

INVENTEC CORPORATION
Minutes of 2023 Annual General Shareholders' Meeting
(Translation)

Time : Thursday, June 13, 2023. 9:00 a.m.

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

Quorum : 3,056,589,814 shares were represented by shareholders in person and by proxy (including by exercising voting rights electronically : 2,111,962,942 shares), which are mounted to 85.20% of the Company's 3,587,475,066 issued and outstanding shares.

Chairman : Cho, Tom-Hwar

Recorder : Mia Yu

Board Members Present : (All of 9 board members present)

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

Independent Director : Chang, Chang-Pang (Audit Committee Convenor) /Chen, Ruey-Long/
Wea, Chi-Lin

Attendance : Wu, Zhi-Guang, Attorney/ Kuo, Rou-Lan, 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. 2022 Business Report (Please refer to Appendix 1)

All shareholders are informed for the above.

2. 2022 Audit Committee's Review Report (Please refer to Appendix 2)

All shareholders are informed for the above.

3. The Status of Distribution Remuneration of Employees and Directors of Board in 2022

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\$ 516,363,664 as remuneration to employees in cash and NT\$ 68,342,250 as remuneration to Directors of Board. There is no difference between the amount of distribution and the expense which has been recognized in 2022.

All shareholders are informed for the above.

4. The Status of Distribution of Profits in Cash Dividends to Shareholders in 2022.

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 2022 is NT\$ 7,408,955,541. The proposed cash dividend to shareholders is NT\$1.5 per share and NT\$5,381,212,599 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.

All shareholders are informed for the above.

Question raised by shareholder account number 00512745, the securities investment trust funds account of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF:

Inventec may have already done something in ESG field but did not disclose enough ESG information to the public, such as the rating agency of MSCI. Cathy suggests Inventec shall take the initiative to contact MSCI and disclose relevant complete information proactively, so the stakeholders can understand the actual efforts which Inventec has devoted to ESG.

The above shareholders' questions were answered by the chairman as follows: Inventec has the consensus to proactively communicate with stakeholders and compile the feedback, and to diversify the ESG information disclosure channels. Besides the annual report and sustainability summary report, Inventec already plans to establish the ESG website and update from time to time. We will also contact the ESG rating agency proactively. The stakeholders may obtain the real-time information about our ESG actions and our business performances.

D. Ratification Items

Item 1

Proposed by the Board

Proposal: Ratification of the 2022 Business Report and Financial Statements.

Explanation: The Company's 2022 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, Wan-Wan Lin and Rou-Lan Kuo of KPMG Certified Public Accountants. Also, Business

Report and Financial Statements have been approved by the Board and examined by the Audit Committee of Inventec Corporation. (Please refer to Appendix 1 for Business Report, Appendix 3 for Independent Accountants' Audit Report and Individual Finance Statements, and Appendix 4 for Independent Accountants' Audit Report and Consolidated Finance Statements.)

Proceeding: No question was raised.

Resolution: Approved and acknowledged as proposed by voting (a total of 3,056,382,814 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,837,568,154, among which 1,893,181,430 was exercised by electronic transmission, or 92.84% of the total voting rights when votes were cast; the number of votes against is 1,678,321, among which 1,678,321 was exercised by electronic transmission; the number of votes abstained is: 217,136,339, among which 217,103,191 were exercised by electronic transmission)

Item 2

Proposed by the Board

Proposal: Adoption of the Proposal for Distribution of 2022 Profits

Explanation: The 2022 Profit distribution table had been resolved by the Board of Directors and reviewed by the Audit Committee, please refer to Appendix 5.

Proceeding: No question was raised.

Resolution: Approved and acknowledged as proposed by voting (a total of 3,056,382,814 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,847,641,877, among which 1,903,255,153 was exercised by electronic transmission, or 93.17% of the total voting rights when votes were cast; the number of votes against is 331,218, among which 331,218 was exercised by electronic transmission ; the number of votes abstained is 208,409,719, among which 208,376,571 was exercised by electronic transmission)

E. Election Matters

Proposed by the Board

Proposal: Proposes to Elect New Directors.

Explanation: (1) The present directors (16th) of the Company were elected at shareholders' meeting on June 12, 2020 for a term of office of three years and the term of office will expire in June 11, 2023.

(2) According to Article of Incorporation, The Company shall elect new directors at shareholders' meeting of this year. The 17th nine directors (including three independent directors) shall be elected, and their three-year term will start from June 13, 2023 and conclude on June 12, 2026. The term of present directors will end until the shareholders' meeting is completed. According to Article of Incorporation, the election adopts the candidate nomination system. The list of nominees had been resolved by the Board of Directors as the list of candidates for directors on March 14, 2023, and the shareholders

shall elect the directors from the list. For the “Procedures for Election of Directors” of the Company, please refer to the Stockholders’ Meeting Agenda Handbook.

(3) Please refer to relevant information of the list of candidates for directors and independent directors below:

Type	Name of nominee	Educations	Experiences	Current Positions	Shareholding (shares)
Director	Cho, Tom-Hwar	Electrical Engineering, National Taiwan University. EMBA, Shanghai Jiao Tong University.	Chairman, Inventec Corporation. Chairman, Inventec Solar Energy Corporation. Director, Inventec Appliances Corporation. Director, Simplo Technology Co., Ltd.	Chairman, Inventec Corporation. Chairman, Inventec Investments Co., Ltd. Director, Inventec Corporation (Hong Kong), Ltd. Director, Inventec (Cayman) Corporation. Director, IEC (Cayman) Corporation. Director, Inventec Holding (North America) Corporation. Director, Inventec (USA) Corporation. Director, Inventec Manufacturing (North America) Corporation. Director, Inventec Configuration (North America) Corporation. Director, Inventec Distribution(North America) Corp. Director, IEC Technologies,S.de R.L.de C.V. Director, Inventec Development Japan Corporation. Director, Inventec Japan Corporation.	1,004,311
Director	Yeh, Kuo-I	Taipei Municipal Shilin High School of Commerce	Chairman, Inventec Corporation	Chairman, First Generation Investment Co. Ltd. Director, Inventec Corporation (Hong Kong), Ltd. Director, Inventec Group Charity Foundation. Supervisor, RNS Asset Management Company	176,361,330
Director	Wen, Shih-Chih	Xihu Vocational High School of Industry and Commerce	Chairman, Shyh Shiunn Investment Corp.	Chairman, Shyh Shiunn Investment Corp.	35,685,590
Director	Lee, Tsu-Chin	Bachelor of Economics, Tunghai University	Chairman, Inventec Corporation	Chairman, Inventec Group Charity Foundation Chairman, Esther Investment Co., Ltd.	115,833,835

				Chairman, Taiwan Electrical and Electronic Manufacturers' Association.	
Director	Chang, Ching-Sung	Master of Electrical Engineering, National Taiwan University	Chairman, Inventec Appliances Corporation	Chairman, Inventec Appliances Corporation. Chairman, Inventec Appliances (Shanghai) Co. Ltd. Chairman, Inventec Appliances (Pudong) Corporation. Chairman, Inventec Appliances (Jiangning) Corporation. Chairman, Inventec Appliances (Nanchang) Corporation. Chairman, Inventec Easy Doctor Corporation. Executive Director, Inventec Appliances (XI'AN) Corporation. Executive Director, Inventec Appliances (Shanghai) Enterprise Co., Ltd. Executive Director, APEX Business Management & Consulting (Shanghai) Co., Ltd. Executive Director, Inventec Appliances (Nanjing) Corporation. Director, Inventec Appliances (Cayman) Holding Corporation. Director, Inventec Appliances (USA) Distribution Corporation. Director, Inventec Appliances USA Inc. Director, Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd. Director, Inventec Appliances (Malaysia) SDN.BHD.	788,644
Director	Yeh, Li-Cheng	Master of Information Engineering, Pace University	Chairman, Fulltime Investment Corporation Chairman, Goldshare Investment Corporation.	Chairman, Fulltime Investment Corporation. Chairman, Goldshare Investment Corporation. Chairman, RNS Asset Management Company. Chairman, AIMobile Co., Ltd. Chairman, InveneXt System Co., Ltd. Vice Chairman, Royal Base Corporation.	117,412,472

				<p>Director, Inventec Appliances Corporation.</p> <p>Director, WIN Semiconductors Corporation.</p> <p>Director, Inventec Besta Co., Ltd.</p> <p>Director, Chainwin Biotech and Agrotech (Cayman Islands) Ltd.</p> <p>Director, Inventec Group Charity Foundation.</p> <p>President, Saint Investment Consulting Corporation.</p>	
Independent Director	Chang, Chang-Pang	<p>Master of Laws, National Cheng-Chi University.</p> <p>Bachelor of Law, Fu Jen Catholic University.</p>	<p>Chief Executive Officer, Lien Chan Foundation for Peace and Development.</p> <p>Chairman, Fuhwa Financial Holding Co., LTD.</p> <p>Deputy Minister, Ministry of Economic Affairs.</p> <p>Deputy Secretary-General, Executive Yuan.</p> <p>Administrative Deputy Minister, Ministry of Finance.</p> <p>Chairperson, Securities and Futures Commission, Ministry of Finance.</p>	<p>Chief Executive Officer, Lien Chan Foundation for Peace and Development.</p> <p>Chairman, Grand Cathay Venture Capital Co.,Ltd.</p> <p>Chairman, Asia-Pacific Emerging Industries Venture Capital Co., Ltd.</p> <p>Chairman, Prudence Venture Investment Corporation.</p> <p>Chairman, Global Investment Holdings Co.,Ltd.</p> <p>Independent Director, Formosa Petrochemical Corporation.</p> <p>Director, Grand Cathay Venture Capital II Co.,Ltd.</p> <p>Director, Inventec Group Charity Foundation.</p> <p>Managing Director, China Investment and Development Co.,Ltd</p>	0
Independent Director	Chen, Ruey-Long	<p>Bachelor of Economics, National Chung-Hsing University.</p>	<p>Chairman, Sinocon Industrial Standards Foundation.</p> <p>Chairman, Institute for Information Industry.</p> <p>Minister, Ministry of Economic Affairs.</p>	<p>Chairman, Sinocon Industrial Standards Foundation.</p> <p>Chairman & CEO, China Petrochemical Development Corporation.</p> <p>Independent Director, Formosa Chemicals & Fibre Corporation.</p> <p>Director, HannStar Board Corporation.</p> <p>Director, Asia Cement Corporation.</p> <p>Director, Kaohsiung Monomer Company Ltd.</p> <p>Director, BES Engineering Corporation.</p> <p>Director, Tatung Company.</p> <p>Director, Taivex Therapeutics Corporation.</p> <p>Director, Inventec Group Charity Foundation.</p>	0

Independent Director	Wea, Chi-Lin	Doctor of Economics, University of Paris.	Chairman, Land Bank of Taiwan. Secretary-General, Executive Yuan. Administrative Deputy Chairperson, International Business, National Taiwan University	Chairman, IBF Financial Holdings Co., Ltd. Chairman, International Bills Finance Corporation. Chairman, Top Taiwan VI Venture Capital Co., Ltd. Chairman, Top Taiwan VIII Venture Capital Co., Ltd. Independent Director, Formosa Plastics Corporation. Director, AcBel Polytech Inc. Director, Nuvoton Technology Corporation. Director, Elan Microelectronics Corporation. Director, Avatack Co., Ltd., Director, Rakuten International Commercial Bank Co., Ltd. Director, Inventec Group Charity Foundation. Supervisor, Breeze Comprehensive Development. Adjunct Professor, Business Administration, National Taiwan University.	0
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Proceeding: No question was raised.

Election Results:

Type	Name	Number of Votes
Director	Yeh, Li-Cheng	3,246,995,324
Director	Yeh, Kuo-I	3,076,726,537
Director	Wen, Shih-Chih	2,875,865,561
Director	Lee, Tsu-Chin	2,741,886,525
Director	Cho, Tom-Hwar	2,589,249,335
Director	Chang, Ching-Sung	2,580,219,909
Independent Director	Chang, Chang-Pang	2,218,088,763
Independent Director	Chen, Ruey-Long	2,216,634,948
Independent Director	Wea, Chi-Lin	2,214,989,296

F. Other Proposals

Proposed by the Board

Proposal: Proposal for Release the Prohibition on New Directors and Their Representatives from Participation in Competitive Business.

Explanation: (1) According to provisions of Company Act Article 209, 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) Propose to the shareholders' meeting to approved that the prohibition of business strife on current re-elected directors were lifted from the onboard date.

(3) For the scope of the new directors to lift the competitive behavior restrictions, please refer to the following table of the director's concurrent positions in another companies.

Position	Name	Concurrent position in another company
Director	Yeh, Kuo-I	Chairman, First Generation Investment Co. Ltd. Supervisor, RNS Asset Management Company.
Director	Wen, Shih-Chih	Chairman, Shyh Shiunn Investment Corp.
Director	Lee, Tsu-Chin	Chairman, Esther Investment Co., Ltd.
Director	Yeh, Li-Cheng	Chairman, Fulltime Investment Corporation. Chairman, Goldshare Investment Corporation. Chairman, RNS Asset Management Company. Chairman, AIMobile Co., Ltd. Vice Chairman, Royal Base Corporation. Director, WIN Semiconductors Corporation. Director, Inventec Besta Co., Ltd. Director, Chainwin Biotech and Agrotech (Cayman Islands) Ltd. President, Saint Investment Consulting Corporation.
Independent Director	Chang, Chang-Pang	Chairman, Grand Cathay Venture Capital Co.,Ltd. Chairman, Asia-Pacific Emerging Industries Venture Capital Co., Ltd. Chairman, Prudence Venture Investment Corporation. Chairman, Global Investment Holdings Co.,Ltd. Independent Director, Formosa Petrochemical Corporation. Director, Grand Cathay Venture Capital II Co.,Ltd. Managing Director, China Investment and Development Co.,Ltd
Independent Director	Chen, Ruey-Long	Chairman & CEO, China Petrochemical Development Corporation. Independent Director, Formosa Chemicals & Fibre Corporation. Director, HannStar Board Corporation. Director, Asia Cement Corporation. Director, Kaohsiung Monomer Company Ltd. Director, BES Engineering Corporation. Director, Tatung Company. Director, Taivex Therapeutics Corporation.
Independent Director	Wea, Chi-Lin	Chairman, IBF Financial Holdings Co., Ltd. Chairman, International Bills Finance Corporation. Chairman, Top Taiwan VI Venture Capital Co., Ltd. Chairman, Top Taiwan VIII Venture Capital Co., Ltd. Independent Director, Formosa Plastics Corporation. Director, AcBel Polytech Inc. Director, Nuvoton Technology Corporation. Director, Elan Microelectronics Corporation. Director, Avatack Co., Ltd., Director, Rakuten International Commercial Bank Co., Ltd. Supervisor, Breeze Comprehensive Development.

Proceeding: No question was raised.

Resolution: Approved as proposed by voting (deducted 447,086,182 shares due to the conflict of interest, a total of 2,609,503,632 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,081,027,724, among which 1,548,041,592 was exercised by electronic transmission, or 79.74% of the total voting rights when votes were cast; the number of votes against is 278,653,841 among which 278,653,841 was exercised by electronic transmission; the number of votes abstained is 249,822,067, among which 249,581,919 was exercised by electronic transmission)

G. Extraordinary Motions:

Proceeding: No proposal was raised.

H. Adjournment

The Chairman announced the Meeting adjourned at 9:38 am on the same date.

**In case of any discrepancy between the English version and the Chinese version of the minute of 2023 Annual General Shareholders' Meeting of Inventec Corporation, the Chinese version shall prevail.

Business Report

In the face of new challenges during the post-pandemic era, and global inflation upward pressure driven by soaring energy and raw material prices, along with the persistent impact of geopolitical risks, Inventec's management team continues to adopt effective contingency strategies, monitor market trends closely and adjust synchronous response plans to ensure normal operations at all plants and protect the health and safety of all employees during the coronavirus pandemic. In the meantime, Inventec has posted record annual operating revenue through providing competitive and high-quality products to our customers. We would like to thank all shareholders for their long-term support and trust.

2022 Operating Results and Technology Development

In 2022, Inventec's consolidated operating revenue reached NT\$541.7 billion, an increase of 4.24% from 2021 (the consolidated operating revenue of NT\$519.7 billion). Meanwhile, the consolidated net operating income reached NT\$6.6 billion, an increase of 41.16% from 2021. However, since non-operating income and expenses were affected by the slowdown in the revitalization pace of idle assets as well as the increase in operating costs due to the supply chain disruption, the consolidated profit before tax was NT\$7.1 billion, a decrease of 6.78% from 2021. As a result, the net profit after tax attributable to shareholders of the parent company was NT\$6.1 billion, a decrease of 6.26% from the previous year. Consolidated earnings per share after tax was NT\$1.71.

Although the demand for laptop computer products was affected by inventory adjustments of brand customers in the second half of 2022, Inventec's operating revenue from laptop computers only decreased slightly by 5% compared to the same period last year, primarily due to the boost of development of new models and the growth in gaming laptop computers. Despite supply chain disruptions, the operating revenue from server products still increased by nearly 18% year-on-year thanks to strong demand growth of large data centers. Smart device products have recovered from the slide last year and contributed NT\$35 billion in operating revenue, supported by new products.

In response to geopolitical risks, Inventec continues to expand its production capacity in Czech Republic in Europe and Mexico in the Americas, while the subsidiary Inventec Appliances Corp. is also expanding its deployment in Southeast Asia simultaneously to strengthen smart product manufacturing and meet customer needs.

In terms of new technology applications, Inventec, together with Intel and Microsoft, has launched 5G Next Lab to provide AI-integrated 5G connectivity solution built on world-class chips and industry-leading core network software, applicable to various smart scenarios such as smart factories, smart homes, smart healthcare and smart transportation to drive next-generation industrial innovation.

As for the development of emerging businesses, Inventec focuses on the application of in-vehicle products, the introduction of 5G-related integrated products, smart healthcare, cloud-based health management and precision medicine. At present, a number of products and solutions have been launched and successfully promoted into domestic and overseas markets.

Outstanding Achievements in Sustainable Development

Inventec has established the "Sustainability Committee" (hereinafter referred to as the Committee) and set up the "Sustainability Office" as a dedicated unit to assist the Committee in performing various ESG sustainability initiatives. The Committee has also set up six functional teams, including corporate governance, green innovation, sustainable environment, sustainable supply chain, risk management and social inclusion, to develop strategies and implement various projects. Through the specialized division of functional teams and cross-departmental cooperation, the Committee will lead all colleagues to work together for sustainable development and contribute to environmental protection, corporate governance, and social participation at all levels. The goal is to internalize the spirit of sustainability into the DNA of the Company, realize the value of innovation with modesty and practice, and set a new benchmark for sustainable enterprises.

Inventec has achieved outstanding results in promoting sustainable development. In view of the rapid changes in the circular economy and technology, the Company actively promotes various ESG governance indicators such as "Green Energy and Environmental Protection", "Smart Manufacturing", "5G Mobile Communication" and "Digital Transformation", so that customers, suppliers and Inventec can achieve a win-win situation for all parties. In terms of concrete results, the Company has been highly recognized by all sectors, and has won honors such as "Best Companies to Work for in Asia 2022" in Taiwan, "Excellence in Corporate Social Responsibility" Award by CommonWealth Magazine, "Taiwan Top 100 Sustainable Model Enterprise Award" and "Corporate Sustainability Report Award - Platinum".

The Business Plan for 2023 and Future Outlook

Given the impact of persistent inflation, geopolitical factors and diversified production strategies, the global economic outlook remains conservative. However, the good news is that the borders of countries are gradually reopening and the cycle of interest rate hikes in the U.S. is expected to dwindle in the future, which makes the prospect of a soft landing for the global economy more promising.

Overview of the Business Plan for 2023

- (1) The Company will enhance digital resilience and digital management mechanisms through digital transformation action plans and collaborate with partners to create global business opportunities.
- (2) The Company will focus on three key areas in its internal management to enhance profitability: 1. Establish an optimal inventory level to reduce the impact of interest rate spikes; 2. Strictly control operating

expenses and saving costs; 3. Improve production efficiency and enhance automation at each plant.

(3) The existing business groups will continue to maintain a stable market share: Laptop computers are expected to see an increase in both shipment volume and average unit price due to the addition of new gaming projects; Servers will continue to grow given the launch of new platform applications and the business expansion of CSP (major cloud service provider); For smart devices, the Vietnam plant is expected to acquire new customers successively and its shipment, revenue and profit contribution look forward to increase after mass production.

(4) As for the new business groups established in 2022, after years of planning and deployment, Inventec has actively invested in the integration of 5G private network systems, automotive electronics with an emphasis on the field of electronic control, and smart medical-related healthcare markets, aiming to jointly drive the growth momentum for the Inventec group.

For a long time, Inventec has always adhered to the Company's core values of "Innovation, Quality, Open Mind and Execution" to adjust its business strategy in the face of changes within the industrial environment. In line with the United Nations Sustainable Development Goals (SDGs), the Company continues to perform ESG sustainability-related action strategies, which include requiring suppliers to improve the production process and fulfill their environmental protection responsibilities, reducing the carbon footprint of the Group's production environment, providing a friendly workplace, and expanding participation in caring for the society. Looking into the future, it is expected that Inventec will be able to strengthen its long-term competitive advantages, expand the scale of its business operations, actively develop long-term strategic relationships with partners, and create higher corporate value for shareholders.

We wish all of you good health and all the best.

Chairman: Cho, Tom-Hwar

President: Wu, Yung-Tsai

Accounting Officer: Yu, Chin-Pao

Audit Committee's Review Report

Date: Mar.14, 2023

The Board of Directors has prepared and submitted to us the Company's 2022 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

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended December 31, 2022 and 2021 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 Notes (4)(g), (5)(a) and (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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 14, 2023

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		December 31, 2022		December 31, 2021		LIABILITIES AND EQUITY		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 17,934,207	8	12,188,253	5	2100	Short-term borrowings (Note (6)(l))	\$ 21,453,196	9	32,678,217	13
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	446,422	-	209,799	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	292,383	-	112,133	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	554,557	-	1,521,476	1	2130	Current contract liabilities (Note (6)(s))	11,642,202	5	6,692,362	3
1170	Accounts receivable, net (Notes (4) and (6)(c))	50,146,727	21	68,410,419	28	2170	Accounts payable	32,078,566	13	48,062,057	20
1180	Accounts receivable due from related parties, net (Notes (4), (6)(c) and (7))	29,383,904	12	35,489,138	14	2180	Accounts payable due to related parties, net (Note (7))	78,955,538	33	68,966,168	28
1200	Other receivables, net (Notes (6)(d) and (7))	67,056,985	28	58,209,619	24	2230	Current tax liabilities	1,521,513	1	1,144,254	-
1310	Inventories (Notes (4) and (6)(e))	11,823,036	5	11,354,230	5	2200	Other payables (Note (7))	6,188,727	2	5,495,327	2
1470	Other current assets (Note (6)(k))	917,973	-	723,996	-	2280	Current lease liabilities (Notes (4) and (6)(m))	5,723	-	5,069	-
		<u>178,263,811</u>	<u>74</u>	<u>188,106,930</u>	<u>77</u>	2322	Long-term borrowings, current portion (Note (6)(l))	300,000	-	7,217,500	3
Non-current assets :						2399	Other current liabilities	<u>11,181,153</u>	<u>5</u>	<u>8,580,885</u>	<u>4</u>
1510	Non-current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	132,622	-	788,955	-			<u>163,619,001</u>	<u>68</u>	<u>178,953,972</u>	<u>73</u>
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	2,616,524	1	2,151,728	1	Non-current Liabilities :					
1550	Investments accounted for using equity method (Notes (4), (6)(f) and (7))	42,794,216	18	37,875,505	16	2540	Long-term borrowings (Note (6)(l))	10,746,000	5	2,450,000	1
1600	Property, plant and equipment (Notes (4), (6)(h) and (8))	13,108,522	6	13,081,621	5	2580	Non-current lease liabilities (Notes (4) and (6)(m))	3,951	-	3,423	-
1755	Right-of-use assets (Notes (4) and (6)(i))	9,631	-	8,352	-	2640	Net defined benefit liability, non-current (Notes (4) and (6)(o))	478,194	-	589,919	-
1780	Intangible assets (Notes (4) and (6)(j))	162,120	-	155,539	-	2670	Other non-current liabilities, others (Note (6)(f) and (6)(p))	<u>4,741,255</u>	<u>2</u>	<u>4,667,829</u>	<u>2</u>
1900	Other non-current assets (Notes (6)(k), (6)(p) and (8))	<u>2,055,013</u>	<u>1</u>	<u>1,581,217</u>	<u>1</u>			<u>15,969,400</u>	<u>7</u>	<u>7,711,171</u>	<u>3</u>
		60,878,648	26	55,642,917	23	Total Liabilities					
								<u>179,588,401</u>	<u>75</u>	<u>186,665,143</u>	<u>76</u>
						Equity:					
						3110	Ordinary shares (Note (6)(q))	35,874,751	15	35,874,751	15
						3200	Capital surplus (Note (6)(q))	2,899,927	1	2,899,592	1
						Retained earnings (Note (6)(q)):					
						3310	Legal reserve	12,747,957	5	12,093,033	5
						3320	Special reserve	2,714,597	1	1,901,925	1
						3350	Unappropriated retained earnings	6,764,615	3	7,030,001	3
						3400	Other equity (Note (6)(q))	<u>(1,447,789)</u>	<u>-</u>	<u>(2,714,598)</u>	<u>(1)</u>
						Total Equity					
								<u>59,554,058</u>	<u>25</u>	<u>57,084,704</u>	<u>24</u>
TOTAL ASSETS		<u>\$ 239,142,459</u>	<u>100</u>	<u>243,749,847</u>	<u>100</u>	TOTAL LIABILITIES AND EQUITY		<u>\$ 239,142,459</u>	<u>100</u>	<u>243,749,847</u>	<u>100</u>

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes (4), (6)(s) and (7))	\$ 452,365,599	100	440,973,660	100
5000	Operating costs (Notes (6)(e) and (7))	434,629,894	96	427,814,434	97
	Gross profit from operations	17,735,705	4	13,159,226	3
5910	Less: Unrealized profit (loss) from sales (Note (7))	22,319	-	17,394	-
5920	Add: Realized profit (loss) from sales (Note (7))	17,394	-	11,807	-
		17,730,780	4	13,153,639	3
	Operating expenses (Notes (6)(c), (d), (t) and (7)):				
6100	Selling expenses	2,144,210	-	2,062,040	1
6200	Administrative expenses	1,887,769	-	1,815,954	-
6300	Research and development expenses	7,176,225	2	6,430,989	1
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	(10,318)	-	74,291	-
		11,197,886	2	10,383,274	2
	Net operating income	6,532,894	2	2,770,365	1
	Non-operating income and expenses (Notes (6)(f), (6)(u) and (7)):				
7100	Interest income	176,060	-	10,466	-
7010	Other income	63,894	-	154,191	-
7020	Other gains and losses	1,959,579	-	100,515	-
7050	Finance costs	(1,609,256)	-	(423,852)	-
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	(114,293)	-	5,088,208	1
		475,984	-	4,929,528	1
7900	Profit before tax	7,008,878	2	7,699,893	2
7950	Less: Income tax expenses (Notes (4) and (6)(p))	880,092	-	1,162,128	-
8200	Profit	6,128,786	2	6,537,765	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	59,282	-	16,050	-
8316	Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	(802,122)	-	15,162	-
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	(412,858)	-	(259,598)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	11,856	-	3,210	-
		(1,167,554)	-	(231,596)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	286,241	-	(52,317)	-
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	2,244,011	-	(517,286)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		2,530,252	-	(569,603)	-
	Other comprehensive income (loss), net of income tax	1,362,698	-	(801,199)	-
8500	Total comprehensive income	\$ 7,491,484	2	5,736,566	2
	Earnings per share (Notes (4) and (6)(r))				
9750	Basic earnings per share (NT dollars)	\$ 1.71		1.82	
9850	Diluted earnings per share (NT dollars)	\$ 1.70		1.81	

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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained Earnings			Other Equity		Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
Balance at January 1, 2021	\$ 35,874,751	2,899,284	11,345,901	1,822,004	7,944,644	(2,467,365)	565,440	57,984,659
Profit for 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 shares	-	-	-	-	(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	-
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
Profit the period	-	-	-	-	6,128,786	-	-	6,128,786
Other comprehensive income (loss) for the period	-	-	-	-	95,889	2,530,252	(1,263,443)	1,362,698
Total comprehensive income (loss) for the period	-	-	-	-	6,224,675	2,530,252	(1,263,443)	7,491,484
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	654,924	-	(654,924)	-	-	-
Special reserve appropriated	-	-	-	812,672	(812,672)	-	-	-
Cash dividends on ordinary share	-	-	-	-	(5,022,465)	-	-	(5,022,465)
Changes in equity of associates and joint ventures accounted for using equity method	-	335	-	-	-	-	-	335
Balance at December 31, 2022	\$ 35,874,751	2,899,927	12,747,957	2,714,597	6,764,615	(506,716)	(941,073)	59,554,058

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

INVENTEC CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 7,008,878	7,699,893
Adjustments:		
Adjustments to reconcile profit		
Depreciation expense	637,720	634,481
Amortization expense	418,421	650,761
Expected credit (reversal gain) loss	(10,318)	74,291
Interest expense	1,609,256	423,852
Interest income	(176,060)	(10,466)
Dividend income	(32,504)	(123,577)
Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using equity method	114,293	(5,088,208)
Gain on disposal of property, plant and equipment	(2,779)	(7,017)
Gain on disposal of other assets	-	(339)
Loss on disposal of investments accounted for using equity method	-	25,025
Unrealized foreign exchange loss (gain)	309,392	(144,632)
Other adjustments	31	-
Total adjustments to reconcile profit	<u>2,867,452</u>	<u>(3,565,829)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	(158,733)	122,521
Decrease (increase) in accounts receivable	22,591,072	(17,387,183)
Increase in other receivable	(10,013,756)	(3,590,528)
Increase in inventories	(468,806)	(8,966,285)
(Increase) decrease in other current assets	(193,977)	2,148,982
Total changes in operating assets	<u>11,755,800</u>	<u>(27,672,493)</u>
Changes in operating liabilities:		
Increase (decrease) in financial liabilities held for trading	180,250	(69,935)
Increase in contract liabilities	4,949,840	455,983
(Decrease) increase in accounts payable	(4,382,524)	27,351,060
Increase (decrease) in other payables	407,269	(171,999)
Increase in other current liabilities	2,600,268	724,686
Decrease in net defined benefit liabilities	(52,443)	(50,202)
Total changes in operating liabilities	<u>3,702,660</u>	<u>28,239,593</u>
Total changes in operating assets and liabilities	<u>15,458,460</u>	<u>567,100</u>
Total adjustments	<u>18,325,912</u>	<u>(2,998,729)</u>
Cash inflow generated from operations	25,334,790	4,701,164
Interest received	173,590	10,899
Dividends received	176,447	790,087
Interest paid	(1,313,524)	(403,837)
Income taxes paid	(548,076)	(148,181)
Net cash flows from operating activities	<u>23,823,227</u>	<u>4,950,132</u>

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

INVENTEC CORPORATION

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(300,000)	(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)
Proceeds from disposal of financial assets at fair value through profit or loss	578,443	-
Acquisition of investments accounted for using equity method	(3,031,400)	(194,740)
Acquisition of property, plant and equipment	(661,000)	(190,345)
Proceeds from disposal of property, plant and equipment	3,483	25,306
Acquisition of intangible assets	(193,856)	(247,305)
Proceeds from disposal of intangible assets	-	40
Increase in other non-current assets	(629,031)	(309,677)
Net cash flows used in investing activities	<u>(4,233,361)</u>	<u>(985,978)</u>
Cash flows from financing activities:		
Decrease (increase) in short-term borrowings	(10,509,979)	8,648,131
Proceeds from long-term borrowings	10,509,400	18,145,000
Repayments of long-term borrowings	(8,809,900)	(17,198,000)
(Decrease) increase in other non-current liabilities	(5,166)	5,529
Cash dividends paid	(5,022,465)	(6,636,829)
Payment of lease liabilities	(5,802)	(5,854)
Net cash flows (used in) from financing activities	<u>(13,843,912)</u>	<u>2,957,977</u>
Net increase in cash and cash equivalents	5,745,954	6,922,131
Cash and cash equivalents at beginning of period	<u>12,188,253</u>	<u>5,266,122</u>
Cash and cash equivalents at end of period	<u>\$ 17,934,207</u>	<u>12,188,253</u>

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, 2022 and 2021, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2022 and 2021 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 audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Account of Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirement. 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 Notes (4)(h), (5) and (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 Notes (4)(g), (6)(b) and (6)(x) 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 2022 to examine whether contracts were signed with banks; reviewing 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.

Other Matter

Inventec Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2022 and 2021, 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) 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 14, 2023

ntended 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, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		December 31, 2022		December 31, 2021		LIABILITIES AND EQUITY		December 31, 2022		December 31, 2021	
		Amount	%	Amount	%			Amount	%	Amount	%
Current Assets :						Current Liabilities :					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 42,450,643	18	34,787,912	14	2100	Short-term borrowings (Note (6)(m))	\$ 48,333,913	21	54,694,565	22
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	890,745	-	1,343,945	1	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	292,383	-	112,133	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	554,557	-	1,521,476	1	2130	Current contract liabilities (Note (6)(u))	12,596,823	5	7,562,873	3
1170	Accounts receivable, net (Notes (4), (6)(c) and (7))	89,507,203	38	103,795,621	42	2170	Accounts payable (Note (7))	64,404,174	28	84,907,477	34
1200	Other receivables, net (Notes (6)(d) and (7))	1,554,185	1	884,098	-	2230	Current tax liabilities	3,229,602	2	2,374,435	1
1310	Inventories (Notes (4) and (6)(e))	51,004,786	22	62,417,356	25	2200	Other payables (Note (7))	12,014,945	5	10,524,706	4
1470	Other current assets (Notes (6)(k) and (8))	4,232,122	2	2,873,014	1	2322	Long-term borrowings, current portion (Note (6)(m))	330,744	-	7,248,244	3
		190,194,241	81	207,623,422	84	2280	Current lease liabilities (Notes (4) and (6)(n))	210,376	-	182,996	-
Non-current assets :						2399	Other current liabilities, others (Notes (6)(l) and (q))	14,586,649	6	12,472,789	5
1510	Non-current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	225,057	-	893,885	-			155,999,609	67	180,080,218	72
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	4,096,512	2	4,192,435	2	Non-current Liabilities :					
1550	Investments accounted for using equity method (Notes (4) and (6)(f))	443,563	-	300,127	-	2540	Long-term borrowings (Note (6)(m))	12,833,351	6	3,790,708	2
1600	Property, plant and equipment (Notes (4), (6)(h) and (8))	31,210,871	13	27,466,491	11	2640	Net defined benefit liability, non-current (Notes (4) and (6)(p))	478,194	-	589,919	-
1755	Right-of-use assets (Notes (4), (6)(i) and (8))	3,030,466	1	3,162,003	1	2580	Non-current lease liabilities (Notes (4) and (6)(n))	542,865	-	693,497	-
1780	Intangible assets (Notes (4) and (6)(j))	975,242	1	967,451	-	2670	Other non-current liabilities, others (Notes (6)(l) and (q))	5,555,332	2	6,062,986	3
1900	Other non-current assets (Notes (6)(k), (q) and (8))	4,039,653	2	3,009,608	2			19,409,742	8	11,137,110	5
		44,021,364	19	39,992,000	16	Total Liabilities		175,409,351	75	191,217,328	77
						Equity attributable to owners of parent :					
						3110	Ordinary shares (Note (6)(r))	35,874,751	15	35,874,751	14
						3200	Capital surplus (Note (6)(r))	2,899,927	1	2,899,592	1
						3300	Retained earnings (Note (6)(r))	22,227,169	9	21,024,959	9
						3400	Other equity (Note (6)(r))	(1,447,789)	-	(2,714,598)	(1)
							Total equity attributable to owners of parent	59,554,058	25	57,084,704	23
						36XX	Non-controlling interests (Note (r))	(747,804)	-	(686,610)	-
							Total Equity	58,806,254	25	56,398,094	23
TOTAL ASSETS		\$ 234,215,605	100	247,615,422	100	TOTAL LIABILITIES AND EQUITY	\$ 234,215,605	100	247,615,422	100	

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes (4), (6)(u) and (7))	\$ 541,750,850	100	519,732,048	100
5000	Operating costs (Notes (6)(e) and (7))	515,747,708	95	497,437,486	96
5900	Gross profit from operations	26,003,142	5	22,294,562	4
Operating expenses (Notes (6)(c), (6)(v) and (7)):					
6100	Selling expenses	3,241,707	1	3,076,667	-
6200	Administrative expenses	4,004,352	1	3,866,479	1
6300	Research and development expenses	12,095,376	2	10,593,339	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS9	(7,369)	-	33,443	-
		19,334,066	4	17,569,928	3
6900	Net operating income	6,669,076	1	4,724,634	1
Non-operating income and expenses (Notes (6)(f), (w) and (7)):					
7100	Interest income	1,764,316	-	1,075,960	-
7010	Other income	263,128	-	378,252	-
7020	Other gains and losses	1,525,831	-	2,220,446	-
7050	Finance costs	(3,035,588)	-	(738,437)	-
7060	Shares of (loss) profit of associates and joint ventures accounted for using equity method	(9,728)	-	38,329	-
		507,959	-	2,974,550	-
7900	Profit before tax	7,177,035	1	7,699,184	1
7950	Less: Income tax expenses (Notes (4) and (6)(q))	1,115,026	-	1,752,091	-
8000	Profit	6,062,009	1	5,947,093	1
Other comprehensive income (loss):					
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Gains on remeasurements of defined benefit plans	115,509	-	16,762	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	(1,263,059)	-	(242,078)	-
8320	Shares of other comprehensive income (losses) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	2,607	-	(2,511)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	22,611	-	3,769	-
		(1,167,554)	-	(231,596)	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	2,530,890	-	(574,653)	-
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	4,821	-	2,914	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		2,535,711	-	(571,739)	-
	Other comprehensive income (loss), net of income tax	1,368,157	-	(803,335)	-
8500	Total comprehensive income	<u>\$ 7,430,166</u>	<u>1</u>	<u>\$ 5,143,758</u>	<u>1</u>
Profit (loss), attributable to:					
8610	Profit, attributable to owners of parent	\$ 6,128,786	1	6,537,765	1
8620	Profit (loss), attributable to non-controlling interests	(66,777)	-	(590,672)	-
		<u>\$ 6,062,009</u>	<u>1</u>	<u>\$ 5,947,093</u>	<u>1</u>
Comprehensive income (loss) attributable to:					
8710	Comprehensive income, attributable to owners of parent	\$ 7,491,484	1	5,736,566	1
8720	Comprehensive income (loss), attributable to non-controlling interests	(61,318)	-	(592,808)	-
		<u>\$ 7,430,166</u>	<u>1</u>	<u>\$ 5,143,758</u>	<u>1</u>
Earnings per share (Notes (4) and (6)(t))					
9750	Basic earnings per share (NT dollars)	<u>\$ 1.71</u>		<u>\$ 1.82</u>	
9850	Diluted earnings per share (NT dollars)	<u>\$ 1.70</u>		<u>\$ 1.81</u>	

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent					Other Equity				Total Equity
	Share Capital		Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	Total Equity Attributable to Owners of Parent	Non - controlling Interests	
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings					
Balance at January 1, 2021	\$ 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 (loss) 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
Profit (loss) for the period	-	-	-	-	6,128,786	-	-	6,128,786	(66,777)	6,062,009
Other comprehensive income (loss) for the period	-	-	-	-	95,889	2,530,252	(1,263,443)	1,362,698	5,459	1,368,157
Total comprehensive income (loss) for the period	-	-	-	-	6,224,675	2,530,252	(1,263,443)	7,491,484	(61,318)	7,430,166
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	654,924	-	(654,924)	-	-	-	-	-
Special reserve appropriated	-	-	-	812,672	(812,672)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,022,465)	-	-	(5,022,465)	-	(5,022,465)
Others	-	335	-	-	-	-	-	335	124	459
Balance at December 31, 2022	\$ 35,874,751	2,899,927	12,747,957	2,714,597	6,764,615	(506,716)	(941,073)	59,554,058	(747,804)	58,806,254

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, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Profit before tax	\$ 7,177,035	7,699,184
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	2,171,055	2,361,213
Amortization expense	730,313	901,608
Expected credit (reversal gain) loss	(7,369)	33,443
Interest expense	3,035,588	738,437
Interest income	(1,764,316)	(1,075,960)
Dividend income	(34,266)	(133,902)
Share-based payments transactions	459	422
Shares of loss (profit) of associates and joint ventures accounted for using equity method	9,728	(38,329)
Gain on disposal of property, plant and equipment	(25,430)	(1,458,999)
(Gain) loss on disposal of investments accounted for using equity method	(186)	47,269
Impairment loss on non-financial assets	-	550,703
Unrealized foreign exchange gain	(105,185)	(228,023)
Other adjustments	(34,561)	1,401
Total adjustments to reconcile profit	<u>3,975,830</u>	<u>1,699,283</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	568	107,325
Decrease (increase) in accounts receivable	13,252,520	(12,291,774)
Decrease (increase) in other receivables	110,906	(79,815)
Decrease (Increase) in inventories	15,803,274	(22,067,263)
(Increase) decrease in other current assets	(194,813)	1,967,814
Total changes in operating assets	<u>28,972,455</u>	<u>(32,363,713)</u>
Changes in operating liabilities:		
Increase (decrease) in financial liabilities held for trading	180,250	(136,640)
Increase (decrease) in contract liabilities	5,031,724	(262,058)
(Decrease) increase in accounts payable	(22,385,586)	11,691,774
Decrease in other payables	(74,113)	(1,124,694)
Increase in other current liabilities	2,078,535	741,515
Decrease in net defined benefit liabilities, non-current	(52,443)	(50,202)
Total changes in operating liabilities	<u>(15,221,633)</u>	<u>10,859,695</u>
Total changes in operating assets and liabilities	<u>13,750,822</u>	<u>(21,504,018)</u>
Total adjustments	<u>17,726,652</u>	<u>(19,804,735)</u>
Cash inflow (outflow) generated from operations	24,903,687	(12,105,551)
Interest received	808,417	1,035,979
Dividends received	34,266	133,902
Interest paid	(2,574,658)	(740,053)
Income taxes paid	(1,053,028)	(851,177)
Net cash flows from (used in) operating activities	<u>22,118,684</u>	<u>(12,526,900)</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 CASH FLOWS

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	<u>2022</u>	<u>2021</u>
Cash flows used in investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	\$ (311,208)	(826,499)
Proceeds from disposal of financial assets at fair value through other comprehensive income	44,310	-
Acquisition of financial assets at fair value through profit or loss	(582,018)	(833,425)
Proceeds from disposal of financial assets at fair value through profit or loss	1,736,127	105,038
Acquisition of investments accounted for using equity method	(44,310)	(49,668)
Proceeds from disposal of investments accounted for using equity method	160	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	4,838
Acquisition of property, plant and equipment	(4,850,066)	(2,809,391)
Proceeds from disposal of property, plant and equipment	69,270	2,208,725
Acquisition of intangible assets	(196,393)	(250,596)
Net cash flows from loss of control of subsidiary	-	(8,309)
(Increase) decrease in other financial assets	(888,647)	172,944
Increase in other non-current assets	(1,021,199)	(836,384)
Net cash flows used in investing activities	<u>(6,043,974)</u>	<u>(3,122,727)</u>
Cash flows (used in) from financing activities:		
(Decrease) increase in short-term borrowings	(7,573,816)	23,164,212
Proceeds from long-term borrowings	11,238,793	18,915,930
Repayments of long-term borrowings	(8,809,900)	(17,172,500)
Increase in other payables to related parties	729,982	-
Payments of lease liabilities	(197,327)	(209,820)
Decrease in other non-current liabilities	(6,824)	(187,459)
Cash dividends paid	(5,022,465)	(6,636,829)
Net cash flows (used in) from financing activities	<u>(9,641,557)</u>	<u>17,873,534</u>
Effect of exchange rate changes on cash and cash equivalents	1,229,578	(387,590)
Net increase in cash and cash equivalents	7,662,731	1,836,317
Cash and cash equivalents at beginning of period	<u>34,787,912</u>	<u>32,951,595</u>
Cash and cash equivalents at end of period	<u>\$ 42,450,643</u>	<u>34,787,912</u>

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

Appendix 5

Inventec Corporation
Profit Distribution Table
Year 2022

Unit: NTD \$

Items:	Total amount
Beginning retained earnings	539,940,449
Add: Defined benefit plans remeasurement	95,888,867
Add: Net profit after tax	6,128,785,388
Less: Legal reserve	(622,467,426)
Add: Reversed Special Reserve	1,266,808,263
Distributable net profit	7,408,955,541
Less: Distributable items:	
Cash Dividend to shareholders (NT\$1.5 per share)	(5,381,212,599)
Unappropriated retained earnings	2,027,742,942