

AV TECH CORPORATION

Minutes of the Shareholders' Meeting for the Year 112

- 一、Time: 9:00 AM on June 21 (Wednesday), 2023
- 二、Place: 4F, E Building, No. 19-11, San Chung Rd. Nangang Dist., Taipei City, Taiwan(Nangang Soft Sports Center Conference Room)
- 三、Attendance : Attendance: Shareholders' representatives attending in person and by proxy, totaling 50,110,760 shares (including 50,106,895 electronic voting shares), accounting for 62.63% of the total issued shares of the company, which is 80,000,000 shares
- 四、Chairperson: Chairman Chen Shizhong.
Recorder: Zhang Tongxia
- 五、Attendees: Director Wang, Independent Director Zhi Ming Wang, Independent Director Jia Wei Lai, Accountant Yu-Ling Tsai from Deloitte, and Financial Manager Min Hui Lin
- 六、The number of attending shareholders' representatives has reached the required legal threshold. The chairperson declares the meeting open
- 七、Chairperson's Opening Remarks: Omitted
- 八、Report Items :
 - (一) Operating Report for the Year 111 of the Republic of China. (Please refer to Attachment 1)
 - (二) Audit Committee's review of the Financial Statements for the Year 111. (Please refer to Attachment 2)
 - (三) Report on the Distribution of Cash Dividends for the Year 111. (Please refer to Attachment 3)
 - (四) Report on Employee Compensation and Director Remuneration. (Please refer to Attachment 4)
- 九、Matters for Recognition
Case 1: Proposed by the Board of Directors
Subject: Recognition of the Operating Report and Financial Statements for the Year 111.
Explanation:
 - (1) The financial statements for the fiscal year 2022 of our company, including the balance sheet, income statement, statement of changes in equity, and cash flow statement, have been audited and completed by accountants Yu-Ling Tsai and Jian-Liang Liu from Deloitte.
 - (2) The operating report for the Year 111, please refer to Attachment 1. The auditor's report and the aforementioned financial statements can be found in Attachment 5.

Resolution: By voting, with a total voting power of 50,110,760 shares present, 49,024,350 shares were in favor, 42,248 shares were against, 0 shares were deemed invalid, and 1,044,162 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 97.83% of the total voting power of the shareholders present).

Case 2: Proposed by the Board of Directors
Subject: Recognition of Profit Distribution for the Year 111.
Explanation:

- (1) At the beginning of the year, undistributed earnings amounted to NT\$287,661,646. The net profit after tax for the current year is NT\$94,570,639. After adjusting for the re-measurement of defined benefit plans of NT\$2,053,826 and deducting the

retained earnings of investments accounted for using the equity method of NT\$94,784, the adjusted net profit after tax for the current year is NT\$96,529,681. After allocating statutory surplus reserves of NT\$9,652,968 and special surplus reserves in accordance with the law of NT\$209,724, the distributable earnings amount to NT\$374,328,635.

- (2) An allocation of NT\$80,000,000 in total is proposed for the distribution of cash dividends to shareholders, with a dividend of NT\$1 per share.
- (3) Profit distribution statement for the Year 111, please refer to Attachment6.

Resolution: By voting, with a total voting power of 50,110,760 shares present, 49,024,350 shares voted in favor, 42,248 shares voted against, 0 shares were deemed invalid, and 1,044,162 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 97.83% of the total voting power of the shareholders present).

十、Discussion Items

Case 1: Proposed by the Board of Directors

Subject: Amendment to the Procedures for Fund Loans and Endorsement Guarantees.

Explanation: Please refer to Attachment 7 for the comparison table of the amended provisions of the Procedures for Fund Loans and Endorsement Guarantees.

Resolution: By voting, with a total voting power of 50,110,760 shares present, 49,001,853 shares voted in favor, 50,797 shares voted against, 0 shares were deemed invalid, and 1,058,110 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 97.78% of the total voting power of the shareholders present).

Case 2: Proposed by the Board of Directors

Subject: Amendment to the Shareholders' Meeting Rules.

Explanation: Please refer to Attachment 8 for the comparison table of the amended provisions of the Shareholders' Meeting Rules.

Resolution: By voting, with a total voting power of 50,110,760 shares present, 49,008,473 shares voted in favor, 46,072 shares voted against, 0 shares were deemed invalid, and 1,056,215 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 97.80% of the total voting power of the shareholders present).

十一、 No motion for an emergency resolution

十二、 After confirming that there are no other motions for emergency resolutions, the chairperson announces the conclusion of the meeting and adjourns it.

Chairperson: Chen Shi Zhong

Recorder: Zhang Tong Xia

Matters to Be Reported

2022 Business Report

Proposed by the Board

Dear Shareholders:

1. 2022 Consolidated Statements

(1) Consolidated operating results

2022 The annual consolidated net operating income is 1,231,209 thousand yuan, a decrease compared with the same period last year 9%; Consolidated Gross Margin 18%, an increase over the same period last year 1 percentage points; consolidated operating net profit 26,859 Thousands of yuan, plus net non-operating income 104,062 After thousands of yuan, the current net profit attributable to the owner 94,571 thousand yuan, basic earnings per share 1.18 yuan.

(2) Consolidated financial revenue and expenditure and profitability analysis

Project		2022	2021
Finance structure	Liabilities to Assets Ratio(%)	7	12
	Ratio of long-term funds to fixed assets(%)	319	321
Debt repayment ability	Current ratio(%)	1,246	626
	Speed ratio(%)	1,074	506
	Return on assets(%)	3.7	1.2
Profit ability	ROE(%)	4.2	1.4
	Profit rate(%)	9	3
	Earnings per share(Yuan)	1.18	0.39

2. 2022 Business Performance Review

(1) Semiconductor Sales Department 2022 Sales Revenue 1,022,159 thousand yuan, a decrease from the same period last year 7.6%, The reason for the recession comes from the reversal of the semiconductor demand boom, the accumulation of customer

inventory, and the supply exceeding the demand, which leads to the failure of sales revenue to grow.

(2)2022 The gross profit margin and expenses of the annual semiconductor sales department are properly controlled, and the US dollar is exchanged for benefits 15,594 With a bet of thousands of yuan, the semiconductor sales department made a net profit 66,427 thousand yuan increased compared with the same period last year 46%. In the third and fourth quarters, inventory adjustments were carried out, and the strategy of insufficient supply and delayed delivery of purchases was carried out, and the inventory tended to be healthy.

(3)Security monitoring and other departments 2022 Sales Revenue 209,050 thousand yuan, a decrease compared with the same period last year 16%, the main cause part OEM The customer transfer order affects the sales amount. The amount of fixed expenses did not increase compared with the same period last year, and the net profit of security monitoring and other departments 18,422 thousand yuan.

3. 2023 Business Plan Outline:

1. Semiconductor Sales Agency:

- I. Focusing on industries with high stability and long life cycle, the existing product line will be deepened and expanded. Industrial control, communication and automotive IPC And other markets are the focus of attack, and the integrated agency product line meets the needs of customers for one-time purchase.
- II. In response to the market opportunities derived from the Sino-US trade war, we cooperate with third-place warehousing cooperative manufacturers to speed up customer supply and strive for business opportunities.
- III. In-depth grasp of customer demand and inventory, and start insufficient supply when necessary, to avoid the risk of high inventory that cannot be eliminated in time.
- IV. Actively strive for new product agency lines and expand customer base.

2. Security monitoring related business:

- I. Research and development focus on back-end storage technology, combined with smart image detection, image recognition related technologies and applications, promote DVR 、 NVR 、 WiFi NVR Product Features. Front-end application products such as network cameras adopt a technology integration model to extend R&D resources.
- II. Independent research and development of non-land system solution network camera, full series Made in Taiwan Striving for customized products NDAA market opportunities.

- III. Continue to expand the old and new domestic and foreign distribution systems, and expand horizontally S/I Membership certification, deep cultivation of downstream customers in the Taiwan market.
- IV. Integrate R&D and marketing resources to develop license plate recognition systems, lost finders and digital control systems in line with green buildings and smart homes, 2021 active operation to establish a channel foundation, 2023 investment in marketing talents to enhance market exposure.

Above report

Chen Shizhong

Attachment 2

Review By The Audit Committee 2022 Financial Statement Report

Proposed by the Board

AV TECH CORPORATION

Audit Committee Audit Report

The board of directors sent the company to the 2022 business report, financial statement and profit distribution proposal, among which the financial statement has been audited and completed by Qinye Zhongxin United Accounting Firm, and an audit report has been issued. The above-mentioned business report, financial statement and profit distribution proposal have been checked by the Audit Committee, and there is no discrepancy. Please report as above in accordance with the provisions of Article 14-4 of the Securities and Exchange Law and Article 219 of the Company Law. nuclear.

AV TECH CORPORATION

Chairman of the Audit Committee: Wang Zhiming

Member of Audit Committee: Cai Yizhen

Member of Audit Committee: Lai Jiawei

Member of Audit Committee: Zhong Jinling

March 29, 2023

2022 Cash Dividend Distribution Report

Proposed by the Board

Explanation:

- (1) According to the company law and the company's articles of association, if the company's dividends are paid in cash, more than two-thirds of the directors present at the board of directors and a resolution of more than half of the directors present can distribute all or part of the dividends and bonuses that should be distributed. In the form of cash, and report to the shareholders' meeting.
- (2) Our company 2022 Proposed cash dividend of ordinary shares in New Taiwan dollars per share¹ The base date for distribution of cash dividends, the date of closure of account transfers, the date of distribution and other related matters have been approved by the board of directors and authorized by the chairman to handle them with full authority.
- (3) Later, when the distribution ratio needs to be adjusted due to factors such as changes in laws or adjustments by the competent authority, or the company's repurchase of the company's shares that affects the number of outstanding shares, etc., the board of directors has authorized the chairman to adjust the distribution ratio.
- (4) The distribution of cash dividends will be calculated up to RMB according to the distribution ratio, rounded up below RMB, and the total amount of abnormal payments less than RMB 1 will be included in other income of the company.

Attachment 4

Report On Employee Remuneration and Director Remuneration

Proposed by the Board

Explanation:

- (1) Pursuant to Article 18 of the company's articles of association, the company shall use the annual pre-tax net profit to deduct the benefits before distributing employee remuneration and director's remuneration 6%. The remuneration of directors shall not exceed 3%.

2022 The net profit before tax before deducting distribution of employee remuneration and director remuneration in the annual final accounts is not low 6% List employee remuneration 6,535,306 Yuan, the remuneration of directors shall not exceed 3% provision 2,092,596 Yuan. All remuneration will be paid in cash, the above resolutions and 2022 There is no difference in the amount of annual recognized expenses.

Attachment 5
INDEPENDENT AUDITORS' REPORT

AVTECH CORPORATION

Opinion

We have audited the accompanying financial statements of AVTECH CORPORATION (the "Company"), which comprise the balance sheets 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended 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 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 for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. 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.

The key audit matter identified in the Company's financial statements for the year ended December 31, 2022 is described as follows:

Authenticity of specific sales income for investment subsidiaries using the equity method

The Company holds a subsidiary invested by the equity method for the year ended December 31, 2022 operating income, the sales income from specific customers of electronic materials has significant changes compared with the previous year, and the transaction amount of these customers is significant to the overall operating income. Therefore, the sales income of these specific customers Authenticity is listed as a key verification item.

Please refer to Note 4 of the Consolidated Financial Statements for descriptions of accounting policies related to sales revenue.

The main verification procedures that our accountants have implemented for the authenticity of the above-mentioned specific sales revenue are as follows:

We obtained an understanding and tested the design and operating effectiveness of key controls over revenue recognition.

1. Understand and test the effectiveness of the design and implementation of the main internal control system for the authenticity of specific sales revenue.
2. Understand the rationality of the transaction conditions and revenue recognition of specific sales revenue objects.
3. Sampling and checking transaction documents for specific sales revenue, including shipping documents and receipt documents, etc., to confirm that the significant risks and rewards of commodity ownership have been transferred to the buyer.
4. Sampling and checking the specific sales revenue and payment collection situation after the sales date, and confirming the rationality of the sales revenue recognition.

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.

Auditors' 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 auditors' 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 and appropriate audit evidence regarding the financial information of entities or business activities within the Company 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 for the year ended December 31, 2022 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 audits resulting in this independent auditors' report are Cai Youling and Liu Jianliang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Notice to Readers

The accompanying 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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 financial statements, the Chinese version shall prevail.

AV TECH CORPORATION
INDIVIDUAL BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Code	Asset	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes 6)	\$ 520,081	23	\$ 539,247	25
1110	Financial assets at fair value through profit or loss (Notes 7)	3,362	-	4,990	-
1136	Financial assets at amortized cost(Notes 8)	490,769	22	441,366	20
1170	Accounts receivable(Notes 9 and 28)	1,303	-	4,745	-
1200	Other receivables (Note 28)	716	-	2,063	-
1220	Current income tax assets (Note 22)	572	-	418	-
130X	Inventories (Note 10)	2,439	-	5,966	-
1479	Other current assets	<u>11</u>	<u>-</u>	<u>5</u>	<u>-</u>
11XX	Total Current Assets	<u>1,019,253</u>	<u>45</u>	<u>998,800</u>	<u>45</u>
	Non-current assets				
1550	Investments using the equity method (Note 11)	480,457	21	419,716	19
1600	Property, plant and equipment (Note 12)	682,022	30	688,497	31
1760	Investment real estate (Note 14)	65,916	3	66,557	3
1840	Deferred income tax assets (Note 22)	20,196	1	22,851	1
1975	Net defined benefit assets (Note 18)	16,182	-	12,878	1
1990	Other non-current assets (Note 15)	<u>2,719</u>	<u>-</u>	<u>2,719</u>	<u>-</u>
15XX	Total non-current assets	<u>1,267,492</u>	<u>55</u>	<u>1,213,218</u>	<u>55</u>
1XXX	Total assets	<u>\$ 2,286,745</u>	<u>100</u>	<u>\$ 2,212,018</u>	<u>100</u>
	Liabilities and equity				
	Current liabilities				
2130	Contract liabilities (Note 20)	\$ 915	-	\$ 823	-
2170	Accounts payable (Note 16)	-	-	106	-
2219	Other payables (Notes 17 and 28)	15,119	1	12,617	1
2220	Other payables - related parties (Note 28)	272	-	-	-
2399	Other current liabilities	<u>94</u>	<u>-</u>	<u>452</u>	<u>-</u>
21XX	Total current liabilities	<u>16,400</u>	<u>1</u>	<u>13,998</u>	<u>1</u>
	Non-current liabilities				
2570	Deferred income tax liabilities (Note 22)	6,133	-	2,552	-
2645	Deposit Margin	<u>3,710</u>	<u>-</u>	<u>3,564</u>	<u>-</u>
25XX	Total non-current liabilities	<u>9,843</u>	<u>-</u>	<u>6,116</u>	<u>-</u>
2XXX	Total liabilities	<u>26,243</u>	<u>1</u>	<u>20,114</u>	<u>1</u>
	Equity (Note 19)				
3110	Common stock capital	<u>800,000</u>	<u>35</u>	<u>800,000</u>	<u>36</u>
3271	Capital reserve	<u>17,722</u>	<u>1</u>	<u>17,444</u>	<u>1</u>
	Retained earnings				
3310	Statutory surplus reserve	1,058,800	46	1,055,882	48
3320	Special surplus reserve	8,806	-	5,982	-
3350	Undistributed surplus	<u>384,189</u>	<u>17</u>	<u>321,402</u>	<u>14</u>
3300	Total retained earnings	<u>1,451,795</u>	<u>63</u>	<u>1,383,266</u>	<u>62</u>
	Other interests				
3410	Exchange difference on translation of financial statements of foreign operating institutions	1,815	-	759	-
3420	Unrealized financial assets at fair value through other comprehensive income				
	the loss	<u>(10,830)</u>	<u>-</u>	<u>(9,565)</u>	<u>-</u>
3400	Total other equity	<u>(9,015)</u>	<u>-</u>	<u>(8,806)</u>	<u>-</u>
3XXX	Total equity	<u>2,260,502</u>	<u>99</u>	<u>2,191,904</u>	<u>99</u>
	Total liabilities and equity	<u>\$ 2,286,745</u>	<u>100</u>	<u>\$ 2,212,018</u>	<u>100</u>

The appended notes are part of this individual financial report.

AV TECH CORPORATION
INDIVIDUAL CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2022		2021	
		Amount	%	Amount	%
4111	Sales receipts (Notes 20 and 28)	\$ 6,266	100	\$ 12,111	100
5000	Operating costs (Notes 10,18,21 and 28)	<u>6,754</u>	<u>108</u>	<u>13,562</u>	<u>112</u>
5900	Gross operating loss	(<u>488</u>)	(<u>8</u>)	(<u>1,451</u>)	(<u>12</u>)
	Operating expenses (Notes 18 and 21)				
6200	Management costs	51,996	830	42,700	353
6450	Expected credit impairment losses (Note 9)				
		<u>4,530</u>	<u>72</u>	<u>990</u>	<u>8</u>
6000	Total operating expenses	<u>56,526</u>	<u>902</u>	<u>43,690</u>	<u>361</u>
6900	Net operating loss	(<u>57,014</u>)	(<u>910</u>)	(<u>45,141</u>)	(<u>373</u>)
	Non-operating income and expenses				
7100	Interest income	9,093	145	3,894	32
7010	Other income (Notes 21 and 28)	51,874	828	46,764	386
7020	Other gains and losses(Notes 21 and 28)				
		32,492	518	(8,447)	(69)
7070	Subsidiary interests using the equity method profit share	<u>63,849</u>	<u>1,019</u>	<u>37,406</u>	<u>309</u>
7000	Non-operating income and expenses total	<u>157,308</u>	<u>2,510</u>	<u>79,617</u>	<u>658</u>
7900	Net profit before tax	100,294	1,600	34,476	285
7950	Income tax expenses(Note 22)	<u>5,723</u>	<u>91</u>	<u>3,502</u>	<u>29</u>
8200	Net profit for the year	<u>94,571</u>	<u>1,509</u>	<u>30,974</u>	<u>256</u>

(Continued)

Code		2022		2021	
		Amount	%	Amount	%
8310	Other comprehensive income Items not reclassified to profit or loss				
8311	Defined benefit plan Measurements (Note 18)	\$ 2,566	41	\$ 1,572	13
8320	Recognition by equity method				
8349	Other comprehensive losses of the company share of benefits Items not to be reclassified Relevant income tax (Note 22)	(1,360)	(22)	(3,797)	(31)
		<u>513</u>	<u>8</u>	<u>314</u>	<u>3</u>
		<u>693</u>	<u>11</u>	<u>2,539</u>	<u>21</u>
8360	Subsequent possible reclassification to profit or loss of the project				
8361	Finance of foreign operating institutions Conversion of statement conversion				
	Difference (Note 19)	<u>1,056</u>	<u>17</u>	<u>974</u>	<u>8</u>
8300	Other comprehensive losses for the year Benefit(net of tax)	<u>1,749</u>	<u>28</u>	<u>(1,565)</u>	<u>(13)</u>
8500	Total comprehensive profit and loss for the year	<u>\$ 96,320</u>	<u>1,537</u>	<u>\$ 29,409</u>	<u>243</u>
	Earnings per share (Note 23)				
9750	Basic	<u>\$ 1.18</u>		<u>\$ 0.39</u>	
9850	Dilute	<u>\$ 1.18</u>		<u>\$ 0.39</u>	

The appended notes are part of this individual financial report.

AV TECH CORPORATION
STATEMENT OF CHANGES IN INDIVIDUAL EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Code		Ordinary shares		Capital Surplus	Retained Earnings			Total	Other rights and interests		Total	Total Equity
		Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
A1	Balance at January 1, 2021	80,000	\$ 800,000	\$ 17,461	\$ 1,055,882	\$ 3,462	\$ 310,739	\$ 1,370,083	(\$ 215)	(\$ 5,768)	(\$ 5,983)	\$ 2,181,561
B3	Appropriation of 2020 earnings											
	Special reserve	-	-	-	-	2,520	(2,520)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(16,000)	(16,000)	-	-	-	(16,000)
D1	2021 net profit	-	-	-	-	-	30,974	30,974	-	-	-	30,974
D3	2021 after-tax other comprehensive income	-	-	-	-	-	1,258	1,258	974	(3,797)	(2,823)	(1,565)
D5	2021 Total comprehensive profit and loss	-	-	-	-	-	32,232	32,232	974	(3,797)	(2,823)	29,409
M7	Changes in ownership interests in subsidiaries	-	-	(17)	-	-	(3,049)	(3,049)	-	-	-	(3,066)
Z1	Balance at December 31, 2021	80,000	800,000	17,444	1,055,882	5,982	321,402	1,383,266	759	(9,565)	(8,806)	2,191,904
B1	Appropriation of 2021 earnings											
	Legal reserve	-	-	-	2,918	-	(2,918)	-	-	-	-	-
B3	Special reserve	-	-	-	-	2,824	(2,824)	-	-	-	-	-
B5	Cash dividend	-	-	-	-	-	(28,000)	(28,000)	-	-	-	(28,000)
D1	2022 net profit	-	-	-	-	-	94,571	94,571	-	-	-	94,571
D3	2022 Annual after-tax other comprehensive income	-	-	-	-	-	2,053	2,053	1,056	(1,360)	(304)	1,749
D5	2022 Total comprehensive profit and loss	-	-	-	-	-	96,624	96,624	1,056	(1,360)	(304)	96,320
M3	Subsidiaries	-	-	-	-	-	(95)	(95)	-	95	95	-
M5	Handle the share price and book value of subsidiaries the difference	-	-	40	-	-	-	-	-	-	-	40
M7	Changes in ownership interests in subsidiaries	-	-	238	-	-	-	-	-	-	-	238
Z1	Balance at December 31, 2022	80,000	\$ 800,000	\$ 17,722	\$ 1,058,800	\$ 8,806	\$ 384,189	\$ 1,451,795	\$ 1,815	(\$ 10,830)	(\$ 9,015)	\$ 2,260,502

The appended notes are part of this individual financial report.

AV TECH CORPORATION
INDIVIDUAL CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

Code		2022	2021
	Net cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 100,294	\$ 34,476
A20010	Income expense item		
A20100	Depreciation expenses (including investment real estate)	7,116	7,241
A20300	Expected credit impairment losses	4,530	990
A20400	Amount at fair value through profit or loss Financial Asset Loss (Profit)	399	(3,131)
A21200	Interest income	(9,093)	(3,894)
A21300	Dividend income	(129)	(209)
A22400	Interest share of subsidiaries using the equity method	(63,849)	(37,406)
A22500	Disposal of interests in real property, plant and equipment	(29)	(62)
A23700	Inventory depreciation and sluggish loss	449	-
A24100	Net unrealized foreign currency exchange (benefit) loss lose	(30,768)	16,782
A29900	Write-off of payables overdue for two years	(840)	(1,886)
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	(293)	(295)
A31180	Other receivables	1,347	(1,726)
A31200	Inventory	3,078	9,066
A31230	Net defined benefit assets	(738)	(46)
A31240	Other current assets	(6)	46
A32125	Contract liabilities	92	(634)
A32150	Accounts payable	(106)	(114)
A32180	Other payables	3,614	3,865
A32230	Other current liabilities	(358)	249
A33000	Cash inflow from operations	14,710	23,312
A33500	(Payment) Refund of Income Tax	(154)	331
AAAA	Net cash inflow from operating activities	<u>14,556</u>	<u>23,643</u>
	Cash flow from investing activities		
B00040	Acquisition of financial assets measured at amortized cost	(638,906)	(630,178)
B00050	Disposal of financial assets measured at amortized cost	596,582	635,715

(Continued)

Code		2022	2021
B00100	Obtaining funds at fair value through profit or loss financial assets	\$ -	(\$ 3,280)
B00200	Disposal of funds at fair value through profit or loss financial assets	1,229	8,789
B02800	Disposal of real estate, plant and equipment prices	29	62
B07100	Increase in prepaid equipment	-	(2,500)
B07500	Interest charged	9,093	3,894
B07600	Receive cash dividends from subsidiaries	1,082	25,576
B09900	Receive other cash dividends	<u>129</u>	<u>209</u>
BBBB	Net cash flow (outflow) from investing activities	(<u>30,762</u>)	<u>38,287</u>
	Cash Flow from Financing Activities		
C03000	Deposit Margin Increase	146	1,134
C04500	Pay cash dividends	(28,000)	(16,000)
C05500	Disposal of part of the equity price of the subsidiary company	<u>2,000</u>	<u>-</u>
CCCC	Net cash outflow from financing activities	(<u>25,854</u>)	(<u>14,866</u>)
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>22,894</u>	(<u>2,178</u>)
EEEE	Net (decrease) increase in cash and cash equivalents	(19,166)	44,886
E00100	Cash and equivalent cash balance at the beginning of the year	<u>539,247</u>	<u>494,361</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 520,081</u>	<u>\$ 539,247</u>

The appended notes are part of this individual financial report.

Audit Report

AVTECH CORPORATION

Opinion

We have audited the accompanying consolidated balance sheets of Sheng Tai Technology Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements (including a summary of significant accounting policies). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Sheng Tai Technology Co., Ltd. and its subsidiaries as of December 31, 2022 and 2021, and the consolidated results of their operations and their cash flows for the years then ended in accordance with Financial Reporting Standards promulgated by the Financial Supervisory Commission in Taiwan, and the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audits in accordance with the Rules Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Auditing Standards promulgated by the Accounting Research and Development Foundation in Taiwan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of Sheng Tai Technology Co., Ltd. and its subsidiaries in accordance with the Code of Ethics for Professional Accountants in Taiwan 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 for our audit 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 Sheng Tai Technology Co., Ltd. and its subsidiaries for the year ended December 31, 2022. 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.

Key Audit Matters of Combined Financial Statements for the Year Ended 2022 of Sheng Tai Technology Co., Ltd. and its subsidiaries are described as follows:

Validity of Specific Sales Revenue

Shengtai Technology Co., Ltd. and its subsidiaries 2022 In the annual operating income, the sales income from specific customers of electronic materials has significant changes compared with the previous year, and the transaction amount of these customers is significant to the overall operating income. Therefore, the sales income of these specific customers Authenticity is listed as a key verification item.

Please refer to Note 4 to the Consolidated Financial Statements for descriptions of accounting policies related to sales revenue. The main verification procedures that our accountants have implemented for the authenticity of the above-mentioned specific sales revenue are as follows:

1. Understand and test the effectiveness of the design and implementation of the main internal control system for the authenticity of specific sales revenue.
2. Understand the rationality of the transaction conditions and revenue recognition of specific sales revenue objects.
3. Sampling and checking the transaction documents for specific sales revenue, including shipping documents and receipt documents, etc., to confirm that the significant risks and rewards of commodity ownership have been transferred to the buyer.
4. Sampling and checking the specific sales revenue and payment collection situation after the sales date, and confirming the rationality of the sales revenue recognition.

Something else

Shengtai Technology Co., Ltd. has compiled the 2022 and 2021 The individual financial statements for the year and the audit report with unqualified opinions issued by our accountants are on file for reference.

Responsibilities of management and governing units for the consolidated financial statements

The responsibility of the management is to prepare consolidated financial statements that are reasonably expressed in accordance with the Financial Reporting Standards for Securities Issuers and the International Financial Reporting Standards, International Accounting Standards,

Interpretations and Interpretations that have been approved and issued by the Financial Supervisory Commission, and maintain and consolidate financial statements. Necessary content related to report preparation Internal controls are in place to ensure that the consolidated financial statements are free from material misrepresentation attributable to fraud or error.

When preparing the consolidated financial statements, the responsibility of the management also includes evaluating the ability of Shengtai Technology Co., Ltd. and its subsidiaries to continue operating, the disclosure of related matters, and the adoption of the accounting basis for continuing operations, unless the management intends to liquidate Shengtai Technology A company limited by shares and its subsidiaries may cease to operate, or there is no practical alternative to liquidation or closure.

The governance units (including the audit committee) of Ascend Technology Co., Ltd. and its subsidiaries are responsible for supervising the financial reporting process.

Responsibilities of accountants to check the consolidated financial statements

The purpose of the accountant's review of the consolidated financial statements is to obtain reasonable confidence as to whether there is a material misrepresentation in the consolidated financial statements as a whole that is caused by fraud or error, and to issue a review report. Reasonable belief is a high degree of belief, but the inspection work performed in accordance with the auditing standards cannot guarantee that it will be able to detect material misrepresentations in the consolidated financial statements. Misrepresentation may result from fraud or error.

Misrepresentation of individual amounts or aggregated amounts is considered material if it can reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

The accountant shall use professional judgment and professional skepticism when auditing in accordance with the auditing standards. The accountant also performs the following tasks:

1. The guidance of recognition and evaluating the compliance of the compliance is due to the disadvantages or the significant incompetence of the disadvantages or errors. Because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls, the risk of not detecting material misrepresentations resulting from fraud is higher than those resulting from error.
2. Obtain the necessary understanding of the internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of Shengtai Technology Co., Ltd. and its subsidiaries.

3. Assess the adequacy of accounting policies adopted by management and the reasonableness of accounting estimates and related disclosures made by management.
4. Based on the audit evidence obtained, whether there is a material uncertainty about the appropriateness of management's adoption of the going concern basis of accounting, and about events or circumstances that may cast significant doubt on the ability of Ascend Technology Co., Ltd. and its subsidiaries to continue as a going concern, draw conclusions. If the accountant considers If there are major uncertainties in such events or circumstances, users of the consolidated financial statements must be reminded to pay attention to the relevant disclosures in the consolidated financial statements in the review report, or the review opinions should be revised when such disclosures are inappropriate. The conclusions of the accountants are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause Shengtai Technology Co., Ltd. and its subsidiaries to no longer have the ability to continue operating.
5. Assess the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements allow for the proper presentation of relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence on the financial information of the individual constituents within the group to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and execution of the group audit case, and is responsible for forming the group audit opinion.

The matters communicated by the accountant with the governing unit include the scope and time of the planned audit, as well as major audit findings (including the obvious lack of internal control identified during the audit).

The accountant also provides the governing unit with the statement that the personnel of the accounting firm that is subject to independence regulations have complied with the statement of independence in the code of professional ethics for accountants, and communicates with the governing unit all relationships that may be considered to affect the independence of the accountant and other matters. Matters (including relevant protective measures).

Based on the matters communicated with the governing unit, the accountant decided to make a decision on Shengtai Technology Co., Ltd. and its subsidiary, the 2022 Key audit items in the audit of the annual consolidated financial statements. The accountant states these matters in the audit report, unless the law does not allow public disclosure of specific matters, or in extremely

rare circumstances, the accountant decides not to communicate specific matters in the audit report, because the negative effects of such communication can be reasonably expected. The impact outweighs the public interest promoted.

The engagement partners on the audits resulting in this independent auditors' report are Cai Youling and Liu Jianliang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 29, 2023

Notice to Readers

The accompanying 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 financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying 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 financial statements, the Chinese version shall prevail.

AV TECH CORPORATION and its subsidiaries
CONSOLIDATED BALANCE SHEET
(In Thousands of New Taiwan Dollars)

Code	Asset	December31, 2022		December31, 2021	
		Amount	%	Amount	%
Current Assets					
1100	Cash and cash equivalents (Note 6)	\$ 702,996	28	\$ 664,166	26
1110	Financial assets at fair value through profit or loss (Note VII)	3,362	-	4,990	-
1136	Financial assets measured at amortized cost (Note 9)	505,375	20	462,834	18
1150	Notes receivable (Note X)	1,380	-	3,750	-
1170	Accounts receivable (Notes 10 and 31)	259,630	10	269,672	11
1200	Other receivables (Note 31)	295	-	923	-
1221	Current income tax assets (Note 25)	705	-	541	-
130X	Inventories (Note XI)	202,519	8	315,090	12
1479	Other current assets	33,431	1	30,089	1
11XX	Total Current Assets	<u>1,709,693</u>	<u>67</u>	<u>1,752,055</u>	<u>68</u>
Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current (note eight)	1,959	-	3,787	-
1535	Financial assets measured at amortized cost (Notes 9 and 32)	16,100	1	28,900	1
1550	Investments using the equity method (Note 13)	8,891	-	6,368	-
1600	Property, plant and equipment (Note XIV)	713,282	28	719,686	28
1760	Investment real estate (Note XVI)	36,472	2	36,747	1
1840	Deferred income tax assets (Note 25)	27,528	1	29,225	1
1975	Net defined benefit assets (Note 21)	16,182	1	12,878	1
1990	Other non-current assets (Note XVII)	3,886	-	4,220	-
15XX	Total non-current assets	<u>824,300</u>	<u>33</u>	<u>841,811</u>	<u>32</u>
1XXX	Total assets	<u>\$ 2,533,993</u>	<u>100</u>	<u>\$ 2,593,866</u>	<u>100</u>
L i a b i l i t i e s a n d e q u i t y					
Current liabilities					
2130	Contract liabilities (Note 23)	\$ 8,618	-	\$ 14,174	1
2170	Accounts payable (Note XVIII)	62,760	3	187,168	7
2219	Other payables (Note 19)	50,509	2	67,726	3
2230	Current income tax liabilities (Note 25)	15,016	1	8,862	-
2399	Other current liabilities	342	-	5,547	-
21XX	Total current liabilities	<u>137,245</u>	<u>6</u>	<u>283,477</u>	<u>11</u>
Non-current liabilities					
2550	Provision for liabilities (Note 20)	21,626	1	21,626	1
2570	Deferred income tax liabilities (Note 25)	6,213	-	2,552	-
2645	Deposit Margin	3,710	-	3,564	-
25XX	Total non-current liabilities	<u>31,549</u>	<u>1</u>	<u>27,742</u>	<u>1</u>
2XXX	Total liabilities	<u>168,794</u>	<u>7</u>	<u>311,219</u>	<u>12</u>
Equity attributable to owners of the Company (Notes 22 and 27)					
3110	Common stock capital	800,000	31	800,000	31
3271	Capital reserve	17,722	1	17,444	1
Retained earnings					
3310	Statutory surplus reserve	1,058,800	42	1,055,882	41
3320	Special surplus reserve	8,806	-	5,982	-
3350	Undistributed surplus	384,189	15	321,402	12
3300	Total retained earnings	<u>1,451,795</u>	<u>57</u>	<u>1,383,266</u>	<u>53</u>
Other interests					
3410	Exchange difference on translation of financial statements of foreign operating institutions	1,815	-	759	-
3420	Unrealized losses on financial assets at fair value through other comprehensive income	(10,830)	-	(9,565)	(1)
3400	Total other equity	(9,015)	-	(8,806)	(1)
31XX	Total owner's equity of the company	<u>2,260,502</u>	<u>89</u>	<u>2,191,904</u>	<u>84</u>
36XX	Non-controlling interests (Notes 22 and 27)	<u>104,697</u>	<u>4</u>	<u>90,743</u>	<u>4</u>
3XXX	Total equity	<u>2,365,199</u>	<u>93</u>	<u>2,282,647</u>	<u>88</u>
Total liabilities and equity		<u>\$ 2,533,993</u>	<u>100</u>	<u>\$ 2,593,866</u>	<u>100</u>

The appended notes are part of this consolidated financial report.

AV TECH CORPORATION and its subsidiaries
CONSOLIDATED INCOME STATEMENT
(Expressed in thousands of New Taiwan dollars)

Code		2022		2021	
		Amount	%	Amount	%
4000	Operating income (Notes 23 and 31)	\$ 1,231,209	100	\$ 1,355,756	100
5000	Operating costs (Note XI, XXI, 24 and 31)	<u>1,007,807</u>	<u>82</u>	<u>1,129,362</u>	<u>83</u>
5900	Operating profit	<u>223,402</u>	<u>18</u>	<u>226,394</u>	<u>17</u>
	Operating expenses (Notes 21, 24 and three one)				
6100	Promotional expenses	72,321	6	71,968	5
6200	Management costs	90,368	7	86,594	6
6300	Research and development costs	29,984	3	35,290	3
6450	Expected credit impairment loss (reversal interests)(Note X)	<u>3,870</u>	<u>-</u>	<u>(233)</u>	<u>-</u>
6000	Total operating expenses	<u>196,543</u>	<u>16</u>	<u>193,619</u>	<u>14</u>
6900	Operating profit	<u>26,859</u>	<u>2</u>	<u>32,775</u>	<u>3</u>
	Non-operating income and expenses				
7100	interest income	9,573	1	4,860	-
7010	Other income (Notes 24 and 3 one)	43,582	4	37,392	3
7020	Other gains and losses (Note 2 Four)	50,226	4	(12,673)	(1)
7050	Financial costs	-	-	(462)	-
7060	Losses of affiliated enterprises using the equity method Interest share (Note 13)	<u>681</u>	<u>-</u>	<u>1,468</u>	<u>-</u>
7000	Non-operating income and expenses combined count	<u>104,062</u>	<u>9</u>	<u>30,585</u>	<u>2</u>
7900	Net profit before tax	130,921	11	63,360	5
7950	Income tax expense (Note 25)	<u>24,916</u>	<u>2</u>	<u>20,050</u>	<u>2</u>
8200	Net profit for the year	<u>106,005</u>	<u>9</u>	<u>43,310</u>	<u>3</u>

Code		2022		2021	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Items not reclassified to profit or loss:				
8311	Defined benefit plan rebalancing Quantity (Note 21)	\$ 2,566	-	\$ 1,572	-
8316	Through other comprehensive income				
	Right to measure fair value				
	Benefit instrument investment not realized				
8349	Appraisal loss (Note 22)	(1,540)	-	(3,905)	-
	Items not reclassified related income tax (Note 25)	(513)	-	(314)	-
		<u>513</u>	<u>-</u>	<u>(2,647)</u>	<u>-</u>
8360	Subsequent possible reclassification to profit or loss project:				
8361	Financial reports of foreign operating institutions				
	Exchange difference of table conversion (Note 22)	<u>1,685</u>	<u>-</u>	<u>(258)</u>	<u>-</u>
8300	Other comprehensive income for the year (net of tax)	<u>2,198</u>	<u>-</u>	<u>(2,905)</u>	<u>-</u>
8500	Total comprehensive profit and loss for the year	<u>\$ 108,203</u>	<u>9</u>	<u>\$ 40,405</u>	<u>3</u>
	Net profit attributable to:				
8610	The owner of the company	\$ 94,571	8	\$ 30,974	2
8620	Non-controlling interest	<u>11,434</u>	<u>1</u>	<u>12,336</u>	<u>1</u>
8600		<u>\$ 106,005</u>	<u>9</u>	<u>\$ 43,310</u>	<u>3</u>
	Total comprehensive profit or loss is attributable to:				
8710	The owner of the company	\$ 96,320	8	\$ 29,409	2
8720	non-controlling interest	<u>11,883</u>	<u>1</u>	<u>10,996</u>	<u>1</u>
8700		<u>\$ 108,203</u>	<u>9</u>	<u>\$ 40,405</u>	<u>3</u>
	Earnings per share (Note 26)				
9750	Basic	<u>\$ 1.18</u>		<u>\$ 0.39</u>	
9850	Dilute	<u>\$ 1.18</u>		<u>\$ 0.39</u>	

The appended notes are part of this consolidated financial report.

AV TECH CORPORATION and its subsidiaries

Consolidated Statement of Changes in Equity

(In Thousands of New Taiwan Dollars)

Equity attributable to the owner of the company

Code		Common stock		Retained earnings				Other rights and interests			Non-controlling interest	Total equity		
		Number of shares (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Financial asset or financial liability at fair value through profit unrealized loss			Total	
A1	Balance, January 1, 2021	80,000	\$ 800,000	\$ 17,461	\$ 1,055,882	\$ 3,462	\$ 310,739	\$ 1,370,083	(\$ 215)	(\$ 5,768)	(\$ 5,983)	\$ 2,181,561	\$ 63,747	\$ 2,245,308
B3	2020 Annual Surplus Assignment and Distribution Set aside special surplus reserve	-	-	-	-	2,520	(2,520)	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	-	(16,000)	(16,000)	-	-	-	(16,000)	-	(16,000)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(4,832)	(4,832)
D1	2021 Annual net profit	-	-	-	-	-	30,974	30,974	-	-	-	30,974	12,336	43,310
D3	2021 Annual after-tax other comprehensive income	-	-	-	-	-	1,258	1,258	974	(3,797)	(2,823)	(1,565)	(1,340)	(2,905)
D5	2021 Total annual comprehensive profit and loss	-	-	-	-	-	32,232	32,232	974	(3,797)	(2,823)	29,409	10,996	40,405
M7	Changes in ownership interests in subsidiaries	-	-	(17)	-	-	(3,049)	(3,049)	-	-	-	(3,066)	24,959	21,893
O1	non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(4,127)	(4,127)
Z1	Balance, December 31, 2021	80,000	800,000	17,444	1,055,882	5,982	321,402	1,383,266	759	(9,565)	(8,806)	2,191,904	90,743	2,282,647
B1	2021 Annual Surplus Assignment and Distribution Provision of statutory surplus reserve	-	-	-	2,918	-	(2,918)	-	-	-	-	-	-	-
B3	Set aside special surplus reserve	-	-	-	-	2,824	(2,824)	-	-	-	-	-	-	-
B5	Cash dividends for shareholders of the company	-	-	-	-	-	(28,000)	(28,000)	-	-	-	(28,000)	-	(28,000)
B5	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(1,835)	(1,835)
D1	2022 Annual net profit	-	-	-	-	-	94,571	94,571	-	-	-	94,571	11,434	106,005
D3	2022 Annual after-tax other comprehensive income	-	-	-	-	-	2,053	2,053	1,056	(1,360)	(304)	1,749	449	2,198
D5	2022 Total annual comprehensive profit and loss	-	-	-	-	-	96,624	96,624	1,056	(1,360)	(304)	96,320	11,883	108,203
M3	Subsidiaries	-	-	-	-	-	(95)	(95)	-	95	95	-	(1,396)	(1,396)
M5	Handle the share price and book value of subsidiaries Value difference (Note 28)	-	-	40	-	-	-	-	-	-	-	40	1,960	2,000
O1	non-controlling interest	-	-	238	-	-	-	-	-	-	-	238	3,342	3,580
Z1	Balance, December 31, 2022	80,000	\$ 800,000	\$ 17,722	\$ 1,058,800	\$ 8,806	\$ 384,189	\$ 1,451,795	\$ 1,815	(\$ 10,830)	(\$ 9,015)	\$ 2,260,502	\$ 104,697	\$ 2,365,199

The appended notes are part of this consolidated financial report.

AV TECH CORPORATION and its subsidiaries

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

Code		2022	2021
	Cash flow from operating activities		
A10000	Net profit before tax for the year	\$ 130,921	\$ 63,360
A20010	Income expense item		
A20100	Depreciation expenses (including investment real estate)	7,504	7,333
A20300	Expected credit impairment loss (swing-back benefit)	3,870	(233)
A20400	Financial at fair value through profit or loss		
	Property loss (profit)	399	(3,131)
A20900	Financial costs	-	462
A21200	Interest income	(9,573)	(4,860)
A21300	Dividend income	(129)	(209)
A22300	Interest share of affiliated enterprises adopting equity method	(681)	(1,468)
A22500	Disposal and scrapping of real property, plant and equipment		
	Benefit	(17)	(62)
A23200	Dealing with subsidiaries' interests	(96)	-
A23700	Inventory depreciation and sluggish loss (turnover benefit)	6,628	(370)
A24100	Net unrealized foreign exchange (benefit) loss	(32,317)	5,281
A29900	Write-off of payables overdue for two years	(1,423)	(3,165)
A30000	Net change in operating assets and liabilities		
A31130	Bill receivable	2,370	(1,923)
A31150	Accounts receivable	9,360	14,179
A31180	Other receivables	2,277	11,968
A31200	Inventory	107,739	(137,443)
A31230	Net defined benefit assets	(738)	(46)

A31240	Other current assets	(3,342)	(5,914)
A32125	Contract liabilities	(10,342)	4,270
A32150	Accounts payable	(124,408)	45,018
A32180	Other payables	(17,339)	18,872
A32200	Debt provision	-	(1,374)
A32230	Other current liabilities	(<u>419</u>)	<u>64</u>
A33000	Net cash inflow from operations	70,244	10,609
A33500	Income tax paid	(<u>14,081</u>)	(<u>8,945</u>)
AAAA	Net cash inflow from operating activities	<u>56,163</u>	<u>1,664</u>

Code		2022	2021
	Cash flow from investing activities		
B00010	Acquired at fair value through other comprehensive income		
	amount of financial assets	\$ -	(\$ 5,980)
B00040	Acquisition of financial assets measured at amortized cost	(656,812)	(702,913)
B00050	Disposal of financial assets measured at amortized cost	634,150	759,842
B00100	Acquisition of financial assets at fair value through profit or loss		
	assets	-	(3,280)
B00200	Disposal of financial assets at fair value through profit or loss		
	assets	1,229	8,789
B01900	Net cash outflow of subsidiaries	(2,854)	-
B02700	Acquisition of property, plant and equipment	(855)	(1,280)
B02800	Disposal of real estate, plant and equipment prices	57	62
B03800	Deposit Margin Reduction	334	12,670
B07100	Increase in prepaid equipment	-	(2,500)
B07500	Interest charged	9,573	4,860
B07600	Dividends received	<u>129</u>	<u>209</u>
BBBB	Net cash flow (outflow) from investing activities	<u>(15,049)</u>	<u>70,479</u>
	Cash Flow from Financing Activities		
C00200	Short-term borrowing down	-	(17,459)
C03000	Deposit Margin Increase	146	1,134
C04500	Payment of cash dividends to owners of the company	(28,000)	(16,000)
C05400	Acquisition of subsidiary equity	-	(7,176)
C05400	Disposal of part of the equity price of the subsidiary company	2,000	-
C05500	Cash capital increase from non-controlling interests	3,580	24,942
C05600	Interest paid	-	(462)
C05800	Payment of cash dividends to non-controlling interests	<u>(1,835)</u>	<u>(4,832)</u>
CCCC	Net cash outflow from financing activities	<u>(24,109)</u>	<u>(19,853)</u>
DDDD	Effect of exchange rate changes on cash and cash equivalents	<u>21,825</u>	<u>(4,795)</u>
EEEE	Net increase in cash and cash equivalents	38,830	47,495

E00100	Cash and equivalent cash balance at the beginning of the year	<u>664,166</u>	<u>616,671</u>
E00200	Cash and equivalent cash balance at the end of the year	<u>\$ 702,996</u>	<u>\$ 664,166</u>

The appended notes are part of this consolidated financial report.

AV TECH CORPORATION
2022 Profit Distribution Statement

Unit: NTD \$

Beginning undistributed surplus balance		287,661,646
Add: net profit after tax for the year	94,570,639	
Add: Remeasurements of defined benefit plans	2,053,826	
Less: Adjustment of retained earnings due to investment using the equity method	-94,784	
The net profit after tax of the current period is added to the net profit of the current period, and the items other than the net profit after tax of the current period are included in the current year's undistributed surplus.		96,529,681
Less: Provision of statutory surplus reserve		-9,652,968
Less: Provision of special surplus reserve		-209,724
Surplus available for distribution		374,328,635
Assigned items:		
Less: Shareholder dividends in cash per share ¹ Yuan		-80,000,000
Undistributed surplus at the end of the period		294,328,635

V TECH CORPORATION

**Fund Loan And Endorsement Guarantee Processing Procedure Revision
Comparison Table**

Current provisions	Amended Articles	Explanation
<p>No.8 Article Fund loan and execution time, After prudently assessing the operating conditions of the lender and the conditions for lending, grant Chairman Quan is in Lending of funds shall not exceed the limit of 10% of the net value of the company's latest financial statement.</p> <p>The method of capital loan and interest calculation is based on the market interest rate.</p> <p>The loan period does not exceed one year, but the contract can be renewed after evaluation. When lending funds to others, the necessity, rationality and operational risks should be carefully evaluated.</p> <p>Establish a reference book to record the loan object, amount, date approved by the board of directors, and fund loan date for reference.</p>	<p>No.8 Article Fund loan and execution time, Carefully assess the operating conditions of the lender and the requirements for lending, through Dong after the meeting No more than 100% of the company's latest financial statement net worth Loans of funds are carried out under the limit of 10/10.</p> <p>The method of capital loan and interest calculation is based on the market interest rate. The loan period does not exceed one year, but the contract can be renewed after evaluation.</p> <p>When lending funds to others, the necessity, rationality and operational risks should be carefully evaluated.</p> <p>Establish a reference book to record the loan object, amount, date approved by the board of directors, and fund loan date for reference.</p>	<p>According to the guidelines for handling funds loans and endorsement guarantees of public offering companies 14 Article Amends Fund Loans and Responsibilities director Meeting Handled after resolution, not authorized other people decide.</p>

AV TECH CORPORATION

Shareholders' Meeting Rules Revision Comparison Table

Current provisions	Amended Articles	Explanation
<p>1. Unless otherwise stipulated by laws and regulations, the general meeting of shareholders of the company shall be handled in accordance with these rules.</p>	<p>1. Unless otherwise stipulated by laws and regulations, the general meeting of shareholders of the company shall be Board of Directors call Collect it. The company holds a video conference of the shareholders meeting, except for the public offering of company shares Unless otherwise stipulated in the business management guidelines, it shall be stated in the articles of association and approved by the directors meeting resolution, and the video conference shall be approved by the board of directors with two-thirds of the directors The above-mentioned attendance and resolutions approved by more than half of the directors present shall be carried out.</p>	<p>Taiwan Securities Governance No.11200041 671 No. Reference example for amending the rules of procedure for shareholders' meetings</p>
	<p>Four 1 The company convenes a video meeting of the shareholders' meeting, and shall notify the convening of the shareholders' meeting. Load State the following: 1. Shareholders' participation in video conferences and methods for exercising their rights. 2. Video conference due to natural disasters, accidents or other force majeure The platform or the method of handling barriers to participation in the form of video, at least. Bag Including the following items: (1)Delay or continuation is required due to persistent obstacles that cannot be eliminated before the occurrence meeting The meeting time, and the date when the meeting should be postponed or continued. (2)Shareholders who have not registered to participate in the original shareholders' meeting via video conference are not allowed to participate extend recurring or continuing meetings. (3) Convene a video-assisted shareholders meeting,</p>	<p>Taiwan Securities Governance No.11200041 671 No. Reference example for amending the rules of procedure for shareholders' meetings</p>

	<p>if the video conference cannot be continued discuss, after deducting the number of shares present at the shareholders' meeting via videoconference, the seat When the total number of shares reaches the statutory quota for the meeting of the shareholders' meeting, the shareholders' meeting shall continue to continued If the shareholder participates in the video conference, the number of shares attended shall be included in the The total number of shareholders' shares present shall be regarded as for Abstain.</p> <p>(4)In the event that all motions have been announced and no temporary actions have been taken discuss The situation, its handling method.</p> <p>3. Convene a shareholders' meeting via video conference, and it shall state the share Appropriate alternatives offered by shareholders in distress. decommissioning open Article 44-9 of the Standards for the Handling of Share Affairs of Stock-Issuing Companies Item Except for the specified circumstances, shareholders shall at least provide connection equipment and necessary Assistance, and specify the period during which shareholders can apply to the company and other relevant answer Notes.</p>	
	<p>Four 2</p> <p>When the company holds a video conference of shareholders, it shall East Shareholders who will be in difficulty, provide appropriate alternative measures. Except for public offering share Article 44-9, Item 6 of the Standards for Handling Stock Affairs of Stock Companies Affection In addition, shareholders shall at least be provided with connection equipment and necessary assistance, and shall include bright The period during which shareholders may apply to the company and other relevant Matters needing attention.</p>	<p>Taiwan Securities Governance No.11200041 671 No. Reference example for amending the rules of procedure for shareholders' meetings.</p>