

# AV TECH CORPORATION

## Minutes of the Shareholders' Meeting for the Year 2024

- I. Time: 9:00 AM on June 19 (Wednesday), 2024
- II. Place: 4F, E Building, No. 19-11, San Chung Rd. Nangang Dist., Taipei City, Taiwan(Nangang Soft Sports Center Conference Room)
- III. Attendance : Attendance: Shareholders' representatives attending in person and by proxy, totaling 51,620,605 shares (including 51,616,740 electronic voting shares), accounting for 64.52% of the total issued shares of the company, which is 80,000,000 shares
- IV. Chairperson: Chairman Chen Shizhong.  
Recorder: Zhang Tongxia
- V. Attendees: Independent Director Zhi Ming Wang, Independent Director Jia Wei Lai, Independent Director Chin Ling Chung, Accountant Yu Ling Tsai from Deloitte, and Financial Manager Min Hui Lin
- VI. The number of attending shareholders' representatives has reached the required legal threshold. The chairperson declares the meeting open
- VII. Chairperson's Opening Remarks: Omitted
- VIII. Report Items :
  1. Operating Report for the Year 2023 of the Republic of China. (Please refer to Attachment 1)
  2. Audit Committee's review of the Financial Statements for the Year 2023. (Please refer to Attachment 2)
  3. Report on the Distribution of Cash Dividends for the Year 2023. (Please refer to Attachment 3)
  4. Report on Employee Compensation and Director Remuneration. (Please refer to Attachment 4)
- IX. Matters for Recognition  
Case 1: Proposed by the Board of Directors  
Subject: Recognition of the Operating Report and Financial Statements for the Year 2023.  
Explanation:
  - (1) The financial statements for the fiscal year 2023 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 2023, 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 51,620,605 shares present, 51,268,518 shares were in favor, 68,932 shares were against, 0 shares were deemed invalid, and 283,155 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 99.31% 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 2023.

Explanation:

- (1) At the beginning of the year, undistributed earnings amounted to NT\$294,328,635. The net profit after tax for the current year is NT\$58,603,601. Deducting after adjusting for the re-measurement of defined benefit plans of NT\$829,298, the adjusted net profit after tax for the current year is NT\$57,774,303. After allocating statutory surplus reserves of NT\$5,777,430 and special surplus reserves in accordance with the law of NT\$(4,853,928), the distributable earnings amount to NT\$351,179,436.
- (2) An allocation of NT\$60,000,000 in total is proposed for the distribution of cash dividends to shareholders, with a dividend of NT\$0.75 per share.
- (3) Profit distribution statement for the Year 2023, please refer to Attachment 6.

Resolution: By voting, with a total voting power of 51,620,605 shares present, 51,278,855 shares voted in favor, 69,067 shares voted against, 0 shares were deemed invalid, and 272,683 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 99.33% of the total voting power of the shareholders present).

#### X. Election Matters

Case 1: Proposed by the Board of Directors

Subject: Reelection of the company's directors (including independent directors).

Explanation:

- (1) The 10th Board of Directors consists of 6 seats, including 4 independent directors. The nomination of candidates for all directors is adopted. After the election, the Audit Committee, composed of all independent directors, will exercise the duties of supervisors. The term of office for the 9th Board of Directors extends until the date of the election of new directors at the 2024 Annual General Meeting of Shareholders.
- (2) The term for newly appointed directors (including independent directors) is three years, from the date of their appointment on June 19, 2024, to June 18, 2027.
- (3) The company's directors (including independent directors) are nominated through a candidate nomination system. The list of director (including independent director) candidates was approved by the Board of Directors on May 8, 2024. Please refer to Attachments 7.
- (4) Recommended for election.

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).

Election results :

Title	Name	Share on book(votes)
Director	Shih Chung Chen	60,322,032
Director	Chun Ju Huang	55,327,017
Independent director	Chih Ming Wang	49,797,307
Independent director	Chin Ling Chung	48,048,781
Independent director	Yong Sheng Chen	46,964,108
Independent director	Guan Hao Su	46,012,633

XI. Other Matters

Case 1: Proposed by the Board of Directors

Subject: Proposal to lift the non-compete restrictions for directors (including independent directors).

Explanation:

- (1) The company's directors, acting on behalf of themselves or others in matters within the company's business scope, plan to lift the non-compete restrictions on the newly appointed directors and their representatives in accordance with Article 209 of the Company Act, provided that such actions do not harm the company's interests.
- (2) The non-compete activities of the newly appointed directors are as follows:

Director's name	Currently holding positions in companies that fall within the scope of the company's business activities.
Chen Shizhong	Director of AVTECH SECURITY CORPORATION
Su Guanhao	CEO of Fuwei Global Co., Ltd.

Resolution: By voting, with a total voting power of 51,620,605 shares present, 51,035,357 shares voted in favor, 300,113 shares voted against, 0 shares were deemed invalid, and 285,135 shares abstained/not voted. The resolution has been passed according to the law (the affirmative votes for this resolution accounted for 98.86% of the total voting power of the shareholders present).

XII. No motion for an emergency resolution

XIII. 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

## 2022 Business Report

**Dear Shareholders:**

**A. Consolidated Financial Statements in 2023**

1. Consolidated Business Performance

The consolidated net revenue for 2023 is NT\$ 1,159,521 thousand (YoY -6%). The consolidated gross profit margin is 18%. The consolidated operating net profit is NT\$ 11,969 thousand. Operating outside income is NT\$ 77,370 thousand. After deducting the net profit attributable to the owner is NT\$ 58,603 thousand. The EPS is NT\$ 0.73.

2. Consolidated Financial Income, Expenses and Profitability Analysis

Item		2022	2023
Financial Structure	Debt Ratio (%)	7	7
	Long-term Capital to Fixed Property (%)	319	330
Solvency	Current Ratio (%)	1,246	1,045
	Quick Ratio (%)	1,074	966
	Return on Assets (%)	3.7	2.74
Profitability	Return on Equity (%)	4.2	2.94
	Net Profit Margin (%)	9	5.94
	EPS (dollar)	1.18	0.73

Explanation of Solvency:

Due to the strategic investment in WK Technology Fund IX II Ltd. and the purchase of overseas corporate bonds in 2023, bank deposits originally classified as current assets were reclassified as non-current assets. This resulted in a decrease in the amount of current assets, leading to a decline in the current ratio and quick ratio for the year 2023 compared to 2022.

Explanation of Profitability:

In 2023, the net profit declined by NT\$ 50,320 thousand compared to 2022 due to a decrease in foreign exchange gains resulting from the appreciation of the Taiwanese currency. Consequently, both the asset turnover ratio and profitability decreased in 2023 compared to 2022 due to the decline in net profit.

**B. Business Plan of 2024**

1. Distribution of Semiconductor

1.1 Sales of semiconductor distribution

1.1.1 In 2023, there was a slight decline in overall performance due to excess

inventory of PC, laptop, machine tools, and NAS terminal channels, leading to reduced demand for semiconductor components. However, there were strong demands in the communication, industrial control, and automotive markets without inventory clearance issues. These markets will be focused on as catalysts for growth in 2024.

1.1.2 Speedtech and 3PEAK continue to deepen their presence in the communication and industrial control fields. ABLIC's DDR5 DRAM modules have received certifications from multiple customers, with significant revenue growth expected in 2024.

1.1.3 Precisely understanding customer needs, comprehending their production plans, providing original manufacturers as communication references, and maintaining good customer-supplier relationships are crucial. Strengthening cooperation with important product lines and key customers, conducting organizational adjustments, and identifying target customers are essential strategies.

1.1.4 Diversifying product lines to offer customers a wide range of semiconductor component options, catering to their comprehensive needs in one purchase.

## 1.2 CCTV Business

1.2.1 Research and development resources are focused on the backend storage product line (DVR, NVR), with a deep dive into developing AI-powered surveillance solutions. Integration of internal software and external hardware development for frontend network cameras is being pursued to expand the product line and meet market demands.

1.2.2 DVR and NVR are the core products for security surveillance. To maintain a competitive edge in the market, additional product application features such as POS NVR and RAID NVR are being introduced.

1.2.3 Key markets with demand for non-mainland products, such as the United States, the United Kingdom, and Taiwan, are being prioritized. Efforts are being made to expand the distribution network in these regions to increase channel coverage. Stabilizing sales volume of standardized products and seeking opportunities for product customization through OEM partnerships are aimed at enhancing overall sales revenue.

AVTECH Corporation  
Chairman: Shih-Chung Chen

AV TECH CORPORATION  
Audit Committee Audit Report

The board of directors sent the company to the 2023 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 13, 2024

## 2023 Cash Dividend Distribution Report

### 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 plans to distribute a cash dividend of NT\$0.75 per share of common stock for the fiscal year 2023. Matters related to the record date, ex-dividend date, payment date, and other relevant details concerning the cash dividend distribution have been authorized by the board of directors to be managed by the chairman with full authority.
- (3) Subsequently, in the event of changes in laws and regulations or adjustments by regulatory authorities, or factors such as the company's repurchase of its own shares affecting the outstanding share count, requiring adjustments to the distribution ratio, such adjustments to the dividend distribution ratio shall be authorized by the Board of Directors and managed by the Chairman accordingly.
- (4) The cash dividend for this distribution will be calculated to the nearest whole NT dollar, with amounts below NT\$1 being rounded down and any fractional amounts treated as miscellaneous income for the company.

## Report On Employee Remuneration and Director Remuneration

Proposed by the Board

### Explanation:

- (1) According to Article 18 of our company's Articles of Association, after deducting employee compensation and director remuneration from the annual pre-tax net profit and offsetting any losses from previous years, the remaining balance shall be distributed as follows: employee compensation shall not be less than 6%, and director remuneration shall not exceed 3%.
- (2) For the fiscal year 2023, after deducting employee compensation and director remuneration from the pre-tax net profit, the allocation is as follows:  
Employee compensation is set at a minimum of 6%, totaling NT\$4,370,000.  
Director remuneration is capped at a maximum of 3%, totaling NT\$1,400,000.  
Both compensations will be distributed in cash. These decisions align with the recognized expense amounts for the fiscal year 2023.



## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders AV TECH CORPORATION, LTD.

### Audit Opinions

We have audited the accompanying financial statements of AV TECH CORPORATION, LTD. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, 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, 2023 and 2022, 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, 2023. 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, 2023 is described as follows:

#### Authenticity of specific sales revenue from investment subsidiaries using the equity method

The Company holds subsidiaries invested using the equity method for the year ended December 31, 2023 operating income, the sales income from specific customers of electronic materials is significant to the overall operating income. Therefore, the authenticity of the sales income from these specific customers is listed as a key verification matter.

For explanations of accounting policies related to sales revenue, please refer to Note 4 to the consolidated financial statements.

The main verification procedures performed by our accountants on the authenticity of the specific sales revenue mentioned above are as follows:

1. The design and implementation effectiveness of key internal control systems to understand and test the authenticity of specific sales revenue.
2. Check the transaction documents of specific sales revenue, including shipping documents and payment documents, etc., to confirm that the significant risks and rewards of product ownership have been transferred to the buyer.
3. Check the specific sales revenue and payment collection after the sales period to confirm 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, 2023 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.

Deloitte & Touche

CPA- Youling Cai      CPA- Jianliang Liu

March 18, 2023

Notice to Readers

*The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

**AV TECH CORPORATION, LTD.**  
**BALANCE SHEETS**  
**DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

Code	ASSETS	2023		2022	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 6)	\$ 200,857	9	\$ 520,081	23
1110	Financial assets at fair value through profit or loss (Notes 8 and 28)	3,718	-	3,362	-
1136	Financial assets at amortized cost (Notes 9 and 28)	699,481	31	490,769	22
1150	Notes receivable (Notes 11 and 21)	304	-	-	-
1170	Trade receivables (Notes 11,21 and 29)	538	-	1,303	-
1200	Other receivables (Note 29)	647	-	716	-
1220	Current tax assets (Note 23)	950	-	572	-
130X	Inventories (Note 12)	-	-	2,439	-
1479	Other current assets	10	-	11	-
11XX	Total current assets	<u>906,505</u>	<u>40</u>	<u>1,019,253</u>	<u>45</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 28)	50,000	2	-	-
1535	Financial assets at amortized cost - non-current (Notes 9,10 and 28)	60,230	3	-	-
1550	Investments accounted for using the equity method (Note 13)	467,929	20	480,457	21
1600	Property, plant and equipment (Note 14)	678,901	30	682,022	30
1760	Investment properties (Note 16)	65,277	3	65,916	3
1840	Deferred tax assets (Note 23)	19,418	1	20,196	1
1975	Net defined benefit assets (Note 19)	18,994	1	16,182	-
1990	Other non-current assets (Note 17)	219	-	2,719	-
15XX	Total non-current assets	<u>1,360,968</u>	<u>60</u>	<u>1,267,492</u>	<u>55</u>
1XXX	TOTAL	<u>\$ 2,267,473</u>	<u>100</u>	<u>\$ 2,286,745</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2130	Contract liabilities (Note 21)	\$ 614	-	\$ 915	-
2219	Other payables (Note 18)	12,684	1	15,119	1
2220	Other payables to related parties (Note 29)	176	-	272	-
2399	Other current liabilities	384	-	94	-
21XX	Total current liabilities	<u>13,858</u>	<u>1</u>	<u>16,400</u>	<u>1</u>
	<b>NON-CURRENT LIABILITIES</b>				
2570	Deferred tax liabilities (Note 23)	6,751	-	6,133	-
2645	Deposits received	3,734	-	3,710	-
25XX	Total non-current liabilities	<u>10,485</u>	<u>-</u>	<u>9,843</u>	<u>-</u>
2XXX	Total liabilities	<u>24,343</u>	<u>1</u>	<u>26,243</u>	<u>1</u>
	<b>EQUITY (Note 20)</b>				
3110	Ordinary shares	800,000	35	800,000	35
3271	Capital surplus	17,722	1	17,722	1
	Retained earnings				
3310	Legal reserve	1,068,453	47	1,058,800	46
3320	Special reserve	9,015	-	8,806	-
3350	Undistributed earnings	352,102	16	384,189	17
3300	Total retained earnings	<u>1,429,570</u>	<u>63</u>	<u>1,451,795</u>	<u>63</u>
	Other equity				
3410	Exchange differences in the translation of financial statements of foreign operating institutions	( 883 )	-	1,815	-
3420	Unrealized financial assets measured at fair value through other comprehensive profit or loss	( 3,279 )	-	( 10,830 )	-
3400	Total other equity	( 4,162 )	-	( 9,015 )	-
3XXX	Total equity	<u>2,243,130</u>	<u>99</u>	<u>2,260,502</u>	<u>99</u>
	TOTAL	<u>\$ 2,267,473</u>	<u>100</u>	<u>\$ 2,286,745</u>	<u>100</u>

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

**AV TECH CORPORATION, LTD.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

Code		2023		2022	
		Amount	%	Amount	%
4111	Operating revenue (Notes 21 and 29)	\$ 4,599	100	\$ 6,266	100
5000	Operating costs (Notes 12 and 29)	<u>4,036</u>	<u>88</u>	<u>6,754</u>	<u>108</u>
5900	Gross profit (loss)	<u>563</u>	<u>12</u>	( <u>488</u> )	( <u>8</u> )
	OPERATING EXPENSES (Notes 19,22 and 29)				
6200	Management expenses	53,600	1,165	51,996	830
6450	Expected credit impairment loss (reversal benefits) (Note 11)	( <u>241</u> )	( <u>5</u> )	<u>4,530</u>	<u>72</u>
6000	Total operating expenses	<u>53,359</u>	<u>1,160</u>	<u>56,526</u>	<u>902</u>
6900	OPERATING INCOME	( <u>52,796</u> )	( <u>1,148</u> )	( <u>57,014</u> )	( <u>910</u> )
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Note 29)	16,858	367	9,093	145
7010	Other income (Notes 22 and 29)	54,007	1,174	51,874	828
7020	Other gains and losses (Note 22)	1,909	41	32,492	518
7070	Subsidiary profits using the equity method profit share	<u>40,619</u>	<u>883</u>	<u>63,849</u>	<u>1,019</u>
7000	Total non-operating income and expenses	<u>113,393</u>	<u>2,465</u>	<u>157,308</u>	<u>2,510</u>
7900	PROFIT BEFORE TAX	60,597	1,317	100,294	1,600
7950	INCOME TAX EXPENSE (Note 23)	<u>1,994</u>	<u>43</u>	<u>5,723</u>	<u>91</u>
8200	NET PROFIT FOR THE YEAR	<u>58,603</u>	<u>1,274</u>	<u>94,571</u>	<u>1,509</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME(LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans(Note 19)				
		( \$ 1,036 )	( 23 )	\$ 2,566	41
8320	Share of the other comprehensive income (loss) of subsidiaries accounted for using the equity method	7,551	164	( 1,360 )	( 22 )
8349	Income tax related to items not be reclassified (Note 23)	<u>208</u>	<u>5</u>	( <u>513</u> )	( <u>8</u> )
		<u>6,723</u>	<u>146</u>	<u>693</u>	<u>11</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations(Note 20)	( <u>2,698</u> )	( <u>58</u> )	<u>1,056</u>	<u>17</u>
8300	Other comprehensive (loss)income for the year, net of income tax	<u>4,025</u>	<u>88</u>	<u>1,749</u>	<u>28</u>
8500	TOTAL COMPREHENSIVE (LOSS)INCOME FOR THE YEAR	<u>\$ 62,628</u>	<u>1,362</u>	<u>\$ 96,320</u>	<u>1,537</u>
	EARNINGS PER SHARE (Note 24)				
9750	Basic	<u>\$ 0.73</u>		<u>\$ 1.18</u>	
9850	Diluted	<u>\$ 0.73</u>		<u>\$ 1.18</u>	

(Concluded)

The accompanying notes are an integral part of the financial statements

**AV TECH CORPORATION, LTD.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

									Other Equity			
		Share Capital		Capital Surplus	Retained Earnings			Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total Equity	
Code		Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings					Total
A1	BALANCE AT JANUARY 1, 2022	80,000	\$ 800,000	\$ 17,444	\$ 1,055,882	\$ 5,982	\$ 321,402	\$ 1,383,266	\$ 759	( \$ 9,565 )	( \$ 8,806 )	\$ 2,191,904
	Appropriation of 2021 earnings											
B1	Legal reserve	-	-	-	2,918	-	( 2,918 )	-	-	-	-	-
B3	Special reserve	-	-	-	-	2,824	( 2,824 )	-	-	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	( 28,000 )	( 28,000 )	-	-	-	( 28,000 )
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	94,571	94,571	-	-	-	94,571
D3	Other comprehensive income(loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,053	2,053	1,056	( 1,360 )	( 304 )	1,749
D5	Total comprehensive income(loss) for the year ended December 31, 2022	-	-	-	-	-	96,624	96,624	1,056	( 1,360 )	( 304 )	96,320
M3	Disposal of subsidiaries	-	-	-	-	-	( 95 )	( 95 )	-	95	95	-
M5	Equity price and book value of disposal subsidiaries difference	-	-	40	-	-	-	-	-	-	-	40
M7	Changes in percentage of 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
	Appropriation of 2022 earnings											
B1	Legal reserve	-	-	-	9,653	-	( 9,653 )	-	-	-	-	-
B3	Special reserve	-	-	-	-	209	( 209 )	-	-	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	( 80,000 )	( 80,000 )	-	-	-	( 80,000 )
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	58,603	58,603	-	-	-	58,603
D3	Other comprehensive income(loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	( 828 )	( 828 )	( 2,698 )	7,551	4,853	4,025
D5	Total comprehensive income(loss) for the year ended December 31, 2023	-	-	-	-	-	57,775	57,775	( 2,698 )	7,551	4,853	62,628
Z1	BALANCE AT DECEMBER 31, 2023	\$ 80,000	\$ 800,000	\$ 17,722	\$ 1,068,453	\$ 9,015	\$ 352,102	\$ 1,429,570	( \$ 883 )	( \$ 3,279 )	( \$ 4,162 )	\$ 2,243,130

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



**AV TECH CORPORATION, LTD.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

Code		2023	2022
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
A10000	Income before income tax	\$ 60,597	\$ 100,294
A20010	Adjustments for		
A20100	Depreciation expense(including investment real estate)	7,093	7,116
A20300	Expected credit impairment (profit) losses	( 241 )	4,530
A20400	Net loss(gain) on fair value changes of financial assets at fair value through profit or loss	( 1,954 )	399
A21200	Interest income	( 16,858 )	( 9,093 )
A21300	Dividend income	( 116 )	( 129 )
A22400	Interest shares of subsidiaries using the equity method	( 40,619 )	( 63,849 )
A22500	Gain on disposal of property, plant and equipment	-	( 29 )
A23700	Inventory valuation loss (gain on reversal)	( 1,041 )	449
A24100	Net unrealized foreign currency exchange losses (gains)	( 276 )	( 30,768 )
A29900	Write-off of accounts payable two years overdue	-	( 840 )
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 304 )	-
A31150	Trade receivables	1,001	( 293 )
A31180	Other receivables	69	1,347
A31200	Inventories	3,480	3,078
A31230	Net defined benefit assets	( 3,848 )	( 738 )
A31240	Other current assets	1	( 6 )
A32125	Contract liabilities	( 301 )	92
A32150	Accounts payable	-	( 106 )
A32180	Other payables	( 2,697 )	3,614
A32230	Other current liabilities	290	( 358 )
A33000	Cash generated from operations	4,276	14,710
A33500	Income tax paid	( 768 )	( 154 )
AAAA	Net cash generated from operating activities	<u>3,508</u>	<u>14,556</u>
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00010	Purchase of financial assets at fair value through other comprehensive income	( 50,000 )	-
B00040	Purchase of financial assets at amortized cost	( 723,789 )	( 638,906 )
B00050	Proceeds from disposal of financial assets at amortized cost	468,927	596,582

(Continued)

<u>Code</u>		<u>2023</u>	<u>2022</u>
B00200	Proceeds from disposal of financial asset at fair value through profit or loss	\$ 1,598	\$ 1,229
B02800	Proceeds from disposal of property, plant and equipment	-	29
B07100	Prepayments for equipment	( 667 )	-
B07500	Interest received	16,858	9,093
B07600	Receive cash dividends from subsidiaries	58,000	1,082
B09900	Receive other cash dividends	<u>116</u>	<u>129</u>
BBBB	Net cash outflow from investing activities	( <u>228,957</u> )	( <u>30,762</u> )
CASH FLOWS FROM INVESTING ACTIVITIES			
C03000	Increase in guarantee deposits received	24	146
C04500	Cash dividends paid	( 80,000 )	( 28,000 )
C05500	Price for disposal of part of the subsidiary's equity	<u>-</u>	<u>2,000</u>
CCCC	Net cash used in from financing activities	( <u>79,976</u> )	( <u>25,854</u> )
DDDD	The impact of exchange rate changes on cash and cash equivalents	( <u>13,799</u> )	<u>22,894</u>
EEEE	Net decrease in cash and cash equivalents	( 319,224 )	( 19,166 )
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>520,081</u>	<u>539,247</u>
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 200,857</u>	<u>\$ 520,081</u>
			(Concluded)

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

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders AV TECH CORPORATION, LTD.

### **Audit Opinions**

We have audited the accompanying consolidated financial statements of AV TECH CORPORATION, LTD. (the “Company”) and its subsidiaries , which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the consolidated financial statements of the Company and its subsidiaries for the year ended December 31, 2023 is described as follows:

### Authenticity of specific sales revenue

The Company and its subsidiaries for the year ended December 31, 2023, the operating revenue from specific customers of electronic materials is significant to the overall operating income. Therefore, the authenticity of the operating revenue from such specific customers is listed as a key verification item.

For explanations of accounting policies related to sales revenue, please refer to Note 4 to the consolidated financial statements.

The main verification procedures that this accountant has performed on the authenticity of the specific sales revenue mentioned above are as follows:

1. The design and implementation effectiveness of key internal control systems to understand and test the authenticity of specific sales revenue.
2. Check the transaction documents of specific sales revenue, including shipping documents and payment documents, etc., to confirm that the significant risks and rewards of product ownership have been transferred to the buyer.
3. Check the specific sales revenue and payment collection after the sales period to confirm the rationality of the sales revenue recognition.

## **Other Matter**

We have also audited the parent company only financial statements of AV TECH CORPORATION, LTD.as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified 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 the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and 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 Company and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statement**

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 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 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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and its subsidiaries 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 and its subsidiaries 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 auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 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 for the year ended December 31, 2023 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.

Deloitte & Touche

CPA- Youling Cai    CPA- Jianliang Liu

March 18, 2023

Notice to Readers

*The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.*

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**AV TECH CORPORATION, LTD.AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS.**  
**DECEMBER 31, 2023 AND 2022**  
**(In Thousands of New Taiwan Dollars)**

Code	ASSETS	2023		2022	
		Amount	%	Amount	%
	<b>CURRENT ASSETS</b>				
1100	Cash and cash equivalents (Note 6)	\$ 371,692	15	\$ 702,996	28
1110	Financial assets at fair value through profit or loss (Notes 7 and 31)	3,718	-	3,362	-
1136	Financial assets at amortized cost (Notes 9,31 and 33)	796,701	32	505,375	20
1150	Notes receivable (Notes 11 and 24)	5,591	-	1,380	-
1170	Trade receivables (Notes 11,24 and 32 )	211,693	8	259,630	10
1200	Other receivables (Note 32 )	647	-	295	-
1221	Current tax assets (Note 26 )	1,269	-	705	-
130X	Inventories (Note 12)	95,781	4	202,519	8
1479	Other current assets	<u>17,995</u>	<u>1</u>	<u>33,431</u>	<u>1</u>
11XX	Total current assets	<u>1,505,087</u>	<u>60</u>	<u>1,709,693</u>	<u>67</u>
	<b>NON-CURRENT ASSETS</b>				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 8 and 31)	50,000	2	1,959	-
1535	Financial assets at amortized cost (Notes 9 and 31)	77,830	3	16,100	1
1550	Investments accounted for using the equity method(Note 14)	64,066	3	8,891	-
1600	Property, plant and equipment (Note 15)	708,536	29	713,282	28
1760	Investment properties (Note 17)	36,201	1	36,472	2
1840	Deferred tax assets (Note 26)	27,270	1	27,528	1
1975	Net defined benefit assets (Note 22 )	18,994	1	16,182	1
1990	Other non-current assets (Note 18)	<u>257</u>	<u>-</u>	<u>3,886</u>	<u>-</u>
15XX	Total non-current assets	<u>983,154</u>	<u>40</u>	<u>824,300</u>	<u>33</u>
1XXX	TOTAL	<u>\$ 2,488,241</u>	<u>100</u>	<u>\$ 2,533,993</u>	<u>100</u>
	<b>LIABILITIES AND EQUITY</b>				
	<b>CURRENT LIABILITIES</b>				
2130	Contract liabilities (Note 24)	\$ 16,428	1	\$ 8,618	-
2170	Trade payables (Note 19)	74,329	3	62,760	3
2219	Other payables (Notes 20)	44,809	2	50,509	2
2230	Current tax liabilities (Note 26)	7,715	-	15,016	1
2399	Other current liabilities	<u>671</u>	<u>-</u>	<u>342</u>	<u>-</u>
21XX	Total current liabilities	<u>143,952</u>	<u>6</u>	<u>137,245</u>	<u>6</u>
	<b>NON-CURRENT LIABILITIES</b>				
2550	Provision for liabilities (Note 21)	21,626	1	21,626	1
2570	Deferred tax liabilities (Note 26)	6,751	-	6,213	-
2645	Deposits received	<u>3,734</u>	<u>-</u>	<u>3,710</u>	<u>-</u>
25XX	Total non-current liabilities	<u>32,111</u>	<u>1</u>	<u>31,549</u>	<u>1</u>
2XXX	Total liabilities	<u>176,063</u>	<u>7</u>	<u>168,794</u>	<u>7</u>
	<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> (Notes 23 and 29)				
3110	Ordinary shares	<u>800,000</u>	<u>32</u>	<u>800,000</u>	<u>31</u>
3271	Capital surplus	<u>17,722</u>	<u>1</u>	<u>17,722</u>	<u>1</u>
	Retained earnings				
3310	Legal reserve	1,068,453	43	1,058,800	42
3320	Special reserve	9,015	-	8,806	-
3350	Undistributed earnings	<u>352,102</u>	<u>14</u>	<u>384,189</u>	<u>15</u>
3300	Total retained earnings	<u>1,429,570</u>	<u>57</u>	<u>1,451,795</u>	<u>57</u>
	Other equity				
3410	Exchange differences in the translation of financial statements of foreign operating institutions	( 883 )	-	1,815	-
3420	Unrealized financial assets measured at fair value through other comprehensive profit or loss	( <u>3,279</u> )	<u>-</u>	( <u>10,830</u> )	<u>-</u>
3400	Total other equity	( <u>4,162</u> )	<u>-</u>	( <u>9,015</u> )	<u>-</u>
31XX	Total equity attributable to owners of the Company	<u>2,243,130</u>	<u>90</u>	<u>2,260,502</u>	<u>89</u>
36XX	NON-CONTROLLING INTERESTSt (Notes 23 and 29)	<u>69,048</u>	<u>3</u>	<u>104,697</u>	<u>4</u>
3XXX	Total equity	<u>2,312,178</u>	<u>93</u>	<u>2,365,199</u>	<u>93</u>
	<b>TOTAL</b>	<u>\$ 2,488,241</u>	<u>100</u>	<u>\$ 2,533,993</u>	<u>100</u>

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



**AV TECH CORPORATION, LTD.AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**  
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue(Notes 24 and 32)	\$ 1,159,521	100	\$ 1,231,209	100
5000	Operating costs (Notes 12,25 and 32)	<u>951,991</u>	<u>82</u>	<u>1,007,807</u>	<u>82</u>
5900	Gross profit	<u>207,530</u>	<u>18</u>	<u>223,402</u>	<u>18</u>
	OPERATING EXPENSES (Notes 22,25 and 32)				
6100	Selling expenses	62,353	5	72,321	6
6200	Management expenses	100,594	9	90,368	7
6300	Research and development expenses	28,256	3	29,984	3
6450	Expected credit impairment loss (Note 11)	<u>4,358</u>	<u>-</u>	<u>3,870</u>	<u>-</u>
6000	Total operating expenses	<u>195,561</u>	<u>17</u>	<u>196,543</u>	<u>16</u>
6900	OPERATING INCOME	<u>11,969</u>	<u>1</u>	<u>26,859</u>	<u>2</u>
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	21,713	2	9,573	1
7010	Other income (Notes 25 and 32)	48,523	4	43,582	4
7020	Other gains and losses (Note 25)	4,453	1	50,226	4
7060	Share of profit or loss of from associates account for using the equity method (Note 14)	<u>2,681</u>	<u>-</u>	<u>681</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>77,370</u>	<u>7</u>	<u>104,062</u>	<u>9</u>
7900	PROFIT BEFORE TAX	89,339	8	130,921	11
7950	INCOME TAX EXPENSE (Note 26)	<u>20,469</u>	<u>2</u>	<u>24,916</u>	<u>2</u>
8200	NET PROFIT FOR THE YEAR	<u>68,870</u>	<u>6</u>	<u>106,005</u>	<u>9</u>

(Continued)

Code		2023		2022	
		Amount	%	Amount	%
	OTHER COMPREHENSIVE INCOME(LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit plans(Note 22)	( \$ 1,036 )	-	\$ 2,566	-
8316	Unrealized loss on financial assets at fair value through other comprehensive income (Note 23	7,295	-	( 1,540 )	-
8349	Income tax related to items not be reclassified (Note 26	208	-	( 513 )	-
		<u>6,467</u>	<u>-</u>	<u>513</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of the financial statements of foreign operations(Note 23)	( 2,934 )	-	1,685	-
8300	Other comprehensive (loss)income for the year, net of income tax	<u>3,533</u>	<u>-</u>	<u>2,198</u>	<u>-</u>
8500	TOTAL COMPREHENSIVE (LOSS)INCOME FOR THE YEAR	<u>\$ 72,403</u>	<u>6</u>	<u>\$ 108,203</u>	<u>9</u>
	NET PROFIT ATTRIBUTABLE TO:				
8610	Owners of the company	\$ 58,603	5	\$ 94,571	8
8620	Non-controlling interests	<u>10,267</u>	<u>1</u>	<u>11,434</u>	<u>1</u>
8600		<u>\$ 68,870</u>	<u>6</u>	<u>\$ 106,005</u>	<u>9</u>
	TOTAL COMPREHENSIVE (LOSS)/INCOME ATTRIBUTABLE TO:				
8710	Owners of the company	\$ 62,628	5	\$ 96,320	8
8720	Non-controlling interests	<u>9,775</u>	<u>1</u>	<u>11,883</u>	<u>1</u>
8700		<u>\$ 72,403</u>	<u>6</u>	<u>\$ 108,203</u>	<u>9</u>
	EARNINGS PER SHARE (Note 24)				
9750	Basic	<u>\$ 0.73</u>		<u>\$ 1.18</u>	
9850	Diluted	<u>\$ 0.73</u>		<u>\$ 1.18</u>	

(Concluded)

The accompanying notes are an integral part of the financial statements

**AV TECH CORPORATION, LTD.AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2023AND 2022**  
**(In Thousands of New Taiwan Dollars)**

		Equity Attributable to Owners of the Company												
									Other Equity					
		Share Capital		Capital Surplus	Retained Earnings				Exchange Differences On Translation of the Financial Statements of Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Total	Non-controlling Interests	Total Equity
Code		Number of Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total						
A1	BALANCE AT JANUARY 1, 2022	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
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	2,918	-	( 2,918 )	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	2,824	( 2,824 )	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	( 28,000 )	( 28,000 )	-	-	-	( 28,000 )	-	( 28,000 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 1,835 )	( 1,835 )
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	94,571	94,571	-	-	-	94,571	11,434	106,005
D3	Other comprehensive income(loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	2,053	2,053	1,056	( 1,360 )	( 304 )	1,749	449	2,198
D5	Total comprehensive income(loss) for the year ended December 31, 2022	-	-	-	-	-	96,624	96,624	1,056	( 1,360 )	( 304 )	96,320	11,883	108,203
M3	Disposal of subsidiaries	-	-	-	-	-	( 95 )	( 95 )	-	95	95	-	( 1,396 )	( 1,396 )
M5	Equity price and book value of disposal subsidiaries difference(Note 29)	-	-	40	-	-	-	-	-	-	-	40	1,960	2,000
O1	Non-controlling Interests	-	-	238	-	-	-	-	-	-	-	238	3,342	3,580
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	104,697	2,365,199
	Appropriation of 2022 earnings													
B1	Legal reserve	-	-	-	9,653	-	( 9,653 )	-	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	209	( 209 )	-	-	-	-	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	( 80,000 )	( 80,000 )	-	-	-	( 80,000 )	-	( 80,000 )
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 11,424 )	( 11,424 )
D1	Net profit for the year ended December 31, 2023	-	-	-	-	-	58,603	58,603	-	-	-	58,603	10,267	68,870
D3	Other comprehensive income(loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	( 828 )	( 828 )	( 2,698 )	7,551	4,853	4,025	( 492 )	3,533
D5	Total comprehensive income(loss) for the year ended December 31, 2023	-	-	-	-	-	57,775	57,775	( 2,698 )	7,551	4,853	62,628	9,775	72,403
M3	Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	( 5,193 )	( 5,193 )
O1	Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	-	( 28,807 )	( 28,807 )
Z1	BALANCE AT DECEMBER 31, 2023	\$ 80,000	\$ 800,000	\$ 17,722	\$ 1,068,453	\$ 9,015	\$ 352,102	\$ 1,429,570	( \$ 883 )	( \$ 3,279 )	( \$ 4,162 )	\$ 2,243,130	\$ 69,048	\$ 2,312,178

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

**AV TECH CORPORATION, LTD.AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2023AND 2022**  
**(In Thousands of New Taiwan Dollars)**

<u>Code</u>		<u>2023</u>	<u>2022</u>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
A10000	Income before income tax	\$ 89,339	\$ 130,921
A20010	Adjustments for:		
A20100	Depreciation expense(including investment real estate)	7,552	7,504
A20300	Expected credit impairment losses	4,358	3,870
A20400	Net loss(gain) on fair value changes of financial assets at fair value	( 1,520)	399
A21200	Interest income	( 21,713)	( 9,573)
A21300	Dividend income	( 116)	( 129)
A22300	Share of loss from associates accounted for using the equity method	( 2,681)	( 681)
A22500	Gain on disposal of property, plant and equipment	-	( 17)
A23100	Gain on disposal of investment	( 779)	-
A23200	Disposal and liquidation of subsidiary interests	( 1,754)	( 96)
A23700	Inventory valuation loss (gain on reversal)	( 1,221)	6,628
A24100	Net unrealized foreign currency exchange losses (gains)	7,278	( 32,317)
A29900	Write-off of accounts payable two years overdue	-	( 1,423)
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	( 5,229)	2,370
A31150	Trade receivables	( 97,071)	9,360
A31180	Other receivables	( 10,414)	2,277
A31200	Inventories	72,403	107,739
A31230	Net defined benefit assets	( 3,848)	( 738)
A31240	Other current assets	1,036	( 3,342)
A32125	Contract liabilities	7,810	( 10,342)
A32150	Accounts payable	74,562	( 124,408)
A32180	Other payables	120,751	( 17,339)
A32230	Other current liabilities	<u>5,796</u>	<u>( 419)</u>
A33000	Cash generated from operations	244,539	70,244
A33500	Income tax paid	( <u>26,849</u> )	( <u>14,081</u> )
AAAA	Net cash generated from operating activities	<u>217,690</u>	<u>56,163</u>

(Continued)

Code		2023	2022
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
B00010	Purchase of financial assets at fair value through other comprehensive income	( \$ 50,000 )	\$ -
B00020	Proceeds from disposal of financial assets at fair value through other comprehensive income	8,933	-
B00040	Purchase of financial assets at amortized cost	( 1,183,569 )	( 656,812 )
B00050	Proceeds from disposal of financial assets at amortized cost	844,593	634,150
B00100	Purchase of financial assets at fair value through profit or loss	( 111,102 )	-
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	110,629	1,229
B01900	Net cash outflow from disposal of subsidiaries	( 74,777 )	( 2,854 )
B02700	Payments for property, plant and equipment	( 315 )	( 855 )
B02800	Proceeds from disposal of property, plant and equipment	-	57
B03800	Refundable deposit (Increase)decrease	( 8,608 )	334
B07100	Decrease in prepayments for equipment	( 667 )	-
B07500	Interest received	21,713	9,573
B07600	Receive dividends	<u>203</u>	<u>129</u>
BBBB	Net cash outflow from investing activities	( <u>442,967</u> )	( <u>15,049</u> )
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
C03000	Increase in guarantee deposits received	24	146
C04500	Cash Dividends paid to owners of the Company	( 80,000 )	( 28,000 )
C05400	Price for disposal of part of the subsidiary's equity	-	2,000
C05500	Cash capital increase for non-controlling interests	-	3,580
C05800	Cash dividends paid to non-controlling interests	( <u>11,424</u> )	( <u>1,835</u> )
CCCC	Net cash used in from financing activities	( <u>91,400</u> )	( <u>24,109</u> )
DDDD	The impact of exchange rate changes on cash and cash equivalents	( <u>14,627</u> )	<u>21,825</u>
EEEE	<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	( 331,304 )	38,830
E00100	<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>702,996</u>	<u>664,166</u>
E00200	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 371,692</u>	<u>\$ 702,996</u>

The accompanying notes are an integral part of the financial statements.  
Attachments 6

**AV TECH CORPORATION**  
**2023 Profit Distribution Statement**

Unit: NTD \$

Beginning undistributed surplus balance		294,328,635
Add: net profit after tax for the year	58,603,601	
Less: Remeasurements of defined benefit plans	(829,298)	
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.		57,774,303
Less: Provision of statutory surplus reserve		(5,777,430)
Add: Provision of special surplus reserve		4,853,928
Surplus available for distribution		351,179,436
Assigned items:		
Less: Shareholder dividends in cash pershare1 Yuan		(60,000,000)
Undistributed surplus at the end of theperiod		291,179,436

## Attachment 7

**AV TECH CORPORATION****Director (including independent director) candidate list**

Item	NAME	Number of shares held	Main education and experience	Whether Served as independent director for three consecutive terms/reasons
Director	Junyi Investment Co., Ltd. Representative: Chen Shizhong	22,215,044	Department of Mechanical Engineering and Institute of Materials Engineering, Datong Institute of Technology Chairman of AV TECH CORPORATION	None
Director	Huang Junru	8,842,984	Department of Chemistry, Bunka University Founder of CHIEFTRON INTERNATIONAL CORPORATION Founder of AV TECH CORPORATION Director of AV TECH CORPORATION	None
independent director	Wang Zhiming	0	Master of Business Administration, Cultural University Vice President of Finance of Breakthrough Communications (listed), entered during the reorganization period Financial associate of Hongda Technology (listed), entered during the reorganization period Financial Assistant of Taiwan High-tech (Xingcai) Independent Director of AV TECH CORPORATION	Yes. Rich experience in finance, legal affairs and industry to assist in company operations.
independent director	Zhong Jinling	0	Chung Yuan University Accounting Institute Vice President of Finance, New Optoelectronics Technology Co., Ltd. Vice President of Human Resources, New Optoelectronics Technology Co., Ltd.	NO
independent director	Chen Yongsheng	0	PhD in Information Engineering from National Taiwan University Provost and Professor of Information Engineering Department, National Yang-Ming Chiao Tung University	NO (New)
independent director	Su Guanhao	0	National Chengchi University EMBA Master of Business Administration Master of Information Engineering, National Taiwan University of Science and Technology Deputy Secretary-General of the Federation of Rental Housing Landlords of the Republic of China Co-founder of Miros Tek (Silicon Valley, USA) CEO of Fuwei Global Co., Ltd.	NO (New)