and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Inventec Corporation

Convener of the Audit Committee: Chang, Chang-Pang



## Appendix 3-Independent Auditors' Report and Individual Financial Statements for Year 2021

### Independent Auditors' Report

To the Board of Directors of Inventec Corporation:

#### Opinion

We have audited the financial statements of Inventec Corporation( “the Company” ), which comprise the balance sheet as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended December 31, 2021 and 2020 in accordance with 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 Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ( “the Code” ), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

#### Key Audit Matters

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

##### 1. Inventory Valuation

Please refer to Note 4(g), Note 5(a), and Note 6(e) for accounting policies, significant accounting assumptions and judgments, major sources of estimation uncertainty, and related disclosure information for inventory, respectively.

Description of the key audit matter:

The Company's materials may be obsolescence or slow-moving due to the risk of price decline in inventory, the material prepared for designing products and forecast orders may be canceled or changed, or changed on components and quantities. Therefore, the valuation of inventories has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing the appropriateness of inventories valuation policies; ensuring the process of inventory valuation is in conformity with the accounting policies; inspecting the inventory aging report; recalculating estimation of inventory valuation based on the Company's policies.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, 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 the Audit Committee) are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.
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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 financial statements, including the disclosures, and whether the 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 investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Wan-Wan Lin and Rou-Lan Kuo.

KPMG

Taipei, Taiwan (Republic of China)  
March 15, 2022

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**INVENTEC CORPORATION**  
**BALANCE SHEETS**  
**December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

ASSETS		December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 12,188,253	5	5,266,122	3	2100	Short-term borrowings (Note (6)(l))	\$ 32,678,217	13	24,193,173	12
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	209,799	-	267,589	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	112,133	-	182,068	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	1,521,476	1	1,405,689	1	2130	Current contract liabilities (Note (6)(s))	6,692,362	3	6,236,379	3
1170	Accounts receivable, net (Note (4) and (6)(c))	68,410,419	28	59,166,735	29	2170	Accounts payable	48,062,057	20	42,861,735	21
1180	Accounts receivable due from related parties, net (Notes (4), (6)(c) and (7))	35,489,138	14	27,718,823	13	2180	Accounts payable due to related parties, net (Note (7))	68,966,168	28	47,377,719	23
1200	Other receivables, net (Notes (4), (6)(d) and (7))	58,209,619	24	54,926,635	27	2230	Current tax liabilities	1,144,254	-	1,295,766	-
1310	Inventories (Notes (4) and (6)(e))	11,354,230	5	2,387,945	1	2200	Other payables (Note (7))	5,495,327	2	5,644,166	3
1470	Other current assets (Notes (4) and (6)(k))	723,996	-	2,871,207	1	2280	Current lease liabilities (Note (6)(m))	5,069	-	4,152	-
		188,106,930	77	154,010,745	75	2322	Long-term borrowings, current portion (Note (6)(l))	7,217,500	3	300,000	-
						2399	Other current liabilities	8,580,885	4	7,856,199	4
<b>Non-current assets :</b>								178,953,972	73	135,951,357	66
1510	Non-current financial assets at fair value through profit or loss (Notes 4 and 6(b))	788,955	-	821,436	-						
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	2,151,728	1	2,215,585	1		<b>Non-current Liabilities :</b>				
1550	Investments accounted for using equity method (Notes (4) and (6)(f))	37,875,505	16	33,775,936	16	2540	Long-term borrowings (Note (6)(l))	2,450,000	1	8,446,000	4
1600	Property, plant and equipment (Notes (4) and (6)(h))	13,081,621	5	13,535,629	7	2580	Non-current lease liabilities (Note (6)(m))	3,423	-	5,024	-
1755	Right-of-use assets (Notes (4) and (6)(i))	8,352	-	9,057	-	2640	Net defined benefit liability, non-current (Notes (4) and (6)(o))	589,919	-	656,171	-
1780	Intangible assets (Notes (4) and (6)(j))	155,539	-	66,262	-	2670	Other non-current liabilities, others (Notes (4) and (6)(p))	4,667,829	2	3,199,438	2
1900	Other non-current assets (Notes (4), (6)(k), (6)(p), (7) and (8))	1,581,217	1	1,807,999	1			7,711,171	3	12,306,633	6
		55,642,917	23	52,231,904	25		<b>Total Liabilities</b>	186,665,143	76	148,257,990	72
							<b>Equity:</b>				
						3110	Ordinary shares (Note (6)(q))	35,874,751	15	35,874,751	17
						3200	Capital surplus (Note (6)(q))	2,899,592	1	2,899,284	1
							Retained earnings (Note (6)(q)):				
						3310	Legal reserve	12,093,033	5	11,345,901	6
						3320	Special reserve	1,901,925	1	1,822,004	1
						3350	Unappropriated retained earnings	7,030,001	3	7,944,644	4
						3400	Other equity (Note (6)(q))	(2,714,598)	(1)	(1,901,925)	(1)
							<b>Total Equity</b>	57,084,704	24	57,984,659	28
<b>TOTAL ASSETS</b>		<b>\$ 243,749,847</b>	<b>100</b>	<b>206,242,649</b>	<b>100</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 243,749,847</b>	<b>100</b>	<b>206,242,649</b>	<b>100</b>

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

**(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)**  
**INVENTEC CORPORATION**

**STATEMENTS OF COMPREHENSIVE INCOME**

**For the Years Ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

		For the year ended December 31,			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes (4), (6)(s) and (7))	\$ 440,973,660	100	407,434,848	100
5000	Operating costs (Notes (4), (6)(e) and (7))	427,814,434	97	395,650,876	97
	Gross profit from operations	13,159,226	3	11,783,972	3
5910	Less: Unrealized profit (loss) from sales (Note (7))	17,394	-	11,807	-
5920	Add: Realized profit (loss) from sales (Note (7))	11,807	-	14,174	-
		13,153,639	3	11,786,339	3
	Operating expenses (Notes (4)(q)):				
6100	Selling expenses	2,062,040	1	1,760,505	-
6200	Administrative expenses	1,815,954	-	1,895,856	1
6300	Research and development expenses	6,430,989	1	5,826,007	1
6450	Expected credit loss	74,291	-	44,784	-
		10,383,274	2	9,527,152	2
	Net operating income	2,770,365	1	2,259,187	1
	Non-operating income and expenses (Notes (4), (6)(f) and (6)(u)):				
7100	Interest income	10,466	-	26,738	-
7010	Other income	154,191	-	62,496	-
7020	Other gains and losses	100,515	-	(226,992)	-
7050	Finance costs	(423,852)	-	(712,190)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	5,088,208	1	8,184,317	2
		4,929,528	1	7,334,369	2
7900	Profit before tax	7,699,893	2	9,593,556	3
7950	Less: Income tax expenses (Notes (4) and (6)(p))	1,162,128	-	2,045,571	1
8200	Profit	6,537,765	2	7,547,985	2
	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	16,050	-	(63,130)	-
8316	Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	15,162	-	352,106	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(259,598)	-	4,050	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,210	-	(12,626)	-
		(231,596)	-	305,652	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(52,317)	-	(65,492)	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(517,286)	-	(396,739)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(569,603)	-	(462,231)	-
	Other comprehensive income, net of income tax	(801,199)	-	(156,579)	-
8500	Total comprehensive income	\$ 5,736,566	2	7,391,406	2
	Earnings per share (Notes (4) and (6)(r))				
9750	Basic earnings per share (NT dollars)	\$	1.82	\$	2.10
9850	Diluted earnings per share (NT dollars)	\$	1.81	\$	2.08

**The accompanying notes are an integral part of the financial statements.**

(English Translation of Parent Company Only Financial Statements and Report Originally Issued in Chinese)

**INVENTEC CORPORATION**

**STATEMENTS OF CHANGES IN EQUITY**

**For the Years Ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	Share capital		Retained Earnings			Other Equity		Total Equity
						Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
	Ordinary Shares	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Retained Earnings			
<b>Balance at January 1, 2020</b>	\$ 35,874,751	2,913,461	10,799,605	1,646,357	5,858,979	(2,005,134)	183,129	55,271,148
Profit for the period	-	-	-	-	7,547,985	-	-	7,547,985
Other comprehensive income (loss) for the period	-	-	-	-	(43,201)	(462,231)	348,853	(156,579)
Total comprehensive income (loss) for the period	-	-	-	-	7,504,784	(462,231)	348,853	7,391,406
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	546,296	-	(546,296)	-	-	-
Special reserve appropriated	-	-	-	175,647	(175,647)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(4,663,718)	-	-	(4,663,718)
Changes in equity of associates and joint ventures accounted for using equity method	-	679	-	-	-	-	-	679
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	(19,258)	-	19,258	-
Changes in ownership interests in subsidiaries	-	(14,856)	-	-	-	-	-	(14,856)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(14,200)	-	14,200	-
<b>Balance at December 31, 2020</b>	35,874,751	2,899,284	11,345,901	1,822,004	7,944,644	(2,467,365)	565,440	57,984,659
Profit the period	-	-	-	-	6,537,765	-	-	6,537,765
Other comprehensive income (loss) for the period	-	-	-	-	12,847	(569,603)	(244,443)	(801,199)
Total comprehensive income (loss) for the period	-	-	-	-	6,550,612	(569,603)	(244,443)	5,736,566
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	747,132	-	(747,132)	-	-	-
Special reserve appropriated	-	-	-	79,921	(79,921)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(6,636,829)	-	-	(6,636,829)
Changes in equity of associates and joint ventures accounted for using equity method	-	308	-	-	-	-	-	308
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,373)	-	1,373	-
<b>Balance at December 31, 2021</b>	<b>\$ 35,874,751</b>	<b>2,899,592</b>	<b>12,093,033</b>	<b>1,901,925</b>	<b>7,030,001</b>	<b>(3,036,968)</b>	<b>322,370</b>	<b>57,084,704</b>

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

## INVENTEC CORPORATION

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 7,699,893	9,593,556
<b>Adjustments:</b>		
Adjustments to reconcile profit		
Depreciation expense	634,481	561,757
Amortization expense	650,761	578,179
Expected credit loss	74,291	44,784
Interest expense	423,852	712,190
Interest income	(10,466)	(26,738)
Dividend income	(123,577)	(30,069)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(5,088,208)	(8,184,317)
Gain on disposal of property, plant and equipment	(7,017)	(52)
Gain on disposal of other assets	(339)	-
Gain on disposal of investments accounted for using equity method	25,025	(20,602)
Unrealized foreign exchange (gain) loss	(144,632)	647,091
<b>Total adjustments to reconcile profit</b>	<b>(3,565,829)</b>	<b>(5,717,777)</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	122,521	(277,459)
Increase in accounts receivable	(17,387,183)	(13,264,562)
Increase in other receivable	(3,590,528)	(7,651,920)
(Increase) decrease in inventories	(8,966,285)	1,490,976
Decrease (increase) in other current assets	2,148,982	(2,486,104)
<b>Total changes in operating assets</b>	<b>(27,672,493)</b>	<b>(22,189,069)</b>
Changes in operating liabilities:		
(Decrease) increase in financial liabilities held for trading	(69,935)	73,893
Increase in contract liabilities	455,983	681,559
Increase in accounts payable	27,351,060	13,020,360
(Decrease) increase in other payables	(171,999)	372,754
Increase in other current liabilities	724,686	2,903,673
Decrease in net defined benefit liabilities	(50,202)	(47,360)
<b>Total changes in operating liabilities</b>	<b>28,239,593</b>	<b>17,004,879</b>
<b>Total changes in operating assets and liabilities</b>	<b>567,100</b>	<b>(5,184,190)</b>
<b>Total adjustments</b>	<b>(2,998,729)</b>	<b>(10,901,967)</b>
Cash inflow (outflow) generated from operations	4,701,164	(1,308,411)
Interest received	10,899	27,158
Dividends received	790,087	1,367,069
Interest paid	(403,837)	(702,702)
Income taxes paid	(148,181)	(94,652)
<b>Net cash flows from (used in) operating activities</b>	<b>4,950,132</b>	<b>(711,538)</b>

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



## INVENTEC CORPORATION

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	<b>For the years ended December 31,</b>	
	<b>2021</b>	<b>2020</b>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(41,845)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,838	-
Acquisition of financial assets at fair value through profit or loss	(32,250)	(214,979)
Acquisition of investments accounted for using equity method	(194,740)	(100,000)
Acquisition of property, plant and equipment	(190,345)	(1,023,258)
Proceeds from disposal of property, plant and equipment	25,306	90,301
Acquisition of intangible assets	(247,305)	(117,321)
Proceeds from disposal of intangible assets	40	-
Increase in other non-current assets	(309,677)	(740,559)
<b>Net cash flows used in investing activities</b>	<b>(985,978)</b>	<b>(2,105,816)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	8,648,131	2,732,587
Proceeds from long-term borrowings	18,145,000	19,343,800
Repayments of long-term borrowings	(17,198,000)	(14,019,800)
Increase (decrease) in other non-current liabilities	5,529	(2,243)
Cash dividends paid	(6,636,829)	(4,663,718)
Payment of lease liabilities	(5,854)	(5,810)
<b>Net cash flows from financing activities</b>	<b>2,957,977</b>	<b>3,384,816</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,922,131</b>	<b>567,462</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,266,122</b>	<b>4,698,660</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 12,188,253</b>	<b>5,266,122</b>

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

## **Independent Auditors' Report**

To the Board of Directors of Inventec Corporation:

### **Opinion**

We have audited the consolidated financial statements of Inventec Corporation and its subsidiaries ( “the Group” ), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2021 and 2020 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( “IFRSs” ), International Accounting Standards ( “IASs” ), Interpretations developed by the International Financial Reporting Interpretations Committee ( “IFRIC” ) or the former Standing Interpretations Committee ( “SIC” ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.

#### **1. Inventory Valuation**

Please refer to Note 4(h), Note 5 and Note 6(e) for accounting policies, significant accounting assumptions and judgments, major sources of estimation uncertainty and related disclosure information for inventory, respectively.

Description of the key audit matter:

The Group's materials may be obsolescence or slow-moving due to the risk of price decline in inventory, the material prepared for designing products and forecast orders may be canceled or changed, or changed on components and quantities. Therefore, the valuation of inventories has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included assessing the appropriateness of inventories valuation policies; ensuring the process of inventory valuation is in conformity with the accounting policies; inspecting the inventory aging report; recalculating estimation of inventory valuation based on the Group's policies.

## **2. The offsetting agreements of financial assets and liabilities**

Please refer to Note 4(g), 6(b) and 6(y) for accounting policy and detailed information on the agreements of financial assets and liabilities offsetting.

Description of the key audit matter:

In order to use fund flexibly, the Group handled multiple kinds of financial instruments which IAS was endorsed by FSC to offset financial assets and liabilities and be reported in the balance sheet. The disclosure of financial instruments which are not expired on the reporting date would influence the judgment of report reader.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included examining whether the amount of the signed contract were within the scope authorized by the Board of Directors; sampling transactions in 2021 to examine whether contracts were signed with banks; review the contracts to check if the regulation of offsetting criteria was met; and assessing whether the disclosure of financial assets and liabilities offsetting is appropriate.

## **3. Disposal of property, plant and equipment and right-of-use assets of subsidiaries**

Please refer to Note 4(j), 4(l), 6(h) and 6(i) for accounting policy and detailed information for disposal of property, plant and equipment and right-of-use assets of subsidiaries.

Description of the key audit matter:

For optimizing idled assets, lowering the Group's operating costs, the Group disposed the idled assets. Due to the significance of the amount, the disposal of property, plant and equipment and right-of-use assets has been identified as a key audit matter.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that includes examining whether the disposal of property; plant and equipment has been approved by the Board of Directors; obtaining the professional valuation report in accordance with the Company's acquisition and disposal of assets processing procedures; verifying to the sale documents, confirming and calculating whether the gains and losses on the disposal are appropriate; examining whether depreciation recognition has been terminated at the asset disposal date, and that the cost and accumulated depreciation have been removed from the account.

## **Other Matter**

Inventec Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2021 and 2020, on which we have issued an unqualified opinion.

## **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed by the 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee or supervisors) are responsible for overseeing the Group's financial reporting process.

## **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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, 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 Group 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 the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Wan-Wan Lin and Rou-Lan Kuo.

KPMG

Taipei, Taiwan (Republic of China)

March 15, 2022

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**INVENTEC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**December 31, 2021 and 2020**  
**(Expressed in Thousands of New Taiwan Dollars)**

ASSETS		December 31, 2021		December 31, 2020		LIABILITIES AND EQUITY		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and cash equivalents (Note (4) and (6)(a))	\$ 34,787,912	14	32,951,595	16	2100	Short-term borrowings (Note (6)(n))	\$ 54,694,565	22	31,890,755	15
1110	Current financial assets at fair value through profit or loss (Note (4) and (6)(b))	1,343,945	1	782,284	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	112,133	-	250,136	-
1120	Current financial assets at fair value through other comprehensive income (Note (4) and (6)(b))	1,521,476	1	1,405,689	1	2130	Current contract liabilities (Note (6)(v))	7,562,873	3	7,828,232	4
1170	Accounts receivable, net (Notes (4), (6)(c) and (7))	103,795,621	42	91,811,309	43	2170	Accounts payable (Note (7))	84,907,477	34	74,370,226	35
1200	Other receivables, net (Notes (6)(d) and (7))	884,098	-	844,441	-	2230	Current tax liabilities	2,374,435	1	2,296,677	1
1310	Inventories (Note (4) and (6)(e))	62,417,356	25	41,416,323	19	2200	Other payables (Note (7))	10,524,706	4	11,595,245	5
1470	Other current assets (Notes (6)(l), (4)(q) and (8))	<u>2,873,014</u>	<u>1</u>	<u>4,258,311</u>	<u>2</u>	2322	Long-term borrowings, current portion (Note (6)(n))	7,248,244	3	330,744	-
		<u>207,623,422</u>	<u>84</u>	<u>173,469,952</u>	<u>81</u>	2280	Current lease liabilities (Note (6)(o))	182,996	-	216,479	-
<b>Non-current assets :</b>						2399	Other current liabilities, others (Note (6)(m) and (6)(r))	<u>12,472,789</u>	<u>5</u>	<u>11,765,194</u>	<u>6</u>
1510	Non-current financial assets at fair value through profit or loss (Note (4) and (6)(b))	893,885	-	911,660	-		<b>Non-current Liabilities :</b>	<u>180,080,218</u>	<u>72</u>	<u>140,543,688</u>	<u>66</u>
1517	Non-current financial assets at fair value through other comprehensive income (Note (4) and (6)(b))	4,192,435	2	3,657,808	2	2540	Long-term borrowings (Note (6)(n))	3,790,708	2	8,990,825	4
1550	Investments accounted for using equity method (Note (4) and (6)(f))	300,127	-	211,643	-	2640	Net defined benefit liability, non-current (Note (4) and (6)(q))	589,919	-	656,171	-
1600	Property, plant and equipment (Notes (4), (6)(h) and (8))	27,466,491	11	28,004,583	13	2580	Non-current lease liabilities (Note (4) and (6)(o))	693,497	-	748,035	-
1755	Right-of-use assets (Notes (4), (6)(i) and (8))	3,162,003	1	3,403,891	2	2670	Other non-current liabilities, others (Note (6)(m) and (6)(r))	<u>6,062,986</u>	<u>3</u>	<u>5,331,975</u>	<u>3</u>
1780	Intangible assets (Note (4) and (6)(k))	967,451	-	875,801	-			<u>11,137,110</u>	<u>5</u>	<u>15,727,006</u>	<u>7</u>
1900	Other non-current assets (Notes (6)(k), (6)(r) and (8))	<u>3,009,608</u>	<u>2</u>	<u>3,626,099</u>	<u>2</u>		<b>Total Liabilities</b>	<u>191,217,328</u>	<u>77</u>	<u>156,270,694</u>	<u>73</u>
		39,992,000	16	40,691,485	19						
<b>TOTAL ASSETS</b>		<u>\$ 247,615,422</u>	<u>100</u>	<u>214,161,437</u>	<u>100</u>		<b>Equity attributable to owners of parent :</b>				
						3110	Ordinary shares (Note (6)(s))	35,874,751	14	35,874,751	17
						3200	Capital surplus (Note (6)(s))	2,899,592	1	2,899,284	1
						3300	Retained earnings (Note (6)(s))	21,024,959	9	21,112,549	10
						3400	Other equity (Note (6)(s))	<u>(2,714,598)</u>	<u>(1)</u>	<u>(1,901,925)</u>	<u>(1)</u>
							<b>Total equity attributable to owners of parent</b>	57,084,704	23	57,984,659	27
						36XX	Non-controlling interests	<u>(686,610)</u>	<u>-</u>	<u>(93,916)</u>	<u>-</u>
							<b>Total Equity</b>	<u>56,398,094</u>	<u>23</u>	<u>57,890,743</u>	<u>27</u>
							<b>TOTAL LIABILITIES AND EQUITY</b>	<u>\$ 247,615,422</u>	<u>100</u>	<u>214,161,437</u>	<u>100</u>

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

**(English Translation of Consolidated Financial Statements Originally Issued in Chinese)**  
**INVENTEC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**For the years ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

		For the years ended December 31			
		2021		2020	
		Amount	%	Amount	%
4000	Operating revenue (Notes (6)(v) and (7))	\$ 519,732,048	100	508,294,198	100
5000	Operating costs (Notes (6)(e) and (7))	497,437,486	96	487,181,281	96
5900	Gross profit from operations	22,294,562	4	21,112,917	4
	Operating expenses (Notes (6)(c), (6)(w) and (7)):				
6100	Selling expenses	3,076,667	-	2,795,370	-
6200	Administrative expenses	3,866,479	1	4,190,267	1
6300	Research and development expenses	10,593,339	2	9,715,204	2
6450	Expected credit losses	33,443	-	(29,010)	-
		17,569,928	3	16,671,831	3
6900	Net operating income	4,724,634	1	4,441,086	1
	Non-operating income and expenses:				
7100	Interest income (Notes (6)(x))	1,075,960	-	1,186,629	-
7010	Other income (Note (6)(x) and (7))	378,252	-	276,301	-
7020	Other gains and losses (Note (6)(x))	2,220,446	-	5,514,251	1
7050	Finance costs (Note (6)(x))	(738,437)	-	(1,054,244)	-
7060	Shares of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(f))	38,329	-	(18,318)	-
		2,974,550	-	5,904,619	1
7900	Profit before tax	7,699,184	1	10,345,705	2
7950	Less: Income tax expenses (Note (4) and (6)(r))	1,752,091	-	3,772,727	1
8000	Profit	5,947,093	1	6,572,978	1
	Other comprehensive income (loss):				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	16,762	-	(53,824)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(242,078)	-	365,376	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(2,511)	-	(16,646)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	3,769	-	(10,746)	-
		(231,596)	-	305,652	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(574,653)	-	(457,317)	-
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	2,914	-	(639)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(571,739)	-	(457,956)	-
	Other comprehensive income, net of income tax	(803,335)	-	(152,304)	-
8500	Total comprehensive income	\$ 5,143,758	1	6,420,674	1
	Profit, attributable to:				
8610	Profit, attributable to owners of parent	\$ 6,537,765	1	7,547,985	1
8620	Profit (loss), attributable to non-controlling interests	(590,672)	-	(975,007)	-
		\$ 5,947,093	1	6,572,978	1
	Comprehensive income attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 5,736,566	1	7,391,406	1
8720	Comprehensive income (loss), attributable to non-controlling interests	(592,808)	-	(970,732)	-
		\$ 5,143,758	1	6,420,674	1
	Earnings per share (Note (4) and (6)(u))				
9750	Basic earnings per share (NT dollars)	\$ 1.82		2.10	
9850	Diluted earnings per share (NT dollars)	\$ 1.81		2.08	

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



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

**INVENTEC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**For the Years Ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent									
						Other Equity		Total Equity attributable to owners of parent	Non - controllin g interests	Total Equity
						Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income			
Share Capital	Retained Earnings									
Ordinary shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings						
Balance at January 1, 2020	\$ 35,874,751	2,913,461	10,799,605	1,646,357	5,858,979	(2,005,134)	183,129	55,271,148	1,700,080	56,971,228
Profit for the period	-	-	-	-	7,547,985	-	-	7,547,985	(975,007)	6,572,978
Other comprehensive income (loss) for the period	-	-	-	-	(43,201)	(462,231)	348,853	(156,579)	4,275	(152,304)
Total comprehensive income (loss) for the period	-	-	-	-	7,504,784	(462,231)	348,853	7,391,406	(970,732)	6,420,674
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	546,296	-	(546,296)	-	-	-	-	-
Special reserve appropriated	-	-	-	175,647	(175,647)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(4,663,718)	-	-	(4,663,718)	-	(4,663,718)
Disposal of subsidiaries or investments accounted for using equity method	-	-	-	-	(19,258)	-	19,258	-	-	-
Changes in ownership interests in subsidiaries	-	(14,856)	-	-	-	-	-	(14,856)	-	(14,856)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(823,820)	(823,820)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(14,200)	-	14,200	-	-	-
Others	-	679	-	-	-	-	-	679	556	1,235
Balance at December 31, 2020	35,874,751	2,899,284	11,345,901	1,822,004	7,944,644	(2,467,365)	565,440	57,984,659	(93,916)	57,890,743
Profit for the period	-	-	-	-	6,537,765	-	-	6,537,765	(590,672)	5,947,093
Other comprehensive income (loss) for the period	-	-	-	-	12,847	(569,603)	(244,443)	(801,199)	(2,136)	(803,335)
Total comprehensive income (loss) for the period	-	-	-	-	6,550,612	(569,603)	(244,443)	5,736,566	(592,808)	5,143,758
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	747,132	-	(747,132)	-	-	-	-	-
Special reserve appropriated	-	-	-	79,921	(79,921)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(6,636,829)	-	-	(6,636,829)	-	(6,636,829)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,373)	-	1,373	-	-	-
Others	-	308	-	-	-	-	-	308	114	422
Balance at December 31, 2021	\$ 35,874,751	2,899,592	12,093,033	1,901,925	7,030,001	(3,036,968)	322,370	57,084,704	(686,610)	56,398,094

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**INVENTEC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2021 and 2020**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2021</u>	<u>2020</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 7,699,184	10,345,705
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	2,361,213	2,901,598
Amortization expense	901,608	951,942
Expected credit loss (gain)	33,443	(29,010)
Interest expense	738,437	1,054,244
Interest income	(1,075,960)	(1,186,629)
Dividend income	(133,902)	(30,069)
Share-based payments transactions	422	1,235
Shares of (gain) loss of associates and joint ventures accounted for using equity method	(38,329)	18,318
Gains on disposal of property, plant and equipment	(1,458,999)	(4,773,910)
Losses (gains) on disposal of investments accounted for using equity method	47,269	(24,435)
Impairment losses on non-financial assets	550,703	952,222
Unrealized foreign exchange (gains) losses	(228,023)	908,619
Others	1,401	(775)
<b>Total adjustments to reconcile profit</b>	<u>1,699,283</u>	<u>743,350</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	107,325	(409,902)
Increase in accounts receivable	(12,291,774)	(3,405,318)
Increase in other receivables	(79,815)	(4,664)
Increase in inventories	(22,067,263)	(5,753,543)
Decrease (increase) in other current assets	1,967,814	(2,711,422)
<b>Total changes in operating assets</b>	<u>(32,363,713)</u>	<u>(12,284,849)</u>
<b>Changes in operating liabilities:</b>		
(Decrease) increase in financial liabilities held for trading	(136,640)	144,351
(Decrease) increase in contract liabilities	(262,058)	1,367,153
Increase in accounts payable	11,691,774	4,008,134
Decrease in other payables	(1,124,694)	(54,069)
Increase in other current liabilities	741,515	2,249,990
Decrease in net defined benefit liabilities, non-current	(50,202)	(47,360)
<b>Total changes in operating liabilities</b>	<u>10,859,695</u>	<u>7,668,199</u>
<b>Total changes in operating assets and liabilities</b>	<u>(21,504,018)</u>	<u>(4,616,650)</u>
<b>Total adjustments</b>	<u>(19,804,735)</u>	<u>(3,873,300)</u>
Cash (outflow) inflow generated from operations	(12,105,551)	6,472,405
Interest received	1,035,979	926,665
Dividends received	133,902	30,069
Interest paid	(740,053)	(974,169)
Income taxes paid	(851,177)	(2,127,658)
<b>Net cash flows (used in) from operating activities</b>	<u>(12,526,900)</u>	<u>4,327,312</u>

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

## INVENTEC CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
<b>Cash flows (used in) from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (826,499)	(1,258,524)
Acquisition of financial assets at fair value through profit or loss	(833,425)	(7,136,355)
Proceeds from disposal of financial assets at fair value through profit or loss	105,038	10,245,574
Acquisition of investments accounted for using equity method	(49,668)	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,838	-
Acquisition of property, plant and equipment	(2,809,391)	(2,433,923)
Proceeds from disposal of property, plant and equipment	2,208,725	5,821,830
Acquisition of intangible assets	(250,596)	(118,581)
Net cash flows from loss of control of subsidiary	(8,309)	(5,710)
Acquisition of investment properties	-	(345,283)
Decrease (increase) in other financial assets	172,944	(781,915)
Increase in other non-current assets	(836,384)	(1,177,205)
<b>Net cash flows (used in) from investing activities</b>	<b>(3,122,727)</b>	<b>2,809,908</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	23,164,212	6,830,904
Proceeds from long-term borrowings	18,915,930	19,473,486
Repayments of long-term borrowings	(17,172,500)	(14,470,076)
Payment of lease liabilities	(209,820)	(199,245)
(Decrease) increase in other non-current liabilities	(187,459)	175,204
Cash dividends paid	(6,636,829)	(4,663,718)
<b>Net cash flows from financing activities</b>	<b>17,873,534</b>	<b>7,146,555</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(387,590)</b>	<b>(285,147)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,836,317</b>	<b>13,998,628</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>32,951,595</b>	<b>18,952,967</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 34,787,912</b>	<b>32,951,595</b>

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

Appendix 5

**Inventec Corporation**  
**Profit Distribution Table**  
**Year 2021**

Unit: NTD \$

Items:	Total amount
Beginning retained earnings	480,762,863
Add: Defined benefit plans remeasurement	12,846,200
Less: Disposal of non-current financial assets at fair value through other comprehensive income	(1,372,815)
Add: Net profit after tax	6,537,765,494
Less: Legal reserve	(654,923,888)
Less: Special Reserve	(812,672,313)
Distributable net profit	5,562,405,541
Less: Distributable items:	
Cash Dividend to shareholders (NT\$1.4 per share)	(5,022,465,092)
Unappropriated retained earnings	539,940,449