

**INVENTEC CORPORATION**  
**Minutes of 2024 Annual General Shareholders' Meeting**  
(Translation)

Time : Wednesday, June 12, 2024. 9:00 a.m.

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

Quorum : 2,538,466,718 shares were represented by shareholders in person and by proxy (including by exercising voting rights electronically : 1,947,714,789 shares), which are mounted to 70.75% of the Company's 3,587,475,066 issued and outstanding shares.

Chairman : Yeh, Li-Cheng

Recorder : Rita Jian

Board Members Present : (8 of 9 board members present)

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

Independent Director : Chang, Chang-Pang (Audit Committee Convenor) /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. 2023 Business Report (Please refer to Appendix 1)

All shareholders are informed for the above.

2. 2023 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 2023

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\$ 501,594,752 as remuneration to employees in cash and NT\$ 65,425,402 as remuneration to

Directors of Board. There is no difference between the amount of distribution and the expense which has been recognized in 2023.

All shareholders are informed for the above.

4. The Status of Distribution of Profits in Cash Dividends to Shareholders in 2023.

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 2023 is NT\$ 8,349,632,108. The proposed cash dividend to shareholders is NT\$1.5 per share (NT\$5,381,212,599).
- (3) The Board of Directors had resolved this profits distribution proposal and is authorized to 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 outstanding shares of the Company.

All shareholders are informed for the above.

**Question raised by shareholder account number 00243704 about :**

- The results from Inventec's new ventures in the 5G and EV sectors
- Any bank funding policy adjustment on the ongoing business of Inventec
- Also the funding situation for worldwide Inventec subsidiaries

**Answered by the chairman:** The global economy has not yet fully recovered. Inventec aims to maintain its gross profit margin, as well as actively to seek the development of high-margin and future-oriented products. Inventec foresees the prospects of EV device products and expect the potentially lucrative contribution to the growth of revenues.

**The Chairman instructed the CFO to explain :**

The debt ratio and interest expenses were primarily due to the interest rates uptick, and the capital inputs on the overseas production bases. Along with the operation scale, Inventec will keep optimizing and adjusting actively on the funding management to protect the shareholders' interests.

**Question raised by shareholder account number 00596098 about :**

- The impacts of Inventec Solar Energy Corporation (referred to as ISEC) on Inventec's credit rating
- The purpose of capital expenditure
- The disputes of opinions with tax authorities for the acknowledgement of the price transferring

**Answered by the chairman :** Inventec has assisted to collaborate with ISEC's strenuousness to negotiate with the banks, so there's no impacts on the credit rating of Inventec. As for the capital expenditures, since 2022 Inventec has been expanding the global deployment of manufacturing sites including in Mexico and in Czech and also purchased the land in Thailand to build the factory, to satisfy our clients for global shipping demands. The production bases will preliminarily complete in the second half of 2024 to expend the production scale.

**The Chairman instructed the CFO to explain –**

The transfer pricing disputes with Czech tax authorities were mainly arising from the conception and definitions about the operation modes and profit evaluations. We preliminarily estimate that there's not much financial impacts.

**Question raised by shareholder account number 00485234 about:**

- The goals and strategies of Inventec's capital allocation
- The best and worst decision made in last year and the prospects of this year

**Answered by the chairman:**

The capital allocation is for the establishment of global product lines, so that to expand the production capacities to respond the customer demands and to localize the production. We expect the production lines will successfully commence after the completion of the production bases. We've foreseen so many untapped opportunities next year and the prospective outcome of the operation growth.

**Question raised by shareholder account number 00782935 about:**

- Any plan to participate in the Joint shareholder engagement plan with Securities Investment Trust Companies

**Answered by the chairman:**

Inventec is planning on various aspects and issues about the ESG policies and gradually conducting the joint engagement plans with shareholders. We will not exclude any joint engagement plan with various institutes and will implement the actions following internal evaluation and planning.

## **D. Ratification Items**

**Item 1**

**Proposed by the Board**

**Proposal: Ratification of the 2023 Business Report and Financial Statements.**

**Explanation:** The Company's 2023 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, Rou-Lan Kuo and Ying Ju Chen 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 2,538,466,718 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,374,542,617, among which 1,783,896,897 was exercised by electronic transmission, or 93.54% of the total voting rights when votes were cast; the number of votes against is 623,846, among which 623,846 was exercised by electronic transmission; the number of

votes abstained is: 163,300,255 among which 163,194,046 were exercised by electronic transmission)

## Item 2

## Proposed by the Board

**Proposal:** Adoption of the Proposal for Distribution of 2023 Profits

**Explanation:** The 2023 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 2,538,466,718 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,376,824,568, among which 1,786,177,848 was exercised by electronic transmission, or 93.63% of the total voting rights when votes were cast; the number of votes against is 798,924, among which 798,924 was exercised by electronic transmission ; the number of votes abstained is 160,843,226, among which 160,738,017 was exercised by electronic transmission)

## E. Discussion Items

## Proposed by the Board

**Proposal:** Proposal for Releasing the Prohibition on Director Chang, Ching-Sung and Chang, Chang-Pang 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) The meeting of shareholders on June 13, 2023, 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.

Position	Name	Serve in another Company	Position in other company
Director	Chang, Ching-Sung	CARDIO RING TECHNOLOGIES, INC.	Director
Independent Director	Chang, Chang-Pang	Asia Cement Corporation	Independent director

**Proceeding:** No question was raised.

**Resolution:** Approved as proposed by voting (a total of 2,538,466,718 shares with voting rights were present when votes were cast; the number of voting rights for approval is 2,354,827,799, among which 1,764,181,079 was exercised by electronic transmission, or 92.76% of the

total voting rights when votes were cast; the number of votes against is 1,861,410 among which 1,861,410 was exercised by electronic transmission; the number of votes abstained is 181,777,509, among which 181,672,300 was exercised by electronic transmission)

## **F. Extraordinary Motions:**

**Proceeding:** No proposal was raised.

## **G. Adjournment**

The Chairman announced the Meeting adjourned at 11:10 am on the same date.

\*The minutes of this shareholders' meeting only record the main points of the proceedings and the outcomes of the proposals. The detailed content of the meeting, procedures, and speeches by shareholders and participants are based on the audio and video recordings of the meeting.

\*In case of any discrepancy between the English version and the Chinese version of the minute of 2024 Annual General Shareholders' Meeting of Inventec Corporation, the Chinese version shall prevail.

## **Business Report**

In recent years, global economic stability has been disrupted by a series of significant events, including the COVID-19 pandemic, the ongoing conflict between Russia and Ukraine, and persistent prolong period of higher inflation . These events have hindered the expected economic recovery, and in 2023, additional challenges emerged due to the tightening monetary policies in various countries and impact of extreme weather and climate change. Consequently, the global economic growth slowed even further. Facing the complex challenges posed by the external business environment, the management team at Inventec has taken proactive and effective measures, focusing on bolstering the development of core business operations to maintain a competitive edge and continuing to explore opportunities in emerging markets. Additionally, efforts have been made to enhance production automation and strengthen supply chain resilience. Adhering to a philosophy of innovation and sustainable business practices, Inventec has actively invested in new ventures, such as automotive electronics, Internet of Things (IoT) products, and 5G technology applications. Furthermore, the company has expanded its presence by establishing production facilities overseas. These strategic approaches aim to ensure stable revenue streams and mitigate the adverse impacts of external factors. In expressing gratitude to shareholders for the steadfast support, Inventec hereby proceeds to outline the company's performance in 2023, provides an overview of its operational plan for 2024, and details its strategic direction for the future.

### **Operational Performance and Financial Results in 2023**

In 2023, Inventec's consolidated operating revenue amounted to over NT\$514.7 billion, a decrease of 4.98% compared to 2022 (consolidated operating revenue stood at over NT\$541.7 billion). The consolidated operating profit exceeded NT\$7.4 billion, marking a significant growth of 11.91% from 2022. Consolidated pre-tax net profit reached over NT\$7.2 billion, showing a slight increase of 0.81% compared to 2022. The net profit after tax attributable to owners of the parent company amounted to over NT\$6.1 billion, representing another slight increase of 0.03% from the previous year. The consolidated earnings per share after tax stood at NT\$1.71.

In 2023, the laptop market experienced weaker shipment momentum due to a slower than expected recovery in the consumer laptop segment and inventory adjustments. However, revenue remained flat compared to last year, driven by contributions from gaming laptop projects. In the server segment, AI server shipments exerted strong momentum, squeezing out budgets of traditional servers and driving robust shipments of AI products for cloud customers. Nonetheless, the reduction in traditional servers and a shortage of AI computing chips in the latter half of the year resulted in deferred AI orders, leading to a year-on-year decline in server revenue. Smart device products were affected by a more conservative spending on consumer's disposable income, resulting in a double-digit downward revision in 2023.

## **Business Plan and Future Outlook in 2024**

Going into 2024, analysts from leading research institutions anticipate a global economic growth rate slightly lower than that observed in 2023. This projection suggests a move towards a gradual but sluggish recovery in economic growth over the medium to long term. Despite the overall positive outlook, there are several challenges that the global economy is expected to face in the coming year. The significant debt issue during the periods of economic prosperity would face a formidable challenge with looming soaring interest rate; Furthermore, the real estate market is expected to remain a source of concern due to ongoing confidence crisis, which could continue to hinder the performance of major economies. Although there may be signs of improvement in certain regions such as Europe, emerging markets, and developing economies, this may not be sufficient to offset the weakness observed in the two largest economies.

### **The business plan and future outlook for 2024 :**

1. In 2024, driven by industry dynamics under the major influence of geopolitical factors and the net-zero transition, sectors such as generative artificial intelligence and carbon footprint verification have been brought into the spotlight. In alignment with our enduring commitment to innovation, Inventec continues to prioritize substantial investments in research and development, as well as market expansion, particularly in the field of AI server development. Notably, our efforts remain concentrated on advancing AI deep learning and inference servers to meet the evolving demands of our clients. Equipped with cutting-edge specifications tailored for the cloud clients , we anticipate a robust double-digit growth trajectory in server shipments this year. Furthermore, our laptop division exhibits a promising single-digit recovery trajectory compared to the previous year, driven by the proliferation of AI-enabled personal computers and expanding application on commercial PC . Leveraging the synergies of 5G advanced application and the introduction of innovative gaming products, we anticipate significant growth in the smart device segment, projecting high single-digit expansion for the year ahead.

2. In its strategic diversification efforts, Inventec is prioritizing the expansion of its new business portfolio into sectors such as automotive electronics, 5G factory network deployment, smart healthcare, and Silicon intellectual property licensing. With these initiatives, Inventec aims to drive transformation in creating, managing, and leveraging intellectual property rights within its new ventures.

3. The strategic establishment of a resilient supply chain on a global scale involves ongoing development in manufacturing facilities across Mexico, Thailand, Vietnam, and the Czech Republic. This approach, with proximity to markets and risk diversification strategies, strengthens the global production framework, thereby aligning with the demands and preferences of our clients.

#### **4. ESG sustainability topics :**

The Inventec Sustainability Committee formulates the Group's overarching sustainability strategy and meticulously evaluates its execution. With a firm commitment to achieving net zero emissions by 2050, the company is actively pursuing a suite of low-carbon transformation initiatives, conscientiously aligned with our net-zero pathway and strategic imperatives, to safeguard

environmental integrity and biodiversity. In managing operational risks, Inventec scrupulously references the environmental risk governance frameworks outlined in the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). This comprehensive approach encompasses rigorous protocols of risk assessment and strategic realignments, empowering the organization to capitalize on emerging opportunities, mitigate operational risks, and fortify its long-term competitive position. Furthermore, Inventec is steadfast in its commitment to fostering a diverse and inclusive work environment, prioritizing the holistic well-being of its workforce, and ensuring the provision of an open, secure channel for communication to uphold fundamental human rights. The company also remains stalwart in its dedication to supporting disadvantaged groups, actively engaging in emergency relief aids, and fulfilling its corporate social responsibility.

As Inventec approaches its 50th year, it aims to solidify its corporate culture foundation built upon the principles of 「Innovation, Quality, Open Mind, Execution」. Furthermore, it will advance its commitment to this mission with the mantra "Inventing Today, Inspiring Tomorrow", which resonates deeply with all members of the Inventec group. Additionally, in response to both of the physical risks and transition risks arising from adverse climate change actively, Inventec places significant emphasis on fostering mutual prosperity among stakeholders across the sustainable value chain—suppliers and customers alike to enhance the industry's transformative competitiveness and corporate value. With its accumulated experiences in the industry of information and communication technology, Inventec aspires to develop new, forward-looking business domains, continually injecting fresh growth momentum into the group, and thereby fostering higher corporate value and realizing the corporate vision for the benefit of both the company and its shareholders.

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

Chairman: Yeh, Li-Cheng

President: Tsai, Chih-An

Accounting Officer: Yu, Chin-Pao



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

Date: Mar.12, 2024

The Board of Directors has prepared and submitted to us the Company's 2023 Business Report, Financial Statements and proposal for profit distribution. The Financial Statements have been audited, certified and issued an audit report by Rou-Lan Kuo and Ying Ju Chen 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, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material 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, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022 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 Financial Statement Audit and Attestation Engagements of 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 Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 one of the key audit matters.

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.

## 2. Revenue recognition

Please refer to Note (4)(o) and (6)(r) for accounting policies and related disclosure information for revenue recognition, respectively.

Description of the key audit matter:

To fulfill the delivery requirements of certain products, the Company has established several hubs to meet customer demand. The Company recognizes sales revenue when the customers pick up the products (transfer of control over products), primarily relying on statements or information provided by hub custodians. Since the hubs are located around the world with numerous custodians and the formats provided by custodians vary, the process of revenue recognition typically involves manual procedures. This may lead to inappropriate timing of sales revenue recognition or discrepancies between the physical inventory and accounting records.

As there are numerous transactions from hubs, and the transactions amount prior to and after the balance sheet date are significant to the financial statements, the cut-off of hub sales revenue has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures, including conducting a cut-off test for hub sales revenue for a specific period prior to and after the balance sheet date, and inspecting relevant documents to assess the reasonableness of management's timing of sales revenue recognition from hubs. For shipments during that period, we sampled and inspected supporting document provided by hub custodians, checked inventory movement records, and verified the transfer of cost of goods sold had been recorded in the appropriate period. For inventory quantities held at hubs at the end of the period, we randomly performed confirmation procedures or conducted physical counts to reconcile with accounting records.

## **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 Rou-Lan Kuo and Ying-Ju Chen.

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2024

#### **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, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS		December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 4,171,975	2	17,934,207	8	2100	Short-term borrowings (Note (6)(k))	\$ 28,206,903	12	21,453,196	9
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	231,415	-	446,422	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	34,918	-	292,383	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	645,967	-	554,557	-	2130	Current contract liabilities (Notes (4) and (6)(r))	12,691,621	6	11,642,202	5
1170	Accounts receivable, net (Notes (4) and (6)(c))	66,477,648	28	50,146,727	21	2170	Accounts payable	46,577,414	20	32,078,566	13
1180	Accounts receivable due from related parties, net (Notes (4), (6)(c) and (7))	25,425,794	11	29,383,904	12	2180	Accounts payable due to related parites, net (Note (7))	56,692,640	24	78,955,538	33
1200	Other receivables, net (Notes (6)(d) and (7))	45,866,874	20	67,056,985	28	2230	Current tax liabilities	1,078,468	-	1,521,513	1
1310	Inventories (Notes (4) and (6)(e))	20,511,068	9	11,823,036	5	2200	Other payables (Note (7))	5,982,299	3	6,188,727	2
1470	Other current assets (Notes (6)(j) and (8))	2,607,013	1	917,973	-	2280	Current lease liabilities (Notes (4) and (6)(l))	27,935	-	5,723	-
		165,937,754	71	178,263,811	74	2322	Long-term borrowings, current portion (Note (6)(k))	300,000	-	300,000	-
<b>Non-current assets :</b>						2399	Other current liabilities	11,443,781	5	11,181,153	5
1510	Non-current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	147,894	-	132,622	-			163,035,979	70	163,619,001	68
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	4,190,751	2	2,616,524	1	<b>Non-current Liabilities :</b>					
1550	Investments accounted for using equity method (Notes (4), (6)(f) and (7))	47,269,519	20	42,794,216	18	2540	Long-term borrowings (Note (6)(k))	2,992,412	2	10,746,000	5
1600	Property, plant and equipment (Notes (4), (6)(g) and (8))	12,966,243	6	13,108,522	6	2580	Non-current lease liabilities (Notes (4) and (6)(l))	25,747	-	3,951	-
1755	Right-of-use assets (Notes (4) and (6)(h))	51,830	-	9,631	-	2640	Net defined benefit liability, non-current (Notes (4) and (6)(n))	424,486	-	478,194	-
1780	Intangible assets (Notes (4) and (6)(i))	169,736	-	162,120	-	2670	Other non-current liabilities, others (Notes (6)(f) and (o))	5,253,106	2	4,741,255	2
1900	Other non-current assets (Notes (6)(j), (o) and (8))	2,117,546	1	2,055,013	1			8,695,751	4	15,969,400	7
		66,913,519	29	60,878,648	26	<b>Total Liabilities</b>		171,731,730	74	179,588,401	75
						<b>Equity:</b>					
						3110	Ordinary shares (Note (6)(p))	35,874,751	15	35,874,751	15
						3200	Capital surplus (Note (6)(p))	2,911,115	1	2,899,927	1
							Retained earnings (Note (6)(p)):				
						3310	Legal reserve	13,370,424	6	12,747,957	5
						3320	Special reserve	1,447,789	1	2,714,597	1
						3350	Unappropriated retained earnings	8,163,952	3	6,764,615	3
						3400	Other equity (Note (6)(p))	(648,488)	-	(1,447,789)	-
							<b>Total Equity</b>	61,119,543	26	59,554,058	25
<b>TOTAL ASSETS</b>		<b>\$ 232,851,273</b>	<b>100</b>	<b>239,142,459</b>	<b>100</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 232,851,273</b>	<b>100</b>	<b>239,142,459</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, 2023 and 2022**

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

		For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes (4), (6)(r) and (7))</b>	\$ 442,686,294	100	452,365,599	100
5000	<b>Operating costs (Notes (6)(e), (n) and (7))</b>	424,950,931	96	434,629,894	96
	<b>Gross profit from operations</b>	17,735,363	4	17,735,705	4
5910	Less: Unrealized profit (loss) from sales (Note (7))	39,349	-	22,319	-
5920	Add: Realized profit (loss) from sales (Note (7))	22,319	-	17,394	-
		17,718,333	4	17,730,780	4
	<b>Operating expenses (Notes (6)(c), (d), (n), (s) and (7)):</b>				
6100	Selling expenses	1,828,057	-	2,144,210	-
6200	Administrative expenses	2,199,905	-	1,887,769	-
6300	Research and development expenses	7,093,721	2	7,176,225	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	10,597	-	(10,318)	-
		11,132,280	2	11,197,886	2
	<b>Net operating income</b>	6,586,053	2	6,532,894	2
	<b>Non-operating income and expenses (Notes (6)(f), (6)(t) and (7)):</b>				
7100	Interest income	311,716	-	176,060	-
7010	Other income	134,853	-	63,894	-
7020	Other gains and losses	(756)	-	1,959,579	-
7050	Finance costs	(2,345,589)	-	(1,609,256)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	2,016,192	-	(114,293)	-
		116,416	-	475,984	-
7900	<b>Profit before tax</b>	6,702,469	2	7,008,878	2
7950	<b>Less: Income tax expenses (Notes (4) and (6)(o))</b>	571,737	-	880,092	-
8200	<b>Profit</b>	6,130,732	2	6,128,786	2
	<b>Other comprehensive income (loss):</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	(Losses) gains on remeasurements of defined benefit plans	(422)	-	59,282	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,635,076	-	(802,122)	-
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	(361,182)	-	(412,858)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(84)	-	11,856	-
		1,273,556	-	(1,167,554)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(100,879)	-	286,241	-
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	(367,899)	-	2,244,011	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(468,778)	-	2,530,252	-
	<b>Other comprehensive income, net of income tax</b>	804,778	-	1,362,698	-
8500	<b>Total comprehensive income</b>	<u>\$ 6,935,510</u>	<u>2</u>	<u>7,491,484</u>	<u>2</u>
	<b>Earnings per share (Notes (4) and (6)(q))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<u>\$ 1.71</u>		<u>1.71</u>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<u>\$ 1.70</u>		<u>1.70</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 CHANGES IN EQUITY**

**For the Years Ended December 31, 2023 and 2022**

**(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	
<b>Balance at January 1, 2022</b>	\$ 35,874,751	2,899,592	12,093,033	1,901,925	7,030,001	(3,036,968)	322,370	57,084,704
Profit for 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 shares	-	-	-	-	(5,022,465)	-	-	(5,022,465)
Changes in equity of associates and joint ventures accounted for using equity method	-	335	-	-	-	-	-	335
<b>Balance at December 31, 2022</b>	35,874,751	2,899,927	12,747,957	2,714,597	6,764,615	(506,716)	(941,073)	59,554,058
Profit the period	-	-	-	-	6,130,732	-	-	6,130,732
Other comprehensive income (loss) for the period	-	-	-	-	9,139	(468,778)	1,264,417	804,778
Total comprehensive income (loss) for the period	-	-	-	-	6,139,871	(468,778)	1,264,417	6,935,510
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	622,467	-	(622,467)	-	-	-
Revevsal of special reserve	-	-	-	(1,266,808)	1,266,808	-	-	-
Cash dividends on ordinary share	-	-	-	-	(5,381,213)	-	-	(5,381,213)
Changes in equity of associates and joint ventures accounted for using equity method	-	11,188	-	-	-	-	-	11,188
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(3,471)	-	3,471	-
Disposal of investment in equity instruments by subsidiaries designated at fair value through other comprehensive income	-	-	-	-	(191)	-	191	-
<b>Balance at December 31, 2023</b>	<b>\$ 35,874,751</b>	<b>2,911,115</b>	<b>13,370,424</b>	<b>1,447,789</b>	<b>8,163,952</b>	<b>(975,494)</b>	<b>327,006</b>	<b>61,119,543</b>

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



## INVENTEC CORPORATION

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 6,702,469	7,008,878
<b>Adjustments:</b>		
Adjustments to reconcile profit		
Depreciation expense	659,924	637,720
Amortization expense	755,414	418,421
Expected credit loss (reversal gain)	10,597	(10,318)
Interest expense	2,345,589	1,609,256
Interest income	(311,716)	(176,060)
Dividend income	(102,406)	(32,504)
Share of (profit) loss of subsidiaries, associates and joint ventures accounted for using equity method	(2,016,192)	114,293
Gain on disposal of property, plant and equipment	(96)	(2,779)
Unrealized foreign exchange loss	655,324	309,392
Other adjustments	(213)	31
<b>Total adjustments to reconcile profit</b>	<b>1,996,225</b>	<b>2,867,452</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	199,735	(158,733)
(Increase) decrease in accounts receivable	(16,144,556)	22,591,072
Decrease (increase) in other receivable	19,909,449	(10,013,756)
Increase in inventories	(8,696,128)	(468,806)
Increase in other current assets	(644,358)	(193,977)
<b>Total changes in operating assets</b>	<b>(5,375,858)</b>	<b>11,755,800</b>
Changes in operating liabilities:		
(Decrease) increase in financial liabilities held for trading	(257,465)	180,250
Increase in contract liabilities	1,049,419	4,949,840
Decrease in accounts payable	(4,546,173)	(4,382,524)
(Decrease) increase in other payables	(359,632)	407,269
Increase in other current liabilities	262,628	2,600,268
Decrease in net defined benefit liabilities	(54,130)	(52,443)
<b>Total changes in operating liabilities</b>	<b>(3,905,353)</b>	<b>3,702,660</b>
<b>Total changes in operating assets and liabilities</b>	<b>(9,281,211)</b>	<b>15,458,460</b>
<b>Total adjustments</b>	<b>(7,284,986)</b>	<b>18,325,912</b>
Cash (outflow) inflow generated from operations	(582,517)	25,334,790
Interest received	303,426	173,590
Dividends received	102,406	176,447
Interest paid	(2,222,167)	(1,313,524)
Income taxes paid	(978,581)	(548,076)
<b>Net cash flows (outflow) from operating activities</b>	<b>(3,377,433)</b>	<b>23,823,227</b>

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

## INVENTEC CORPORATION

## STATEMENTS OF CASH FLOWS (CONT'D)

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(60,750)	(300,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	30,188	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	578,443
Acquisition of investments accounted for using equity method	(3,277,759)	(3,031,400)
Acquisition of property, plant and equipment	(433,126)	(661,000)
Proceeds from disposal of property, plant and equipment	2,348	3,483
Acquisition of intangible assets	(260,017)	(193,856)
Increase in other financial assets	(913,947)	(12,903)
Increase in other non-current assets	(271,165)	(616,128)
<b>Net cash flows used in investing activities</b>	<u>(5,184,228)</u>	<u>(4,233,361)</u>
<b>Cash flows used in financing activities:</b>		
Increase (decrease) in short-term borrowings	7,954,667	(10,509,979)
Proceeds from long-term borrowings	3,464,352	10,509,400
Repayments of long-term borrowings	(11,242,000)	(8,809,900)
Increase (decrease) in other non-current liabilities	11,822	(5,166)
Cash dividends paid	(5,381,213)	(5,022,465)
Payment of lease liabilities	(8,199)	(5,802)
<b>Net cash flows (used in) from financing activities</b>	<u>(5,200,571)</u>	<u>(13,843,912)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(13,762,232)	5,745,954
<b>Cash and cash equivalents at beginning of period</b>	<u>17,934,207</u>	<u>12,188,253</u>
<b>Cash and cash equivalents at end of period</b>	<u><b>\$ 4,171,975</b></u>	<u><b>17,934,207</b></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, 2023 and 2022, 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 material 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, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2023 and 2022 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 Financial Statement Audit and Attestation Engagements of 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 Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 one of the key audit matters.

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. Revenue recognition**

Please refer to Notes (4)(p) and (6)(u) for accounting policies and related disclosure information for revenue recognition, respectively.

Description of the key audit matter:

To fulfill the delivery requirements of certain products, the Group has established several hubs to meet customer demand. The Group recognizes sales revenue when the customers pick up the products (transfer of control over products), primarily relying on statements or information provided by hub custodians. Since the hubs are located around the world with numerous custodians and the formats provided by custodians vary, the process of revenue recognition typically involves manual procedures. This may lead to inappropriate timing of sales revenue recognition or discrepancies between the physical inventory and accounting records.

As there are numerous transactions from hubs, and the transactions amount prior to and after the balance sheet date are significant to the financial statements, the cut-off of hub sales revenue has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures, including conducting a cut-off test for hub sales revenue for a specific period prior to and after the balance sheet date, and inspecting relevant documents to assess the reasonableness of management's timing of sales revenue recognition from hubs. For shipments during that period, we sampled and inspected supporting document provided by hub custodians, checked inventory movement records, and verified the transfer of cost of goods sold had been recorded in the appropriate period. For inventory quantities held at hubs at the end of the period, we randomly performed confirmation procedures or conducted physical counts to reconcile with accounting records.

## **Other Matter**

Inventec Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, 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, IFRIC, SIC endorsed and issued into effect 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 Rou-Lan Kuo and Ying-Ju Chen.

KPMG

Taipei, Taiwan (Republic of China)  
March 12, 2024

#### 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, 2023 and 2022**

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

ASSETS		December 31, 2023		December 31, 2022		LIABILITIES AND EQUITY		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current Assets :</b>						<b>Current Liabilities :</b>					
1100	Cash and cash equivalents (Notes (4) and (6)(a))	\$ 28,133,069	12	42,450,643	18	2100	Short-term borrowings (Note (6)(m))	\$ 43,465,042	18	48,333,913	21
1110	Current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	277,508	-	890,745	-	2120	Current financial liabilities at fair value through profit or loss (Notes (4) and (6)(b))	34,918	-	292,383	-
1120	Current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	645,967	-	554,557	-	2130	Current contract liabilities (Note (6)(u))	13,654,891	6	12,596,823	5
1170	Accounts receivable, net (Notes (4), (6)(c) and (7))	92,206,803	38	89,507,203	38	2170	Accounts payable (Note (7))	81,307,252	34	64,404,174	28
1200	Other receivables, net (Notes (6)(d) and (7))	1,746,043	1	1,554,185	1	2230	Current tax liabilities	2,190,276	1	3,229,602	2
1310	Inventories (Notes (4) and (6)(e))	59,896,249	25	51,004,786	22	2200	Other payables (Note (7))	11,187,272	5	11,997,870	5
1470	Other current assets (Notes (6)(k) and (8))	9,300,264	4	4,232,122	2	2322	Long-term borrowings, current portion (Note (6)(m))	2,890,506	1	330,744	-
		192,205,903	80	190,194,241	81	2280	Current lease liabilities (Notes (4) and (6)(n))	230,136	-	210,376	-
<b>Non-current assets :</b>						2399	Other current liabilities, others (Note (6)(l))	14,342,374	6	14,586,649	6
1510	Non-current financial assets at fair value through profit or loss (Notes (4) and (6)(b))	242,263	-	225,057	-	<b>Non-current Liabilities :</b>		169,302,667	71	155,982,534	67
1517	Non-current financial assets at fair value through other comprehensive income (Notes (4) and (6)(b))	5,297,827	2	4,096,512	2						
1550	Investments accounted for using equity method (Notes (4) and (6)(f))	431,681	-	443,563	-	2540	Long-term borrowings (Note (6)(m))	2,992,412	1	12,833,351	6
1600	Property, plant and equipment (Notes (4), (6)(g) and (8))	29,611,548	13	31,210,871	13	2640	Net defined benefit liability, non-current (Notes (4) and (6)(p))	446,508	-	495,269	-
1755	Right-of-use assets (Notes (4) and (6)(h))	1,792,380	1	3,030,466	1	2580	Non-current lease liabilities (Notes (4) and (6)(n))	544,452	-	542,865	-
1760	Investment property, net (Notes (4), (6)(i) and (8))	5,052,451	2	-	-	2670	Other non-current liabilities, others (Note (6)(l))	6,163,555	3	5,555,332	2
1780	Intangible assets (Notes (4) and (6)(j))	582,912	-	975,242	1			10,146,927	4	19,426,817	8
1900	Other non-current assets (Notes (6)(k) and (8))	4,491,011	2	4,039,653	2	<b>Total Liabilities</b>		179,449,594	75	175,409,351	75
		47,502,073	20	44,021,364	19	<b>Equity attributable to owners of parent :</b>					
						3110	Ordinary shares (Note (6)(r))	35,874,751	15	35,874,751	15
						3200	Capital surplus (Note (6)(r))	2,911,115	1	2,899,927	1
						3300	Retained earnings (Note (6)(r))	22,982,165	9	22,227,169	9
						3400	Other equity (Note (6)(r))	(648,488)	-	(1,447,789)	-
						<b>Total equity attributable to owners of parent</b>		61,119,543	25	59,554,058	25
						36XX	Non-controlling interests	(861,161)	-	(747,804)	-
						<b>Total Equity</b>		60,258,382	25	58,806,254	25
<b>TOTAL ASSETS</b>		<b>\$ 239,707,976</b>	<b>100</b>	<b>234,215,605</b>	<b>100</b>	<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 239,707,976</b>	<b>100</b>	<b>234,215,605</b>	<b>100</b>

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, 2023 and 2022**

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

		For the years ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes (4), (6)(u) and (7))	\$ 514,746,200	100	541,750,850	100
5000	Operating costs (Note (6)(e))	488,408,057	95	515,747,708	95
5900	Gross profit from operations	26,338,143	5	26,003,142	5
	Operating expenses (Notes (6)(c), (v) and (7)):				
6100	Selling expenses	2,884,821	1	3,241,707	1
6200	Administrative expenses	4,665,160	1	4,004,352	1
6300	Research and development expenses	11,321,839	2	12,095,376	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS9	3,099	-	(7,369)	-
		18,874,919	4	19,334,066	4
6900	Net operating income	7,463,224	1	6,669,076	1
	Non-operating income and expenses (Notes (6)(f), (w) and (7)):				
7100	Interest income	2,627,571	1	1,764,316	-
7010	Other income	289,318	-	263,128	-
7020	Other gains and losses	1,467,454	-	1,525,831	-
7050	Finance costs	(4,588,115)	(1)	(3,035,588)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method	(24,508)	-	(9,728)	-
		(228,280)	-	507,959	-
7900	Profit before tax	7,234,944	1	7,177,035	1
7950	Less: Income tax expenses (Notes (4) and (6)(q))	1,214,059	-	1,115,026	-
8000	Profit	6,020,885	1	6,062,009	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	10,496	-	115,509	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,264,519	-	(1,263,059)	-
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	218	-	2,607	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,677	-	22,611	-
		1,273,556	-	(1,167,554)	-
8360	Components of other comprehensive (loss) income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(466,951)	-	2,530,890	-
8370	Shares of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(5,500)	-	4,821	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(472,451)	-	2,535,711	-
	Other comprehensive income, net of income tax	801,105	-	1,368,157	-
8500	Total comprehensive income	\$ 6,821,990	1	7,430,166	1
	Profit (loss), attributable to:				
8610	Profit, attributable to owners of parent	\$ 6,130,732	1	6,128,786	1
8620	Profit (loss), attributable to non-controlling interests	(109,847)	-	(66,777)	-
		\$ 6,020,885	1	6,062,009	1
	Comprehensive income (loss) attributable to:				
8710	Comprehensive income, attributable to owners of parent	\$ 6,935,510	1	7,491,484	1
8720	Comprehensive income (loss), attributable to non-controlling interests	(113,520)	-	(61,318)	-
		\$ 6,821,990	1	7,430,166	1
	Earnings per share (Notes (4) and (6)(t))				
9750	Basic earnings per share (NT dollars)	\$ 1.71		1.71	
9850	Diluted earnings per share (NT dollars)	\$ 1.70		1.70	

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 CHANGES IN EQUITY**  
**For the Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	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, 2022	\$ 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
Profit (loss) for the period	-	-	-	-	6,130,732	-	-	6,130,732	(109,847)	6,020,885
Other comprehensive income (loss) for the period	-	-	-	-	9,139	(468,778)	1,264,417	804,778	(3,673)	801,105
Total comprehensive income (loss) for the period	-	-	-	-	6,139,871	(468,778)	1,264,417	6,935,510	(113,520)	6,821,990
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	622,467	-	(622,467)	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,266,808)	1,266,808	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,381,213)	-	-	(5,381,213)	-	(5,381,213)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,746	-	-	-	-	-	10,746	-	10,746
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(3,662)	-	3,662	-	-	-
Others	-	442	-	-	-	-	-	442	163	605
Balance at December 31, 2023	\$ 35,874,751	2,911,115	13,370,424	1,447,789	8,163,952	(975,494)	327,006	61,119,543	(861,161)	60,258,382

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, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 7,234,944	7,177,035
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	2,415,457	2,171,055
Amortization expense	1,096,482	730,313
Expected credit loss (reversal gain)	3,099	(7,369)
Interest expense	4,588,115	3,035,588
Interest income	(2,627,571)	(1,764,316)
Dividend income	(102,406)	(34,266)
Share-based payments transactions	605	459
Shares of loss of associates and joint ventures accounted for using equity method	24,508	9,728
Gains on disposal of property, plant and equipment	(802,292)	(25,430)
Gains on disposal of investments accounted for using equity method	-	(186)
Impairment loss on non-financial assets	515,678	-
Unrealized foreign exchange loss (gain)	90,597	(105,185)
Other adjustments	(1,264)	(34,561)
<b>Total adjustments to reconcile profit</b>	<u>5,201,008</u>	<u>3,975,830</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	188,750	568
(Increase) decrease in accounts receivable	(5,599,779)	13,252,520
Decrease in other receivables	8,626	110,906
(Increase) decrease in inventories	(8,958,423)	15,803,274
Increase in other current assets	(1,744,395)	(194,813)
<b>Total changes in operating assets</b>	<u>(16,105,221)</u>	<u>28,972,455</u>
<b>Changes in operating liabilities:</b>		
(Decrease) increase in financial liabilities held for trading	(257,465)	180,250
Increase in contract liabilities	1,060,603	5,031,724
Increase (decrease) in accounts payable	18,632,392	(22,385,586)
(Decrease) increase in other payables	(647,363)	41,187
(Decrease) increase in other current liabilities	(332,676)	2,078,535
Decrease in net defined benefit liabilities, non-current	(31,828)	(52,443)
<b>Total changes in operating liabilities</b>	<u>18,423,663</u>	<u>(15,106,333)</u>
<b>Total changes in operating assets and liabilities</b>	<u>2,318,442</u>	<u>13,866,122</u>
<b>Total adjustments</b>	<u>7,519,450</u>	<u>17,841,952</u>
Cash inflow generated from operations	14,754,394	25,018,987
Interest received	3,214,197	808,417
Dividends received	102,406	34,266
Interest paid	(4,576,478)	(2,574,658)
Income taxes paid	(2,135,677)	(1,053,028)
<b>Net cash flows from operating activities</b>	<u>11,358,842</u>	<u>22,233,984</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, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (60,750)	(311,208)
Proceeds from disposal of financial assets at fair value through other comprehensive income	30,188	44,310
Acquisition of financial assets at fair value through profit or loss	-	(582,018)
Proceeds from disposal of financial assets at fair value through profit or loss	408,199	1,736,127
Acquisition of investments accounted for using equity method	(44,180)	(44,310)
Proceeds from disposal of investments accounted for using equity method	1,241	160
Acquisition of property, plant and equipment	(4,715,994)	(4,850,066)
Proceeds from disposal of property, plant and equipment	1,012,907	69,270
Acquisition of intangible assets	(260,205)	(196,393)
Acquisition of investment properties	(4,118)	-
Increase in other financial assets	(4,042,062)	(894,559)
Increase in other non-current assets	(1,248,406)	(1,015,287)
<b>Net cash flows used in investing activities</b>	<u>(8,923,180)</u>	<u>(6,043,974)</u>
<b>Cash flows used in financing activities:</b>		
Decrease in short-term borrowings	(3,790,920)	(7,573,816)
Proceeds from long-term borrowings	3,980,489	11,238,793
Repayments of long-term borrowings	(11,242,000)	(8,809,900)
(Decrease) increase in other payables to related parties	(5,455)	614,682
Payments of lease liabilities	(230,679)	(197,327)
Increase (decrease) in other non-current liabilities	147,866	(6,824)
Cash dividends paid	(5,381,213)	(5,022,465)
<b>Net cash flows used in financing activities</b>	<u>(16,521,912)</u>	<u>(9,756,857)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(231,324)	1,229,578
<b>Net (decrease) increase in cash and cash equivalents</b>	(14,317,574)	7,662,731
<b>Cash and cash equivalents at beginning of period</b>	42,450,643	34,787,912
<b>Cash and cash equivalents at end of period</b>	<u><u>\$ 28,133,069</u></u>	<u><u>42,450,643</u></u>

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

Appendix 5

**Inventec Corporation**  
**Profit Distribution Table**  
**Year 2023**

	Unit: NTD \$
Items:	Total amount
Beginning retained earnings	2,027,742,942
Add: Defined benefit plans remeasurement	9,139,570
Less: Proceeds from disposal of financial assets at fair value through other comprehensive income	(3,662,689)
Add: Net profit after tax	6,130,732,247
Less: Legal reserve	(613,620,913)
Add: Reversed Special Reserve	799,300,951
Distributable net profit	8,349,632,108
Less: Distributable items:	
Cash Dividend to shareholders (NT\$1.5 per share)	(5,381,212,599)
Unappropriated retained earnings	2,968,419,509