

Stock Code: 2356

# Inventec Corporation

## Inventec

## 2023 Annual Report

Annual Report Website: <https://mops.twse.com.tw>

Company Website: <https://www.inventec.com>

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創新

Innovation

品質

Quality

虛心

Open Mind

力行

Execution

### Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.



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# Letter to Shareholders

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

## Operational Performance and Financial Results in 2023

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

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

## Business Plan and Future Outlook in 2024

Going into 2024, analysts from leading research institutions anticipate a global economic growth rate slightly lower than that observed in 2023. This projection suggests a move towards a gradual but sluggish recovery in economic growth over the medium to long term. Despite the overall positive outlook, there are several challenges that the global economy is expected to face in the coming year. The significant debt issue during the

periods of economic prosperity would face a formidable challenge with looming soaring interest rate; Furthermore, the real estate market is expected to remain a source of concern due to ongoing confidence crisis, which could continue to hinder the performance of major economies. Although there may be signs of improvement in certain regions such as Europe, emerging markets, and developing economies, this may not be sufficient to offset the weakness observed in the two largest economies.

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

1. In 2024, driven by industry dynamics under the major influence of geopolitical factors and the net-zero transition, sectors such as generative artificial intelligence and carbon footprint verification have been brought into the spotlight. In alignment with our enduring commitment to innovation, Inventec continues to prioritize substantial investments in research and development, as well as market expansion, particularly in the field of AI server development. Notably, our efforts remain concentrated on advancing AI deep learning and inference servers to meet the evolving demands of our clients. Equipped with cutting-edge specifications tailored for the cloud clients, we anticipate a robust double-digit growth trajectory in server shipments this year. Furthermore, our laptop division exhibits a promising single-digit recovery trajectory compared to the previous year, driven by the proliferation of AI-enabled personal computers and expanding application on commercial PC. Leveraging the synergies of 5G advanced application and the introduction of innovative gaming products, we anticipate significant growth in the smart device segment, projecting high single-digit expansion for the year ahead.
2. In its strategic diversification efforts, Inventec is prioritizing the expansion of its new business portfolio into sectors such as automotive electronics, 5G factory network deployment, smart healthcare, and Silicon intellectual property licensing. With these initiatives, Inventec aims to drive transformation in creating, managing, and leveraging intellectual property rights within its new ventures.
3. The strategic establishment of a resilient supply chain on a global scale involves ongoing development in manufacturing facilities across Mexico, Thailand, Vietnam, and the Czech Republic. This approach, with proximity to markets and risk diversification strategies, strengthens the global production framework, thereby aligning with the demands and preferences of our clients.

#### 4. ESG sustainability topics

The Inventec Sustainability Committee formulates the Group's overarching sustainability strategy and meticulously evaluates its execution. With a firm commitment to achieving net zero emissions by 2050, the company is actively pursuing a suite of low-carbon transformation initiatives, conscientiously aligned with our net-zero pathway and strategic imperatives, to safeguard environmental integrity and biodiversity. In managing operational risks, Inventec scrupulously references the environmental risk governance frameworks outlined in the Task Force on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD). This comprehensive approach encompasses rigorous protocols of risk assessment and strategic realignments, empowering the organization to capitalize on emerging opportunities, mitigate operational risks, and fortify its long-term competitive position. Furthermore, Inventec is steadfast in its commitment to fostering a diverse and inclusive work environment, prioritizing the holistic well-being of its workforce, and ensuring the provision of an open, secure channel for communication to uphold

fundamental human rights. The company also remains stalwart in its dedication to supporting disadvantaged groups, actively engaging in emergency relief aids, and fulfilling its corporate social responsibility.

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

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

Chairman: Yeh, Li-Cheng

President: Tsai, Chih-An

# I . Company Profile

**1.1 Date of Establishment:** June 9, 1975

## 1.2 Company Milestones

**1975**

- Inventec Corporation was incorporated with a paid-in capital of NT\$1 million.

**1985**

- Step into the phone foundry business.

**1988**

- Step into the laptop foundry business.

**1996**

- Inventec Corporation officially listed on Nov 13.

**1997**

- Established subsidiaries in the United States, Scotland, and Singapore.
- Established Taipei third factory to manufacture notebook.

**1998**

- Established Taoyuan factory for research and development, and manufacture of high-end desktop and server.

**1999**

- Established Inventec Micro-Electronics Corp. for calculator business.
- Established Inventec Multimedia and Telecom Corp. for multimedia and communications product business.

**2000**

- Established Inventec Appliances Corp. for the manufacture and sales of information appliances, WAP phone, science plotter business.
- Established Inventec (Cayman) Corp. for further investment in Inventec Corporation (Shanghai) Co., Ltd.

**2008**

- The annual shipment volume of laptops from Pudong Park exceeded 16 million units.
- Annual sales exceeded 10 billion U.S. dollars.
- Taipei Research and Development Building officially opened.

**2010**

- Chongqing manufacturing base completed and shipping commenced.
- Established Inventec Solar Energy Corp.

**2015**

- Purchased the plant building in Taoyuan Science and Technology Park.



## **2016**

- Established AIMobile Co., Ltd.

## **2017**

- Won the "Quality Paradigm Prize of ISO Plus Award" by SGS.

## **2018**

- Won the "Forbes' 2018 Digital 100".
- Won the "Taiwan Corporate Sustainability Award" and "Corporate Sustainability Report Award-Gold Award" for two consecutive years.
- Won the award of "National Excellent Performance Healthy Career" by the National Health Department of the Ministry of Health and Welfare

## **2019**

- Won first place of HP's "2018 Best Supplier Evaluation"
- Won the silver medal of the "TTQS Talent Development Quality Management System" of the Ministry of Labor.
- Won the "CSR Award" of first SGS.
- Won the "2019 National Talent Development Award" of the Ministry of Labor.

## **2020**

- Ranked among the top 5% of companies in the corporate governance evaluation of the Taiwan Stock Exchange for five consecutive years.
- Won the Top 100 of the "IoV Intelligent Roadside" invention patents list of global enterprises in the past five years.
- Won the "Taiwan Corporate Sustainability Award" and "Corporate Sustainability Report Award Platinum Award" for two consecutive years.
- Won the "USAID intelligent prediction competition".
- Established Strategy Center and Digital Center.

## **2021**

- Won the "Top 100 Global Enterprises Intelligent Manufacturing Patents"
- Won the "MOEA National Industrial Innovation Award"
- Won the "Taiwan Corporate Sustainability Award" and "Corporate Sustainability Report Award-Gold Award".

## **2022**

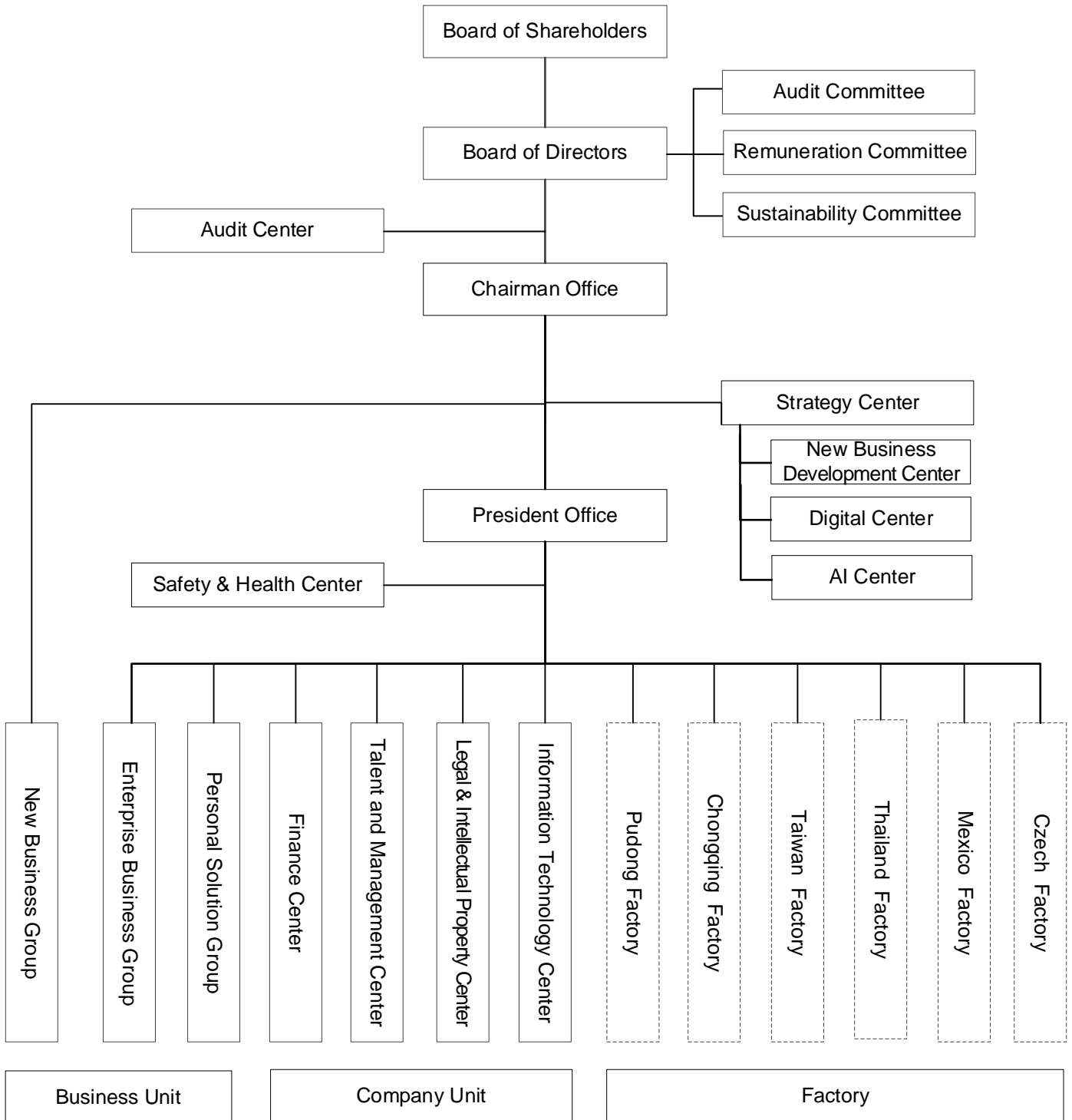
- Established Automotive Electronics Business unit and 5G Research and Development Department.
- Established Inventec InveneXt System Co., Ltd.
- Won the "HR Asia-Best Companies to Work for in Asia"

## 2023

- Established Inventec Electronics (Thailand) Co., Ltd.
- Established Inventec Technology (Vietnam) Company Limited.
- Won the "2023 Taipei City Net Zero Leadership Model Award"
- Won the "National Corporate Citizenship Award" by Commonwealth Magazine for ten consecutive years.
- Won the "Sustainability Reporting Award" of "Global Corporate Sustainability Award, GCSA".
- Won the " Top 100 Taiwan Corporate Sustainability Award " and "Corporate Sustainability Report Award Platinum Award" for two consecutive years.
- Won the TCSA "Talent Development Leadership Award", the "Workplace Wellbeing Leadership Award", and the "Growth Through Innovation Leadership Award".
- Won the "iF Design Award" for two consecutive years.
- Won the "Occupational Health and Safety Indicators Disclosed in Corporate Sustainability Reports Award - Enterprise with Excellent Performance".

# II. Corporate Governance Report

## 2.1 Organization



## Organizational Functions

Major Departments	Main Business
Audit Center	Overall planning businesses such as internal control system, internal audits, self-assessment, etc. of the Company.
Strategy Center	Coordinate the strategic planning and implementation of the Company.
Digital Center	Coordinate the digital transformation and data-driven intelligence business of the company.
AI Center	Coordinate science and technology studies and enterprise applications of the company's artificial intelligence.
New Business Development Center	Coordinate the development, management and implementation of new businesses of the company.
Enterprise Business Group	Planning and management of enterprise business server design, development, manufacturing, production, marketing, after-sales service, etc.
Personal Solution Group	Planning and management of portable computer design, development, manufacturing, production, marketing, after-sales service, etc.
New Business Group	Planning and management for design, development, manufacturing, and marketing of automotive electronics, 5G, and mobile intelligence.
Finance Center	Overall planning of the financial, accounting, investment, and stock affairs business of the Company.
Talent and Management Center	Coordinate the company's human resources, administrative management business, as well as the integration and supervision of the management system.
Legal and Intellectual Property Center	Overall planning of legal affairs, intellectual property rights, and other relevant matters.
Information Technology Center	Overall planning of the establishment and operation of a network system structure, product life cycle management system, enterprise resource planning system, manufacturing execution system, quality inspection management system, supply chain management system, form management system, etc. of the Company.
Pudong Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers, smart device, and enterprise business server.
Chongqing Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers.
Taiwan Factory	Responsible for design and development, manufacturing, after-sales services, etc. of portable computers, smart device, and enterprise business servers.
Thailand Factory	Responsible for production, testing, troubleshooting, after-sales services, etc. of portable computers.
Mexico Factory	Responsible for production, testing, troubleshooting, after-sales services, etc. of portable computers, corporate servers and storage systems.
Czech Factory	Responsible for production, testing, troubleshooting, after-sales services, etc. of enterprise business servers and storage systems.

## 2.2 Directors, Supervisors and Managers’ Information

### 2.2.1 Directors

#### 2.2.1.1 Directors’ Information

2024.05.22

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Years)	The commencement date of the first term	Shareholding when elected		Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions held in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Chairman	R.O.C	Yeh, Li-Cheng	Male 51-55	2023.06.13	3	2020.06.12	117,412,472	3.27%	117,412,472	3.27%	400,000	0.01%	—	—	Master of Information Engineering, Pace University Chairman, Fulltime Investment Corporation Chairman, Goldshare Investment Corporation	Note 1	Director	Yeh, Kuo-I	Father and son
Director	R.O.C	Yeh, Kuo-I	Male 81-85	2023.06.13	3	1975.06.09	176,361,330	4.92%	176,361,330	4.92%	69,314,117	1.93%	—	—	Shihlin High School of Commerce Chairman, Inventec Corporation	Note 2	Director	Yeh, Li-Cheng	Father and son
Director	R.O.C	Wen, Shih-Chih	Male 66-70	2023.06.13	3	2004.05.27	35,685,590	0.99%	35,685,590	0.99%	36,399	0.00%	—	—	Xihu Vocational High School of Industry and Commerce Chairman, Shyh Shiunn Investment Corp.	Note 3	None	None	None
Director	R.O.C	Lee, Tsu-Chin	Male 76-80	2023.06.13	3	1980.06.08	115,833,835	3.23%	115,833,835	3.23%	—	—	—	—	Bachelor of Economics, Tunghai University Chairman, Inventec Corporation	Note 4	None	None	None
Director	R.O.C	Chang, Ching-Sung	Male 66-70	2023.06.13	3	2014.06.12	788,644	0.02%	3,232,078	0.09%	—	—	—	—	Master of Electric Engineering, National Taiwan University Chairman, Inventec Appliances Corporation	Note 5	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Years)	The commencement date of the first term	Shareholding when elected		Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions held in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director	R.O.C	Cho, Tom-Hwar	Male 66-70	2023.06.13	3	2017.06.16	1,004,311	0.03%	954,311	0.03%	5,508	0.00%	—	—	Department of Electrical Engineering, National Taiwan University. EMBA, Shanghai Jiao Tong University, Chairman, Inventec Corporation and Inventec Solar Energy Corporation Director, Inventec Appliances Corporation and Simplo Technology Co. Ltd	-	None	None	None
Independent Director	R.O.C	Chang, Chang-Pang	Male 76-80	2023.06.13	3	2014.06.12	—	—	—	—	—	—	—	—	Master of Laws, National Cheng-Chi University Bachelor of Law, Fujen University Chief Executive Officer, Lien Chan Foundation for Peace and Development Chairman, Fuhwa Financial Holding Co., Ltd. Deputy Minister, Ministry of Economic Affairs, Deputy Secretary General, Executive Yuan Vice Minister, Ministry of Finance, Chairman, Securities and Exchange Commission, Ministry of Finance	Note 6	None	None	None

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Years)	The commencement date of the first term	Shareholding when elected		Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions held in the Company and/or in any other company	Executives, directors or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Independent Director	R.O.C	Chen, Ruey-Long	Male 76-80	2023.06.13	3	2014.06.12	—	—	—	—	—	—	—	—	Bachelor of Economics, National Chung-Hsing University Chairman, Sinocon Industrial Standards Foundation Chairman, Institute for Information Industry Minister, Ministry of Economic Affairs	Note 7	None	None	None
Independent Director	R.O.C	Wea, Chi-Lin	Male 76-80	2023.06.13	3	2020.06.12	—	—	—	—	—	—	—	—	Doctor of Economics, University of Paris Chairman, Land Bank of Taiwan. Secretary-General, Executive Yuan Administrative Deputy. Adjunct Professor, Business Administration, National Taiwan University.	Note 8	None	None	None

Note 1: Chairman of Fulltime Investment Co. Ltd., Goldshare Investment Corporation, Inventec Investments Co., Ltd., Inphicomm Ltd., AIMobile Co. Ltd., and InveneXt System Co., Ltd. ; Executive Director and President of Saint Investment Consulting Corporation ; Director of Inventec Corporation (Hong Kong) Ltd., IEC (Cayman) Corporation, Inventec Holding (North America) Corp., Inventec (USA) Corp., Inventec Manufacturing (North America) Corp., Inventec Configuration (North America) Corp., Inventec Distribution (North America) Corp., IEC Technologies, S.de R.L.de C.V., Win Semiconductors Corp., Chainwin Biotech & Agrotech (Cayman Islands) LTD., Inventec (Cayman) Corp., Royal Base Corporation, and Inventec Group Charity Foundation ; Representative Director of Inventec Development Japan Corporation and Inventec Japan Corporation.

Note 2: Director of Inventec Corporation (Hong Kong) Ltd., and Inventec Group Charity Foundation ; Chairman of RNS Asset Management Company, and First Generation Investment Co.Ltd.

Note 3: Chairman of Shyh Shiunn Investment Corp.

Note 4: Chairman of Esther Investment Co., Ltd., Inventec Group Charity Foundation, and Taiwan Electrical and Electronic Manufacturers' Association.

Note 5: Director of Inventec Appliances Corp., and Cardio Ring Technongies, Inc.

Note 6: Independent Director of Formosa Petrochemical Corp., and Asia Cement Corporation ; Director of Grand Cathay Venture Capital II Co., Ltd., and Inventec Group Charity Foundation ; Chairman of China Investment and Development Co. Ltd., Grand Cathay Venture Capital Co., Ltd., Asia-Pacific Emerging Industries Venture Capital Co., Ltd, Prudence Venture Investment Corporation, and Global Investement Holdings Co., Ltd.

Note 7: Chairman of Sinocon Industrial Standards Foundation and China Petrochemical Development Corporation ; Independent Director of Formosa Chemicals & Fibre Corporation ; Director of Asia Cement Corporation, Taivex Therapeutics Inc., BES Engineering Corporation, Tatung Corp., Kaohsiung Monomer Company, and Inventec Group Charity Foundation.

Note 8: Adjunct Professor of Business Administration, National Taiwan University ; Chairman of IBF Financial Holdings Co., and International Bills Finance Corporation ; Independent Director of Formosa Plastics Corporation, and Taiwan Secom Company Ltd. ; Director of Inventec Group Charity Foundation, Rakuten International Commercial Bank, AcBel Polytech Inc., Nuvoton Technology Corp., Elan Microelectronics Corp., and Avatack Co., LTD ; Supervisor of Breeze Comprehensive Development.

2.2.1.2.1 Major Shareholders of Inventec Corporation's Institutional Shareholders: None

2.2.1.2.2 Major Shareholders of Inventec Corporation's Major Institutional Shareholders: None



## 2.2.1.3 Disclosure of directors' professional qualifications and independent directors' status

05/22/2024

Name	Professional qualifications and experience (Note 1)	Independence Status	Number of other public companies in which the individual is concurrently serving as an independent director (Note 3)
Yeh, Li-Cheng	Chairman Yeh, Li-Cheng graduated from Pace University with a Master's Degree in Information Engineering. He previously served as executive Vice President of the Company and was responsible for the promotion and expansion of new business areas, including industrial IoT, automotive electronics, AI and 5G, and business operations. He currently serves as Chairman of AIMobile Co., Ltd., President of Saint Investment Consulting Corporation, and Chairman of InveneXt System Co., Ltd. Mr. Yeh, Li-Cheng has abundant experience in IT industrial management and operational strategies, professional in industrial marketing and technology skills, and experience in the information technology industry.	-	-
Yeh, Kuo-I	Graduating from the Shihlin High School of Commerce, Mr. Yeh, Kou-I founded Inventec in 1975 and served as Chairman of the company until 2008. During his tenure, Mr. Yeh led the company to establish a solid presence in the global supply chain. He currently serves as Director of the Inventec Group Charity Foundation with professional abilities in accounting and finance, industrial marketing, and experience in the information technology industry.	-	-
Wen, Shih-Chih	Graduating from the Xihu Vocational High School of Industry and Commerce, Mr. Wen, Shih-Chih joined Inventec in 1980 and previously held positions in a range of fields of the company, including procurement, management, and human resources. He currently serves as Chairman of Shyh Shiunn Investment Corp. with professional abilities in industrial marketing and technology, and experience in the information technology industry.	-	-
Lee, Tsu-Chin	Graduated from the Department of Economics, Tunghai University, Mr. Lee, Tsu-Chin joined Inventec in 1976 and previously served as President of the company. During a period from 2008 to 2017, he served as Chairman of the company and	-	-

	led the Company to conduct transformation and upgrading. Currently, he serves as Chairman of Taiwan Electrical and Electronic Manufacturers' Association and Chairman of Inventec Group Charity Foundation with professional ability in accounting and finance, industrial marketing, and technology as well as experience in the information technology industry.		
Chang, Ching-Sung	Graduating from National Taiwan University with a Master's Degree in Electrical Engineering, Mr. Chang, Ching-Sung previously served as Executive Vice President of Inventec Corporation and Chairman of Inventec Appliances Corporation with professional abilities in industrial marketing and technology, and experience in the information technology industry.	-	-
Cho, Tom-Hwar	Graduating in Electrical Engineering from National Taiwan University with an EMBA from Shanghai Jiao Tong University, Mr. Cho, Tom-Hwar served as Chairman of the company from 2017 to 2023 and led the company to conduct transformation and upgrading, and to expand into new business areas. He previously served as Chairman of Inventec Solar Energy Corporation with professional abilities in industrial marketing and technology, and experience in the information technology industry.	-	-
Chang, Chang-Pang	Previously served as Chief Executive Officer, Lien Chan Foundation for Peace and Development, Chairman of Fuhwa Financial Holding Co., Ltd., Deputy Minister of the Ministry of Economic Affairs, Deputy Secretary General of the Executive Yuan, Vice Minister of the Ministry of Finance, and the Chairman of the Securities and Exchange Commission, Ministry of Finance. Mr. Chang, Chang-Pang graduated from National Chengchi University with a Master's Degree in Law, acquired National bar examination pass certificate. Specialized in law, accounting and finance and experience in financials industry.	Note 2	2
Chen, Ruey-Long	Previously served as the Chairman of the Institute for Information Industry, Minister of the Ministry of Economic Affairs, Chairman of the Powerchip Technology Corporation. Currently, he serves as Chairman of the Sinocon Industrial Standards Foundation and Chairman of the China Petrochemical Development Corporation. Mr. Chen, Ruey-Long graduated from National Chung	Note 2	1

	Hsing University with Bachelor's Degree in Economics, specialized in accounting and finance and experience in information technology and materials industry.		
Wea, Chi-Lin	Previously served as Chairman of the Land Bank of Taiwan, Secretary-General of the Executive Yuan Administrative Deputy, Chairperson of the Department of International Trade of the College of Management, National Taiwan University. Currently, he serves as the Adjunct Professor of the Business Administration, National Taiwan University, Chairman of the IBF Financial Holdings Co. Mr. Wea, Chi-Lin acquired PhD in Economics, University of Paris, specialized in accounting, finance and experience in financials industry.	Note 2	2

Note 1: Not been a person of any conditions defined in Article 30 of the Company Act.

Note 2: The independence criteria to indicate the directors had met any of the conditions during the 2 years prior to being elected or during the term of office

- (1) Not an employee of the Company or its affiliates
- (2) Not the directors or supervisors of the Company or the affiliated enterprises (except for those who are independent directors of the Company or the parent company, subsidiaries, or subsidiaries of the same parent company established in accordance with the Act or local laws).
- (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of one percent or more of the total number of issued shares of the Company or ranking in the top 10 in holdings.
- (4) Not the spouse, second-level blood relative, or lineal blood relative within three degrees of a manager listed in (1) or a person listed in (2) or (3).
- (5) Directors, supervisors, or employees indirectly holding more than 5% of the total shares issued by the Company, the top five shareholders, or appointing the representative as the directors or supervisors in accordance with Item 1 or 2 of Article 27 in the Company Law (except for those who are independent directors of the Company and its parent company, subsidiary, or subsidiaries of the same parent company established in the Law or local laws).
- (6) Not the directors, supervisors, or employees of other companies with the director's seat of the Company or with more than half of the voting shares controlled by the same person (except for those who are independent directors of the Company and its parent company, subsidiary, or subsidiaries of the same parent company established in the Law or local laws).

- (7) Not the directors, supervisors, or employees of other companies or organizations as the same person as the Company's chairman, general manager, or equivalent position or the spouse (except for those who are independent directors of the Company and its parent company, subsidiary, or subsidiaries of the same parent company established in the Law or local laws).
- (8) Not the directors, supervisors, managers, or shareholders with more than 5% shares of specific companies or organizations with financial or business transaction with the Company (except for those who are independent directors of specific companies or organizations holding more than 20% of the total shares issued by the Company but not more than 50%, and of the Company and its parent company, subsidiary, or subsidiaries of the same parent company established in the Law or local laws).
- (9) Not professionals of business, legal, financial, accounting, or other related services, entrepreneurs of proprietorships, partnerships, corporations or organizations, partners, directors, supervisors, and managers, or their spouses who provide audit services for the Company or affiliated enterprises or whose cumulative remuneration in the last two years has not exceeded NT\$500,000. However, this restriction shall not apply to members of the remuneration committee, open takeover review committee, or special committee for mergers and acquisitions who perform their duties under the Securities and Exchange Act or the relevant statutes of the Mergers and Acquisitions Act.

Note 3: Comply with Article 4 of “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”: No independent director of a public company may concurrently serve as an independent director of more than three other public companies.

## 2.2.2 Managers' Information

2024.05.22

Title	Nationality	Name	Gender	On-board date	Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions at other companies	Spouses or Relative within two degrees of kinship holding a position as Manager		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
President	R.O.C	Tsai, Chih-An	Male	2014.12.23	746,101	0.02%	13,208	0.00%	—	—	B.S. in Industrial Engineering and Enterprise Information, Tunghai University Digital Equipment Corporation	Note 1	None	None	None
Business Group President	R.O.C	Chang, Hui	Male	2014.12.23	591,291	0.02%	177,554	0.00%	—	—	M.B.A. in Global Management, Thunderbird School of Global Management	Note 2	None	None	None
Business Group President	R.O.C	Lin, Shu-Ju	Male	2018.02.27	—	—	—	—	—	—	Ph. D. in Mechanical Engineering, National Taiwan University of Science and Technology C.T. Star Co., Ltd.	Note 3	None	None	None
Senior Vice President	R.O.C	Chiu, Chui-Kuan	Male	2017.06.27	410,239	0.01%	82,484	0.00%	—	—	B.S. in Institute of Control Engineering, National Chiao Tung University	None	None	None	None
Senior Vice President	R.O.C	Chen, Yea-Ping	Male	2013.07.30	120,000	0.00%	7,000	0.00%	—	—	Ph. D. in Electrical Engineering, University of Wisconsin-Madison Philips Semiconductors	Director of TMY Technology Inc.	None	None	None
Senior Vice President	R.O.C	Yi, Fu-Ming	Male	2016.11.14	65,637	0.00%	—	—	—	—	B.S. in Electrical Engineering, Tatung University	Director of Inventec (Chongqing) Corp.	None	None	None
Senior Vice President	R.O.C	Chen, Wei-Chao	Male	2020.07.01	—	—	140,000	0.00%	—	—	PhD, Institute of Computer Science, University of North Carolina Skywatch Innovation	Chairman of Skywatch Innovation	None	None	None

Title	Nationality	Name	Gender	On-board date	Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions at other companies	Spouses or Relative within two degrees of kinship holding a position as Manager		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Senior Vice President	U.S.A.	Chang, Lin	Male	2022.04.01	—	—	—	—	—	—	Department of Electronic Engineering, New York Institute of Technology, IBM, HP	None	None	None	None
Vice President	R.O.C	Chang, Nai-Wen	Female	2004.12.01	28,857	0.00%	—	—	—	—	LL.M. in Law, University of Minnesota VIA Technologies Inc.	None	None	None	None
Vice President	R.O.C	Hong, Kuo-Ching	Male	2006.03.01	134,036	0.00%	82,185	0.00%	—	—	M.B.A. in Executive Master of Business Administration, National Cheng-Chi University	None	None	None	None
Vice President	R.O.C	Chang Yiu-Lang	Male	2007.05.01	—	—	—	—	—	—	B.B.A. in Business Administration, Senshu University M.B.A. in Business Administration, National Taiwan University Alpha Networks	Director of Inventec Besta Co., Ltd.	None	None	None
Vice President	R.O.C	Yu, Chin-Pao	Male	2009.01.20	707,576	0.02%	175,105	0.00%	—	—	B.B.A. in Accounting, National Cheng Kung University M.B.A. in Executive Master of Business Administration, National Cheng-Chi University	Note 4	None	None	None
Vice President	R.O.C	Chien, Kuei-Fen	Female	2010.01.22	68	0.00%	—	—	—	—	M.B.A., Missouri State University Digital Equipment Corporation	None	None	None	None
Vice President	R.O.C	Tsai, Yuh-Chen	Male	2010.12.28	—	—	—	—	—	—	M.S. in Engineering and Computer Science, Syracuse University Arima Computer Corp.	None	None	None	None

Title	Nationality	Name	Gender	On-board date	Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions at other companies	Spouses or Relative within two degrees of kinship holding a position as Manager		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Vice President	R.O.C	Hsu, Ching-Wu	Male	2012.01.16	88,508	0.00%	—	—	—	—	M.B.A in Finance and Business Administration, National Taiwan University of Science and Technology Sanyo Electric Corp., Ltd.	None	None	None	None
Vice President	R.O.C	Chao, Tsai-Hsiu	Female	2018.02.27	6,227	0.00%	20,275	0.00%	—	—	Master of Business Administration, National Central University Digital Equipment Corporation	None	None	None	None
Vice President	R.O.C	Li, Jui-Chin	Male	2018.02.27	—	—	—	—	—	—	Master of Business Administration, Syracuse University INTEL	None	None	None	None
Vice President	R.O.C	Chung, Chien-Yao	Male	2021.06.29	—	—	—	—	—	—	University of Illinois Urbana-Champaign, IBM, Quanta Cloud Technology	None	None	None	None
Vice President	R.O.C	Lin, Hung-Chou	Male	2021.10.01	—	—	371	0.00%	—	—	University of Northern Virginia, Verifone Inc., DELL, APC	President of SQ Technology (Shanghai) Corporation.	None	None	None
Vice President	R.O.C	Ting, Wei-Fan	Male	2021.10.01	—	—	—	—	—	—	NCTU Institute of Physics, Philips, Digital Equipment Corporation	None	None	None	None
Vice President	R.O.C	Chen, Wen-Chi	Male	2022.02.01	597	0.00%	30,000	0.00%	—	—	Department of Mechanical Engineering, National Central University, Quanta Computer Inc.	Note 5	None	None	None

Title	Nationality	Name	Gender	On-board date	Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions at other companies	Spouses or Relative within two degrees of kinship holding a position as Manager		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Vice President	R.O.C	Yu, San-Hua	Male	2022.04.01	—	—	—	—	—	—	Department of industrial engineering, National Taipei University of Technology	Note 6	None	None	None
Vice President	R.O.C	Song, Jing-Sian	Male	2022.07.01	—	—	—	—	—	—	San Francisco State University/MBA, Cogitoimage International Co., Ltd.	None	None	None	None
Vice President	R.O.C	Wang, Chih-Ching	Male	2022.07.01	—	—	6,852	0.00%	—	—	University of California, Santa Barbara/Bachelor of Science.	None	None	None	None
Vice President	R.O.C	Shih, Yu-Te	Male	2022.07.01	—	—	—	—	—	—	Department of Electronic Engineering, Hwa Hsia University of Technology, Wayi International Digital Entertainment Co., Ltd.	None	None	None	None
Vice President	R.O.C	Lin, Shih-Pin	Male	2022.10.01	28,000	0.00%	—	—	—	—	M.S. in Manufacturing Engineering, Boston University Hon Hai Technology Group Radiant Opto-Electronics Corporation	None	None	None	None
Vice President	R.O.C	Wu, Chia-Ming	Male	2023.01.01	—	—	—	—	—	—	China University of Science and Technology, Anton Technology Co., Ltd.	None	None	None	None
Director of Finance Center	R.O.C	Liang, Wen-Jan	Male	2008.08.01	—	—	—	—	—	—	B.B.A. in Economics, National Taiwan University OCBC Bank	None	None	None	None



Title	Nationality	Name	Gender	On-board date	Current shareholding		Spouse and Minor shareholding		Shareholding by nominee arrangement		Education/Work experience	Current positions at other companies	Spouses or Relative within two degrees of kinship holding a position as Manager		
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director of Finance Center	R.O.C	Hsiao, I-Ying	Female	2015.04.01	—	—	—	—	—	—	M.B.A., Baruch College, City University of New York CTBC bank	None	None	None	None

Note 1: President of Inventec Holding (North America) Corp. ; Director of Inventec Appliances Corp., Inventec Holding (North America) Corp., and Inventec Electronics (Thailand) Co., Ltd.

Note 2: Chairman of Inventec (Chongqing) Corp. ; Executive Director of Inventec (Chongqing) Service Co., Ltd. ; Director of Inventec Appliances Corp.

Note 3: Chairman of Inventec (Tianjin) Electronics Co., Ltd., and Inventec (Pudong) Technology Corp. ; Director and President of Inventec (USA) Corp., Inventec Manufacturing (North America) Corp., Inventec Configuration (North America) Corp., Inventec Distribution (North America) Corp., IEC Technologies,S.de R.L.de C.V. ; Director of Inventec Appliances Corp., and Inventec Electronics (Thailand) Co., Ltd. ; Representative of Inventec (Czech) s.r.o. ; Executive Director of Inventec Hi-Tech Corp., Inventec (Shanghai) Service Co., Ltd., and SQ Technology (Shanghai) Corporation.

Note 4: Director of Inventec Solar Energy Corporation, Inventec Technology Vietnam Company Limited, and Inventec Electronics (Thailand) Co., Ltd. ; Supervisor of Inventec Investments Co., Ltd., Inventec Appliances Corp., AIMobile Co., Ltd., and InveneXt System Co., Ltd. ; Chief Executive Officer of Inventec Group Charity Foundation ; Supervisor of Inventec Development Japan Corporation, and Inventec Japan Corporation.

Note 5: Director of Inventec (Tianjin) Electronics Co., Ltd., and Inventec (Pudong) Technology Corp.

Note 6: Director and President of Inventec (Chongqing) Corp. ; President of Inventec (Chongqing) Service Co., Ltd.

## 2.2.3 Remuneration Paid to Directors (Including Independent Directors), Presidents and Vice Presidents

### 2.2.3.1 Directors' Remuneration (Including Independent Directors)

Unit: NT\$ Thousands

Title	Name	Remuneration								Total amount (A+B+C+D) and ratio of total to net income		Relevant remuneration received by directors who are also employees						Total amount (A+B+C+D+E+F+G) and Ratio of total to net income		Compensation paid to directors from an invested company other than the company's						
		Compensation (A)		Retirement pension (B)		Bonus (C)		Allowance (D)				Salary and allowance (E)		Severance pay (F)		Employees bonus (G)										
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report							
Chairman	Yeh, Li-Cheng																									
Director	Yeh, Kuo-I																									
Director	Wen, Shih-Chih																									
Director	Lee, Tsu-Chin	-	-	-	-	65,425	65,425	1,570	1,780	66,995	67,205	1.09%	1.10%	66,115	71,027	1,231	1,231	-	-	-	-	134,341	139,463	2.19%	2.27%	25
Director	Chang, Ching-Sung																									
Director	Cho, Tom-Hwar																									
Independent Director	Chang, Chang-Pang																									
Independent Director	Chen, Rucy-Long	7,200	7,200	-	-	-	-	1,080	1,080	8,280	8,280	0.14%	0.14%	-	-	-	-	-	-	-	-	8,280	8,280	0.14%	0.14%	-
Independent Director	Wea, Chi-Lin																									

1. Please state the remuneration policy, system, standard, and structure of the independent director, and the correlation between the remuneration and the responsibilities, risks, dedicated time, and other factors: please refer to 2.2.3.5 remuneration of independent directors.

(1). The remuneration of the independent directors of the Company shall be paid monthly as a fixed amount in accordance with the Articles of Association and the Remuneration Method for Directors and Managers. In addition, the independent directors of the Company shall be compensated for travelling expenses

according to the number of times they actually attend board meetings, audit committee, remuneration committee and sustainability committee meetings. The independent directors of the Company shall not participate in the decision of remuneration distribution of directors.

- (2). The remuneration of directors and managers shall be assessed, reviewed, drafted, and recommended by the Remuneration Committee of the Company on a regular basis and submitted to the board of directors for approval.
- (3). The performance evaluation of the board of directors shall be carried out regularly every year. The chief corporate governance officer shall report to the board of directors for review and improvement, depending on the results of the performance evaluation, which shall serve as a reference for the selection or nomination of directors and individual remuneration.

2. Apart from those disclosed in the above table, the remuneration received by Company directors for providing services to all companies in financial reports of recent years (such as taking a post as an adviser, other than employee): None.

Bracket	Name			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the financial report	The Company	Companies in the financial report
Below NT\$ 1,000,000				
NT\$1,000,000(Included) ~ \$2,000,000(Excluded)				
NT\$2,000,000(Included) ~ \$3,500,000(Excluded)	Chang Chang-Pang, Chen Ruey-Long, Wea Chi-Lin	Chang Chang-Pang, Chen Ruey-Long, Wea Chi-Lin	Chang Chang-Pang, Chen Ruey-Long, Wea Chi-Lin	Chang Chang-Pang, Chen Ruey-Long, Wea Chi-Lin
NT\$3,500,000(Included) ~ \$5,000,000(Excluded)				
NT\$5,000,000(Included) ~ \$10,000,000(Excluded)	Lee Tsu-Chin, Wen Shih-Chih, Cho Tom-Hwar, Chang Ching-Sung	Lee Tsu-Chin, Wen Shih-Chih, Cho Tom-Hwar, Chang Ching-Sung	Chang, Ching-Sung	
NT\$10,000,000(Included) ~ \$15,000,000(Excluded)				Chang, Ching-Sung
NT\$15,000,000(Included) ~ \$30,000,000(Excluded)	Yeh Li-Cheng, Yeh Kuo-I	Yeh Li-Cheng, Yeh Kuo-I	Yeh Li-Cheng, Wen Shih-Chih, Lee Tsu-Chin, Cho, Tom-Hwar	Yeh Li-Cheng, Wen Shih-Chih, Lee Tsu-Chin, Cho, Tom-Hwar
NT\$30,000,000(Included) ~ \$50,000,000(Excluded)			Yeh Kuo-I	Yeh Kuo-I
NT\$50,000,000(Included) ~ \$100,000,000(Excluded)				
Over NT\$100,000,000				
Total	9	9	9	9

The data contained in this form shall be used for information disclosure only; it does not form the basis for taxable income.

Note: Supervisor's remuneration is not applicable (due to the establishment of the audit committee)

2.2.3.2 Compensation Paid to Presidents and Vice Presidents

Unit: NT\$ Thousands

Title	Name	Compensation (A)		Retirement pension (B)		Bonus (C)		Employees bonus (D)				Total amount (A+B+C+D) and ratio of total to net income		Compensation paid to directors from an invested company other than the company's subsidiary
		The Company	Companies in the financial report	The Company	Companies in the financial report	The Company	Companies in the financial report	The Company		Companies in the financial report		The Company	Companies in the financial report	
								cash	stock	cash	stock			
President	Tsai, Chih-An	87,117	99,557	3,408	3,408	93,024	93,384	45,600	-	45,600	-	229,149	241,949	35
Business Group President	Chang, Hui													
Business Group President	Lin, Shu-Ju													
Senior Vice President	Chiu, Chui-Kuan													
Senior Vice President	Chen, Yea-Ping													
Senior Vice President	Yi, Fu-Ming													
Senior Vice President	Chen, Wei-Chao													
Senior Vice President	Chang, Lin													
Vice President	Chang, Nai-Wen													
Vice President	Hong, Kuo-Ching													
Vice President	Chang Yiu-Lang													
Vice President	Yu, Chin-Pao													
Vice President	Chien, Kuei-Fen													
Vice President	Tsai, Yuh-Chen													
Vice President	Hsu, Ching-Wu													
Vice President	Chao, Tsai-Hsiu													
Vice President	Li, Jui-Chin													
Vice President	Chung, Chien-Yao													
Vice President	Lin, Hung-Chou													
Vice President	Ting, Wei-Fan													
Vice President	Chen, Wen-Chi													
Vice President	Yu, San-Hua													
Vice President	Song, Jing-Sian													
Vice President	Wang, Chih-Ching													
Vice President	Shih, Yu-Te													
Vice President	Lin, Shih-Pin													
Vice President	Wu, Chia-Ming													

Bracket	Name	
	The Company	Companies in the financial report
Below NT\$ 1,000,000		
NT\$1,000,000(Included) ~ \$2,000,000(Excluded)		
NT\$2,000,000(Included) ~ \$3,500,000(Excluded)		
NT\$3,500,000(Included) ~ \$5,000,000(Excluded)		
NT\$5,000,000(Included) ~ \$10,000,000(Excluded)	Chiu Chui-Kuan, Chang Nai-Wen, Hong Kuo-Ching, Chang Yiu-Lang, Chien Kuei-Fen, Chao Tsai-Hsiu, Li Jui-Chin, Chung Chien-Yao, Chen Wei-Chao, Chen Yea-Ping, Tsai Yuh-Chen, Hsu Ching-Wu, Lin Hung-Chou, Ting Wei-Fan, Chen Wen-Chi, Yu San-Hua, Song Jing-Sian, Wang Chih-Ching, Shih Yu-Te, Wu Chia-Ming, Lin Shih-Pin	Chiu Chui-Kuan, Chang Nai-Wen, Hong Kuo-Ching, Chang Yiu-Lang, Chien Kuei-Fen, Chao Tsai-Hsiu, Li Jui-Chin, Chung Chien-Yao, Chen Wei-Chao, Chen Yea-Ping, Tsai Yuh-Chen, Hsu Ching-Wu, Lin Hung-Chou, Ting Wei-Fan, Chen Wen-Chi, Yu San-Hua, Song Jing-Sian, Wang Chih-Ching, Shih Yu-Te, Wu Chia-Ming, Lin Shih-Pin
NT\$10,000,000(Included) ~ \$15,000,000(Excluded)	Yu Chin-Pao, Lin Shu-Ju, Yi Fu-Ming	Yu Chin-Pao, Lin Shu-Ju, Yi Fu-Ming
NT\$15,000,000(Included) ~ \$30,000,000(Excluded)	Chang Hui, Tsai Chih-An, Chang Lin	Chang Hui, Tsai Chih-An, Chang Lin
NT\$30,000,000(Included) ~ \$50,000,000(Excluded)		
NT\$50,000,000(Included) ~ \$100,000,000(Excluded)		
Over NT\$100,000,000		
Total	27	27

The data contained in this form shall be used for information disclosure only; it does not form the basis for taxable income.

## 2.2.3.3 Employees' Profit-Sharing Bonus Paid to Management Team

Unit: NT\$ Thousands

Title	Name	Stock	Cash	Total	Ratio of total amount to net income
President	Tsai, Chih-An	-	46,700	46,700	0.76%
Business Group President	Chang, Hui				
Business Group President	Lin, Shu-Ju				
Senior Vice President	Chiu, Chui-Kuan				
Senior Vice President	Chen, Yea-Ping				
Senior Vice President	Yi, Fu-Ming				
Senior Vice President	Chen, Wei-Chao				
Senior Vice President	Chang, Lin				
Vice President	Chang, Nai-Wen				
Vice President	Hong, Kuo-Ching				
Vice President	Chang Yiu-Lang				
Vice President	Yu, Chin-Pao				
Vice President	Chien, Kuei-Fen				
Vice President	Tsai, Yuh-Chen				
Vice President	Hsu, Ching-Wu				
Vice President	Chao, Tsai-Hsiu				
Vice President	Li, Jui-Chin				
Vice President	Chung, Chien-Yao				
Vice President	Lin, Hung-Chou				
Vice President	Ting, Wei-Fan				
Vice President	Chen, Wen-Chi				
Vice President	Yu, San-Hua				
Vice President	Song, Jing-Sian				
Vice President	Wang, Chih-Ching				
Vice President	Shih, Yu-Te				
Vice President	Lin, Shih-Pin				
Vice President	Wu, Chia-Ming				
Director of Finance Center	Liang, Wen-Jan				
Director of Finance Center	Hsiao, I-Ying				

2.2.3.4 Compare and State the Ratio of Total Remuneration Paid to the Company’s Directors, Supervisors, President and Vice Presidents by the Company and the Companies in the Consolidated Financial Statements to Net Income in the Past Two Years.

Unit: NT\$ Thousands

Item	The Company		Companies in the financial report	
	2022	2023	2022	2023
Remuneration of Directors	78,182	75,275	78,422	75,485
Ratio of total to net income	1.28%	1.23%	1.28%	1.23%
Remuneration of the President and Vice President	294,562	229,149	306,893	241,949
Ratio of total to net income	4.81%	3.74%	5.01%	3.95%
Net income	6,128,786	6,130,732	6,128,786	6,130,732

Note: The compensation to directors in 2023 was decreased compared to 2022 due to the directors’ remuneration is based on the profit situation of the current year (net income before tax deduct the remuneration of employees and directors). Shall be appropriated based on Articles of Incorporation, recommended by the remuneration committee and then submitted to the Board for resolution. The decrease in net income before tax results in a decrease in remuneration of directors. The total compensation of the president and vice presidents was decreased compared to 2022 because the number of persons and bonus payments were decreased.

2.2.3.5 The Policies, Standards, and Combinations of Remuneration Paid to Directors, President, and Vice Presidents, the Procedures for Remuneration Determination, and the Correlation with Operational Performance and Risks in the Future

(1). According to the Articles of Incorporation, if the Company has made a profit in the current year, no less than 3% shall be appropriated for the compensation of employees and no more than 3% shall be appropriated for the compensation of directors by Article 26 of the Articles of Incorporation. The Company shall compensate all directors managing Company businesses regardless of profit or loss in operation. The standard shall be based on the degree of participation in the Company's business and the value of contribution, taking into account the general level of the industry. Procedures for the determination of directors’ remuneration shall be submitted to the board of directors for resolutions made by the remuneration committee’s recommendations and assessed in accordance with the Board Performance Evaluation Method and the Remuneration Method for Directors and Managers. The remuneration of directors shall fully reflect their personal performance and the long-term business performance of the Company and shall comprehensively consider the operational risks of the Company. For independent directors, a reasonable remuneration differing from that of ordinary directors may be prescribed. The



independent directors of the Company shall be paid a fixed amount monthly and shall be compensated for travelling expenses according to the number of times they actually attend board meetings, audit committee, sustainability committee and remuneration committee meetings. The independent directors of the Company shall not participate in the remuneration distribution of directors. The remuneration of the remaining directors shall include compensation, salary, bonus and retirement pension. In addition, they shall be compensated for travelling expenses according to the number of times they actually attend board meetings and shall participate in the remuneration distribution of directors. The performance evaluation of directors shall include at least six aspects: Understanding of corporate objectives and tasks, cognition of directors' responsibilities, participation in company operations, internal relationship management and communication, directors' professional and continuing education, and internal control. The remuneration of managers includes salary, bonus and retirement pension, and they can participate in the employees' profit sharing. The performance evaluation indicators (financial indicator:70% and non-financial indicator:30%) of managers are as follows:

A. Company performance:

Financial indicator: Return on Equity. (ROE)

Relative Financial indicator: Average return on equity in Computer and Peripheral Equipment Manufacturing industry of Taiwan listed company. (TSR)

Non-financial indicator: Greenhouse gas reduction/proportion of renewable energy/energy efficiency.

B. Unit performance:

Financial indicator: After-tax profit/Revenue (results of budget achievement)/operating cash flow/dynamic items.

Non-financial indicator: Engagement in sustainable development (indicators such as electricity consumption reduction, waste reduction, water intensity, etc.).

C. Individual performance: Individual appraisal result.

Additional information: It is suggested that the minimum of attendance for the board of directors required, at least in 80%.

- (2). Procedures for the determination of director, president and vice presidents' remuneration shall be submitted to the board of directors for resolutions made by the remuneration committee's recommendations. The procedure is based on the "Remuneration Regulations of the Board of Directors and Manager". The Company takes into account of the usual level of the industry, and considers the time invested by the individual, the responsibilities assumed, the achievement of personal goals, performance in other positions, and the salary that the company has given to those in the same position in recent years. It should be based on the company's short-term and long-term business

goals and financial status, etc., and the reasonableness of the relationship between personal performance, the company's sustainable development performance and future risks, etc. shall also be assessed.

- (3). The remuneration policies of the Company aim to enhance long-term competitiveness and sustainable operational ability, improve overall operation in the future, and fulfill the ideal of giving full scope to the Company's talents. In principle, the remuneration payment is fully incorporated with performance. The remuneration system supports the fulfillment of operational strategies and creates long-term and sustainable shareholders' value. Comprehensive evaluation items include operational performance (revenue, net income after tax, etc.), overall salary, and individual performance for overall consideration, and the payment will be distributed based on individual contributions to carry out the performance-oriented incentive system. In addition, after comprehensive consideration of the current trend of ESG sustainable development, reasonable remuneration will be given to achieve a balance between sustainable operation and risk control. The important decisions of the management of the Company are made by balancing various risk factors, and the performance of relevant decisions is reflected in the profitability of the Company so that the compensation of the management is related to the performance of risk control.

## 2.3 Corporate Governance Practices

### 2.3.1 Information of Board Meeting Operation

(1). A total of 14 (A) meetings of the board of directors were held in 2023. Directors' attendance status is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) B/A	Remarks
Chairman	Yeh, Li-Cheng	14	0	100%	Reelection on 2023.06.13
Director	Yeh, Kuo-I	14	0	100%	Reelection on 2023.06.13
Director	Wen, Shih-Chih	14	0	100%	Reelection on 2023.06.13
Director	Lee, Tsu-Chin	14	0	100%	Reelection on 2023.06.13
Director	Chang, Ching-Sung	14	0	100%	Reelection on 2023.06.13
Director	Cho, Tom-Hwar	12	2	86%	Reelection on 2023.06.13
Independent Director	Chang, Chang-Pang	14	0	100%	Reelection on 2023.06.13
Independent Director	Chen, Ruey-Long	14	0	100%	Reelection on 2023.06.13
Independent Director	Wea, Chi-Lin	14	0	100%	Reelection on 2023.06.13

Note: Average board meeting attendance : 98% of meetings of board of directors.

Other matters that should be recorded:

I. Should any of the following circumstances occur at the Board of Directors Meeting, the date of the Board of Directors, the stage, contents proposed, opinions of all independent directors, and the Company's handling of independent directors' opinions, should any exist, shall be specified:

(I) Matters as stipulated in Paragraph 3 of Article 14 of the Securities Exchange Act: Not Applicable (due to the establishment of the audit committee).

(II) Apart from the above-mentioned matters, other board resolution matters on which an independent director has an adverse or expertise opinion recorded or in the form of a written statement: None.

II. Attendance of Independent Directors at 2023 Board Meetings:

✓: Attending in person;    ⊙: Delegated a representative to attend;    ○: absent

Board of directors meeting	1	2	3	4	5	6	7	8	9	10	11	12	13	14
Chang, Chang-Pang	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chen, Ruey-Long	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wea, Chi-Lin	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

III. For the Director's Avoidance of Proposal with a Conflict of Interest, the Name of the Director, Proposal Content, Reason for Conflict of Interest, and Participation in Voting shall be Specified:

Board of directors meeting	Board of directors	Contents proposed	Cause of conflict of interest and status of voting participation
The 35th Meeting of the 16th Session 2023.02.21	Yeh, Kuo-I Lee, Tsu-Chin, Yeh, Li-Cheng Chang, Ching-Sung, Chen, Ruey-Long,	Donate TWD 5 million to Inventec Group Charity Foundation for Turkey-Syria earthquake.	Except for the directors prohibited from discussion and voting, the other attending directors have no objection, and this resolution is approved.

	Wea, Chi-Lin		
The 36th Meeting of the 16th Session 2023.03.14	Cho, Tom-Hwar Yeh, Kuo-I Wen, Shih-Chih, Lee, Tsu-Chin, Chang, Ching-Sung, Yeh, Li-Cheng	Discuss the remuneration of the Company's employees and directors in 2022 proposed by Remuneration Committee.	This resolution proposes the directors' remunerations and, except for the directors prohibited from discussion and voting according to law, the other attending directors have no objection, and this resolution is approved.
The 2nd Meeting of the 17th Session 2023.6.13	Chang, Chang-Pang, Chen, Ruey-Long, Wea, Chi-Lin	Appoint Remuneration Committee members.	Except for the directors prohibited from discussion and voting, the other attending directors have no objection, and this resolution is approved.
The 2nd Meeting of the 17th Session 2023.6.13	Yeh, Li-Cheng Chang, Chang-Pang, Chen, Ruey-Long, Wea, Chi-Lin	Appoint Sustainability Committee members.	Except for the directors prohibited from discussion and voting, the other attending directors have no objection, and this resolution is approved.
The 8th Meeting of the 17th Session 2023.11.10	Yeh, Li-Cheng Yeh, Kuo-I Lee, Tsu-Chin, Chang, Chang-Pang, Chen, Ruey-Long, Wea, Chi-Lin	Donate TWD 10 million to Inventec Group Charity Foundation.	Except for the directors prohibited from discussion and voting, the other attending directors have no objection, and this resolution is approved.
The 9th Meeting of the 17th Session 2023.12.26	Yeh, Li-Cheng Yeh, Kuo-I Wen, Shih-Chih, Lee, Tsu-Chin, Chang, Ching-Sung, Cho, Tom-Hwar	2023 directors and managers' remunerations and year-end bonus proposal	This resolution proposes the directors' remunerations and, except for the directors prohibited from discussion and voting according to law, the other attending directors have no objection, and this resolution is approved.

<p>The 9th Meeting of the 17th Session 2023.12.26</p>	<p>Yeh, Li-Cheng Yeh, Kuo-I Wen, Shih-Chih, Lee, Tsu-Chin, Chang, Ching-Sung, Cho, Tom-Hwar</p>	<p>Proposed for the 2024 remuneration adjustment for directors and managers of the Company</p>	<p>This resolution proposes the directors' remunerations and, except for the directors prohibited from discussion and voting according to law, the other attending directors have no objection, and this resolution is approved.</p>
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IV. A Listed and OTC Company shall Disclose the Assessment Period, Duration, Scope, Method, and Content of the Self-Assessment of the Board of Directors:

(2) Assessment Performance of the Board of Directors

Assessment cycle	Assessment period	Assessment scope	Assessment methodology	Assessment content
<p>In addition to the regular internal performance assessment of the Board of Directors every year, the Company shall at least invite an external professional, independent institution or specialists, scholars or team to assess once every three years</p>	<p>2023</p>	<p>Includes the entire Board of Directors, individual board members, and functional committee.  (Audit Committee /Remuneration Committee/ Sustainability Committee)</p>	<p>The Board of Directors, functional committee, and internal self-assessment of the members of the Board of Directors and Outsourcing evaluation</p>	<p>(1) Performance assessment of the Board of Directors: includes the involvement of participation in the operation of the Company, the quality of board decisions, the composition and structure of the Board of Directors, the selection and continuing education of directors, and the internal control.</p> <p>(2) Performance assessment of individual director: includes the mastery of the Company's objectives and tasks, the recognition of directors' duties, the participation in the Company's operations, internal relationship management and communication, the directors' professional and continuing education, and the internal control.</p> <p>(3) Performance assessment of functional committees: includes the involvement of participation in the operation of the Company, the recognition of the responsibilities of functional committees, the quality of the decision-making of functional committees, the composition and selection of functional committees, and the internal control.</p>

V. The goals of strengthening functions of the Board in the current year and most recent year (e.g., establish Audit Committee, promote information transparency) and implementation status:

Strengthen board of directors' and functional committees' functions.

1. Strengthen different perspectives in diversification (includes gender and tenure) of the Board.
2. Set up the goal rate of director attendance.
3. Enhance risk management supervision.
4. Implement the board's responsibility for sustainable development.

Safeguard shareholders' equity.

1. Equal treatment of shareholders: properly handle shareholders' suggestions and queries and increase interaction with investors.

Improve information transparency.

1. Improve the timeliness of disclosure of information contained in financial statements
2. Enhance non-financial and ESG information disclosure.

Improvement of corporate governance: Drafting and disclosure of tax policy and standards of participation in public affairs.

The Company has finished revising the Rules of Procedure for Board of Directors Meetings, Corporate Governance Best Practice Principles, rules governing financial and business matters between this corporation and its affiliated enterprises, administrative measures for subsidiaries and Sustainable Development Code of Practice in 2023.

#### VI. The fulfillment of member diversification of the Board

According to Article 20 of the Corporate Governance Best Practice Principles and Article 3 of Rules for the Election of Directors of the Company, the members of the Board shall have knowledge, skills, and accomplishments as required by the duties. As a whole, the Board shall be able to make operational judgment and accounting and financial analysis, as well as have business management ability, crisis handling ability, industrial knowledge, a global market view, and leadership and decision-making abilities. The composition of members of the Board shall be diversified, and a plan for diversified members of the Board aimed at the operation, operational type, and future development trends shall be established, including basic conditions and value (Gender, Age, Nationality, Race or Ethnicity, and Culture) and professional knowledge and skills (e.g., law, accounting, industry, finance, marketing, or technology). The physical management goals of diversified policies and achievements are as follows:

Management goal	Achievement
More than half of the directors do not concurrently serve as managers or employees.	Done
The number of independent directors shall not be less than one-third of all directors.	Done

The implementation of Board member diversification in 2023 was as follows:

Diversified items Name	Basic Composition								Industry experience(Note)			Professional ability				
	Nationality	Gender	Employee	Age					Term and seniority of independent directors	Information Technology	Financials	Materials	Law	Accounting and finance	Industrial marketing	Information Technology
				51-55	61-65	66-70	76-80	81-85								
Yeh, Li-Cheng	R.O.C	Male	V	V	-	-	-	-	-	V	-	-	-	-	V	V
Yeh, Kuo-I	R.O.C	Male	V	-	-	-	-	V	-	V	-	-	-	V	V	-
Wen, Shih-Chih	R.O.C	Male	-	-	-	V	-	-	-	V	-	-	-	-	V	V
Lee, Tsu-Chin	R.O.C	Male	V	-	-	-	V	-	-	V	-	-	-	V	V	-
Chang, Ching-Sung	R.O.C	Male	-	-	-	V	-	-	-	V	-	-	-	-	V	V
Cho, Tom-Hwar	R.O.C	Male	V	-	-	V	-	-	-	V	-	-	-	-	V	V
Chang, Chang-Pang	R.O.C	Male	-	-	-	-	V	-	10	-	V	-	V	V	-	-
Chen, Ruey-Long	R.O.C	Male	-	-	-	-	V	-	10	V	-	V	-	V	-	-
Wea, Chi-Lin	R.O.C	Male	-	-	-	-	V	-	4	-	V	-	-	V	-	-

Note : Classification basis: Global Industry Classification Standard (GICS)

Note 1: The current board of directors consists of nine directors (including three independent directors). They are all extraordinary persons with rich professional practices and are capable of leadership decisions, operational management, operational judgment, crisis handling, industrial knowledge, and international market observation. The three independent directors are specialized in law, economics, and business management, respectively. Six directors are specialized in finance and accounting, technology, and industrial marketing to carry out member diversification policies that help the Company promote corporate governance efficacy and operational performance.

Note 2: Term of office of independent directors: Director Chang, Chang-Pang and Chen, Ruey-Long were appointed on 2014/06/12, with a seniority of 10 years, while Director Wea, Chi-Lin was appointed on 2010/06/12, with a seniority of 4 years. In addition, all the Company's director members are Chinese and 3 independent directors without any female director (which separately accounts for 33% and 0% account of the entire director membership). In the future, the Company also considers strengthening diversification policy of director members and increasing female director



members. At the end of 2023, there was one director who was within 51-55 years old, three directors within 66-70 years old, four directors within 76-80 years old and one director within 81-85 years old. Of these, independent directors all conformed to FSC Securities and Futures Bureau's relevant specifications. For each director's educational background, work experience, gender, professional qualification, etc., please refer to 2.2.1 Directors' Information.

## VII. Independence of the Board

### 1. Structure of the Board

The Company has established a director election system, and all directors have been elected openly and fairly by the provisions of the Company's Articles of Association, the Guidelines for the Election of Directors, the Code of Practice on Corporate Governance, Regulations on the Setup of Independent Directors and the Compliance of IPO Companies and Article 14 (2) of the Securities Exchange Act. The current Board of Directors consists of 3 independent directors (33%) and 6 non-independent directors (69%), among which are Yeh, Kuo-I and Yeh, Li-Cheng who are relatives within two generations. All the directors comply with the provisions of Item 3 and Item 4 of Article 26-3 of the Securities Exchange Act.

### 2. Independence of the Board

The Company's board of directors directs the Company's strategy, supervises the management, and is responsible to the Company and the shareholders. In terms of the operation and arrangement of the corporate governance system, the Board of Directors exercises its powers as per the law, Articles of Association, or the resolutions of the Board of Shareholders. The Company's Board of Directors emphasizes the function of independent operation and transparency, and the directors and independent directors are independent individuals and exercise their functions independently. The three independent directors also follow the relevant laws and regulations, combined with the functions and powers of the audit committee, and review the Company's existing or potential risk control, to supervise the effective implementation of the Company's internal control, the selection (removal) and independence of certified accountants and the preparation of the financial statements. In addition, the board establishes and implements the cumulative voting system and candidate nomination system by the Company's Procedure for the Election of Directors and Independent Directors and encourages shareholders to participate. Shareholders holding more than a certain number of shares shall put forward a list of candidates. The relevant acceptance operations shall be conducted and announced by the law for the examination of the qualifications of the candidates and the confirmation of whether there is any violation of the provisions of Article 30 of the Company Law to protect the shareholders' rights and interests and to avoid monopolization or excessive nominating rights and to maintain independence. For the independent information of directors, please refer to 2.2 Directors, Supervisors and Managers' Information.

### 2.3.2 Operation of the Audit Committee :

A total of 4 (A) meetings of the audit committee were held in 2023. Attendance status is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) B/A	Remarks
Convener	Chang, Chang-Pang	4	0	100%	Reelection on 2023.06.13
Committee member	Chen, Ruey-Long	4	0	100%	Reelection on 2023.06.13
Committee member	Wea, Chi-Lin	4	0	100%	Reelection on 2023.06.13

Other scenarios to be described:

A. If the audit committee is found to have any of the following situations, it should state the date of the board meeting, session, case content, resolution result by the audit committee, and administration of the Company regarding the opinion of the audit committee.

a. Items listed in Article 14-5 of the stock transaction Law

Audit Committee	Contents proposed	Matters stipulated in paragraphs 14-3 of the Securities Exchange Act	Items suggested or opposed by independent directors	Administration of the Company regarding the opinion of the Audit Committee	Resolution result by the Audit Committee
2023.03.14	1. 2022 statement of internal control system	14-5-2	No	No	The proposal is approved by all the attendees
	2. 2022 financial report and business report	14-5-10	No	No	The proposal is approved by all the attendees
	3. Profit distribution of 2022	14-5-11	No	No	The proposal is approved by all the attendees
	4. Appointment of certified public accountant.	14-5-8	No	No	The proposal is approved by all the attendees
	5. Modification of Rules of Procedure for Board of Directors Meetings	14-5-11	No	No	The proposal is approved by all the attendees
	6. Modification of Corporate Governance Best Practice Principles	14-5-11	No	No	The proposal is approved by all the attendees

	7. Modification of the Rules Governing Financial and Business Matters Between this Corporation and its Related Parties	14-5-11	No	No	The proposal is approved by all the attendees
	8. Modification of Regulations Governing the Management of Subsidiary	14-5-11	No	No	The proposal is approved by all the attendees
2023.5.12	1. 2023 Q1 consolidated financial report	14-5-10	No	No	The proposal is approved by all the attendees
2023.8.11	1. Build factory in Inventec Electronics (Thailand) Co., Ltd.	14-5-5	No	No	The proposal is approved by all the attendees
	2. Pass the participation in the capital increase of Inventec Electronics (Thailand) Co., Ltd.	14-5-3	No	No	The proposal is approved by all the attendees
	3. 2023 Q2 consolidated financial report	14-5-10	No	No	The proposal is approved by all the attendees
	4. Review Audit Committee Charter	14-5-11	No	No	The proposal is approved by all the attendees
2023.11.10	1. 2023 Q3 consolidated financial report.	14-5-10	No	No	The proposal is approved by all the attendees
	2. Revision of the Internal Control System of the Company.	14-5-1	No	No	The proposal is approved by all the attendees
	3. 2024 Internal Audit Plan.	14-5-11	No	No	The proposal is approved by all the attendees
	4. Pass the participation in the capital increase of Inventec (Czech), s.r.o.	14-5-3	No	No	The proposal is approved by all the attendees
	5. Accountant's fees of 2023	14-5-8	No	No	The proposal is approved by all the attendees

b. Apart from the aforementioned items, other cases of resolution not passed by the Audit Committee but agreed to by two-thirds of the entire board of directors: None.

B. Regarding execution by independent board directors preventing cases of conflict of interest, name of independent board director, motion content,

case of conflict of interest avoided, and voting participation should be described: None.

C. Communication of independent board directors with the Chief audit officer and CPA (company finance, major issues of business conditions conducted through communications, and the methods and results should be described).

a. The Chief audit officer will prepare an audit report, follow it up after it is submitted, and hand it over to an independent board director for review by the end of the month after the month in which the auditing items were completed. In view of items for consultation and instruction by independent board directors for improvement and subsequent follow-up, these items should be filed and reported to the independent board director after being completed, and the consultation results should be reported to the board at the end of the month. The Board of Directors will establish an audit project team aimed at important issues of the internal control system to conduct project audits and report the audit results upon completion. The chief audit officer should report to Independent Directors about internal auditing business every month.

b. The CPA shall communicate with directors during the quarterly management meeting and irregularly and separately have two-way communications with independent directors.

D. Communication and scenario of independent board directors with the Chief audit officer and CPA

Date of meeting	Subject of communication	Items of communication	Process execution results of the Company
2023.03.14 Audit Committee	All independent directors CPA Chairman's office secretary Accounting supervisor Chief audit officer	<ol style="list-style-type: none"> <li>1. Statement of 2022 internal control system</li> <li>2. 2022 financial report and business report</li> <li>3. 2022 profit distribution</li> <li>4. Appointment of 2023 certified public accountant.</li> <li>5. Modification of Rules of Procedure for Board of Directors Meetings</li> <li>6. Modification of Corporate Governance Best Practice Principles</li> <li>7. Modification of the Rules Governing Financial and Business Matters Between this Corporation and its Related Parties</li> <li>8. Modification of Regulations Governing the Management of Subsidiary</li> </ol>	Submit to the Board for resolution.

2023.03.14 Corporate governance communication meeting	All directors All independent directors CPA Chairman's office secretary Chief corporate governance officer Chief audit officer	1. Audit range and opinion of 2022 financial report 2 Description of Key Audit Matters	The directors have no objection at the meeting.
2023.05.12 Audit Committee	All independent directors CPA Chairman's office secretary Accounting supervisor	1. 2023 Q1 consolidated financial report	Submit to the Board for resolution.
2023.05.12 Corporate governance communication meeting	All directors All independent directors CPA Chairman's office secretary Chief corporate governance officer Chief audit officer	1. Audit range and opinion of 2023 Q1 financial report 2. Important accounting items updates	The directors have no objection at the meeting.
2023.08.11 Audit Committee	All independent directors CPA Chairman's office secretary Accounting supervisor	1. Pass the participation in the capital increase of Inventec Electronics (Thailand) Co., Ltd. 2. 2023 Q2 consolidated financial report 3. Review Audit Committee Charter.	Submit to the Board for resolution.
2023.08.11 Corporate governance communication	All directors All independent directors CPA	1. Audit range and opinion of 2023 Q2 financial report 2. Important accounting items updates	The directors have no objection at the meeting.

meeting	Chairman's office secretary Chief corporate governance officer Chief audit officer		
2023.11.10 Communication meeting between the CPA and independent directors	All independent directors CPA	1. Time course planning of 2023 financial statement auditing 2. CFC influence	Independent directors fully aware of the planning matter
2023.11.10 Audit Committee	All independent directors CPA Accounting supervisor Chief audit officer	1. Pass the participation in the capital increase of Inventec (Czech), s.r.o. 2. Modification of internal control system 3. 2024 Internal audit plan. 4. 2023 Q3 consolidated financial report 5. CPA's fees of 2023	Submit to the Board for resolution.
2023.11.10 Corporate governance communication meeting	Yeh, Li-Cheng Yeh, Kuo-I Wen, Shih-Chih, Lee, Tsu-Chin, Chang, Ching-Sung All independent directors CPA Chief corporate governance officer Chief audit officer	1. Audit range and opinion of 2023 Q3 financial report 2. Important accounting items updates 3. Key audit matters 4. CFC influence	The directors have no objection at the meeting.

E. The audit committee intends to assist the board of directors in overseeing the quality and integrity of the company's accounting, auditing, and financial reporting processes, and financial controls. Matters to be deliberated by the audit committee include:

1. Establish or amend the internal control system in accordance with Article 14.1 of the Securities Exchange Act

2. Evaluate the effectiveness of the internal control system
3. According to Article 36.1 of the Securities and Exchange Act, establish or amend the procedures for asset acquisition or disposal, transaction of derivative commodities, lending, endorsement or security provision and other material financial transactions.
4. Items relevant to the directors' interest
5. Transaction of major asset or derivative commodities
6. Lending of large amounts, endorsements and security provisions
7. Raising, issuance or private placement of securities of an equity nature.
  
8. Appointment, discharge, and remuneration of certified public accountant.
  
9. Appointment and removal of finance, accounting, or internal audit supervisors.
  
10. Annual financial reports signed or sealed by the chairman of the board of directors, the manager and accountant in charge, and the second quarter financial report subject to audit and certification by the accountant.
  
11. Other major issues stipulated by the company or the competent authority.

F. Business performance of the audit committee in 2023

1. The Company holds quarterly audit committee meetings to supervise the company's financial and business conditions and internal control system.
  
2. Refer A.a. for detailed operations in 2023
  
3. Review of financial reports.
  
4. Evaluate the effectiveness of the internal control system: The audit committee evaluates the effectiveness of the Company's internal control systems, policies, and procedures (including financial, operational, risk management, information security, compliance, and other control measures) and then reviews the regular reports submitted by the audit department and management.

**2.3.3 Participation of Supervisor in Board Meeting: NA. The Company has established the audit committee on June 16, 2017.**

### 2.3.4 Corporate Governance Implementation Status and Deviations from “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies”

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
1. Does Company follow “Taiwan Corporate Governance Implementation” to establish and disclose its corporate governance practices?	✓		The Company has established “Inventec Corporate Governance Best Practice Principles” in 2014. The eighth amendment was approved by the Board of Directors on May 14, 2024, all of which are also disclosed on our website and MOPS.	No discrepancy.
2. Shareholding Structure and Shareholders’ Rights				
(1) Does Company have Internal Operation Procedures for handling shareholders’ suggestions, concerns, disputes, and litigation matters. If yes, has these procedures been implemented accordingly?	✓		(1) The Company has procedures for handling stock affairs, a dedicated mailbox for accepting suggestions, doubts, disputes, and lawsuits. Meanwhile, the stock affairs agency has been commissioned as a window for shareholder services.	No discrepancy.
(2) Does Company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(2) The Company may efficiently control the list of major shareholders and final controllers of major shareholders.	No discrepancy.
(3) Has the Company built and executed a risk management system and firewall between the Company and its affiliates?	✓		(3) The Company has established regulations governing internal control, rules governing financial and business matters between this corporation and its affiliated enterprises, and subsidiaries to establish and implement the risk control of affiliates and a firewall mechanism.	No discrepancy.
(4) Has the Company established	✓		(4) The Company has formulated the "Insider Trading Prevention Management	No discrepancy.



Item	Implementation status			Non-implementation and its reason(s)		
	Y	N	Summary			
internal policies that forbid insiders from trading based on non-disclosed information?			Operation Procedure", among others, to prohibit company insiders from utilizing information undisclosed to the market to transact negotiable securities; internal literature is carried out regularly.			
3. Composition and responsibilities of the Board of Directors						
(1) Whether the Board member's election is based on relevant diverse policy, specific management targets and is implemented?	✓		(1) The article 20 of the Company's Corporate Governance Best Practice Principles has established a diversification guideline for Board members. Diversification includes basic qualifications and values (gender, age, nationality and culture), professional knowledge and skills. All of the existing Board members have their own professional backgrounds in law, finance and accounting, industry, marketing or technology. Please refer to the section of the Company's "Fulfillment of Member Diversification of the Board" for the details of implementation status.	No discrepancy.		
(2) Other than the Compensation Committee and the Audit Committee which are required by law, does the Company plan to set up other Board committees?	✓		(2) All independent directors of the Company serve as members of the remuneration committee and the audit committee. Set up a Sustainability Committee under the board on 12/5/2022 to formulate sustainable development goals, strategy formulation, and sustainable development implementation and performance tracking.	No discrepancy.		
(3) Has the Company established a performance assessment method and the assessment method for the Board of Directors, conducted the performance assessment annually and regularly, and reported the results of the performance assessment to the Board of	✓		(3) In 2016, the Company formulated regulations (amended on Dec. 29, 2020) for evaluating the performance of the Board of Directors to implement corporate governance and enhance the functions of the Board of Directors. The director of corporate governance is responsible for the implementation and completion of annual performance evaluations.	No discrepancy.		
			<table border="1"> <tr> <td>Evaluation cycle</td> <td>In addition to the regular internal performance assessment of the Board of Directors every year, the Company's regulations for evaluating the performance of the Board of Directors stipulate that the evaluation must</td> </tr> </table>	Evaluation cycle	In addition to the regular internal performance assessment of the Board of Directors every year, the Company's regulations for evaluating the performance of the Board of Directors stipulate that the evaluation must	
Evaluation cycle	In addition to the regular internal performance assessment of the Board of Directors every year, the Company's regulations for evaluating the performance of the Board of Directors stipulate that the evaluation must					

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
Directors, as well as applied it as a reference for individual directors' remuneration and nomination for renewal?			be carried out at least every three years by an external independent professional agency or external team of experts and scholars.	
			Evaluation period 2023.01.01~2023.12.31	
			Evaluation scope Board of Directors, the members of the Board of Directors, and the functional committees (Audit Committee /Remuneration Committee/ Sustainability Committee)	
			Evaluation method The evaluation methods include internal self-evaluation of the Board of Directors, functional committees, self-evaluation of Board members and outsourcing evaluation.	
			Evaluation content The performance evaluation criteria for the Board of Directors include: 1. the extent of participation in the Company's operations; 2. enhancing the decision-making quality of the Board of Directors; 3. composition and structure of the Board of Directors; 4. election and continuous learning of directors; and 5. internal control. There are 25 items in five categories.	
			The performance evaluation criteria for Board members include: 1. understanding of the Company's goals and tasks; 2. understanding of their responsibilities; 3. the extent of participation in the Company's operations; 4. internal relationship management and communication; 5. expertise and continuous advanced studies; and 6. internal control. There are 20 items in six categories.	
		The performance evaluation criteria for the functional committees include: 1. the extent of participation in the operations of the Company; 2. the recognition of the responsibilities of functional committees; 3. the improvement in the decision-making quality of functional committees; 4. composition and selection of functional committee members; and 5. internal control. There are 25 items in five categories.		

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>Internal evaluation result</p> <p>From 2021 to 2023, the results of self-evaluation for the Board of Directors, the functional committees (Audit Committee /Remuneration Committee/ Sustainability Committee), and the members of the Board of Directors were all "excellent". The Company will strengthen different perspectives in diversification of the Board, actively practice sustainable development and strengthen the supervision of the implementation of sustainable development in the future.</p> <p>The results and recommendations of the 2023 internal Board performance evaluation were reported in the Board meeting on January 30, 2024, and will be used as a reference for individual director's remuneration and nomination for renewal.</p>	
			<p>External evaluation result</p> <p>The external evaluation was carried out by KPMG Advisory Services Co Ltd., an external independent professional organization. The project leader was Zhu, Chengguang, executive deputy general manager, and the evaluation was conducted during the period from Oct. 27, 2021, to January 7, 2022.</p> <p>The evaluation scope included the overall Board of Directors, functional committees (Audit Committee /Remuneration Committee), and individual directors.</p> <p>The evaluation was conducted through data analysis, questionnaires and interviews, and the performance evaluation report was issued based on the results.</p> <p>The evaluation content of the Board of Directors included the establishment of an effective Board of Directors, the effective operation of the Board of Directors, professional development and further training, enterprise foresight, the performance of duties, the extent of participation in the operations of the Company, and internal relationship management and communication.</p> <p>The evaluation of Board members includes understanding of the Company's goals and missions, understanding of directors' responsibilities, expertise, and continuing education, performance of duties, participation in the Company's management, and management and communication of internal matters.</p>	

Item	Implementation status		Non-implementation and its reason(s)
	Y	N	
(4) Does the Company regularly evaluate its external auditors' independence?	✓		<p>The performance evaluation criteria for the audit committee included the establishment of an effective audit committee, the effective operation of the audit committee, the performance of duties, the establishment of a complaint channel, the relationship with the Board of Directors, and performance evaluation.</p> <p>The performance evaluation of the remuneration committee included the establishment of an effective remuneration committee, the effective operation of the remuneration committee, the performance of duties, relationship with the Board of Directors, and performance evaluation.</p> <p>In 2021, the results of the external performance evaluation for the Board of Directors, functional committees and Board members were "between good and excellent".</p> <p>Recommendations for optimization included the enhancement of important stakeholders' communication mechanism and supervision for corporate risk items by risk management committee or audit committee on a regular basis. Going forward, the Company will continue to enhance communication with key stakeholders and the audit committee will undertake the responsibility of supervising risk management.</p> <p>The results and recommendations of the performance evaluation of the Board of Directors in 2021 were reported in the Board meeting on January 25, 2022.</p>
			<p>(4) The appointment of CPA will be submitted to the Board of Directors for resolution after the audit committee of the Company evaluates the independence and suitability of CPA in March every year. In addition to the Declaration of Independence and Audit Quality Indicators (AQIs) required of CPAs, it is also required to conduct evaluation in accordance with the standards indicated in the Code of Ethics for Professional Accountants No. 10 Notice and the Certified Public Accountant Act (see Note 1 for details) as well as 13 AQIs. It is confirmed that the CPAs have no other financial interests or business relationship with the Company other than the expenses incurred for certification, and finance and</p>

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
			<p>taxation cases. It is also required to check whether CPAs are directors, managers, or shareholders of the Company, or receive payment by the Company, and confirm that they are not interested parties. Family members of CPAs shall not violate the requirements of independence either. Refer to AQI information, it is aimed to confirm that accountants and the CPA firms are better than the average of the peers in terms of training hours and professional support and that their innovation capability continues to introduce digital audit tools to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the audit committee on March 12, 2024, and were submitted to the Board of Directors for approval. The Board meeting dated on March 12, 2024, resolved to approve the evaluation of the independence and suitability of the accountants.</p>	
<p>4. Does the Company appoint competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?</p>	✓		<p>The Board meeting dated February 26, 2019, resolved to specify the corporate governance officer position served by CFO Yu, Chin-Pao with more than three years of work experience in finance, stock affairs and rules of procedure. The major duties include: 1. Managing matters regarding the Board and shareholders' meetings. 2. Preparing meeting minutes of Board and shareholders' meetings. 3. Assisting directors with inauguration and continuing study. 4. Providing directors with information as necessary for business execution. 5. Assisting directors on law compliance. 6. To report to the Board the results of its review of whether the qualifications of the independent directors at the time of nomination, appointment, and during the term of office comply with the relevant laws and regulations. 7. Handle matters related to the change of directors. 8. Other matters as stipulated by the Articles of Incorporation or contracts.</p> <p>The 2023 business implementation status was as follows:</p> <p>1. Assist directors in executing business, provide necessary information and arrange study for directors: (1) The revision and development of the latest laws and</p>	No discrepancy.

Item	Implementation status		Non-implementation and its reason(s)
	Y	N	
			<p>regulations related to the business and corporate governance shall be updated regularly. (2) Provide Company information required by directors and maintain smooth communication between the directors and business supervisors. (3) Assist in arranging meetings with independent directors, chief audit officer or a certified public accountant. (4) Assist the directors in formulating the annual study plan and arranging courses.</p> <p>2. Assist the board of directors and shareholders' meeting with procedures and resolutions: (1). Report on corporate governance to the board of directors. (2). Assist and remind directors of the laws and regulations to be followed in the execution of business.</p> <p>3. Formulate the meeting schedule of directors.</p> <p>4. Assist with the shareholders' meeting</p> <p>5. Executive board performance evaluation.</p> <p>6.The items as stipulated in the Articles of Incorporation and contracts have been implemented.</p> <p>The Company has organized 14 board meetings, 4 audit committee meetings, 2 compensation committee meetings, 4 sustainability committee meetings as well as 4 corporate governance communication meetings in 2023. It reports the implementation status and plans during the board meeting in the second quarter of each year including corporate management promotion, sustainable development, communication with each interested party, regulatory compliance and intellectual property management, ethical corporate management and risk treatment.</p>

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
5. Has the Company established communication channel with interested parties (Including but not limited to shareholders, employees, customers and suppliers, etc.) and disclosed key corporate social responsibility issues frequently enquired by stakeholders on the designated area of the corporate website?	✓		The Company website has created an interested party zone to maintain communication channels with interested parties at any time through information delivery by telephone, fax, e-mail, etc., for important corporate social responsibility issues that concern interested parties and their feedback. The Company will properly handle matters to respect and maintain its due rights and interests. The Company will also periodically identify the matter regarding the communication with interested parties and report to the Board meeting in the second quarter of each year.	No discrepancy.
6. Has the Company appointed a professional registrar for its Shareholders' Meetings?	✓.		The Company has appointed Registrar and Transfer Agency Department of Taishin Securities Co., Ltd. to be responsible for serving shareholders and handling affairs of the Shareholders' Meetings.	No discrepancy.
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) Chinese and English websites of the Company are available to update and disclose financial business and corporate governance information at any time.	No discrepancy.
(2) Dose the Company adopt any other information disclosure channels (e.g., maintaining an English-language website, appointing designated personnel to handle information collection and disclosure, appointing	✓		(2) The Company has set up Chinese and English websites and assigned dedicated personnel to be responsible for the collection and disclosure of Company information; it has also set up a spokesman and agency spokesman system and provide information on the corporate briefing session on the company website to which investors may refer.	No discrepancy.

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>spokespersons, webcasting investors conference, etc)?</p> <p>(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?</p>		✓	(3) The Company has announced and reported the quarterly financial statements and the operation situation of each month within the prescribed period.	No discrepancy.
<p>8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	✓		<p>1. Employee rights and interests: Pursuant to government laws and decrees and personnel management measures of the Company, the Company provides all kinds of basic due labor conditions, including a working hour mechanism and thorough ask for leave system, as well as provides a stable and safe work environment, and in addition to basic welfares, such as labor insurance, health insurance, pension allocation, etc., employees can also enjoy regular health examinations, group insurance, and thorough employee retirement measures.</p> <p>2. Employee care: The Company has established the Occupational Safety and Health Committee pursuant to laws to discuss safety and health related regulations. Due to create a friendly workplace and ensure the safety and health of the staff, the Company has formulated the "Occupational Safety and Health Policy", holds all kinds of keynote lectures and courses, provides physician consultation, provides a doctor and health counseling, implements the Employee Assistance Program (EAP) to provide free "psychological, legal, and financial" counseling services and opens diversified channel for employee to express opinions and consultation,</p>	No discrepancy



Item	Implementation status		Non-implementation and its reason(s)
	Y	N	
			<p>and creates good participation sense and smooth two-way communication channel.</p> <p>3. Investor relations: The Company dedicates to protect shareholders' rights and interests as its main objective, and instantly announces relevant significant Company information, such as finance and business.</p> <p>4. Supplier relations: In addition to formulating "Codes of Ethical Conduct" and the "Global Employee Code of Conduct Management Measures". The responsibilities of a responsible business alliance (RBA) member include establishing and providing Inventec's standard of responsible business alliance and supplier standard of behavior to suppliers. The suppliers must comply with "Inventec Responsible Business Alliance Compliance Statement", which cover labor, health, safety, environmental, and business ethics matters. Important information about the Company's suppliers is published in iSupplier placement. A sustainable supply chain explanation session of Inventec Group is held every year in the hopes that the Company can serve as an example and lead more suppliers to jointly improve their environmental protection consciousness and fulfill their corporate social responsibility.</p> <p>5. Rights of interested parties: Operate pursuant to Articles 51-54 of the "Inventec Corporation Corporate Governance Best Practice Principles" and set up an interested party zone.</p> <p>6. The implementation of risk management policies and risk measurement standards: please refer to the Analysis of Risk Management in annual report.</p> <p>7. Execution circumstance of customer policy: The Company has formulated an appropriate customer policy and operation target and adjusts its operation strategy in a timely manner to achieve the target.</p>

Item	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
			8. Circumstances of buying liability insurance for directors: The Company has bought relevant Directors' and Officers' Liability Insurance for its directors. Related liability insurance US\$20 million (NT\$614,200 thousands) for directors is purchased up to January 1, 2025, and the insurance policy will be renewed upon expiration. The insured amount, scope of insurance, and insurance fees of the liability insurance of the directors are reported to the board in December 2023.	
9. Please describe the improvements of the corporate governance evaluation results released by the corporate governance center of the Taiwan Stock Exchange Corporation in the last year and propose priority matters or measures to strengthen areas yet unimproved. (No need to be filled in by companies that were not subject to evaluation).	✓		The Company will continuously promote improvement for items not yet scored.	No discrepancy

Note 1: Criteria for the evaluation of the independence of CPAs

Evaluation item	Evaluation result	Compliance with independence
Are they currently employed by the Company engaged in continuous work, receive a fixed salary, or serve as directors and supervisors?	No	Yes
Have they served as directors, supervisors, or managers of the Company, or been employees with a significant impact on certification cases within the past two years?	No	Yes
Do they have a relationship with the person in charge of the Company or managers, such as a spousal relationship, or are they a blood relative, or related by law within the second degree of kinship?	No	Yes
Do they or their spouses or underaged children have an investment relationship or share a financial interest in the Company?	No	Yes

Are they or their spouses or underaged children involved in lending and borrowing of funds with the Company?	No	Yes
Has the management consulting or other non-certification business been executed to adequately effect their independence?	No	Yes
Are there regulations inconsistent with the competent authority's regulations on the rotation of CPAs, substitution of others to handle accounting affairs, or other regulations that may affect independence?	No	Yes
Have any violations of independence as specified in Articles 7-11 of the Code of Ethics for Professional Accountants No. 10 Notice occurred?	No	Yes

#### 10. Continuing professional education hours for directors in 2023

Title	Name	Date	Course	Hours	Institute
Chairman	Yeh, Li-Cheng	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.07.10	New Sustainability System and New Trends	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Director	Yeh, Kuo-I	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Director	Wen, Shih-Chih	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association

Title	Name	Date	Course	Hours	Institute
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Director	Lee, Tsu-Chin	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Director	Chang, Ching-Sung	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Director	Cho, Tom-Hwar	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association

Title	Name	Date	Course	Hours	Institute
Independent Director	Chang, Chang-Pang	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Independent Director	Chen, Ruey-Long	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.10.03	How directors and supervisors supervise and guide enterprise risk management and risk handling	3.0	Securities and Futures Institute
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
Independent Director	Wea, Chi-Lin	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.10.03	International anti-tax avoidance regulations.	3.0	Securities and Futures Institute
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
		2023.12.08	Prevention of money laundering and ethical corporate management	3.0	Securities and Futures Institute

11. Continuing professional education hours for managers in 2023

Title	Name	Date	Course	Hours	Institute
President	Tsai, Chih-An	2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
		2023.07.14	AI Day	2.5	Inventec Corporation
Business Group President	Chang Hui	2023.02.16	2023 group strategy business meeting.	7.3	Inventec Corporation
		2023.04.19	The opportunities and challenges of AI	2.0	Inventec Corporation
Business Group President	Lin, Shu-Ju	2023.09.18	Enterprise Brand Strategy Communication Meeting of Inventec Corporation	1.5	Inventec Corporation
Senior Vice President	Chiu, Chui-Kuan	2023.05.04	2023 Global industrial economic trends.	2.0	Inventec Corporation
Senior Vice President	Yi, Fu-Ming	2023.02.02	Managerial Assessment of Proficiency	8.0	Inventec Corporation
Senior Vice President	Chen, Wei-Chao	2023.07.28	Medical devices quality management systems standards (QMS)	3.0	Inventec Corporation
		2023.08.25	Medical devices risk management and Information security risk	3.0	Inventec Corporation
		2023.09.01	Internal audit in medical devices quality management	2.0	Inventec Corporation
Senior Vice President	Chang, Lin	2023.02.17	2023 group strategy business meeting.	6.5	Inventec Corporation
Senior Vice President	Hong, Kuo-Ching	2023.11.02	2023 Outlook on Global Industrial Economic Trends	2.0	Inventec Corporation

Title	Name	Date	Course	Hours	Institute
Senior Vice President	Tsai, Yuh-Chen	2023.07.31	Inventec AI Day	2.1	Inventec Corporation
Vice President (Chief Corporate Governance Officer)	Yu, Chin-Pao	2023.03.14	Digital Bio-Medicine investment trends	1.5	The Taiwan Corporate Governance Association
		2023.04.27	Sustainable development promotional meeting	3.0	Taiwan Stock Exchange Corporation
		2023.05.12	Ethical corporate management and insider trading	1.5	The Taiwan Corporate Governance Association
		2023.06.02	2023 Taishin net zero summit	3.0	The Chinese National Association of Industry and Commerce
		2023.07.10	New Sustainability System and New Trend	1.5	The Taiwan Corporate Governance Association
		2023.08.11	Risk Management Trends from an ESG Perspective	1.5	The Taiwan Corporate Governance Association
		2023.11.10	Reflection on the AI-driven World from SEMI E187	1.5	The Taiwan Corporate Governance Association
		2023.08.24	How the Board of Directors and Senior Officers Review the ESG Sustainability Report	3.0	Accounting Research and Development Foundation
		2023.08.24	Laws and Regulations Related to "Information Security" and Internal Control Management Practice	3.0	Accounting Research and Development Foundation
		2023.08.25	Enterprise Taxation Governance Practice Amidst the Wave of ESG	3.0	Accounting Research and Development Foundation
		2023.08.25	Unlawful Patterns and Legal Liabilities of Enterprises' "Business Competition Behaviors" and Case Study	3.0	Accounting Research and Development Foundation
	Hsu, Ching-Wu	2023.05.25	Regulatory Audit Practice of the Operation of the Board of Directors	6.0	Securities and Futures Institute

Title	Name	Date	Course	Hours	Institute
Vice President		2023.10.31	From Compliance with Labor Laws and Regulations to ESG Corporate Governance Based on Practical Operations	6.0	Securities and Futures Institute
Vice President	Chao, Tsai-Hsiu	2023.09.05	2023 ESG Seminar LiteOn	2.0	Inventec Corporation
Vice President	Li, Jui-Chin	2023.02.16	Challenges and Opportunities for Enterprises in the Net-Zero Era	1.3	Inventec Corporation
Vice President	Chung, Chien-Yao	2023.03.14	MAP-Excellent	7.0	Inventec Corporation
		2023.06.29	NVIDIA Roadmap Intorduction	2.0	Inventec Corporation
Vice President	Ting, Wei-Fan	2023.08.16	A Study on the Modeling and Inhibition Strategy of High-frequency Power Switching Noise of Power Transmission Networks	2.5	Inventec Corporation
		2023.08.22	Green Energy Data Centers	1.5	Inventec Corporation
Vice President	Song, Jing-Sian	2023.07.07	Industrial Development and Key Issues	2.0	Inventec Corporation
		2023.12.22	Breaking the Framework, and Creating Innovative Thinking	2.0	Inventec Corporation
Vice President	Shih, Yu-Te	2023.04.19	Opportunities and Challenges of Generative AI	2.0	Inventec Corporation



Title	Name	Date	Course	Hours	Institute
Vice President	Lin, Shih-Pin	2023.04.20	32 <sup>nd</sup> TCCS Council Meeting & CEO Lecture	3.0	Taiwan Center for Corporate Sustainability
Vice President	Wu, Chia-Ming	2023.04.21	Advanced Business Negotiation Course	6.0	Inventec Corporation
Director of Finance Center	Liang, Wen-Jan	2023.04.25	Artificial Intelligence and Cybersecurity	3.0	Inventec Corporation
		2023.07.24	The Distance between Us and Hackers	2.0	Inventec Corporation
		2023.08.15	Protecting Companies' Confidential Information and Avoiding Violations of Laws	2.0	Inventec Corporation
		2023.12.04	Introduction to International Sustainability Disclosure Standards and Impact of Climate Change on Financial Statements	2.0	Inventec Corporation
		2023.12.26	Cloud Safety, AI Application Risks, and Common Attacks	2.0	Inventec Corporation
Director of Finance Center	Hsiao, I-Ying	2023.07.21	Net-Zero Transmission and Carbon Rights Trends	2.5	Bank of Taiwan
		2023.10.16	Integration of Strategic Development and New Thinking of Enterprise ESG Risk Management	2.0	Inventec Corporation
		2023.11.23	2024 Outlook on finance and economics	2.0	Inventec Corporation

## 12. Certificate of License

	Taiwan CPA	CIA	Taiwan CIA	Public Company Accounting Supervisor with Professional Certification	Stock Affair Specialist	Corporate Governance Personnel	Enterprise Internal Control Basic Ability	International Computer Auditor	Internal Control and Audit of the Bank	Certification in Control Self-Assessment
The Number of People	6	4	6	1	5	3	6	1	1	1

## 13. Board members and the important management succession plan of Company

To strengthen Board functions and reinforce management mechanisms, the Company has established Board structure as appropriate, Board member diversification guidelines, and a candidate nomination system for the election of directors based on the principle of fair treatment to shareholders. At the same time, plans for advanced training of directors shall be drafted in consideration of the professional knowledge, skills, and experience required of the directors of the Company, and emphasizes gender equality and improves the gender diversity of directors through talent cultivation and good use of talent databases. The number of directors and required qualifications shall be regularly reviewed, and the results of directors' performance evaluations shall be referred to as the basis for succession plans and candidates for directors. Inventec persists in the “human-based” concept, and with “talent development” as its basis of sustainable operations, incorporated with strategic goals of the Company, management functions and core values, the Company is able to set up a sound succession plan. The Board of Directors reviews the development and implementation of management succession plan in the second quarter of each year to ensure sustainable operation. In 2023, the development contents for middle and top management levels include financial management, successor cultivation, strategic planning and deployment, digital transformation, new business development, sustainable development and other diverse topics in all fields to cultivate their decision and leadership skills as well as communication management abilities. The physical taking of professional abilities every year and initiation of individual development projects: organize professional technology training systematically and hold irregular group management meetings, executive meetings, and consensus camps to conduct training programs as required by the key positions. 4 executive meetings, 2 successor cultivation strategic meeting and 24 senior management training courses were held in 2023.

The company's regular shareholders' meeting on June 13, 2023, elected nine directors (including three independent directors). The elected directors were Chao, Tom-Hwar; Yeh, Kuo-I; Wen, Shih-Chih; Lee, Tsu-Chin; Chang, Ching-Sung; and Yeh, Li-Cheng. All directors were re-appointed as directors and are familiar with the operation of the company's board of directors, each having their own strengths in industry, marketing, or technology. The independent

directors elected are Chen, Ruey-Long, Chang, Chang-Pang, and Wea, Chi-Lin. They are re-appointed as independent directors, each with their respective strengths in law, economy and business administration. They have more than five years of work experience required by the company's business operation, which will be beneficial to the company.

To implement management's succession plan, the board of directors of the Company unanimously approved to elect Mr. Yeh Li-Cheng as the new chairperson and appoint Mr. Tsai, Chih-An as the new president on June 13, 2023. Chairperson Yeh Li-Cheng will continually lead Inventec to profoundly develop market application fields like cloud services, edge computing, AI, and 5G with his abundant industry management, operation strategies, and experience, and realize continual innovation and excellent growth of the Company. President Tsai, Chih-An has more than 30 years' experience in business operations, development, and supply chain management, laying a favorable foundation for the development of the products and technologies of the business and cooperative advantages in supply chain. The Inventec team will be continually led to make plans, deepen competitive advantages, improve the overall operating performance and long-term stable development, and accumulate dynamics for growth to realize sustainable management.

### 2.3.5 Status of Remueration Committee

#### 2.3.5.1 Remueration Committee

Name/Identification (Note 1)	Professional qualifications and experience	Independence Status	Number of other public companies in which the individual is concurrently serving as remueration committee
Chang, Chang-Pang (Independent Director/ Convener)	Please refer to 2.2 Directors' Information	Please refer to 2.2 Directors' Information	1
Chen, Ruey-Long (Independent Director)			1
Wea, Chi-Lin (Independent Director)			3

Note1 : Title: Director, independent director, and others ◦

### 2.3.5.2 The State of the Remueration Committee's Implementation

A. The remuneration committee comprised of 3 members.

B. Tenure of the remuneration committee is from June 13, 2023, to June 12, 2026. A total of 2 (A) meetings of the remuneration committee were held in 2023, the status of attendance is as follows:

Title	Name	Attendance in person (B)	By proxy	Attendance rate (%) B/A	Remarks
Chairman	Chang, Chang-Pang	2	0	100%	Reelection on 2023.06.13
Member	Chen, Ruey-Long	2	0	100%	Reelection on 2023.06.13
Member	Wea, Chi-Lin	2	0	100%	Reelection on 2023.06.13

Other information to be disclosed:

1. If Board of Directors did not adopt or revise the proposal made by the Remueration Committee, please specify the date, session, agendas and resolutions of the Board of Directors meeting and how the Company handled the proposal made by the Remueration Committee ( If amount of the compensation approved by the Board of Directors is higher than that proposed by the Remueration Committee, please specify the reasons and differences in proposals.): None.
2. If any members of the Remueration Committee were against or reserved their opinions towards the resolutions, please specify the date, session, agendas, opinions of all members and how the opinions were handled: None.

Note: The Company convenes a meeting of the Remuneration Committee every year to establish and review performance and remuneration policies, system, standards, and structure of directors and managers and suggestions to the Board.

### 2.3.5.3 Operation of the Remuneration Committee in 2023

Date	Contents Pproposed	Result of Resolution	Company's Disposal of the Salary and Committee's Suggestion
2023.03.14 The 6th time of the 4th term	2022 remuneration distribution to employees, and board directors	All members of the committee agree to adopt the proposal	Submitted to the board of directors; all present directors agree to adopt the proposal
2023.12.26 The 1st time of the 5th term	<ol style="list-style-type: none"> <li>1. Discuss the Remuneration Committee Charter, the performance evaluation and compensation policy, system, standards and structure of the current director and manager.</li> <li>2. 2023 employee compensation and director compensation ratio.</li> <li>3. 2023 director and manager compensation and year-end bonus planning.</li> <li>4. 2024 director and manager compensation adjustment planning</li> </ol>	All members of the committee agree to adopt the proposal	Submitted to the board of directors; all present directors agree to adopt the proposal

## 2.3.6 Status of Sustainability Committee

### 2.3.6.1 Sustainability Committee

To practice corporate sustainable responsibility and achieve sustainable development target, as per Article 27 of the Code of Practices on Corporate Governance, a Sustainability Committee was set up on 12/5/2022, which is subordinate to the Board of Directors.

The Sustainability Committee will formulate the objectives and strategies for sustainable development: To formulate objectives, policies, implementation plans, and management targets for the sustainable development strategy and major sustainable issues (including sustainable governance, ethical management, environment, and community issues), as well as a review of sustainable development implementation: The Company will rack, review and improve the implementation and effect of the company's sustainable development, and will regularly report the Board of Directors.

As per the organizational regulations, the Committee has set up the Sustainability Office, a unit to assist the Committee in promoting sustainable affairs and contains six functional groups, namely corporate governance, green innovation, sustainable environment, sustainable supply chain, risk management, and social inclusion, to implement various projects and strategies.

### 2.3.6.2 The State of the Sustainability Committee's implementation

A. The Sustainability Committee comprised of 5 members, including 3 independent directors.

B. Tenure of the Sustainability Committee is from June 13, 2023, to June 12, 2026. A total of 4 (A) meetings of the sustainability committee were held in 2023, the status of attendance is as follows:

Title	Name	Professional qualifications and experience	Attendance in person (B)	By proxy	Attendance rate (%) B/A	Remarks
Convener	Yeh, Li-Cheng	Please refer to 2.2 Directors' Information	4	0	100%	Reappointed; and newly appointed as convener on June 13, 2023
Convener	Cho, Tom-Hwar		1	0	100%	Formerly appointed; required to attend the meeting once; removed from the Committee of convener on June 13, 2023
Member	Chang, Chang-Pang		4	0	100%	Reappointed; required to attend the meeting four times
Member	Chen, Ruey-Long		4	0	100%	Reappointed; required to attend the meeting four times
Member	Wea, Chi-Lin		4	0	100%	Reappointed; required to attend the meeting four times
Member	Wu, Yung-Tsai	Previously served as President, Inventec Corporation	1	0	100%	Formerly appointed; required to attend the

		Specialized in business management, and manufacture etc.				meeting once
Member	Tsai, Chih-An	President, Inventec Corporation Previously served as Business Group President, Enterprise Business Group Specialized in business management, and manufacture etc.	3	0	100%	Newly appointed; required to attend the meeting thrice

### 2.3.6.3 Operation of the Sustainability Committee in 2023

Date	Contents Pproposed	Result of Resolution	Company's disposal of the sustainability committee's suggestion
2023.05.12 The 3rd time of the 1st term	Plan to revise relevant provisions of the Sustainable Development Best Practice Principles. Draw up vision, strategies, and relevant promotion plans for sustainable development.	All members of the committee agree to adopt the proposal	Submitted to the board of directors; all present directors agree to adopt the proposal
2023.7.25 The 1st time of the 2nd term	Establish a Supplier Code of Conduct. Establish the Company's human rights policy.	All members of the committee agree to adopt the proposal	-
2023.11.10 The 2nd time of the 2nd term	Draw up a plan for the sustainability report and material topics for the year 2023.	All members of the committee agree to adopt the proposal	The Chairman of the Sustainability Committee reported to the Board
2023.12.26 The 3rd time of the 2nd term	Draw up regulations governing the preparation, verification, and application of the sustainability report. Draw up the planning and strategies for the Pathway to Net Zero emissions by 2050.	All members of the committee agree to adopt the proposal	The Chairman of the Sustainability Committee reported to the Board

### 2.3.7 Corporate Sustainability and Deviations from “The Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
1. Whether the Company set up to promote a sustainable development management structure, namely a full-time (part-time) unit, which is authorized and supervised by the Board of Directors for senior management level handling?	✓		<p>To align with international ESG trends, strengthen the sustainable governance mechanism, and achieve the goal of sustainable development, the Board of Directors of the Company passed a resolution to approve the establishment of the Sustainability Committee directly under the Board of Directors on December 5, 2022. The Chairman serves as the chair of this committee. The main responsibilities of the committee include drafting sustainable development vision and strategies, reviewing project implementation of specific promotion plans for sustainable development, and reporting to the Board of Directors at least once every year. The Board of Directors must judge the possibility of success of these strategies, and continuously review the progress of specific promotion plans, as well as urge the adjustments of such plans as needed. In 2023, the Sustainability Committee convened a total of four meetings, with proposals including (1) the establishment and revision of relevant sustainability policies; (2) the approval of sustainable development vision and policies as well as promotion plans of the Company; (3) drafting the greenhouse gas inventory and verification plan.</p> <p>The Company has established a Sustainability Office under the Sustainability Committee as the dedicated unit for promoting sustainable development and assisting the Sustainability Committee with tracking and promoting each sustainable development project and regularly reporting the implementation and status of sustainability project objectives to the Sustainability Committee. Additionally, six functional teams in charge of corporate governance, green innovation, sustainable environment, sustainable supply chain, risk governance, and social inclusiveness have been set up. Senior officers serve as team leaders and lead cross-departmental colleagues to execute each sustainability project and draw short-, medium-, and long-term plans.</p>	No discrepancy



Item	Implementation status (Note1)		Non-implementation and its reason(s)	
	Y	N		Summary (Note2)
<p>2. Exercising Corporate Governance</p> <p>Does the Company conduct risk assessment on environmental, social, and corporate governance issues related to the Company's operation in accordance with the principle of materiality and then formulate relevant risk management policies or strategies?</p>	✓		<p>The Board of Directors of the Company approved the revision of the Code of Practice for Corporate Sustainability in May 2023, conducted a risk assessment on environmental, social and corporate governance issues related to the Company's operations in accordance with the principle of materiality. The audit committee shall review the effectiveness of the internal control system (including control environment, risk assessment, control operations, information and communication, and supervision operations) and the audit report annually, which shall be then approved by the Board of Directors.</p> <p>1. Risk management policy: The Company has established its risk management policy and procedures with reference to the corresponding provisions of the Risk Management Best Practice Principles for TWSE/TPEX Listed Companies to strengthen the efficiency of risk management and realize the enterprise's objectives. The risk management policy and procedures are to be approved by the board of directors on May 14, 2024. The Company links risk management to its strategy objectives, sets the tone for the major risk projects of the Company, and improves the comprehensiveness, perspective, and integrity of risk identification results through participation of the board, the Sustainable Development Committee, and senior management. The Company publicizes and launches relevant risk control and response from top to bottom to reasonably assure the achievement of the Company's strategy objectives.</p> <p>2. Risk management organization: The Board of Director is the top organization within the Company responsible for risk management, under which a Sustainability Committee was set up in December 2022. The Committee consists of five members, including three independent directors, accounting for one half of the total directors. Six trans-department functional teams have been established under the Committee, among which the risk management team plans and executes risk management matters and evaluates and reviews the implementation of current risk management procedures. The scope of risk governance covers each company subordinate to the Corporation. Risk governance comprises the top managers of each corporate unit and each business unit. Risk governance execution personnel comprise personnel from units assigned by risk governance members. The Sustainability Committee reports the audit risk management implementation status at least once a year to the Board.</p>	No discrepancy

Item	Implementation status (Note1)		Non-implementation and its reason(s)
	Y	N	
			<p>3. Risk management procedures: Each unit shall conduct a regular assessment every year, implement various internal risk control procedures and take occurrence probabilities and risk impact as the standard to measure risk, and effectively control risk within the acceptable range. All risk management procedures shall be included in the compulsory courses for new recruits to strengthen their awareness of operational risk.</p> <p>The risk governance procedures of the Company include : Risk identification and analysis, risk assessment, response measures, continual supervision and review, and reports and disclosure.</p> <p>Risk identification and analysis: Each risk governance unit shall check the risk items relevant to their area of business and conduct risk identification and analysis pursuant to the materiality principle to ensure a comprehensive understanding of risks that may affect operations.</p> <p>Risk assessment: Adopt risk occurrence probability and degree of negative impact as the main factors after identification and analysis of risk items to help assess and measure the degree of impact on the Company and establish risk control priorities and response measures.</p> <p>Response measures: Each risk governance unit shall consider the enterprise's strategy objectives, viewpoints of internal and external stakeholders, risk appetite and available resources, propose appropriate risk responsive measures, and regularly review the applicability of these measures.</p> <p>Continual supervision and review: In addition to supervision and review responsibilities, each risk governance unit includes risk assessment and control in the daily operations, and reports to the risk governance group as necessary.</p> <p>Reports and disclosure: Regularly provide relevant reports of overall risk governance operation and execution results to the board of directors and the Sustainable Development Committee, and disclose risk governance information in the annual report, on the website of the Company, and the sustainability report in accordance with the provisions of the competent authority and based on the needs of different stakeholders.</p>

Item	Implementation status (Note1)			Non-implementation and its reason(s)						
	Y	N	Summary (Note2)							
			<p>4. Each risk governance unit shall check the risk items relevant to their business area, and carry out a risk assessment of ESG topics related to corporate operations according to the materiality principle. The scope of risk management includes “strategic risk”, “operational risk”, “financial risk”, “regulatory compliance and intellectual property risk”, “occupational safety risk”, “product safety risk”, “environmental risk”, and “information security risk”.</p> <p>5. The disclosure data and scope of risk assessment covers the sustainable development performance of the consolidated company from January 2023 to December 2023.</p> <p>6. In addition to the regular convening of risk management meetings to review and track the implementation status of risk response programs, risk trends, and response measures, etc., risk government teams also report the operation status of risk governance to the Sustainable Development Committee. The Sustainable Development Committee reports risk management implementation status to the Board of Directors on May 14, 2024. The risk assessment items and operation status of ESG topics in 2023 are listed as follows. For other items, please refer to the analysis and assessment of risk items in the annual report.</p> <table border="1"> <thead> <tr> <th>Material topic</th> <th>Risk assessment item</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental risks</td> <td>Climate change: In accordance with the climate change governance framework of the TCFD, the Company identified a total of 10 risks and three opportunities. The Company has adopted mitigative and adaptative measures to address risks, evaluated potential opportunities, looked for opportunities like new energy, markets, products/services, and resource efficiency, and developed new business areas and services, etc. to integrate them into its operation process.</td> </tr> </tbody> </table>	Material topic	Risk assessment item	Description	Environment	Environmental risks	Climate change: In accordance with the climate change governance framework of the TCFD, the Company identified a total of 10 risks and three opportunities. The Company has adopted mitigative and adaptative measures to address risks, evaluated potential opportunities, looked for opportunities like new energy, markets, products/services, and resource efficiency, and developed new business areas and services, etc. to integrate them into its operation process.	
Material topic	Risk assessment item	Description								
Environment	Environmental risks	Climate change: In accordance with the climate change governance framework of the TCFD, the Company identified a total of 10 risks and three opportunities. The Company has adopted mitigative and adaptative measures to address risks, evaluated potential opportunities, looked for opportunities like new energy, markets, products/services, and resource efficiency, and developed new business areas and services, etc. to integrate them into its operation process.								

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p><b>Social</b></p> <p><b>Occupational safety risks</b></p> <p>Risk assessment and identification of hazards: The Company has established administrative measures for the identification of health and safety hazards and risk assessment according to Taiwan Occupational Safety and Health Management System (TOSHMS) and ISO 45001 Occupational Health and Safety Management System, regularly executes comprehensive hazard identification and risk assessment operations against hazardous factors, specifically judging the risks of relevant hazards in a quantified way, and screening potential highly-hazardous and high-risk factors that may cause personal injury or accidents to establish occupational health and safety objectives, targets, and management programs, and implements improvement and prevention measures as the basis for planning health and safety mechanisms.</p> <p>Implementation of emergency response: Regularly implements fire protection lectures and drills as well as emergency evacuation drills and fire inspections, regularly checks each facility for health and matters, and conducts task organizing and fire drills as disaster prevention and relief work.</p>	
			<p><b>Corporate governance</b></p> <p><b>Risks of regulatory compliance and intellectual property</b></p> <p>Legal changes: Stay updated with laws and regulations, policies, and litigation and non-litigation practices; safeguard privacy and trade secrets; abide by laws and regulations on export control; hold lectures on legal affairs and intellectual property, organize education and training for new employees, and provide E-Learning courses on risk control.</p> <p>Intellectual property: Attach importance to intellectual property, implement the management of trademarks of the Group, and spare no effort to protect product patents and copyrights to safeguard the independent research and development of intellectual property.</p>	

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p>Corporate culture</p> <p>In response to global sustainability trends, national governments, investors, customers, and other stakeholders have raised requirements for enterprises' sustainable conduct and information. Relying on the Sustainable Development Committee and six functional teams, the Company requires all staff members to follow and implement sustainability strategies and short-, medium-, and long-term goals to create add value to corporate competitiveness. Through the internal management mechanism and external audits and inspections, the Company also strictly reviews related goals and strategies to stay abreast of overall risks to the organization.</p>	
<p>3. Environment issues</p> <p>(1) If the Company established proper environment management system based on the characteristics of the industry where the Company belongs to?</p> <p>(2) If the Company endeavored to utilize resources more efficiently and utilized renewable materials which have a lower impact on the environment?</p>	<p>✓</p> <p>✓</p>		<p>(1) The environmental sustainability management system has been established according to government regulations, the needs of stakeholders, including customers, employees, and communities, and with reference to international ISO/IECQ standards, including the ISO 14001 Environmental Management System, IECQ QC 080000 Hazardous Substance Process Management System, ISO 14064-1 Greenhouse Gas Management System, and ISO 50001 Energy Management System.</p> <p>(2) The Company promotes energy-saving programs and has increased its use of renewable energy as energy efficiency improvement actions. In 2023, total energy consumption reached 889,796(GJ), down by 3.6% compared to 923,054(GJ) in 2022. In 2023, the Company promoted and completed 22 energy-saving programs, saving annually approximately 9,727,600kWh, down by more than 7,410,000kWh compared to 2022.</p> <p>The Company also strives to seek methods to lower its environmental impact and lighten the burden on resources to realize the goal of sustainable utilization of ecosystems. The green design strategies of Inventec include the following five points: 1. Consideration given to durability and best functionality; 2. Avoidance of the use of raw materials that contain toxic substances; 3. Reduction of the total energy consumption throughout the product lifecycle; 4. Design for clean production and use; 5. Design per the three principles of reuse, recovery, and recycling. In 2023,</p>	<p>No discrepancy</p> <p>No discrepancy</p>

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p>recyclable and renewable materials were introduced as packaging materials of laptop products, thus reducing plastic use in packaging by 55%. Furthermore, the Company continually seeks different materials, e.g., recycled materials like plastics, aluminum alloy, and magnesium alloy, and uses them in internal structural components or enclosures to practice the concept of cyclical economics.</p> <p>Inventec has also introduced the IECQ QC080000 Hazardous Substance Process Management (HSPM) System, established a HSF (Hazardous Substances Free) management regulation to reduce the use of hazardous substances, and pays close attention to the latest regulations and customers' list of controlled substances in accordance with their requirements for standards and specifications for the prohibition and restricted use of substances contained in products in each country and region of sales. All plant areas of the Company in the world have established an IECQ QC080000 HSPM System, and relevant certificates have been obtained after passing verification by third-party agencies to ensure the effective operation of the product hazardous substance control plan. In 2023, no penalties were imposed on the Company due to violation of laws and regulations in the provision and use of products. All products were evaluated and confirmed to have met the requirements according to the Company's HSF management regulation.</p>	
(3) Has the Company evaluated current and future potential risks and opportunities of climate change to the Company and taken actions corresponding with climate related issues?	✓		(3) An evaluation of climate change related risks and opportunities of the Company and response measures are presented in (VIII) Climate-related information of TWSE/TPEX listed companies in II .Corporate Governance Report 2.3.8 Climate-related information of TWSE/TPEX listed companies.	No discrepancy
(4).Has the Company calculated greenhouse gas emission, water consumption and total weight of	✓		(4) 1. The greenhouse gas inventory results, assurance status, and reduction policy of the Company are presented in 1-1 of 2.3.8 Climate-related information of TWSE/TPEX listed companies. 2. As for water resource management, the Company has established a water management policy	No discrepancy

Item	Implementation status (Note1)		Non-implementation and its reason(s)																					
	Y	N																						
wastes in previous two years and established policies for energy saving and carbon reduction, greenhouse gas reduction, reduced water consumption or other wastes management?			<p>of “Full Involvement in Water Saving, Changing Behaviors, Using Water Efficiently, and Recycling”. With the year 2012 as the base year, the water resource management goal is to reduce water consumption by 24% in 2024. Water withdrawal and consumption in the last two years are as follows:</p> <table border="1"> <thead> <tr> <th>Item</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Total water withdrawal (1,000m3):</td> <td>739</td> <td>758</td> </tr> <tr> <td>Total water consumption (1,000m3):</td> <td>202</td> <td>211</td> </tr> </tbody> </table> <p>In 2023, water consumption per capita was 206t/person, and total water withdrawal was 758,000m3.</p> <p>To continually save water resources, the Company has not only strengthened water-saving education for its employees, but also gradually replaced the equipment with water-saving equipment in plant areas. Through the water resource recycling system, the Company reutilizes water resources in plant areas. The water consumption of the Company throughout the year complies with the laws and regulations of the local government.</p> <p>As for waste management, the Company has established a waste management policy of “Minimizing Waste Output and Maximizing Resource Recycling”. With the year 2014 as the base year, the water resource management goal is to reduce waste by 25% in 2025.</p> <p>Waste output in the last two years: (Unit: t)</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Hazardous waste</th> <th>General waste</th> <th>Total weight</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>522.740</td> <td>27,421.150</td> <td>27,943.890</td> </tr> <tr> <td>2023</td> <td>355.138</td> <td>28,455.486</td> <td>28,810.624</td> </tr> </tbody> </table> <p>The Taoyuan RD Factory of the Company successfully passed the platinum-grade certification of UL2799 Zero Waste to Landfill. In the future, the Company plans to promote this achievement to other plant areas and realize the Company’s long-term commitment to a green and friendly environment.</p>	Item	2022	2023	Total water withdrawal (1,000m3):	739	758	Total water consumption (1,000m3):	202	211	Year	Hazardous waste	General waste	Total weight	2022	522.740	27,421.150	27,943.890	2023	355.138	28,455.486	28,810.624
Item	2022	2023																						
Total water withdrawal (1,000m3):	739	758																						
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Year	Hazardous waste	General waste	Total weight																					
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2023	355.138	28,455.486	28,810.624																					

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
4. Social issues				
(1) If the Company followed relevant labor laws, and internationally recognized human rights principal, and established appropriate management policies and procedures?	✓		<p>(1) Inventec has published its human rights policy in accordance with relevant labor regulations and with reference to internationally recognized human rights standards such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the Declaration on Fundamental Principles and Rights at Work by the International Labor Organization.</p> <p>In 2023, the Company completed a due diligence of human rights projects for employees and suppliers, drafted and tracked relevant mitigation measures, and published a report on the website, demonstrating its concern and commitment to human rights matters. In the future, the Company will conduct its due diligence of human rights at least once every two years. In addition to the review and improvement of the identification process of human rights risks, the Company also includes issues concerning human rights in its daily management thinking.</p>	No discrepancy
(2) Has the Company formulated and implemented reasonable measures for employee benefits (including remuneration, vacation, and other benefits) and properly reflected the operating performance or results in the employee remuneration?	✓		<p>(2) The Company has established various types of leaves and various employee relationship and club activities. Meanwhile, the Employee Welfare Committee provides or organizes various forms of employee welfare and activities.</p> <p>Reasonable salary welfare policies and the operational performance or results will be reflected in the employee's compensation as appropriate. Furthermore, the Company still attaches importance to workplace diversity and equality to promote sustainable and co-prosperous economic growth. In 2023, its female staff accounted for 43% and female managers accounted for 22%.</p> <p>The Company is committed to creating a gender-equality workplace environment, providing gender-friendly health care and maternity-friendly measures, such as maternity benefits, paternity leave, parental leave, family care leave, and female biological leave.</p> <p>According to Article 26 of the Company's Articles of Association: If the company makes a profit during the year, it shall allocate at least 3% of its profit as staff remuneration and 3% at most as director remuneration. If it involves accumulated losses, it shall reserve the makeup amount. Staff remuneration is distributed in cash or stock to the company's eligible staff, with conditions and methods decided by the Board of Directors.</p>	No discrepancy



Item	Implementation status (Note1)		Non-implementation and its reason(s)
	Y	N	
(3) If the Company provided safe and healthy working environment to employees and conducted relevant training on safety and health management to employees periodically?	✓		<p>(3) The Company regards employees as the most precious assets of the enterprise and is committed to create a safe and healthy working environment, implementing the regular monitoring of various environmental testing and equipment maintenance, such as drinking water quality testing, illumination testing, domestic water tower, and air conditioning cooling tower maintenance, etc., according to the hazardous characteristics of the working environment, commissioned by the approved monitoring institutions to carry out environmental monitoring. It is true to master the actual exposure of employees to various hazardous substances on the work site, and then synchronize the risk control and adopt the appropriate engineering control or operation control, to reduce the occurrence of occupational disasters and protect the safety and health of employees. In addition, a "Colleague Social Center" has been set up in the factory, including fitness rooms, massage area, billiards area, etc., operating as a leisure area for staff to physically and mentally relax, and where a variety of activities will be held to take comprehensive care of the physical and mental health of all the staff.</p> <p>In terms of health promotion, the Company provides onsite physician services so employees can receive medical consulting and health guidance. Under the law, new employees are required to provide a medical examination report before starting work. As for the in-service employees, above the laws and regulations, the Company annually provides medical examinations for all the employees in the implementation of health management guidelines, and, in cooperation with relevant medical and health institutions. Various kinds of health promotion activities are held, including health education and promotion, physical fitness testing, and health lectures. The Company also encourages employees to call upon each other to establish various clubs and help promote healthy lifestyles and activities such as jogging, mountain hiking, and yoga, etc.</p> <p>The Company also encourages employees to participate in a range of health and safety training, e.g., education and training for common in-service employees, training of fire management personnel, training of first-aid personnel, CPR and AED training, occupational health and safety training, and other on-the-job training programs, to strengthen employees' health and safety awareness.</p>

Item	Implementation status (Note1)		Summary (Note2)	Non-implementation and its reason(s)
	Y	N		
			<p>To improve occupational health and safety management, the Company has established a professional, effective occupational health and safety management system, discussed and formulated risk management strategies, and promptly mastered all related international information. The Company makes occupational health and safety management plans and labor health service plans annually, promotes each occupational health and safety measure, conducts health management, implements occupational accident prevention measures, and regularly executes emergency response drills to address fire, typhoon, and earthquake events, etc. Furthermore, adhering to the spirit of continuous improvement of the management system, the Company adopts systematical practices, adopts a continual cycle mechanism involving planning, execution, verification, and rectification, and allows self-protection and control to reduce potential health and safety and environment risks, ensuring the health and safety of the work environment and lowering operating risks.</p> <p>The Company has stipulated its OH&amp;S policy in accordance with the Taiwan Occupational Safety and Health Management System (TOSHMS) and International Occupational Safety and Health Management System (ISO 45001) as the highest criterion of staff work safety guarantee.</p> <p>Implementation of each educational training item: the Company has developed several EHS educational training courses, and the training hours is 6.1h per person in 2023.</p> <p>Statistical analysis of occupational hazards for staff and related remedial measures: Occupational hazard accidents are classified into two categories: inside and outside the plant. The statistical objects include not only the employees of the Company but also contractors and dispatched staff.</p> <p>In 2023, there were 30 occupational disaster accidents and 30 people were injured. Three occupational accidents occurred in the factory (Taoyuan RD Factory), while the remaining occupational accidents were traffic accidents outside the factory during commuting hours. The total number of days lost in disability injury was 468. The total Frequency-Severity Indicator (FSI) in 2023 was 0.059, far lower than the set FSI control target of 0.15. All cases have been investigated, analyzed, and recorded by the provisions of the Occupational Safety Act, and the</p>	

Item	Implementation status (Note1)		Summary (Note2)	Non-implementation and its reason(s)
	Y	N		
(4) If the Company provided career planning, relevant training, and skill development for employees?	✓		<p>relevant investigation reports have been kept as per the law. The cases of public injuries have also been included in the quarterly meeting of the occupational health and safety committee to conduct the relevant reviews and advocacy.</p> <p>The Company has obtained each EHS system certification which includes: “TOSHMS Taiwan Occupational Safety and Health Management System” (Shihlin Headquarters: Date of validity: 2/5/2024), “ISO-45001 International Occupational Safety and Health Management System” (Shihlin Headquarters: Date of validity: 2/6/2024; Taoyuan RD Factory: Date of validity: 10/18/2025; Computer Factory: Date of validity: 1/29/2024), and “ISO-14001 Environmental Management System” (Shihlin Headquarters: Date of validity: 2/17/2024; Taoyuan RD Factory: Date of validity: 11/23/2025; Computer Factory: Date of validity: 1/30/2024).</p> <p>No fire occurred in the Company in 2023. To effectively prevent and respond to fire incidents, avoid disasters from spreading, and reducing damage, the Company has established emergency fire drills, arranges fire protection training courses, regularly organizes emergency evacuation drills in the factory, and performs periodic checks and maintenance of fire safety equipment to ensure equipment is in good working order. In addition, safety patrols are regularly executed in the factory to eliminate defects in real-time, and strictly prevent the occurrence of disasters.</p> <p>(4) By taking corporate operation objectives and development strategies as a training blueprint and being oriented according to actual employee demands, the Company has established an effective training plan of career skill development.</p> <p>(A) Talent asset appreciation: Encourage employees to take in-service training in English and Japanese courses in order to be in line with international norms.</p> <p>(B) Corporate culture communication: After reporting for duty, new employees will receive new employee training to become familiar with internal personnel regulation systems, corporate culture, work environment, etc. All kinds of employee assemblies and communication meetings will be held regularly, in which the senior supervisor will directly deliver Company operation philosophy and operation direction and describe the strategic policy of each</p>	No discrepancy

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
(5) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing, and labeling of products and services, etc. Does it develop relevant consumer or customer protection policies and complaint procedures?	✓		<p>department.</p> <p>(C) Supervisor cultivation plan: Basic supervisor training, regular basic/advanced supervisor training, and custom senior management courses will be regularly held in order to improve overall management capability.</p> <p>(D) Professional competency development: According to all kinds of demands to develop professional skills and with the Technical Committee, designedly carry out professional skill training courses.</p> <p>(E) Condense team consensus: Carry out all kinds of team building, and encouragement courses and strategic operation meetings based on the demand and build high identification for both the team and the Company.</p> <p>(5) The Company provides customers with a comprehensive and thorough customer relations management service mechanism, from order receiving to the stage of product development and to the stage of mass production. After product delivery, we track the product condition to the customer end and actively care about all feedback from the customer. Through the customer complaint management system and with a complete customer complaint standard operation procedure, the Company prepares reason analysis, correction and prevention solutions in project review, and confirms effectiveness in order to give feedback on problem solving to customers and understand real customer demands to achieve the highest customer satisfaction. Furthermore, by periodically holding customer business review meetings, the Company can discuss relevant issues, such as technology research and development, product delivery, product quality, after-sales service, quotation cost, energy saving and carbon reduction, green products, corporate social responsibility, etc., in response to the issues that concern customers. In order to solve the problems reflected by customers, the customer service departments and dedicated contact service have established and customer service website and provide instant services and response mechanisms through a stationed service mechanism at OEM/ODM customer end. In response to environmental protection legal issues of each country throughout the world and provide customers with better environmental protection service, the Company will assist customers in acquiring product green mark certification, including such certification mechanisms as Taiwan</p>	No discrepancy

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
(6) Has the Company formulated a supplier management policy that requires its suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor and human rights, and how is it implemented?	✓		<p>Green Mark, China Green Mark (SEPA), China Energy Saving Mark (CECP), China Energy Saving Label (CEL), Energy Star, American Green Procurement Assessment Guideline (EPEAT), etc., in order to provide global customers more environmentally friendly products and services.</p> <p>(6) The Company has established the Supplier Code of Conduct to ensure that a healthy and safe work environment can be provided, employees can be respected with dignity, commercial operations comply with environmental protection requirements, and a moral code is observed in the supply chain of the among suppliers, contractors, and service providers. The Company requires the supply chain to follow this code as well as the laws and regulations adopted in countries and regions where operations are conducted. Furthermore, the supply chain is also encouraged to require upstream suppliers, contractors, and service providers to recognize and adopt this code.</p> <p>With regard to the various assessments of suppliers, in addition to the quality, cost, delivery time, technical skill, and service that are assessed in the general industry, with the rise of corporate social responsibility awareness, the Company will also extend the assessment scope to green products and corporate social responsibility, and the assessment scope will correspond to the Company's requirements for supplier, including the establishment of management systems such as ISO 9001, ISO 14001, ISO 45001, RBA, etc. Through diversified assessment consideration, the Company ensures that the cooperating supplier can specifically respond to important supply chain issues, such as product environmental protection, manufacturing process environmental protection condition operation requirements, restriction of the use of hazardous substances, prohibiting child labor, guaranteeing employee rights and interests, workplace safety, etc. The Company ensures that the supplier does not violate the aforementioned circumstances through supplier RBA auditing. Every year, the Company will perform an on-site audit on existing suppliers with medium and high risks and ask for improvement; furthermore, contract contents explicitly stipulate a legal compliance clause, and in case of violation of relevant important laws and regulations and having an obvious impact on the environment and society, the contract can</p>	No discrepancy

Item	Implementation status (Note1)			Non-implementation and its reason(s)										
	Y	N	Summary (Note2)											
			<p>be terminated or canceled pursuant to such clause.</p> <p>Daily management for a sustainable supply chain:</p> <table border="1"> <tr> <td>Inventec’s new supplier guidance management</td> <td>A “Sustainable Supply Chain Guidance Team” is formed by design and R&amp;D, procurement, component engineering, supplier administration and coherent units to create new supplier appraisal and guidance.</td> </tr> <tr> <td>Current supplier appraisal management</td> <td>Screen a supplier list for annual auditing according to the comprehensive assessments for supplier management and material risks, and then audit as prescribed by each factor’s internal control procedures, and track and guide them to improve or replace.</td> </tr> <tr> <td>Third-party assessment of high-risk suppliers (RBA VAP)</td> <td>In view of a sustainable supply chain assessment and meeting RBA’s supply chain management requirements, the factory auditors abide by the latest supplier auditing criteria (mainly including labor, health and security, environment, ethics, and management system, etc.) to audit manufacturers on site.</td> </tr> <tr> <td>Responsible mineral products</td> <td>Inventec commits to cooperate with supply chains and reasonably guarantees its raw materials procurement to accord with Responsible Minerals Initiative (RMI) standards.</td> </tr> <tr> <td>Advanced technology &amp; product development communication</td> <td>To provide a synchronous understanding for suppliers and Inventec in regard to advanced technology &amp; product development and create a supply chain industry opportunity and overall benefits, Inventec will invite supplier partners every year to hold an advanced technology/new product communication forum and cooperate with suppliers to organize a technology communication forum to grow together.</td> </tr> </table>	Inventec’s new supplier guidance management	A “Sustainable Supply Chain Guidance Team” is formed by design and R&D, procurement, component engineering, supplier administration and coherent units to create new supplier appraisal and guidance.	Current supplier appraisal management	Screen a supplier list for annual auditing according to the comprehensive assessments for supplier management and material risks, and then audit as prescribed by each factor’s internal control procedures, and track and guide them to improve or replace.	Third-party assessment of high-risk suppliers (RBA VAP)	In view of a sustainable supply chain assessment and meeting RBA’s supply chain management requirements, the factory auditors abide by the latest supplier auditing criteria (mainly including labor, health and security, environment, ethics, and management system, etc.) to audit manufacturers on site.	Responsible mineral products	Inventec commits to cooperate with supply chains and reasonably guarantees its raw materials procurement to accord with Responsible Minerals Initiative (RMI) standards.	Advanced technology & product development communication	To provide a synchronous understanding for suppliers and Inventec in regard to advanced technology & product development and create a supply chain industry opportunity and overall benefits, Inventec will invite supplier partners every year to hold an advanced technology/new product communication forum and cooperate with suppliers to organize a technology communication forum to grow together.	
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Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p>Organization of a sustainable supply chain seminar</p> <p>In line with corporate citizenship and our customers' demand for CSR and environmental protection in the supply chain, the Inventec Group continues the spirit of organizing supplier research activity as in the past. By organizing a sustainable supply chain seminar, supplier partners will be informed of the Inventec Group's sustainable supply chain management policy, set goals, strive to achieve the Group's requirements, and promote the development from "green supply chain" to "sustainable supply chain" together with other supplier partners.</p>	
5. Does the Company refer to internationally applicable reporting standards or guidelines to prepare the corporate sustainability report and other reports that disclose the Company's non-financial information? Has the report been confirmed or endorsed by a third party?	✓		<p>In order to improve the transparency, completeness, and reliability of information disclosure, the annual sustainability report has been prepared in accordance with the GRI Standards, Task Force on Climate-related Financial Disclosures (TCFD), SASB Standards, and Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies. In 2023, the Company entrusted KPMG Taiwan to conduct ISAE3000 limited assurance regarding the GRI Standards released by the Global Reporting Initiative, eight sustainability indicators of "Taiwan Computer and Peripheral" stipulated by the Taiwan Stock Exchange, and the guide to the Electronic Manufacturing Services &amp; Original Design Manufacturing industry released by the Sustainability Accounting Standards Board.</p>	No discrepancy
<p>6. If the Company established any guideline of corporate sustainability responsibility in accordance with "Corporate Sustainability Responsibility Best-Practice Principles for TWSE/GTSM-Listed Companies" and please state the implementation status of the guideline and any reasons for non-implementation:</p> <p>The Company has established the "Inventec Corporation Corporate Social Responsibility Best Practice Principles" in 2014. In March 2022, it was amended and renamed as "Inventec Corporation Sustainable Development Best Practice Principles" in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies. The fifth amendment was approved by the Board of Directors on May 12, 2023. There is No discrepancy in operations from that of the practice principles.</p>				
<p>7. Other material information that helps to understand the operation of corporate sustainability responsibility:</p> <p>(1). Community participation:</p> <p>Integration into community life with practical action and the long-term adoption of community parks and designate dedicated personnel for maintenance and cleaning, in order to provide community residents with a comfortable and clean public space.</p>				

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p>In terms of ecological conservation, the Company has, for many years, cooperated with the Taipei Wild Bird Society to promote the environmental education program of the Guandu Nature Park, and the Company's colleagues serve as volunteers for the Guandu Wetland.</p> <p>The Lantern Festival in Taiwan hosted by Taipei City after 23 years' absence as a large-scale international tourism event in the post-pandemic era. Sticking to the spirit of community well-being, Inventec sponsored the urban lantern zone activity of the 2023 Taipei Lantern Festival in the Shihlin exhibition area to support the development of Shihlin with practical actions.</p> <p>To implement communication and cooperation of industrial talent and academic resources, and in consideration of the dedication of the University of Taiwan to create an innovative, interdisciplinary, and advanced education environment cultivating talents who specialize in artificial intelligence, information communication, procedural frameworks, and application, etc., the Company donated 20 sets of high-efficiency server racks, involving a total amount of NT\$ 120,936,000 to execute its corporate ESG social responsibility and support the University of Taiwan in its replacement of old equipment, establishment of a high-quality R&amp;D environment, and cultivation sustainable talent needs.</p> <p>To support local education and increase students' practical work experience, the Company actively engages in production-university cooperation with universities and colleges around the factory and arranges for students to receive practical work training. The results of industry-university cooperation in 2023 are described as follows:</p> <p>A. With respect to the joint creation of research and development capacity, the Company collaborated with multiple schools for long-term industry-university cultivation, including the University of Taiwan, the National Taiwan University of Science and Technology, the National Taipei University of Technology, National Central University, and Tamkang University, etc.</p> <p>B. With respect to internship cooperation programs, the Company has collaborated with multiple universities, including Tamkang University, Yuan Ze University, the National Taipei University of Technology, and the Ming Chi University of Technology in 2023, and recruited a total of 47 interns to participate in a 1-2 year training program.</p> <p>C. As for pre-employment plans, the Company solicited 20 students with potential for them to learn how to convert knowledge to working skills through early cooperation with enterprises, establishing a sense of identity towards the enterprise, and reducing the gap between learning and practical application for better employment prospects after graduation.</p>	
(2). Social benefit:			<p>Inventec encourages employee to actively participate in public service activities such as caring for minority groups, literary and artistic activities and contributing to ecological education, etc. The Inventec Group Charity Foundation was established in 2010, mainly to assist and support public charity organizations from all</p>	



Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
			<p>walks of life in engaging businesses in social welfare. In support of disadvantaged groups, it has been giving out year-end donations to dozens of social welfare public groups over the years before the Spring Festival, to assist them with their long-term social welfare work. The Company has also evaluated the fundraising projects of charities from a variety of areas and has chosen favorable social welfare organizations to which to give charitable donations. In 2023, the Company made donations to approximately 40 social public welfare institutions, and additionally donated NT\$ 5 million to World Vision Taiwan for disaster relief and earthquake rescue plans in Turkey and Syria.</p>	
(3). In support of domestic cultural developments:			<p>This year, the Company sponsored the Taipei Philharmonic to hold the 2023 Taipei International Chorus Festival, and sponsored the Minghua Garden performance activity, totally an investment of NT\$1.6 million.</p>	
(4). Social contribution:			<p>The Company does its best to fulfill its corporate social responsibility, in order to respond to the net zero emissions goal advocated by the government, implement each energy-saving action, and contribute to environmental protection. In addition, the company continually caring for society and vulnerable groups and responding to community activities, such as assisting the New Life Association in taking care of vulnerable families in rural areas and participating in caring for the elderly living alone in Shlin District in winter. In addition, the Company actively responds to blood donation and charity and regularly cooperates with the Taipei Blood Donation Center to organize blood donation activities in the factory, encouraging colleagues to actively participate. In recent years, the Company has been awarded the "2023 Taipei City Net Zero Leadership Model Award", the "Certificate of Appreciation from the Taiwan Blood Foundation", the "Commonwealth Sustainability Citizen Award" of Commonwealth Magazine, "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report – Platinum Award" and the "Global Corporate Sustainability Award".</p>	
(5). Consumer rights and interests:			<p>The Company has provided product liability insurance.</p>	
(6). Safety and health:			<p>In addition to strictly adhering to the occupational health and safety act and related supporting regulations, and conducting various matters by the provisions, the Company continues to promote the Taiwan Occupational Health and Safety Management System (TOSHMS) and the International Occupational Health and Safety Management System (ISO 45001), to implement health and safety controls. In recent years, the Company has been awarded the "Disaster-Free Working Hour Record Award", the National "Excellent Occupational Safety and Health Unit Award", the Taipei City "Excellent Labor Safety Unit Award", the Taipei City "Excellent Healthy Workplace Award" and the National Health Administration "Award for Health Promotion with Healthy Workplace Certification".</p>	

Item	Implementation status (Note1)			Non-implementation and its reason(s)
	Y	N	Summary (Note2)	
<p>(7). Amount invested in environmentally sustainable machinery equipment related to energy conservation or green energy, and corresponding projects:  In 2023, the Company invested NT\$5.6 million in the effective improvement of electricity utilization efficiency and energy-saving management. The Company installed solar devices and purchased renewable energy with potential savings of 22,747,000kWh/year of electricity, as described further below:</p> <p>A. Energy management: For example, the conventional lighting in plant areas like parking lots, office buildings, plant buildings, employee restaurants, and public walkways was replaced with LED lamps to reduce power consumption by 168,000kWh/year.</p> <p>B. Improvement of equipment efficiency: For example, energy-saving measures were introduced to the operation management of basement ventilation systems. The operating frequency of fans used in the existing parking lot was adjusted to save energy, the independent water chillers used for the reflow ovens were replaced with ice machine systems, and existing equipment spare parts were used for reconstruction to reduce power consumption by 328,000kWh/year.</p> <p>C. Increased use of renewable energy: For example, the company installed solar devices in the Taoyuan RD Factory in response to the government's renewable energy policy. These solar devices were put into operation in April 2023 to reduce power consumption by 503,000kWh/year. Additionally, subsidiaries in the Chinese mainland purchased green electricity and 20,930 renewable energy certificates to reduce power consumption by 21,748,000kWh/year.</p>				
<p>(8). The Company donated and sponsored the following important groups that "have an influence on public policies": TEEMA, CNAIC, BCSD, TCP, and RBA (Responsible Business Alliance), in accordance with the Paris Agreement. In 2023, the Company made no political donations or lobbying expenditures, nor participated in any form of political activity.</p>				

## 2.3.8 Climate-related information of TWSE/TPEX listed companies:

### 2.3.8.1 Implementation of climate-related actions

The Company has established and strengthened a control mechanism in response to climate change according to the TCFD framework, which is described as follows:

Item	Implementation status
<p>1. Description of the supervision and guidance of climate-related risks and opportunities by the board of directors and management</p>	<p>As the top climate governance supervisory unit, the board establishes overall climate strategies and supervises the management status of climate-related risks, opportunities, and key performance.</p> <p>In 2022, the Sustainable Development Committee was established under the Board of Directors with the chairman as the chair of the committee. Functional teams were also established with team leaders served by senior managers who lead cross-departmental colleagues to research, draft, and promote sustainability topics and projects of the Company. The sustainable environment functional team is mainly responsible for handling climate-related topics and drawing up strategies and execution programs for regular review.</p>
<p>2. Description of the way identified climate risks and opportunities impact the enterprise's business, strategies, and finance (short-, medium-, and long-term)</p>	<p>The Company takes the low-carbon transition by 2030 plan as the schedule and defines 2023-2024 as the short term, 2025-2027 as the medium term, and 2028-2030 as the long term. Following the principle of identification of operation-related climate risks and opportunities, the Company aims to master climate risks in real-time, discusses and formulates adaption/mitigation measures, and evaluates potential opportunities. The short-, medium-, and long-term risks and opportunities at all levels of the business, and strategy and finance, etc. are as follows:</p>

Risk Analysis:

Item/Impact	Short-term	Medium- and long-term
Item	Changes in customer behavior, increase in extreme weather events (high temperatures/typhoons/rainstorms), increase in the emission costs of greenhouse gases, and increase in sustainability-related needs and specifications.	Capital expenditure of the transition of low-carbon technologies, increase in negative feedback from stakeholders, rise of average temperatures, and increase in extreme weather events (droughts).
Impact	Increase in operating costs and decrease in revenue, improvement of capital expenditure, difficulties in capital allocation, changes to operational patterns of the organization (mergers and acquisitions, splitting, etc.), adjustments to product portfolios (e.g., requirement to increase the ratio of energy-saving and low-carbon products), and difficulties in capital acquisition.	Improvement of low-carbon transition technologies of the industry and increase in operating costs (e.g., intelligent manufacturing technology, R&D, and use of low-carbon materials and Negative Emissions Technologies), increase in damage of the corporation's reputation, and decline of production efficiency.

Opportunity analysis:

Item/Impact	Short-term to long-term	Medium-term and long-term
Item	<p>Products and services: Develop new products and services and conduct diverse business activities through R&amp;D and innovation.</p>	<p>Resource utilization efficiency: Use more efficient production, distribution, and sales processes.</p> <p>Energy sources: Setting and management of renewable energy sources and participation in renewable energy and carbon trading markets.</p>
Impact	<ul style="list-style-type: none"> <li>• Actively develop the value chain, cooperatively develop low-carbon products based on product life cycle assessments (LCA) through the construction of a sustainable product blueprint and system and give equal consideration to the development and environmental impact of low-carbon business opportunities.</li> <li>• Make good use of core corporate capabilities including 5G transmission, cloud, edge computing, and digital twin to create AI smart factory solutions, actively integrate value chain technology, give play to the synergies of artificial intelligence of things (AIoT) to provide customers with complete solutions.</li> <li>• Deploy technical development centers in each field based on the business strategy, and draft technical strategies and integrate resources needed by the Group to develop the energy of innovation and R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>• Gradually implement carbon reduction strategies through strengthening energy management and reducing energy consumption in accordance with the net-zero objectives, policies, and tracking mechanism by 2025.</li> <li>• Establish a mechanism intended to evaluate the opportunities and challenges faced by global operating sites and local renewable energy markets, review renewable energy planning and utilization of the Group, and regularly report to the Sustainable Development Committee to achieve the net-zero carbon goal of the Group by 2050.</li> <li>• Coordinate suppliers' carbon reduction plans and inquire and cooperate on renewable energy purchasing programs.</li> <li>• Actively integrate and participate in the carbon market opportunities of global</li> </ul>

	<ul style="list-style-type: none"> <li>Continually implement the objectives and programs of each functional team under the Sustainable Development Committee as basis for determining new business models in the future.</li> <li>Actively make plans regarding global intellectual property and patent blueprints, and establish competitiveness for emerging products, e.g., green patents.</li> </ul>	<ul style="list-style-type: none"> <li>operating sites to leverage carbon compensation schemes and explore new business opportunities.</li> </ul>
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3. Describe the financial impact of extreme climate events and transition actions.	Type of risk	Item	Risk description	Financial impact
		Technology	Cost of transformation of low-carbon technology	Increase in R&D/operation/production costs
		Market	Changes in customer behaviors	Increase in operation/production/management costs
		Reputation	Increase in negative feedback from stakeholders	Increase in operation costs and decrease in operating income
		Extreme climate	Increase in extreme weather events such as high temperatures	Increased production costs/decreased operating revenue

4. Describe how the identification, assessment, and management processes of climate risks can be integrated into the overall risk management system.	<p>The Board of Directors is the highest decision-making unit of the Company’s risk control, and the Sustainability Committee has been established under the Board of Directors as a risk management supervisory unit reporting to the Board of Directors.</p> <p>A risk governance group is established under the Sustainability Committee, and climate issues are included in the management mechanism.</p> <p>Apply the climate-related financial disclosure framework of the TCFD to identify potential climate-related risks and opportunities under different scenarios, research and discuss relevant measures in response to risks and opportunities identified and present them for approval before external disclosure and regular supervision.</p> <p>Identify, manage, and continually monitor risks according to four major steps, i.e., 1) identifying risks and opportunities, 2) identifying the degree of impact on the value chain, 3) identifying climate materiality, and 4) management and disclosure.</p>
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5. If scenario analysis is used to evaluate the resilience against the risks of climate change, describe the scenarios, parameters, assumptions, analysis factors, and main financial impact.

To quantify the financial impact caused by the risk of extreme high temperatures, the Company has adopted the climate scenarios of IPCC SSP1-2.6 very low emissions and SSP5-8.5 very high emissions to evaluate the potential impact of different policies in the future of low-carbon transmission given the continuous promotion of global economic growth by high fossil energy. Additionally, time points after the year 2040, given the net-zero 2050 goal, are adopted to simulate and evaluate to reflect the potential impact imposed on important production sites of the Company. For the control of physical climate risks, an “Adaption Plan under High-temperature Model of Plant Areas” and “Tracking of Indicators of Significant Impact of Risk of Power Insufficiency” are adopted as indicators to measure high, medium, and low risks to benefit the regulation and prevention of mitigation measures.

Main production site (Note 1)	Risk level	Financial impact (Note 2)				Response measures
		2040		2050		
		SSP1-2.6	SSP1-8.5	SSP1-2.6	SSP1-8.5	
Mexico	High	Medium	Medium	Low	Medium	<ol style="list-style-type: none"> <li>1. Adopt a response mechanism to respond to disasters caused by high temperatures.</li> <li>2. Develop a production model applicable to normal high temperatures.</li> </ol>
Mainland China	High	High	High	High	High	Increase awareness and establish a continual planning mechanism to establish relevant measures to respond to power insufficiency, e.g., solar energy storage installations, for an independent power supply capacity.
Taiwan	Medium	Low	Low	Medium	Low	<ol style="list-style-type: none"> <li>1. Gradually conduct medium- and long-term extreme high temperature response production dispatch plans.</li> <li>2. Pay continual attention to changes in extreme high temperatures and adjust the response level as appropriate.</li> </ol>

Note 1: The local temperature in the factory in the Czech Republic is relatively low, and there is no risk of extreme high temperatures in climate scenario forecasting. Since no production occurs in the Shihlin Headquarters, the impact of high temperatures is relatively limited. Even if extreme high temperatures occur, the response is relatively quick. Therefore, the aforesaid two locations are not included in the response plan.

	<p>Note 2: The financial impact is measured based on the ratio of operating revenue of the Group in 2022.</p> <p>Note 3: Operating sites currently evaluated have already covered all production factory areas. An evaluation of extreme high temperatures has already been conducted for all newly expanded factories in Mexico to respond to future climate risks.</p>																										
<p>6. If there is a transition plan in response to the management of climate-related risks, describe the contents of this plan, and indicators and objectives used to identify and manage physical and transition risks.</p>	<p>Establish mitigation objectives according to the risks identified, integrate them into daily operation control, and establish short-term carbon reduction objectives by 2030 for regular review in accordance with the corresponding principles of the Science Based Targets initiative (SBTi).</p> <table border="1" data-bbox="613 485 2134 1439"> <thead> <tr> <th data-bbox="613 485 927 528">Issue</th> <th data-bbox="927 485 1196 528">Item</th> <th data-bbox="1196 485 2134 528">Objective</th> </tr> </thead> <tbody> <tr> <td data-bbox="613 528 927 788" rowspan="3">Greenhouse gas management</td> <td data-bbox="927 528 1196 703" rowspan="2">Scope 1 &amp; 2</td> <td data-bbox="1196 528 2134 619">Greenhouse gas emissions to be reduced by 21% in 2025 (base year: 2020)</td> </tr> <tr> <td data-bbox="1196 619 2134 703">Greenhouse gas emissions to be reduced by 42% in 2030(base year: 2020)</td> </tr> <tr> <td data-bbox="927 703 1196 788">Scope 3</td> <td data-bbox="1196 703 2134 788">Continually promote key suppliers to pass the review of the SBTi (Science Based Targets Initiative).</td> </tr> <tr> <td data-bbox="613 788 927 1182" rowspan="3">Energy management</td> <td data-bbox="927 788 1196 879">Use of renewable energy</td> <td data-bbox="1196 788 2134 879">The ratio of renewable energy used to reach 55% in 2030</td> </tr> <tr> <td data-bbox="927 879 1196 1182" rowspan="2">Use of Saving of energy</td> <td data-bbox="1196 879 2134 970">Energy conservation of the headquarters (EUI): EUI to be reduced by 10% in 2024(base year: 2014)</td> </tr> <tr> <td data-bbox="1196 970 2134 1098">Energy conservation of the Information Technology Center equipment room (PUE): Power consumption to be reduced by 11% in 2025(base year: 2019)</td> </tr> <tr> <td data-bbox="613 1182 927 1273">Water resource management</td> <td data-bbox="927 1182 1196 1273">Water resource management</td> <td data-bbox="1196 1182 2134 1273">Water consumption density to be reduced by 24% in 2024(base year: 2012)</td> </tr> <tr> <td data-bbox="613 1273 927 1316">Waste management</td> <td data-bbox="927 1273 1196 1316">Waste management</td> <td data-bbox="1196 1273 2134 1316">Waste volume to be reduced by 25% in 2025(base year: 2014)</td> </tr> <tr> <td data-bbox="613 1316 927 1439">Product design</td> <td data-bbox="927 1316 1196 1439">Product energy conservation</td> <td data-bbox="1196 1316 2134 1439">Design objectives for notebook PCs: Continually obtain certification and approval and ensure that the energy utilization efficiency is better than the latest standard of ENERGY STAR Computers Specification Version</td> </tr> </tbody> </table>			Issue	Item	Objective	Greenhouse gas management	Scope 1 & 2	Greenhouse gas emissions to be reduced by 21% in 2025 (base year: 2020)	Greenhouse gas emissions to be reduced by 42% in 2030(base year: 2020)	Scope 3	Continually promote key suppliers to pass the review of the SBTi (Science Based Targets Initiative).	Energy management	Use of renewable energy	The ratio of renewable energy used to reach 55% in 2030	Use of Saving of energy	Energy conservation of the headquarters (EUI): EUI to be reduced by 10% in 2024(base year: 2014)	Energy conservation of the Information Technology Center equipment room (PUE): Power consumption to be reduced by 11% in 2025(base year: 2019)	Water resource management	Water resource management	Water consumption density to be reduced by 24% in 2024(base year: 2012)	Waste management	Waste management	Waste volume to be reduced by 25% in 2025(base year: 2014)	Product design	Product energy conservation	Design objectives for notebook PCs: Continually obtain certification and approval and ensure that the energy utilization efficiency is better than the latest standard of ENERGY STAR Computers Specification Version
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<p>7. If internal carbon pricing is adopted as the planning tool, describe the basis for pricing.</p>	<p>Check carbon reduction related measures and programs according to the short-term carbon reduction goal by 2030, and carry out planning and execution in three stages, i.e., discussion and formulation, trial operation, and comprehensive implementation.</p>			
<p>8. If climate-related objectives have been established, describe the activities covered, scope of greenhouse gas emissions, planned schedule, progress annually achieved, and other relevant information; if carbon offset or Renewable Energy Certificates (RECs) are used, describe the source and quantity of the carbon reduction limit offset or quantity of RECs.</p>	<p>For climate-related objectives, please refer to point 6.</p> <p>The Company places great importance on global climate change topics, follows the spirit of the Science Based Targets initiative (SBTi), and pays close attention to corporate climate risks and potential industrial opportunities. In accordance with the spirit of Net-Zero SBT, the Company has established a gradual net-zero carbon reduction pathway with the year 2020 as the base year, and is actively participating in a carbon reduction plan to help control global warming within the 1.5°C noted in the Paris Agreement as a corporate citizen. Furthermore, given active autonomous reduction, Inventec (Chongqing) Corporation formally passed a SBTi review in December 2023.</p> <p>Five strategies adopted by the Company to realize net-zero by 2050:</p> <ul style="list-style-type: none"> <li>• Strengthen energy management and reduce energy consumption.</li> <li>• Increase the ratio of renewable energy year by year, and commit to lowering environmental impact.</li> <li>• Collaborate with the value chain to implement low-carbon procurement.</li> <li>• Design green products and develop the circular economy.</li> <li>• Introduce a carbon compensation mechanism and drive to achieve the net-zero goal.</li> </ul> <p>In 2023, the total carbon emissions of Scope 1 and Scope 2 (market benchmark) reached 105,241.5704 tCO<sub>2</sub>e (Note), down by 20.82% compared to base year 2020, and reduced by 9.41% compared with the reduction goal of 2023, i.e., 116,172.4702 tCO<sub>2</sub>e.</p> <p>Note: The carbon offset amount of purchasing renewable energy and international renewable energy certificates is 26,360.4336 tCO<sub>2</sub>e.</p>			
<p>9. Status of greenhouse gas inventory and assurance and</p>	<p>Detailed in 1-1 and 1-2.</p>			

reduction objectives, strategies, and specific action plans (filled out in 1-1 and 1-2 separately)	
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1-1 Status of greenhouse gas inventory and assurance of the Company over the past two years.

1-1-1 Information on greenhouse gas inventory

Describe the greenhouse gas emissions (tCO<sub>2</sub>e), intensity (tCO<sub>2</sub>e/NT\$ 1,000,000), and data coverage over the past two years.

The parent company of the Company began greenhouse gas emission inventory in 2008, and has gradually planned and completed the greenhouse gas emission inventory of all subsidiaries in the consolidated financial reports.

The Company adopts the ISO 14064-1 Greenhouse Gas Inventory standard as the basis for the execution of all greenhouse gas emission inventory operations and documents.

Item	2022	2023	
Emissions (tCO <sub>2</sub> e)	Scope1	7,344	8,408
	Scope2	93,425	123,194
	Scope3	879,219	844,496
Intensity (tCO <sub>2</sub> e/NT\$ 1,000,000)	0.22	0.30	
Data coverage	<p>The operating sites of the greenhouse gas emission inventory of Inventec in 2022 covered 11 individual companies and subsidiaries in consolidated statements as follows:</p> <p>Individual companies: Shihlin Headquarters (IET), Taoyuan RD Factory (TAO), Computer Factory (ITO), Taipei Office, and Tainan Building</p> <p>Subsidiaries in the consolidated statements: Inventec (Chongqing) Corporation (Chongqing Factory (ICC)), Inventec (Pudong) Technology Corp.</p>	<p>The operating sites of the greenhouse gas emission inventory of Inventec in 2023 covered 16 individual companies and subsidiaries in consolidated statements as follows:</p> <p>Individual companies: Shihlin Headquarters (IET), Taoyuan RD Factory (TAO), Computer Factory (ITO), Taipei Office, and Tainan Building</p> <p>Subsidiaries in the consolidated statements: Inventec (Chongqing) Corporation (Chongqing Factory (ICC)), Inventec (Pudong) Technology Corp.</p>	

	(Pudong Factory (IPT)), SQ Technology (Shanghai) Corporation (Pudong Factory (SQT)), Inventec (Czech), s.r.o. (Czech Factory (ICZ)), IEC Technologies, S. de R.L. de C.V. (Mexcio Factory (IMX)), Inventec Japan Corporation (IJC)	(Pudong Factory (IPT)), SQ Technology (Shanghai) Corporation (Pudong Factory (SQT)), Inventec (Czech), s.r.o. (Czech Factory (ICZ)), IEC Technologies, S. de R.L. de C.V. (Mexcio Factory (IMX)), Inventec Japan Corporation (IJC), Inventec Appliances Corp. (Taipei Factory (IACT/IATY), Shanghai Factory (IACP), Nanjing Factory (IACJ), Malaysia Factory (IACM) and Vietnam Factory (IACV))
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Note1: Direct emissions (Scope 1, i.e., emissions directly from the emission sources owned or controlled by the Company), energy indirect emissions (Scope 2, i.e., indirect greenhouse gas emissions resulting from input power, heat, or steam), and other indirect emissions (Scope 3, i.e., emissions generated by the Company's activities, not categorized as energy indirect emissions, but coming from emission sources owned or controlled by other companies).

Note 2: With individual sales revenues as the calculation principle.

#### 1-1-2 Information on greenhouse gas assurance

Describe the instructions for assurance in the past two years as of the publication date of the annual report, including the scope of assurance, assurance agency, assurance standards, and assurance opinions.				
The assurance status of the Company's greenhouse gas inventory is as follows:				
Year	Scope of assurance	Assurance agency	Assurance standards	Assurance opinion
2022	<p>The operating sites of the greenhouse gas emission inventory of Inventec in 2022 covered 11 individual companies and subsidiaries in consolidated statements as follows:</p> <p>Individual companies: Shihlin Headquarters (IET), Taoyuan RD Factory (TAO), Computer Factory (ITO), Taipei Office, and Tainan Building</p> <p>Subsidiaries in the consolidated statements: Inventec (Chongqing) Corporation (Chongqing Factory (ICC)), Inventec (Pudong)</p>	Metal Industries Research & Development Centre	ISO 14064-1:2018	<p>Scope 1 and Scope 2 (Category 1 and Category 2): Reasonable assurance level (5% substantial threshold limit value)</p> <p>Scope 3 (Category 3~Category 6): Limited assurance level</p>

	Technology Corp. (Pudong Factory (IPT)), SQ Technology (Shanghai) Corporation (Pudong Factory (SQT)), Inventec (Czech), s.r.o. (Czech Factory (ICZ)), IEC Technologies, S. de R.L. de C.V. (Mexcio Factory (IMX)), Inventec Japan Corporation (IJC).			
2023	<p>The operating sites of the greenhouse gas emission inventory of Inventec in 2023 covered 16 individual companies and subsidiaries in consolidated statements as follows:</p> <p>Individual companies: Shihlin Headquarters (IET), Taoyuan RD Factory (TAO), Computer Factory (ITO), Taipei Office, and Tainan Building</p> <p>Subsidiaries in the consolidated statements: Inventec (Chongqing) Corporation (Chongqing Factory (ICC)), Inventec (Pudong) Technology Corp. (Pudong Factory (IPT)), SQ Technology (Shanghai) Corporation (Pudong Factory (SQT)), Inventec (Czech), s.r.o. (Czech Factory (ICZ)), IEC Technologies, S. de R.L. de C.V. (Mexcio Factory (IMX)), Inventec Japan Corporation (IJC), Inventec Appliances Corp. (Taipei Factory (IACT/IATY), Shanghai Factory (IACP), Nanjing Factory (IACJ), Malaysia Factory (IACM) and Vietnam Factory (IACV))</p>	Metal Industries Research & Development Centre	ISO 14064-1:2018	Reasonable assurance level (5% substantial threshold limit value)

#### 1-2 Objectives, strategies, and specific action plans for greenhouse gas emission reduction

Describe the base year of greenhouse gas emission reduction and the data, objectives, strategies, and specific action plans for emission reduction, and achievement status of reduction objectives

Data of 2023 and information regarding the realization of reduction goals are presented below:

The short-term goals for the greenhouse gas emission reduction of Scope 1, Scope 2, and Scope 3 determined by the Company and base year are listed as follows:

Item	Goal of 2023	Achievement of 2023	Goal of 2030
Scope 1 & Scope 2 (2020 as the base year)	Down by 12.6% (compared to the base year)	Down by 20.82% (compared to the base year)	Down by 42% (compared to the base year)
Scope 3	Continually promote key suppliers to pass the SBTi review.		

Inventec achieves its greenhouse gas emission reduction objectives through the following five strategies:

- Strengthen energy management and reduce energy consumption.
- Increase the ratio of renewable energy year by year and commit to lowering environmental impact.
- Collaborate with the value chain to implement low-carbon procurement.
- Design green products and develop the circular economy.
- Introduce a carbon compensation mechanism and drive to achieve the net-zero goal.

Description of realization of the goal:

In 2023, the total carbon emissions of Scope 1 and Scope 2 (market benchmark) reached 105,241.5704 tCO<sub>2</sub>e (Note), down by 20.82% compared to base year 2020, and reduced by 9.41% compared with the reduction goal of 2023, i.e., 116,172.4702 tCO<sub>2</sub>e.

Specific actions:

- Establish a carbon reduction goal for 2030 and introduce a carbon inventory digital system to effectively manage greenhouse gas inventory data and connect with suppliers' carbon data. Make plans for the utilization of renewable energy as well, and refine energy-saving schemes, deepen low-carbon design capacity, and increase circular reutilization, etc., to fulfil the commitments to carbon reduction. In 2023, the Company promoted a total of 22 energy-saving programs and saved more than 9,727,600kWh of electricity, equivalent to a reduction of 4,561 tCO<sub>2</sub>e.
- Expand its technological advantages, set foot in the 5G smart factory, AI/data, and other relevant fields, satisfy customer needs via a diverse operation model, and collaborate with partners in new fields to create new business opportunities.
- Integrate the brand image of the Group and increase public disclosure pipelines to respond to expectations from stakeholders in a flexible manner.

### 2.3.9 Ethical Corporate Management and Deviations from “The Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Items	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures</p> <p>(1) Does the Company have a Ethical Corporate Management policy approved by the Board of Directors and clearly state the policy and practice of ethical corporate management in the regulations and external documents, as well as the commitment of the Board of Directors and senior management to actively implement the operation policy?</p>	✓		<p>(1) The Company highly values its business reputation and takes integrity and sustainable operations as the maximum assets accumulated by Company operations. Among them, the "Codes of Ethical Conduct" and " Ethical Corporate Management Best Practice Principles" are the ethical standards of conduct and specifications for integrity operation philosophy for directors, managers, employees, appointees, or those with substantial control capability of the Company, in order to prevent the occurrence of conflicts of interest and acts without good faith, as well as let interested parties of the Company better understand the above company standards by which they must abide.</p>	No discrepancy
<p>(2) Has the Company established an assessment mechanism for the risk of dishonest behaviors in order to regularly analyze and evaluate the business activities with high risk of dishonest behaviors within the business scope, formulate the prevention plan hereby, and cover at least the preventive measures for</p>	✓		<p>(2) The Company implemented a working plan to ensure honest operations, which is to establish effective accounting and internal control systems through the identification of laws and regulations, the formulation of norms, self-assessments and inspections, smooth reporting channels, including the participation of new employees in the Implementation of the Internal Control System and related legal training course, the signing of all colleagues to the Code of Conduct for Employees, and regular education and training, and the signing of contracts with suppliers to prohibit purchases of improper interests. The responsible unit shall set up an evaluation system to assess the risk of dishonest behavior, and shall annually check and assess whether the preventive measures established for the implementation of</p>	No discrepancy

Items	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
<p>various behaviors in Item 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies?</p> <p>(3) Has the Company clearly defined the operation procedures, behavior guidelines, disciplinary punishments, and complaint systems for violations for preventing dishonest conduct plans and then implemented and regularly reviewed and revised the previous disclosure plan?</p>	✓		<p>honest operations are effective in accordance with the detailed responsibilities in the Operation Procedures and Behavior Guidelines for Honest Operations of each unit, regularly executes internal auditing and self-assessment operations, and actually checks the Company's compliance in order to prevent the occurrence of acts without good faith. The Company's anti-dishonest behavior plan already covers the preventive measures of the various behaviors mentioned in Item 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies</p> <p>(3) The Company has formulated schemes for preventing acts without good faith in the "Global Employee Code of Conduct Management Measures" and "Employee Complaints and External Reporting Management Specifications" pursuant to the "Ethical Corporate Management Best Practice Principles", including operation procedures, behavioral guidelines, violation punishments, and a complaint system, and implements them. Review and revise "Operation Procedures for Ethical Corporate Management and Behavioral Guidelines" regularly and annually.</p>	No discrepancy
<p>2. Implementation of Ethical Corporate Management</p> <p>(1) If the Company checked whether the respective counterparty holds any record of unethical misconduct and if the contract terms required the compliance of ethical corporate management policy?</p>	✓		<p>(1) In addition to formulating the "Codes of Ethical Conduct" and "Global Employee Code of Conduct Management Measures", the Company has also formulated "New Manufacturer Assessment Management Measures" that require new manufacturers to have good business reputations and conform to the ethical requirements of the Company. In "Purchase Contracts", it shall explicitly stipulate that the supplier shall abide by the special guarantee clause, in which the payment of commission, proportion commission, brokerage fees, tail end fees, or other beneficial behaviors are prohibited. In case of violation, the Company is entitled to terminate the contract</p>	No discrepancy

Items	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
(2) Has the Company set up a special unit under the Board of Directors to promote the business's ethical corporate management, and regularly (at least once a year) reports to the Board of Directors on its ethical corporate management policy, prevention plan, and supervision of its implementation?	✓		immediately, and the supplier shall unconditionally cooperate to ask such person that received benefits for compensation.  (2) To fulfill the management responsibility of the ethical corporate management, prevent interest conflicts, provide the appropriate statements channel, the Company establishes the Talent and Management Center which is responsible for promoting honest management in the enterprise to take charge of establishment, communication and training of ethical corporate management (including anti-corruption and bribery) policy and dishonest behavior prevention scheme, and the relevant unit supervises the performance, and regularly report relevant plan and performance to the board of director in the second quarter every year.	No discrepancy
(3) If the Company established a policy on prevention of conflict of interests, provided appropriate reporting channel and executed rigorously and thoroughly?	✓		(3) The Company has formulated the "Codes of Ethical Conduct", "Global Employee Code of Conduct Management Measures", and "Employee Complaints and External Reporting Management Specifications" to standardize the prevention of the occurrence of conflict of interest circumstances, explicitly stipulating that directors, managers, and all employees must not accept any gift or business entertaining and prohibiting transactions or business contact between the Company and relatives of colleagues in order to avoid the impact of personal improper interests on company rights and interests. The Company has formulated a conflict-of-interest prevention policy in the "Ethical Corporate Management Best Practice Principles" and provides proper channel for directors, supervisors, managers, and other interested parties attending Board of Directors meetings to actively describe whether they have any potential conflict of interest with the Company, which they shall evade.	No discrepancy
(4) Has the Company established an effective accounting system and	✓		(4) The Company has established an effective accounting system and internal control system.	No discrepancy



Items	Implementation status		Non-implementation and its reason(s)	
	Y	N		Summary
<p>internal control system to implement ethical corporate management, and has the internal auditing unit drawn up a relevant auditing plan according to the assessment results of the risk of dishonest behavior and checked the compliance of the anti-dishonest behavior plan or entrusted an CPA to carry out the inspection?</p>			<p>(A) Accounting system: In order to implement ethical corporate management, an effective accounting system has been established. It was designed in accordance with company regulations.</p> <p>(B) Internal control system: In order to implement ethical corporate management, the internal control system of the Company is the management process following the "Regulations Governing Establishment of Internal Control Systems by Public Companies" and was designed by its managers, Consent of audit committee, passed by its board of directors, and implemented by the board of directors, managers, and total employees for purpose of promoting sound operations of the Company.</p> <p>(C) Internal audit: Preventive audit (risk control) plans are performed according to the audit policy for the following risks reported by the board of directors in 2023. " Ethical Corporate Management Best Practice Principles of Inventec" and operational risk assessment to formulate non-conventional audit indicators, legal compliance indicators, and the highlights of indicators reviews to conduct an internal audit. The Company adopts compliance and project audits on proposed key points in accordance with "Inventec Corporation Ethical Corporate Management Best Practice Principles", namely aiming at high-risk business groups and subsidiaries to audit their operational procedures as stipulated in the "Operation Procedures for Ethical Corporate Management and Behavioral Guidelines" and advocates to prevent dishonest acts.</p>	
<p>(5) If the Company organized training and awareness programs on ethical corporate management to internal and external parties?</p>	✓		<p>(5) To implement ethical corporate management, the responsible unit shall promote the advocacy education of all colleagues, collect and draft important norms, such as Ethical Corporate Management Best Practice Principles, Operation Procedures and Behavioral Guidelines, and Code of Conduct for Global Employees, and advocate matters that colleagues should pay attention to in the implementation of business activities. The ethical corporate management training results from 2023</p>	No discrepancy

Items	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
			demonstrate integrity behavior related advocacy and the training ratio in Taiwan as 100%. Training hours totaled 161,592.47 hours and training expenditure was NT \$18,044,844 in 2023 There were no major breaches of the principle of ethical corporate management this year.	
3.Implementation of whistleblowing system				
(1) If the Company established a whistleblowing and reward system? Upon receiving a reported case, is there a dedicated personnel handling the reported case?	✓		(1) System management and special personnel for special responsibilities: In order to solve major violations or misconduct, etc. complained about by employees, the Company has set up external and internal complaint management. When employees suffer from improper, illegal, or unreasonable events, they can submit a complaint according to the complaint system. There were no employee complaints or labor cases opened in 2023.	No discrepancy
(2) Has the Company established investigation standard operating procedures for accepting accusations, the follow-up measures to be taken after the investigation, and a relevant confidentiality mechanism?	✓		(2) Pursuant to the "Employee Complaints and External Reporting Management Specification", the Company has established investigation standard operation procedures and a confidentiality mechanism to accept reporting matters and imposes punishment by referring to trial principles. No registers in 2023.	No discrepancy
(3) If the Company established any measures for protecting whistleblowers from inappropriate disciplinary actions?	✓		(3) In the "Employee Complaints and External Reporting Management Specifications", the Company has designated a dedicated complaint acceptor (twenty-four seven), and the complaint and reporting hotline: Tel.: 886-2-2881-0721 ext. 21999 / E-mail: 21999 @inventec.com, and according to the treatment principle, the Company will protect the reporter from discriminations, threats, job transfers, and other unfavorable treatments.	No discrepancy
4. Information Disclosure	✓		The website of the Company discloses such information as ethical corporate	No discrepancy

Items	Implementation status			Non-implementation and its reason(s)
	Y	N	Summary	
If the Company disclosed ethical corporate management policy and its status of implementation via corporate website or Market Observation Post System?			management, social responsibility, corporate culture, and operation policy.	
<p>5. If the Company established any guideline of ethical business conduct in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, please state the implementation status of the guideline and any reasons for non-implementation?</p> <p>Pursuant to the " Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies", the Company formulated the "Inventec Corporation Ethical Corporate Management Best Practice Principles " in 2014. The fifth amendment was approved by the Board of Directors on Mar. 15, 2022, and the operation has No discrepancy from the rules.</p>				
<p>6. If any other information that helped to understand the operation of ethical business conduct and its implementation?</p> <p>Promoting integrity policies and beliefs every year in the supplier convention and reviewing their implementation conditions.</p>				

### 2.3.10 Corporate Governance Guideline and Regulations

Please go to the Company website (<https://www.inventec.com>) and click on Investor Relations /Corporate Governance for inquiry.

### 2.3.11 Other Important Information Regarding Corporate Governance: None.

## 2.3.12 Internal Control System

### 2.3.12.1 Statement of Internal Control System

Inventec Corporation  
Statement of Internal Control System

Mar. 12, 2024

Based on the findings of self-assessment, the Company states the following with regard to its internal control system in 2023:

1. The Company is fully aware that establishing, operating and maintaining an internal control system are the responsibilities of its Board of Directors and management. The aim of the internal control system is to provide reasonable assurance to effectiveness and efficiency of operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency, and regulatory compliance of reporting and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can only provide reasonable assurance of accomplishing the aforementioned three objectives. Moreover, the effectiveness of an internal control system may be subject to changes of environmental or circumstances. Nevertheless, the internal control system of the Company contains self-monitoring mechanism and the Company takes corrective actions whenever a deficiency is identified.
3. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the “Regulations”). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component further contains several items. Please refer to the Regulations for details.
4. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that, as of December 31, 2023, its internal control system (including its supervision and management of subsidiaries), as well as its internal controls to monitor the achievement of its objectives concerning effectiveness and efficiency of operations, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, were effective in design and operation, and reasonably assured the achievement of the above-stated objectives.
6. This Statement will be integral part of the Company’s Annual Report and Prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors in their meeting held on Mar. 12, 2024, with zero of nine attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Inventec Corporation.  
Chairman : Yeh, Li-Cheng  
President : Tsai, Chih -An

2.3.12.2 If the Company is Requested by the SEC to Retain CPA’s Service for Examining Internal Control System, the Independent Auditor’s Report must be Disclosed: None

**2.3.13 The Penalties Delivered to the Company and the Staffs of the Company, or the Penalties Delivered by the Company to the Staffs for Violations of Internal Control System, the Major Nonconformity, and the Corrective Action in the Most Recent Years and up to the Date of the Annual Report: None.**

**2.3.14 Resolutions Reached in the Shareholders’ Meeting or by the Board of Directors in the Most Recent Years and up to the Date of the Annual Report Printed:**

2.3.14.1 The important resolutions of the general shareholder meeting:

Meeting date	Abstract of Important Proposals	Implementation Status
2023.06.13	1. Proposal for the acknowledgment of the 2022 Business Report and financial statement of the Company.	Approved by 2,837,568,154 voting rights (among which, 1,893,181,430 voting rights were exercised electronically), accounting for 92.84% of the total voting rights. The approved voting rights exceed the statutory amount, and this proposal is passed.
	2. Proposal for acknowledgment of surplus dividend distribution of the Company in 2022.	Approved by 2,847,641,877 voting rights (among which, 1,903,255,153 voting rights were exercised electronically), accounting for 93.17% of the total voting rights. The approved voting rights exceed the statutory amount, and this proposal is passed. NT\$1.5 cash dividend is allotted per share. Ex-dividend base date: July 18, 2023. Date of cash dividend distribution: August 11, 2023.
	3. Proposal to propose to elect new directors.	The approved voting rights exceed the statutory amount, and this proposal is passed. The election result: The names of the board-elect are Cho Tom-Hwa, Yeh Kuo-I, Wen Shih-Chih, Lee Tsu-Chin, Chang Ching-Sung, Yeh Li-Cheng, Chang Chang-Pang (Independent Director), Chen Ruey-Long (Independent Director), and Wea Chi-Lin (Independent Director). The term will start from June 13, 2023 and conclude on June 12, 2026.

	4. Proposal for release the prohibition on new directors and their representatives from participation in competitive business.	Approved by 2,081,027,724 voting rights (among which, 1,548,041,592 voting were exercised electronically), accounting for 79.74% of the total voting rights. The approved voting rights exceed the statutory amount, and this proposal is passed.
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2.3.14.2 The important resolutions of the Board of Directors:

Meeting Date	Important Resolution Matters
2023.01.17	Project company set up in Vietnam
2023.02.21	Change to investment structure by acquiring right-of-use assets and setting up project companies in Vietnam
	Passed the participation in the capital increase of Inventec (Czech), s.r.o.
	Passed IEC TECHNOLOGIES, S.DE R.L.DE C.V.'s plans to purchase equipment.
	A donation of NT\$5 million made to Inventec Group Charity Foundation for earthquake relief in Turkey and Syria
	Passed Inventec (Shanghai) Corp lend money to Shanghai Yingquanda Industrial Co., Ltd.
2023.03.14	Passed to extend the bank quotas.
	Passed to issue the 2022 "Inventec Corporation Internal Control System Statement".
	Passed the 2022 employees', and directors' rewards distribution
	Passed the 2022 individual and consolidated financial statement, and business report of the Company.
	Passed the 2022 surplus distribution proposal of the Company.
	Passed the appointment of the certified public accountant.
	Re-election of directors at end of term
	Passed to agree upon relevant matters of the 2023 general meeting of the Company.
	Passed to agree upon director nominees
	Passed to remove the restriction of the board directors
	Passed the revision of some articles of Rules of Procedure for Board of Directors Meetings.
	Passed the revision of some articles of Corporate Governance Best Practice Principles
Passed the revision of some articles of Rules Governing Financial and Business Matters between this Corporation and its Affiliated Enterprises	
Passed the revision of some articles of administrative measures for subsidiaries	

Meeting Date	Important Resolution Matters
2023.04.25	Passed Inventec (Pudong) Corp lend money to Inventec Asset-Management (Shanghai) Corporation.
	Passed to raise the bank quotas.
	Passed to extend the bank quotas.
2023.05.12	Passed the 2023 Q1 consolidated financial statement of the Company.
	Proposal on the incorporation of a subsidiary for business operations in Thailand adopted
	Passed the revision of some articles of Sustainable Development Best Practice Principles
	Vision, strategy and promotion plan for sustainable development adopted
	Passed endorsement guarantee of IEC TECHNOLOGIES, S.DE R.L.DE C.V.
	Passed to revoke the bank endorsement guarantee of Inventec (Czech), s.r.o.
2023.06.13	Passed to extend the bank quotas.
2023.06.13	Passed to election of the chairman.
2023.06.13	Passed appointment of the president.
	Passed the appointment of the Remuneration Committee member.
	Passed the appointment of the Sustainability Committee member.
2023.06.26	Passed to acquire land assets in Thailand
	Passed the donation of server racks to National Taiwan University
	Passed to stipulate the ex-dividend base date of the cash dividend.
	Non-assurance service items through the accounting firm
	Passed to extend the bank quotas
2023.07.25	Passed to cancel the endorsement guarantee of IEC TECHNOLOGIES, S.DE R.L.DE C.V.
2023.07.25	Passed to extend the bank quotas
2023.08.11	Pass to purchase equipments in Inventec Electronics (Thailand) Co., Ltd.
	Pass to build factory in Inventec Electronics (Thailand) Co., Ltd.
	Pass the participation in the capital increase of Inventec Electronics (Thailand) Co., Ltd.
	Passed the 2023 Q2 consolidated financial statement of the Company.
	Passed the revision of some articles of Audit Committee Charter
	Passed the appointment of Chief Information Security Officer
	Passed to extend the bank quotas
	Passed endorsement guarantee of IEC TECHNOLOGIES, S.DE R.L.DE C.V.

Meeting Date	Important Resolution Matters
2023.09.26	Passed to designate juridical person in investment corporation
	Passed endorsement guarantee of Inventec Electronics (Thailand) Co., Ltd.
2023.10.24	Pass to purchase equipments and to rent factory
	Pass to purchase equipments in IEC TECHNOLOGIES, S.DE R.L.DE C.V.
	Passed to extend the bank quotas
2023.11.10	Passed the 2023 Q3 consolidated financial statement of the Company.
	Passed the revision of some articles of the internal control system.
	Passed the "2024 Internal Audit Plan".
	Pass the participation in the capital increase of Inventec (Czech), s.r.o.
	Passed the 2023 CPA's fees
	Non-assurance service items through the accounting firm
	Passed the donation of TWD 10 million to Inventec Group Charity Foundation
Passed endorsement guarantee to Inventec (Czech), s.r.o.	
2023.12.26	Passed 2023 directors and managers' remunerations ratio
	Passed 2023 directors and managers' remunerations and year-end bonus proposal
	Passed the proposal for the 2024 remuneration adjustment for directors and managers of the Company
	The current compensation policy, regulations, standards and structures adopted
	Pass to purchase equipments in Inventec (Czech), s.r.o.
	Passed to acquire land in Thailand
	Passed 2024 business plan
	Passed endorsement guarantee to Inventec Electronics (Thailand) Co., Ltd.
	Passed to raise the bank quotas.
Passed to extend the bank quotas	
2024.01.30	Pass to purchase equipments in Inventec Electronics (Thailand) Co., Ltd.
	Pass to furnish factory in Inventec (Czech), s.r.o.
	Passed to stipulate the Tax Policy and Management Procedure
	Passed to extend the bank quotas
2024.02.27	Pass to purchase equipments in Inventec Electronics (Thailand) Co., Ltd.
	Passed Inventec (Shanghai) Corp lend money to Shanghai Yingquanda Industrial Co., Ltd.



Meeting Date	Important Resolution Matters
	Passed to extend the bank quotas
	Passed to cancel endorsement guarantee of Inventec Electronics (Thailand) Co., Ltd.
2024.03.12	Passed to issue the 2023 "Inventec Corporation Internal Control System Statement".
	Passed the 2023 employees', and directors' rewards distribution
	Passed the 2023 individual and consolidated financial statement, and business report of the Company.
	Passed the 2023 individual and consolidated financial statement, and CPA auditing report of the Company.
	Passed the 2023 surplus distribution proposal of the Company.
	Passed the appointment of the certified public accountant.
	Pass the participation in the capital increase of AIMobile Co., Ltd.
	Passed to agree upon relevant matters of the 2023 general meeting of the Company.
	Pass to purchase equipments in IEC TECHNOLOGIES, S.DE R.L.DE C.V.
	Passed the revision of some articles of Audit Committee Charter
	Passed the revision of some articles of Rules of Procedure for Board of Directors Meetings
	Passed to remove the non-compete restriction of the board directors, Chang, Ching-Sung and Chang, Chang-Pang
2024.04.30	Pass to purchase equipments and additional engineering expenditure in Inventec (Czech), s.r.o.
	Pass to set up the company in Singapore
	Passed to designate juridical person in investment corporation
	Passed to stipulate the standards of participation in public affairs
	Passed to revision the appendix of Rules of Performance Evaluation of the Board of Directors
	Passed Inventec (Pudong) Corp lend money to Inventec Asset-Management (Shanghai) Corporation.
	Passed to extend the bank quotas
	Passed endorsement guarantee of IEC TECHNOLOGIES, S.DE R.L.DE C.V.
2024.05.14	Pass to purchase equipments in IEC TECHNOLOGIES, S.DE R.L.DE C.V.
	Passed the 2024 Q1 consolidated financial statement of the Company.
	Passed to stipulate the Risk Management Policy and Procedure
	Passed to revision the Corporate Governance Best Practice Principles
	Passed to extend the bank quotas
	Passed endorsement guarantee of Inventec Electronics (Thailand) Co., Ltd.

Meeting Date	Important Resolution Matters
	Passed endorsement guarantee of Inventec (Czech), s.r.o.

**2.3.15 Major Issues of Record or Written Statement Made by Any Director Dissenting to Important Resolutions Passed by the Board of Directors in the Last Few Years and as of the Annual Report Printing Date: None.**

**2.3.16 Resignation or Dismissal of Chairman, President, and Heads of Accounting, Finance, Internal Audit and R&D in the Last Few Years and as of the Annual Report Printing Date: None.**

## **2.4. Certified Public Accountant (CPA) Fee Information**

### **2.4.1 Range of CPAs' Fee**

Unit: NT\$ Thousands

CPA Firm	CPA	Auditing Period	Auditing Fees	Non-Auditing Fees (Note1)	Total	Note
KPMG	Kuo, Rou-Lan	2023.01.01~2023.12.31	8,600	3,045	11,645	-
	Chen, Ying-Ju					

Note1: The fees mainly include the corporation income tax visa, business tax visa, transfer pricing report, country by contry report, group master file, and Sustainability Report verification.

**2.4.2 If the CPA Firm Changes, and the Audit Fee Paid in the Year of such Change is Reduced from the Audit Fee of the Previous Year, the Amounts of the Audit Fees Before and After such Change and the Reason of such Change Should Be Disclosed: None**

**2.4.3 If the Audit Fee Is Reduced by More than 10% from Last Year, the Amount, Ratio, and Reason for the Reduction of the Audit Fee Should Be Disclosed: None**

## **2.5 Information Regarding the Replacement of CPA:**

As part of the internal rotation of the accounting department, from the first quarter of 2023, certified public accountant changes from CPA Lin Wan-Wan and CPA Kuo, Rou-Lan to CPA Kuo, Rou-Lan, and CPA Chen Ying-Ju, hence it is not applicable. The Board meeting dated Mar. 14, 2023, resolved to change.

## **2.6 Information on Services of the Company's Chairman, Presidents, Financial or Accounting Managers at the Accounting Firm or Its Affiliates**

If the chairman, president, and financial or accounting manager of the Company who had worked for the independent auditor or the related party in the most recent year, the name, title, and the term with the independent auditor or the related party must be disclosed: None.

## 2.7 Change in Shareholding of Directors, Managers and Major Shareholders Who Own 10% or More of Invnetec Corporation Shares

Unit: Thousand shares

Title	Name	2023		2024/1/1~2024/05/22	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Yeh, Li-Cheng	0	0	0	0
Director	Yeh, Kuo-I	0	0	0	0
Director	Wen, Shih-Chih	0	0	0	0
Director	Lee, Tsu-Chin	0	0	0	0
Director	Chang, Ching-Sung	2,443,434	0	0	0
Director	Cho, Tom-Hwar	(50,000)	0	0	0
Independent Director	Chang, Chang-Pang	0	0	0	0
Independent Director	Chen, Ruey-Long	0	0	0	0
Independent Director	Wea, Chi-Lin	0	0	0	0
President	Tsai, Chih-An	0	0	0	0
Business Group President	Chang, Hui	0	0	0	0
Business Group President	Lin, Shu-Ju	0	0	0	0
Senior Vice President	Chiu, Chui-Kuan	0	0	0	0
Senior Vice President	Chen, Yea-Ping	0	0	0	0
Senior Vice President	Yi, Fu-Ming	0	0	0	0
Senior Vice President	Chen, Wei-Chao	0	0	0	0
Senior Vice President	Chang, Lin	0	0	0	0
Vice President	Chang, Nai-Wen	0	0	0	0
Vice President	Hong, Kuo-Ching	0	0	0	0
Vice President	Chang Yiu-Lang	0	0	0	0
Vice President	Yu, Chin-Pao	0	0	0	0
Vice President	Chien, Kuei-Fen	0	0	0	0
Vice President	Tsai, Yuh-Chen	0	0	0	0
Vice President	Hsu, Ching-Wu	0	0	0	0
Vice President	Chao, Tsai-Hsiu	0	0	0	0
Vice President	Li, Jui-Chin	0	0	0	0

Title	Name	2023		2024/1/1~2024/05/22	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Vice President	Chung, Chien-Yao	0	0	0	0
Vice President	Lin, Hung-Chou	0	0	0	0
Vice President	Ting, Wei-Fan	0	0	0	0
Vice President	Chen, Wen-Chi	0	0	0	0
Vice President	Yu, San-Hua	0	0	0	0
Vice President	Song, Jing-Sian	0	0	0	0
Vice President	Wang, Chih-Ching	0	0	0	0
Vice President	Shih, Yu-Te	0	0	0	0
Vice President	Lin, Shih-Pin	0	0	0	0
Vice President	Wu, Chia-Ming	0	0	0	0
Director of Finance Center	Liang, Wen-Jan	0	0	0	0
Director of Finance Center	Hsiao, I-Ying	(996)	0	0	0

Note 1: The Company has no shareholder holding more than ten percent of the total stock.

Note 2: The date of formulating data is the date of publication.

### 2.7.1 Information of Shares Transferred:

2024/05/22

Unit: Share

Name	The reason	Date	Trading counterparties	Relation	Shares	Price
Chang, Ching-Sung	Inheritance	2023/08/18	Chen, Li-Chuan	Spouse	2,745,543	31.09
Chang, Ching-Sung	Inheritance	2023/08/22	Chen, Li-Chuan	Spouse	197,891	31.09

Note 1: The Company has no shareholder holding more than ten percent of the total stock.

Note 2: The date of formulating data is the date of publication.

### 2.7.2 Information of Equity Pledged: None.

## 2.8 Information on the Relationship of the Top Ten Shareholders as Related Parties, Spouses, or Blood Relatives within Two Degrees

2024.04.14

Unit: Share

Name	Shareholding		Spouse and Minor		Shareholding by Nominee Arrangement		The Relationship		Note
	Shares	%	Shares	%	Shares	%	Name	Relations	
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	190,837,000	5.32%	-	-	-	-	-	-	
Yeh, Kuo-I	176,361,330	4.92%	69,314,117	1.93%	-	-	Yeh, Li-Chuan Yeh, Li-Cheng	Relative within the second degree of kinship Relative within the second degree of kinship	
Lai-Chu Investment Co., Ltd.	136,721,634	3.81%	-	-	-	-	Yang, Yuan-Yuan	Chairman	
Lai-Chu Investment Co.,Ltd Representative Yang, Yuan-Yuan	1,100,000	0.03%	36,414,930	1.02%	-	-	-	-	
Shyh Shiunn Investment Corp.	133,116,690	3.71%	-	-	-	-	Wen, Shih-Chih	Chairman	
Shyh Shiunn Investment Corp.: Representative, Wen, Shih-Chih	35,685,590	0.99%	36,399	0.00%	-	-	-	-	
Fulltime Investment Corporation	126,781,074	3.53%	-	-	-	-	Yeh, Li-Cheng	Chairman	
Fulltime Investment	117,412,472	3.27%	400,000	0.01%	-	-	Yeh, Kuo-I	Relative within the second degree of kinship	

Name	Shareholding		Spouse and Minor		Shareholding by Nominee Arrangement		The Relationship		Note
	Shares	%	Shares	%	Shares	%	Name	Relations	
Corporation Representative, Yeh, Li-Cheng							Yeh, Li-Quan Goldshare Investment Corporation	Relative within the second degree of kinship Chairman	
Goldshare Investment Corporation	126,752,558	3.53%	-	-	-	-	Yeh, Li- Cheng	Chairman	
Goldshare Investment Corporation Representative, Yeh, Li-Cheng	117,412,472	3.27%	400,000	0.01%	-	-	Yeh, Kuo-I Yeh, Li-Quan Fulltime Investment Corporation	Relative within the second degree of kinship Relative within the second degree of kinship Chairman	
Yeh, Li-Cheng	117,412,472	3.27%	400,000	0.01%	-	-	Yeh, Kuo-I Yeh, Li-Quan Goldshare Investment Corporation Fulltime Investment Corporation	Relative within the second degree of kinship Relative within the second degree of kinship Chairman Chairman	
Lee, Tsu-Chin	115,833,835	3.23%	-	-	-	-	-	-	
Yuanta/P-shares Taiwan Dividend Plus ETF	110,741,504	3.09%	-	-	-	-	-	-	
Yeh, Li-Quan	93,398,405	2.60%	2,111,196	0.06%	-	-	Yeh, Kuo-I Yeh, Li-Cheng	Relative within the second degree of kinship Relative within the second degree of kinship	

Note 1: The top ten shareholders shall all be listed; for corporate shareholders, the name and representative of the corporate shareholder shall be listed respectively.

Note 2: The calculation of shareholding ratio means the calculation of shareholding ratio in the name of oneself, spouse, minor children, or other person.

Note 3: For the corporate shareholders and natural person shareholders listed above, any relationship between and among them shall be disclosed.

Note 4: The date of formulating data is the book closure date of shares.

## 2.9 Ownership of Shares in Affiliated Enterprises

2024.04.14

Unit: Thousand shares; %

Long-Term Investment	Ownership by Inventec		Direct/Indirect Ownership by Directors and Management		Total	
	Shares	%	Shares	%	Shares	%
Inventec Appliances Corporation	536,857	100.00%	-	-	536,857	100.00%
Inventec Besta Co., Ltd	23,405	37.53%	2,840	4.55%	26,245	42.08%
Inventec Investment Corporation	15,000	100.00%	-	-	15,000	100.00%
Inventec Solar Energy Corporation	108,150	33.45%	58,178	17.19%	166,328	51.44%
AIMobile Co., Ltd.	14,234	89.16%	-	-	14,234	89.16%
InveneXt System Co., Ltd.	5,000	100.00%	-	-	5,000	100.00%

Note 1: It is the investment of Company by adopting the Equity Method.

Note 2: The date of formulating data is the book closure date of shares.



### III. Capital Overview

#### 3.1 Capital and shares

##### 3.1.1 Capital and Shares

05/22/2024

Month/ Year	Par Value (NT)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000)	Amount (NT\$1,000)	Shares (1,000)	Amount (NT\$1,000)	Sources of Capital (NT\$10,000)	Capital Increased by Assets Other than Cash	Other
1988.11	10	22,060	220,600	22,060	220,600	Capital increase NT 3,000 by Cash	—	November 1, 1988 (77), No. 09283
1989.08	10	66,999	660,000	33,200	332,000	Capital increase NT 4,080.80 by Cash Capital increase NT 7,059.20 by Earnings	—	August 21, 1989 (78), No. 01724
1990.05	10	100,000	1,000,000	76,360	763,600	Capital increase NT 3,320 by Capital Surplus Capital increase NT 39,840 by Earnings	—	May 30, 1990 (79), No. 28599
1991.07	10	100,000	1,000,000	83,996	839,960	Capital increase NT 7,636 by Capital Surplus	—	July 18, 1991 (80), No. 01592
1992.06	10	100,795	1,007,952	100,795	1,007,952	Capital increase NT 16,799.20 by Earnings	—	June 17, 1992 (81), No. 01286
1993.07	10	120,954	1,209,542	120,954	1,209,542	Capital increase NT 20,159 by Earnings	—	July 20, 1993 (82), No. 30624
1994.06	10	145,145	1,451,451	145,145	1,451,451	Capital increase NT 24,191 by Earnings	—	June 20, 1994 (83), No. 28255
1995.06	10	174,174	1,741,741	174,174	1,741,741	Capital increase NT 29,029 by Earnings	—	June 21, 1995 (84), No. 36512
1996.06	10	226,426	2,264,263	226,426	2,264,263	Capital increase NT 52,252 by Earnings	—	June 21, 1995 (84), No. 38703
1997.05	10	600,000	6,000,000	508,560	5,085,604	Capital increase NT 282,134 by Earnings	—	May 06, 1997 (86), No. 36918
1998.05	10	1,000,000	10,000,000	835,407	8,354,069	Capital increase NT9,663 by Capital Surplus Capital increase NT 317,184 by Earnings	—	May 12, 1998 (87), No. 41354
1998.05	10	1,000,000	10,000,000	855,407	8,554,069	Capital increase NT 20,000 by Cash	—	May 20, 1998 (87), No. 41353
1999.05	10	1,250,000	12,500,000	1,140,000	11,400,000	Capital increase NT 284,593 by Earnings	—	May 17, 1999 (88), No. 46068
2000.05	10	1,500,000	15,000,000	1,375,860	13,758,600	Capital increase NT 22,800 by Capital Surplus Capital increase NT 213,060 by Earnings	—	May 22, 2000 (89), No. 43743
2001.05	10	2,000,000	20,000,000	1,660,700	16,607,000	Capital increase NT 27,517.2 by Capital Surplus Capital increase NT 257,322.8 by Earnings	—	May 18, 2001 (90), No. 130976
2002.06	10	2,000,000	20,000,000	1,835,000	18,350,000	Capital increase NT 24,910.5 by Capital Surplus Capital increase NT 149,389.5 by Earnings	—	June 14, 2002 (91), No. 132472

Month/ Year	Par Value (NT)	Authorized Capital		Paid-in Capital		Remark		
		Shares (1,000)	Amount (NT\$1,000)	Shares (1,000)	Amount (NT\$1,000)	Sources of Capital (NT\$10,000)	Capital Increased by Assets Other than Cash	Other
2003.06	10	2,500,000	25,000,000	2,026,000	20,260,000	Capital increase NT 191,000 by Earnings	—	June 18, 2003 (92), No. 0920127026
2004.06	10	2,500,000	25,000,000	2,137,000	21,370,000	Capital increase NT 111,000 by Earnings	—	June 08, 2004 (93), No. 0930125427
2005.06	10	2,500,000	25,000,000	2,205,700	22,057,000	Capital increase NT 68,700 by Earnings	—	June 24, 2005 (94), No.0940125418
2006.06	10	2,500,000	25,000,000	2,301,000	23,010,000	Capital increase NT 95,300 by Earnings	—	June 27, 2006 (95), No. 0950126555
2007.06	10	2,500,000	25,000,000	2,427,800	24,278,000	Capital increase NT 126,800 by Earnings	—	June 25, 2007 (96), No. 0960031988
2008.06	10	3,000,000	30,000,000	2,561,000	25,610,000	Capital increase NT 133,200 by Earnings	—	June 24, 2008 (97), No. 0970031477
2009.06	10	3,000,000	30,000,000	2,821,426	28,214,260	Capital increase NT 260,426 by Earnings	—	June 25, 2009 (98), No. 0980031805
2010.06	10	3,000,000	30,000,000	2,962,497	29,624,973	Capital increase NT 141,071 by Earnings	—	June 25, 2010 (99), No. 0990032858
2011.08	10	3,500,000	35,000,000	3,468,922	34,689,218	Capital increase NT 506,425 by Merging	—	August 19, 2011 (100), No. 1000037640 September 01, 2011 (100), No. 1000041230
2011.10	10	3,500,000	35,000,000	3,466,159	34,661,595	Cancellation of Treasury Stocks NT2,762	—	—
2012.06	10	3,650,000	36,500,000	3,587,475	35,874,751	Capital increase NT 121,316 by Earnings	—	June 27, 2012 (101), No.1010028496

Unit: Share; 05/22/2024

Shares Category	Authorized Capital			Remarks
	Issued Shares (Listed)	Non-Issued	Total	
Registered Common Shares	3,587,475,066	62,524,934	3,650,000,000	

Information for shelf registration: None

### 3.1.2 Composition of Shareholders

04/14/2024

Item	Government Agencies	Financial Institutions	Other Juridical Person	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of Shareholders	13	76	293	237,090	1,055	238,527
Shareholding (shares)	23,503,963	413,776,252	733,354,341	1,771,079,067	645,761,443	3,587,475,066
Percentage	0.66%	11.53%	20.44%	49.37%	18.00%	100.00%

### 3.1.3 Shareholding Distribution Status

04/14/2024

Class of Shareholding (Unit : Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1~ 999	40,449	10,487,126	0.29%
1,000~ 5,000	160,026	322,694,958	9.00%
5,001~ 10,000	21,850	171,882,213	4.79%
10,001~ 15,000	5,717	72,940,837	2.03%
15,001~ 20,000	3,678	68,589,600	1.91%
20,001~ 30,000	2,685	69,248,039	1.93%
30,001~ 40,000	1,119	40,411,399	1.13%
40,001~ 50,000	743	34,773,603	0.97%
50,001~ 100,000	1,124	81,148,113	2.26%
100,001~ 200,000	496	70,243,961	1.96%
200,001~ 400,000	245	68,751,560	1.92%
400,001~ 600,000	100	49,195,062	1.37%
600,001~ 800,000	54	37,533,969	1.05%
800,001~1,000,000	29	26,086,971	0.73%
1,000,001~999,999,999	212	2,463,487,655	68.67%
Total	238,527	3,587,475,066	100.00%

Preferred share: The Company did not issue any preferred share.

### 3.1.4 List of Major Shareholder

04/14/2024

Shareholder's Name	Shareholding	
	Shares	Percentage
Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF	190,837,000	5.32%
Yeh, Kuo-I	176,361,330	4.92%
Lai-Chu Investment Co., Ltd	136,721,634	3.81%
Shyh Shiunn Investment Corp.	133,116,690	3.71%
Fulltime Investment Corporation	126,781,074	3.53%
Goldshare Investment Corporation	126,752,558	3.53%
Yeh, Li-Cheng	117,412,472	3.27%
Lee, Tsu-Chin	115,833,835	3.23%
Yuanta/P-shares Taiwan Dividend Plus ETF	110,741,504	3.09%
Yeh, Li-Quan	93,398,405	2.60%

### 3.1.5 Market Price Per Share, Net Value, Earnings and Dividends for Latest Two Years

Unit : NT\$ ; Thousand shares

Item		Year			
		2022	2023	01/01/2024 ~03/31/2024	
Market Price per Share (Note1)	Highest Market Price	26.45	73.50	61.80	
	Lowest Market Price	22.05	25.20	48.60	
	Average Market Price	24.58	41.40	56.02	
Net Worth Per Share	Before Distribution	16.60	17.04	16.69	
	After Distribution	15.10	15.54 (Note5)	-	
Earnings Per Share	Weighted Average Share Numbers	3,587,475	3,587,475	3,587,475	
	Earnings Per Share	1.71	1.71	0.30	
Dividends Per Share	Cash Dividends	1.50	1.50 (Note5)	-	
	Stock Dividend	Dividends from Retained Earnings	—	—	—
		Dividends from Capital Surplus	—	—	—
	Accumulated Undistributed Dividends	—	—	—	
Return on Investment	Price / Earnings Ratio (Note2)	14.37	24.21	-	
	Price / Dividend Ratio (Note3)	16.39	27.60 (Note5)	-	
	Cash Dividend Yield Rate (Note4)	6%	4% (Note5)	-	

Note1: Source of the materials: Taiwan Stock Exchange Corporation

Note2: Price / Earnings Ratio = Average Market Price / Earnings Per Share

Note3: Price / Dividend Ratio = Average Market Price / Cash Dividends Per Share

Note4: Cash Dividend Yield Rate = Cash Dividends Per Share / Average Market Price

Note5: Including 2023 dividend amount resolved by the Board on March 12, 2024

### 3.1.6 Corporate Dividend Policy and Implementation Condition

#### 1. Corporate dividend policy

Pursuant to the provisions of the Articles of Incorporation, if there is a surplus in the general annual report of the Company, it shall first be used to pay taxes and offset accumulated losses, and then 10% will be withdrawn as a statutory surplus reserve, except when the statutory surplus reserve has accumulatively reached the total paid-up capital of the Company. Furthermore, the special surplus reserve shall be set or returned according to the operation demand of the Company and pursuant to relevant laws and decrees. If there is still surplus and accumulated undistributed surplus, a proper amount shall be reserved according to operation demand, and a dividend of no less than 10% of the surplus in the current year shall be paid. The Board of Directors shall prepare a surplus distribution proposal and submit it to the Shareholders' Meeting for acknowledgment. The dividend policy of the Company considers the future fund demand and long-term financial planning of the Company, as well as shareholders' demand on cash inflow. If there is a surplus in the fiscal year, the cash dividend distributed every year shall not be less than 10% of the total cash and stock dividend distributed in the current year.

#### 2. Dividend distribution situation

The dividend distribution situations of the Company for past five years are summarized in the following table:

Year	2019	2020	2021	2022	2023
Cash Dividend	1.30	1.85	1.40	1.50	1.50
Stock Dividend	-	-	-	-	-

### 3.1.7 The Impact of Stock Grants Proposed by the Shareholders' Meeting at this Time on Company Business Performance and Earnings Per Share: This (2024) Shareholders' Meeting has not proposed any stock grants.

### 3.1.8 Remuneration of Employees, and Directors

#### 1. Percentage or scope of remuneration of employees, and directors as stated in the Articles of Incorporation.

According to the Articles of Incorporation of the Company, if the Company experiences overall annual profit, no less than 3% shall be allocated as employee remuneration and no more than 3% as director remuneration. However, when the Company has accumulated losses, it shall reserve the compensation amount in advance. Employee remuneration may be issued in cash or stock, the issuing object may include employees subordinated to the Company and conforming to certain conditions, and the conditions and methods thereof will be stipulated by the Board of Directors.

#### 2. Estimation base of employee, and director remuneration in this estimation, the number of shares calculation base for employee remuneration in stock distribution, and accounting treatment when

the actual distribution amount differs from the estimated amount.

- (1) Estimation base of employee, and director remuneration in this estimation: Pursuant to the Articles of Association of the Company, if the Company experiences overall annual profit, no less than 3% shall be allocated as employee remuneration and no more than 3% as director remuneration. However, when the Company has accumulated losses, it shall reserve the compensation amount in advance.
- (2) The number of shares calculation base for employee remuneration in stock distribution: In this period, no employee remuneration is in stock distribution.
- (3) When the actual distribution amount differs from the estimated amount, the balance thereof will be listed as cost adjustments in the actual distribution year.

### 3. Situation of the Board of Directors' passing remuneration distribution

- (1) The amount of employee, and director remuneration in cash or stock distribution. If it differs from the estimated amount in the recognized expense year, the balance, reason, and handling situation shall be disclosed: the Board of Directors passed a resolution, determining that the remuneration of employees in 2023 is NT\$ 501,594,752, and the remuneration of directors in 2023 is NT\$ 65,425,402, which are the same as the recognized expense amount in 2023.
- (2) The proportion of employee remuneration amount in stock distribution in the net profit after tax in individual financial statements of this period and the total employee remuneration: None

### 4. For the actual distribution situation of employee, and director remuneration last year (including distributed shares, amount, and stock price), if it differs from the recognized employee, and director remuneration, the balance, reason, and handling situation shall be specified.

In 2022, the relevant information on the employee and director remuneration is summarized below: Employee bonus distribution: NT\$ 516,363,664; director remuneration distribution: NT\$ 68,342,250 and the total distribution amount is NT\$ 584,705,914. It is the same as the recognized expense amount in 2022.

The distribution situation passed by the Shareholders' Meeting is the same as the proposed situation passed by the Board of Directors.

### **3.1.9 Company's Situation Regarding Buying Back Company Shares: None.**

**3.2 Bonds: None.**

**3.3 Preferred Shares: None.**

**3.4 Global Depository Receipts: None.**

**3.5 Employee Stock Options: None.**

**3.6 Restricted Employee Shares: None.**

**3.7 Status of New Shares Issuance in Connection with Mergers and Acquisitions: None.**

**3.8 Financing Plans and Implementation**

**3.8.1 Plans: None.**

**3.8.2 Implementation: None.**

## IV. Operational Highlights

### 4.1 Business Activities

#### 4.1.1. Business Scope

##### 1. Major business contents

The major business items of the Group include the manufacturing and sale of computers and smart device products, etc.

##### 2. Proportion of consolidated business

Item \ Year	2022	2023
Computer Product	99.58%	99.12%
Service Revenue	0.13%	0.22%
Others	0.29%	0.66%
Total	100.00%	100.00%

##### 3. Commodity items and new commodities planned to be developed

- A. Personal information products: Notebook PC, Desktop, AIO and Thin Client.
- B. Business solutions: 5G/edge computing, servers, storage equipment, switches, AI solutions, rack solutions and network solutions.
- C. Smart devices: smart health care, smart home, intelligent machine and smart wearable electronic equipment.
- D. 5G and Automotive products: 5G related (AIoT 4.0 Solution, Private Network Solution), Edge AI Box, autopilot assist function, ethernet switch, central gateway, electronic cockpit system, and Vehicle-mounted wireless charging module

#### 4.1.2 Industry Overview

##### 1. The current situation and development of the industry

###### (1) Notebook computers

In 2023, due to the impact of global inflation upticks and economic downturn, the market sales of notebook PCs remained stagnant given relatively conservative enterprise capital expenditure and consumer expenditure; according to data from TrendForce, the number of notebook PCs shipped on the global market reached 166 million, down by 10.8% compared to 186 million notebook PCs in 2022. However, the PC replacement wave on the market was promoted and purchasing power will be boosted in 2024, expected due to the rising demand for AI PCs, the improvement of new CPUs and GPUs, the integration of assistive functions like AI in operating systems, and the destocking of inventories. It is estimated that global shipments of notebook PCs will reach 172 million units in 2024; an annual growth rate of 3.6%.



(2) Servers

According to survey data from DIGITIMES, overall server shipments approached 15 million units in 2023 due to impact of global inflation and economic downturn, enterprises' restrained capital expenditure due to high interest rates, the weakening of traditional cloud demand, the dominance of high-priced AI servers over general-purpose servers, and other factors. However, it is estimated that overall global server shipments in 2024 will increase by 4.9% compared to 2023 due to the resurgence of procurement power from large cloud practitioners in North America. In the next five years, the global server market would foresee stable growth and development.

(3) Smart device

According to statistics from research agency IDC, global shipments of wearable devices reached approximately 504 million units in 2023, presenting a slight growth rate of 2.4% compared to 2022. Currently, the most popular wearable products in the market include smartwatches, smart wristbands, and ear-worn devices, and have become a driving force for the continual growth of the overall wearable products markets; it is anticipated that overall shipments will grow by 5% in 2024.

2. Relevance of upstream, midstream, and downstream of the information hardware industry

<u>Upstream component manufacturing industry</u>	<u>Midstream semi-finished products processing industry</u>	<u>Downstream product distribution industry</u>
(1) CPU		
(2) HDD		
(3) LCD panel	Module	
(4) Battery		
(5) Memory	and	Distributor
(6) Network device		
(7) Keyboard	Assembly	
(8) Mainboard		
(9) Adaptor		
(10) Other components		

3. All kinds of product development trends and competition situations

(1) Notebook computers

With the continuation of the global impact of AI technology in 2023, the era of AI PCs is coming in 2024. Major notebook PC brands are actively seizing the business opportunities of AI PCs by integrating their exclusive innovative functions and efficiency solutions. In accordance with the development trends revealed at the International Consumer Electronics Show (CES), brands have successively launched new-generation CPUs, GPUs, and NPUs, under the synergistic architecture of which computational performance and image processing performance have been strengthened and AI software and energy management efficiency optimized. As for high-end commercial notebook PCs, AI technology has been

integrated into notebook PCs with OLED touch dual screens and foldable displays, providing users with richer screen views for work sharing and between laptops and desktops. As for notebook PCs used for gaming, brands are not only continually highlighting lightweight devices and large panel designs, but also integrating NPUs with new-generation processors to significantly lower the energy consumption and loads of processors, thus fundamentally improving the battery life and service.

## (2) Server

From the publication of ChatGPT to the extensive application of ChatBOT in emerging topics such as 5G, AI, autopilot, cloud computing, and edge computing, the growth and demand of the server industry has been promoted with the stimulation of expansion of hardware in cloud data centers. Compared with traditional servers, which are primarily based on CPUs, current AI servers are made of heterogeneous architectures; the most commonly seen combination is CPU + GPU. There are also other types of servers based on a variety of combinations, such as CPU + different types of accelerator cards, CPU + TPU (Tensor Processing Unit), CPU + ASIC (Application Specific Integrated Circuit), and CPU + FPGA (Field Programmable Gate Array). To deal with market demand for high-efficiency computing, servers with greater computational power are incorporated into more GPUs to further improve the value of servers. Driven by the trend of high efficiency, issues like power supply and the heat dissipation of servers have also become important processes that affect servers' performance; since power demand has been substantially increased due to high-efficiency operation, the safety design of power supply and product quality requirements are also relatively rigorous. Additionally, the problem of heat dissipation resulting from rising high electric power and high-power consumption has accelerated the development of cooling technologies. Traditional air-cooled solutions (heat dissipation through air cooling) have been transformed into newly developed and designed lead-in liquid-cooled solutions (cooling through the use of sealed pipelines that are filled with coolant) and immersion-cooled solutions (the heat is directly transferred to a non-conductive liquid where the server is immersed) for the purposes of improving and bettering the power utilization efficiency of equipment rooms and realizing the benefits of both efficiency and energy conservation.

## (3) Smart devices

Intelligent wearable devices are also rapidly developing. Common wearable devices available on the market include smartwatches, smart wristbands, headphones, and glasses. In the future, applications in clothes, shoes, hats, gloves, and necklaces will be developed as data feedback and functional extensions. Due to consumers' awareness of and emphasis on their health, and in consideration of the substantial increase in the need for sustainability, smartwatches and smart wristbands from various brands have appeared on the market, resulting in fierce competition; the functions of these devices have been developed from the previous basic step tracking, heart rate monitoring, and message and phone call reception to sleep tracking, blood pressure and blood oxygen monitoring, fall detection, and contactless payments. Such devices can also provide more complete data regarding personal health through integration with scales. Current market development emphasizes enhanced functional performance for professionals. For example, GPS navigation and offline maps have been provided for mountaineers, and diving watches capable of bearing

deep diving pressure and monitoring water depth and pressure with a greater waterproof coefficient have been provided for scuba enthusiasts. Future product design and development, smartwatches, and smart wristbands will still be geared toward diverse functionality, be thinner and use lighter substrate materials, and feature novel panel patterns for greater convenience and an improved experience for consumers.

### 4.1.3 Overview of Technology and Research and Development

1. Table of research and development expenditure investment by the Group in the past two years

Year	2022	2023
R&D Expenses (Unit: NT\$ Thousands)	12,095,376	11,321,839
R&D Expenses to Revenue (%)	2.23	2.20

Inventec has always adhered to "Innovation" as the basic principle in its business philosophy since its establishment in 1975. Innovation is not only a commitment to our customers and partners, but an indivisible element for the enterprise to shape differentiation and improve international competitiveness and influence. The Corporation has invested tremendous amounts of R&D funds in product development every year to explore innovative R&D technologies, provide the best solutions, and promote the production applications of AI technologies across multiple fields, thus improving the quality of life and convenience for the public. In the future, we will continue to invest in high R&D expenditure to create more cross-field products that meet the needs of the end market.

2. Innovative technology development

(1) Embedded NPU

The Corporation introduced a new "VectorMesh™" embedded NPU in 2023 featuring three series, the "Minima™", "Parva™", and "Magna™" based on the computational power needed for terminal applications. This product has three advantages: high efficiency, high flexibility, and low power consumption. AI is adopted for image identification and special mathematical computation types; therefore, this product draws great attention and attracts commercial cooperation with the IC design industry. The Company is continuing to focus on the development of the "Magna™" IP series with greater terminal computational power to make the PPA (power, performance, and area) more competitive. Also, a customized one-stop IP design has been introduced to integrate services and commercialize IP, as well as provide excellent solutions for AI edge computing with lower costs and rapid market penetration.

(2) Automotive Electronic Technology

The Group collaborates with automotive information security partners to develop various technologies including automotive network security technology. The latest "Central Automotive Gateway" technology protects vehicle-mounted information and entertainment systems from malicious software attacks through the security

communication network, data encryption, and intrusion testing system. The company cooperates with a world top-notch semiconductor solution supplier in the electric vehicle (EV) market to develop a new generation of PoC for automotive connected gateway systems. This PoC integrates network security and the far-end updating function, thus offering faster and safer gateway solutions to the advanced smart EV market.

(3) AI+AOI notebook PC appearance defect tester

The laptop appearance testing machine developed by the Group has four major great-leap-forward advantages: high accuracy, high efficiency, high applicability, and high stability. AI core technology and a built-in automatic defect marking function have been introduced to improve the consistency of visual inspection by nearly 15% by relying on the high-level and short-time AI interpretation accuracy that surpasses manual inspections, resulting in greater customer satisfaction. Besides, the operation system of the AI defect testing machine not only traces the sources of potential quality problems to improve quality optimization processes, but also connects with the production system of the factory, thus combining IoT and big data with AI technology, enhancing digital quality management and developing industry 4.0 smart factories.

(4) Intelligent building solution

With the evolution of AI computing technology, leading brand modules in the industry have been adopted in new business areas of the Corporation. The rapid and energy-saving embedded AI computing product, 5G small base station integrated machine unit, and high-density GPU server of the Company have been introduced, successfully applying AI computing in intelligent building solutions. Furthermore, smart dashboards can be utilized for these solutions so managers can assure the safety of people and vehicles in intelligent building and effective management of parking in real-time, and access management of personnel, congestion management, timely positioning, and emergency notification. Control functions in vehicles such as license plate recognition, vehicle access control, parking violation management, and timely positioning are also featured.

(5) Intelligent medical care-"I-SWAT" AI software for skin wounds

The FDA-certified "I-SWAT" AI software for skin wounds has been created using Inventec's unique AI core technology. The accuracy of wound judgment provided by this software is approximate to that provided by medical professionals. AI judgment results can be obtained within only several seconds, thus substantially optimizing the efficiency of medical consultations. The concept of the application software as a service is initiatively created in this software, and functions of the addition and edition of medical records are built-in, making it possible to directly archive the AI analysis results, and improve the efficiency of diagnosis and treatment. This software can provide multiple approaches to searching medical records and quickly consult and understand medical progress. The combination of two assistive functions, the digital medical records and visual AI diagnosis and treatment technology, guarantee both medical benefits and quality.

#### 4.1.4 Long-Term and Short-Term Business Development Plans

##### 1. Short-term business development plans

- (1) The Company will prioritize sustainable management, continual growth, and the development of new business areas, prudently managing a challenging year and striving to fulfill production capacity and realize growth in both business turnover and profits.
- (2) The core competitiveness of ABCD5 (AI, Blockchain, Cloud Computing, Data Science and 5G) are the main development directions; from research and development, design, production, and distribution to technical support, alignment with customer demand, and, based on the market trend, to expand the depth and breadth of product development.
- (3) Actively carry out global arrangement (Mexico, Czech, Thailand, Vietnam), properly utilize each local resource advantage, and construct an optimized global supply chain and operation network and provide customers with holistic solutions.
- (4) Actively promote the implementation of ESG strategies including "Green Energy and Environmental Protection", "Intelligent Manufacturing", "5G Mobile Communication", and "Digital Transformation", and share carbon reduction goals for a win-win situation for customers, suppliers, and Inventec.

##### 2. Long-term business development plans

- (1) With the sustainable growth of existing business areas (i.e., servers, IoT, smart devices, and smart homes) vertically, the Company will profoundly cultivate the market and customers and continually inject existing growth momentum for the Corporation.
- (2) The Company will focus on the horizontal sustainable management of new business areas (i.e., 5G, automotive electronics, and intelligent medical care), and rely on the abundant, 50 years' experience of the Corporation in the communication industry to cultivate more forward-looking new brand business areas and continually inject existing growth momentum for the Corporation.
- (3) The Company has planned the Pathway to Net Zero emissions by 2050, as well as five major strategies:
  - Strengthen energy management and reduce energy consumption.
  - Increase the ratio of renewable energy year by year, and commit to lowering environmental impact.
  - Collaborate with the value chain to implement low-carbon procurement.
  - Design green products and develop the circular economy.
  - Introduce a carbon compensation mechanism and drive to achieve the net-zero goal.

## 4.2 Market and sales overview

### 4.2.1 Market Analysis

#### 1. Sales Territory of Major Products

Major Product Department	Name	Major Sales Territory
Computer product	Notebook computers, servers, and other electronic information products	America, Europe, Asia

#### 2. Market share, supply and demand situation, and growth in the future market

##### (1) Notebook computers

With the era of the AI PC emerging, notebook PCs will no longer rely solely on the performance of CPUs and GPUs. A series of AI-related assistive functions launched by brands will make consumers more willing to purchase new, efficient, and energy-saving notebook PCs. Due to the integration of AI functions and upgrading of software and hardware in notebook PCs, shipments of the overall notebook PC market are expected to gradually increase. The year 2024 marks the beginning of the era of the AI PC. Relevant supply chains have been attracted to engage in the business opportunities of the industry. How brands differentiate and create more functions with AI applications through cooperation with software manufacturers will become key to the popularization and explosive procurement of AI PCs in the next 2-3 years. When looking to the future, major global brands will continually entrust OEMs in Taiwan with design and manufacturing. The Corporation is capable of global management and planning and quick response to supply chain requirements. It also adopts a flexible order receipt and production model, integrates its competitive advantages like local and customized production. Relying on its top AI technical team and sticking to the spirit of innovation and R&D, Inventec can satisfy customers' diverse needs.

##### (2) Servers

Benefiting from the updating of specifications of new-generation CPU and GPU and the improvement in demand for the development of AI servers due to ChatGPT, the long-term flourishing of servers is promising. Besides tower servers, blade servers, multi-node servers, hyperconverged servers, 5G servers, and edge servers, emphasis has also been placed on AI training servers equipped with multiple GPUs, AI inference servers equipped with FPGA/ASIC, and liquid-cooled/immersed services for cooling solutions. The diverse development of product lines can satisfy the requirements of end-customers for different product items. In addition, the gradual improvement of cloud data centers for computational power and the resumption of growth of capital expenditure will continually push growth of demand for traditional servers and AI servers in the long term. The Corporation profoundly cultivates the server industry and relies on the development of relevant solutions to continually improve its competitive advantages of excellent quality and product diversity; as a globally leading server manufacturer, the Corporation will continually improve its product design and manufacturing to satisfy the development needs for diverse products like cloud data centers, AI cloud computing, 5G communications, and metaverse in the market.

(3) Smart devices

In recent years, with the maturity of wearable device technology and the development of abundant types of products with diverse functions, people's living and usage habits have gradually changed. The growth of these products in three major fields, sports and fitness, health monitoring, and gaming entertainment, is particularly significant. Given the increase in demand in the intelligent device market, major international brands are prioritizing advanced substrates, sensitive and accurate sensors, low power consumption and high battery life, quick connection, lightweight design, and fashionable appearance in addition to mastering the core technologies of biometric sensing and software-hardware integration to better integrate AI wearable devices in consumers' lives for greater conveniences and experience. Relying on the excellent design capability of the team and the advantages of overseas production bases, the Corporation has manufactured intelligent devices and wearable products that fully satisfy customers' diverse requirements, showing its determination to create maximum product value for customers and ensure the best quality of these products.

3. Competition niche, favorable and unfavorable factors in development prospects, and solutions

(1) Favorable factors

A. Construct an all-around system product line.

Based on the good foundation of an existing all-around product line, in addition to continuing to consolidate the notebook computer and server product fields, the Group is also gradually expanding to relevant fields such as peripheral software products, electronic information products and smart devices, etc. with higher added value.

B. Cloud computing is the mainstream in future development.

The rapid development of the cloud computing industry and the fast growth of big data has created endless business opportunities for cloud storage, computing, software, and Internet of Things applications. The Group has become a leading player in the server OEM industry. Through hardware technology and application software development, it assists enterprises in digital transformation and provides complete cloud solutions, solidifying its place in the cloud computing industry.

C. Smart production becomes a trend.

With the advent of the 5G era, 5G smart manufacturing is expected to provide faster and more flexible production capacity for the production line, which is a key business opportunity for the manufacturing industry to actively deploy. The Group continued to expand its resources, actively develop 5G private network system integration and architecture capabilities, and successfully transformed its manufacturing factory into a 5G smart factory. By combining Industry 4.0 and 5G applications, we realize automated and intelligent production, improve production efficiency, and reduce costs to move towards building a global smart manufacturing factory.

D. Establishment of a global logistics supply chain system.

The Group integrates global supply chain and logistics resources to maximize efficiency and implement efficient production and distribution of products. In addition to strengthening the status of global manufacturing, research and development, and the logistics center, the Group is also actively utilizing production advantages and research and development factors in the Greater China economic circle in order to construct a

real time co-working platform with high efficiency and a market feedback mechanism, and together with the setup of a research and development innovation center, we will enhance technology and product design innovation capability.

(2) Unfavorable factors

- A. Due to the impact of the trade war between China and the United States, inflation and geopolitical tension, as well as influenza and novel viruses, crisis variables continually lead to international instability and significant changes in exchange rates.

Solution:

- a. The Corporation is actively expanding its global presence, and has established production bases in the Czech Republic, Mexico, Malaysia, Thailand, and Vietnam, not only better coordinating customers' diverse requirements for shipments, but also realizing quick response to special circumstances in foreign trade.
- b. The Corporation manages to avoid and lower the possible risks of exchange rates by engaging in hedging operations through foreign exchange financial instruments and adjusting the foreign exchange holding level.

- B. Rapid changes in industrial technologies and fierce market competition will accelerate the shortening of product lifecycles.

Solution:

- a. Stay updated with market trends and draft an operating risk management mechanism and operational strategies to respond to different changes.
- b. Actively coordinate with customers to research and develop new commodities and accelerate the improvement of product development.
- c. Continue to recruit relevant talent specializing in R&D and AI and increase investment in the intellectual property rights of innovative patents.
- d. Integrate resources into the Inventec group and expand the investment and layout of emerging business areas to create long-term, stable value for the enterprise and respond to market changes.

- C. With the quick expansion of low-priced computers in the market, product profits have been squeezed.

Solution:

- a. Being dedicated to the development of high added value products and all-around products.
- b. Actively improve operation efficiency in such aspects as production, marketing, logistics, etc. to reduce operation costs
- c. Improve overall operation efficiency through constructing Enterprise Resource Planning (ERP), Supply Chain Management (SCM), and six sigma improvement strategy.



D. Since manufacturers in our country cannot sufficiently supply some important key components, and we still rely on supply from overseas manufacturers, controlling both material sources and price is not easy.

Solution:

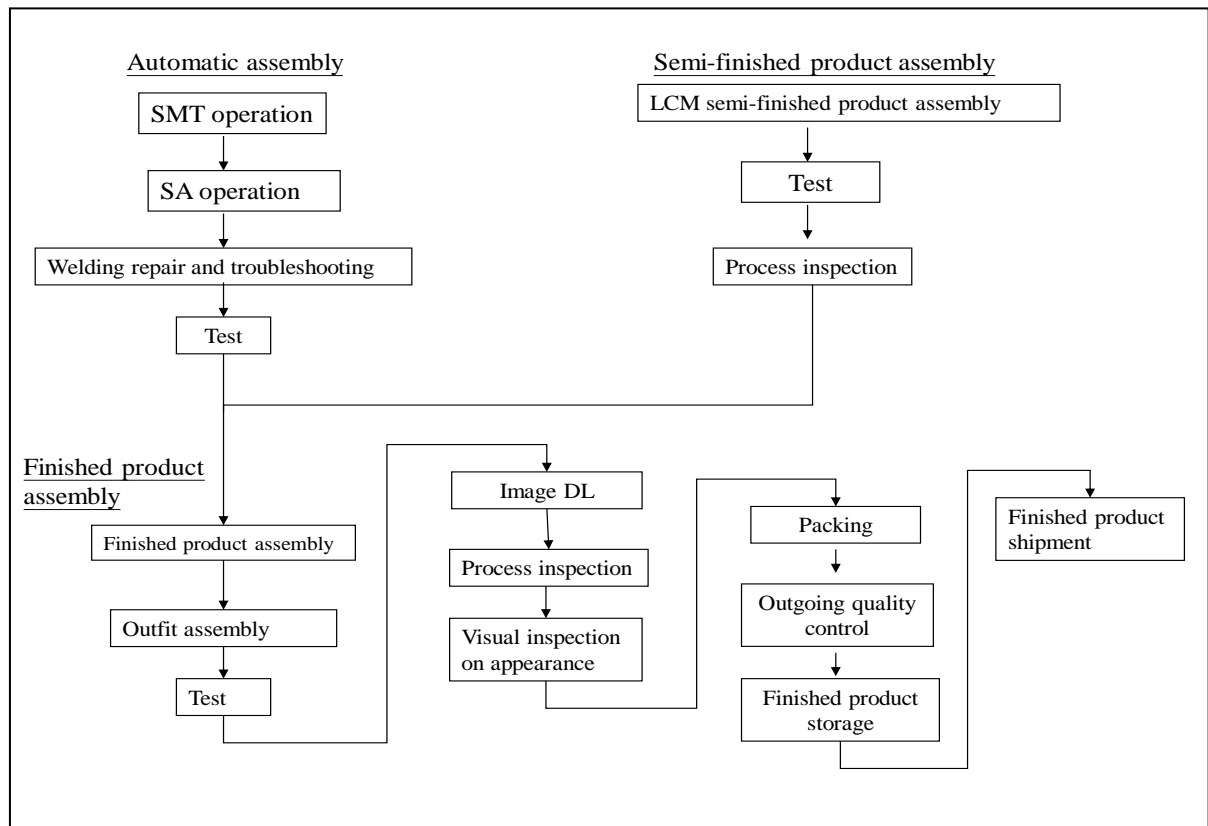
- a. The Company has long-term cooperative and strategic ally relationships with major suppliers and has established multiple supply sources for important components to ensure sufficient component supply.
- b. We seek all kinds of approaches to integrate the supply chain and reduce the impact.

## 4.2.2 Important Uses and Production Processes of Major Products

### 1. Important uses of major product

Product name	Product type	Important use
Computer products	Notebook computers, servers, and other electronic information products	Notebook computers are used for the storage, computing, and analysis of digital and character data, data transfer and receiving, etc. Through a server host machine, several computers can execute the function of computing, transfer, and data storage at the same time.

### 2. Production process



### 4.2.3 Major Raw Materials' Supply Condition

The major raw materials of the Group include central processing units, liquid crystal displays, hard disks, etc. For the stability with regard to the quality of raw materials suppliers, both delivery accuracy and quality specifications are factors in choosing suppliers. The Group maintains a good cooperative relationship with its suppliers while adopting a decentralized procurement process. We not only aim to strengthen the collection and analysis of market conditions, but also strive for timely material supply to ensure reasonable costs and sufficient material supply.

Key Material Suppliers

Item	CPU	PANEL	SSD	HDD
Suppliers	INTEL	AUO	MICRON	WD
	AMD	BOE	SAMSUNG	TOSHIBA
	-	INX	WD	SEAGATE

### 4.2.4 Major Accounts in the Past Two Years

#### A. Major Suppliers

Unit: NT\$ Thousands

Item	2022				2023				As of end of Q1, 2024			
	Company	Amount	Percentage of total Net Purchases	Relationship with the issuer	Company	Amount	Percentage of total Net Purchases	Relationship with the issuer	Company	Amount	Percentage of total Net Purchases	Relationship with the issuer
1	A	247,275,639	49	Nil	A	201,139,861	40	Nil	A	51,226,566	42	Nil
2	B	35,189,211	7	Nil	B	64,514,831	13	Nil	B	12,638,456	10	Nil
3	Others	226,408,568	44	-	Others	234,495,027	47	-	Others	59,144,088	48	-
	Total Net Purchases	508,873,418	100	-	Total Net Purchases	500,149,719	100	-	Total Net Purchases	123,009,110	100	-

#### B. Major Clients

Unit: NT\$ Thousands

Item	2022				2023				As of end of Q1, 2024			
	Company	Amount	Percentage of total Net Sales	Relationship with the issuer	Company	Amount	Percentage of total Net Sales	Relationship with the issuer	Company	Amount	Percentage of total Net Sales	Relationship with the issuer
1	A	333,740,978	61	Nil	A	271,995,202	53	Nil	A	69,706,055	53	Nil
2	B	42,431,544	9	Nil	B	76,582,472	15	Nil	B	14,539,562	11	Nil
3	Others	165,578,328	30	-	Others	166,168,526	32	-	Others	46,260,348	36	-
	Total Net Sales	541,750,850	100	-	Total Net Sales	514,746,200	100	-	Total Net Sales	130,505,965	100	-

## 4.2.5 Production Value in the Most Recent Years

Unit: 1,000 pcs, NT\$ Thousands

Quantity and Value Major Product	2022			2023		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Total	142,333	60,570	455,705,337	88,536	47,667	447,231,064

## 4.2.6 Sales Value in the Most Recent Years

Unit: 1,000 pcs, NT\$ Thousands

Quantity and Value Major Product	2022				2023			
	Domestic		Export		Domestic		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
IT Product	2,999	46,908,308	114,421	492,563,585	5,139	83,701,657	48,838	426,529,610
Others	0	215,746	0	2,063,211	0	270,420	0	4,244,513
Total	2,999	47,124,054	114,421	494,626,796	5,139	83,972,077	48,838	430,774,123

## 4.3 Human Resources

Year		2022	2023	Up to Mar. 31, 2024
Employee Number	Direct Labor	15,605	19,087	17,024
	Indirect Labor	12,687	13,556	13,140
	Total	28,292	32,643	30,164
Average Age		32.67	31.28	30.99
Average Seniority		5.32	5.50	5.65
Education Distribution %	PhD Degree	0.19%	0.20%	0.21%
	Master Degree	7.89%	8.32%	8.26%
	College	37.72%	39.27%	38.52%
	High School (and below)	54.20%	52.20%	53.01%

## **4.4 Environmental Protection Expenditure**

### **4.4.1 The losses incurred due to environmental pollution (including the compensation and violation of environmental laws and regulations in the environmental protection inspection results; the punishment date, punishment number, violation of regulations and articles, violation contents, and punishment contents):**

In recent years and as of the date of publication, the Company has not suffered loss or punishment due to polluting the environment.

### **4.4.2 Future Solutions (Including Improvement Measures) and Possible Expenditures**

To fulfill sustainable development strategies, the Company develops a series of actions every year. In 2023, the environmental protection expenditure of Inventec reached NT\$ 199 million, mainly in environmental pollution control and disposal fees, environmental maintenance and cleaning fees, and environmental education costs.

The Company has established each sustainability objective through the sustainable environment function group of the Sustainability Committee and the renewable energy group and continues to actively invest in each plan to reduce its environmental impact while pursuing increased production capacity and operating revenue.

## **4.5 Labor Relations**

Attaching importance to and maintaining harmonious labor-capital relationships has always been one of the important foundations of the Company's operation and management; measures that promote labor-capital relationships are summarized below:

### **4.5.1 Welfare Measure and Retirement System**

The Company aims to provide a stable working environment with room for development, allowing talents to create value stably and continuously! Based on governmental laws and regulations, the Company's employees enjoy various basic labor conditions, including two days off every week, flexible working hours, and a complete leave request system. To encourage and promote attention on health and balance between life and work, various health, parenting, travel, finance management, sporting, relaxation, and inspirational lectures and activities are organized. The Company provides financial support for employees to establish club activities. So far, 31 clubs have been created, including sport, art, music, handicraft, and public welfare, allowing employees to expand their hobby fellow life circle through a casual and relaxing time. The employee welfare committee provides colleagues with various cash gifts and money for weddings, funerals, and festivals. The Company also provides group and travel insurance for all employees to supplement employees' accidental and medical protection. As for safety, health, and work protection, in addition to such basic welfare as labor, national health insurance, and pension fund, each employee may enjoy periodical physical checkups, complete group insurance, and employee retirement regulations based on the "Labor Pension Act", which are firmly

implemented pursuant to relevant laws and regulations. Regarding the old system, appropriate labor pension funds were periodically reserved and deposited into a dedicated account in the Bank of Taiwan, while the Supervisory Committee of the Labor Pension Reserve was responsible for the management and application of the pension reserve. For the new system, aiming at employees who select the new system, the Company has appropriated 6% pension fund every month to the personal deposit account of the employee at the Labor Insurance Bureau since July 1, 2005 in accordance with the new system of retirement regulations concurrently adopted. For those who voluntarily submit pension deposits, the Company deducts the monthly salary of the employee based on the voluntary paid pension rate and deposits it into the personal savings account of the employee at the Labor Insurance Bureau on behalf of the employee. Furthermore, performance-oriented promotions, bonuses, and various incentive mechanisms are offered to achieve the goal of aggressive talent retention and profit sharing.

The regulations of the Labor Pension Act application to the Company are as follows: 1. A worker may request retirement in any of the following circumstances: (1) workers whose seniority exceeds fifteen years and are aged over 55, (2) workers whose seniority exceeds twenty-five years; (3) workers whose seniority exceeds ten years and are aged over 60. 2. Compulsory retirement: The Company may mandatorily order workers to retire in any of the following circumstances: (1) the age of the worker reaches 65, (2) the worker is incompetent to work due to mental/physical disability, (3) the Company may report to the central competent authority for the adjustment of age as stipulated in subparagraph 1 for workers engaging in such works requiring dangerous, heavy physical strength and are of a special nature, provided that the age shall not be less than 55 years old.

#### **4.5.2 Work Environment and Employee Personal Safety Protection Measures**

The implementation of workplace risk management and ensuring the employee's health and safety is the direction of our Company's continuous efforts. The Industrial Health and Safety Office is responsible for planning and implementing various health and safety management businesses, such as discussing health and safety-related regulations, promoting a health and safety management system, the relevant education and training implementation plan, understanding potential hazards in the workplaces, equipment, and raw materials, monitoring and improvement of the operating environment, workplace health management and health promotion and other matters, and supervising relevant departments to implement to ensure the effective operation of relevant systems with a commitment to creating a good and safe workplace. By the Occupational Health and Safety Act, the Company has set up a safety and health center, which holds regular meetings, discusses various safety strategies and proposals, and also reviews and analyzes the causes of false alarms, accidents, occupational disasters and discrepancies by employees and contractors, to formulate remedial measures and precautions to prevent similar situations from happening again and to ensure the safety of the work environment and the employees.

The Company has acquired all kinds of certifications in safety, health, and environment energy systems, including "TOSHMS Taiwan Occupational Safety and Health Management System" (Shihlin Headquarters: Date of validity: 2/5/2024), "ISO-45001 International Occupational

Safety and Health Management System” (Shihlin Headquarters: Date of validity: 2/6/2024; Taoyuan RD Factory: Date of validity: 10/18/2025; Computer Factory: Date of validity: 1/29/2024), and “ISO-14001 Environmental Management System” (Shihlin Headquarters: Date of validity: 2/17/2024; Taoyuan RD Factory: Date of validity: 11/23/2025; Computer Factory: Date of validity: 1/30/2024). We have also actively coordinated with all kinds of government policies to promote and participate in relevant activities in order to further facilitate good and harmonious labor-capital relationships, fulfill our corporate social responsibility, and move towards the objective of corporate sustainable development.

1. Occupational safety and health policy: The Company has formulated its Occupational Safety and Health Policy according to the requirements of the Taiwan Occupational Safety and Health Management System (TOSHMS) and International Occupational Health and Safety Assessment Series (ISO 45001), taking them as the highest criteria for guaranteeing employees' work safety.
2. Occupational safety and health management plan and occupational disaster prevention: Occupational safety and health management plans are formulated pursuant to law and include occupational disaster prevention. Items that are planned to be formulated include: working environment or operation hazard identification, assessment and control, hazardous chemicals classification and marking, general education and management, planning and monitoring of sampling strategies adopted for hazardous work environments, purchase management, contractor management, change management, safety and health operational standard formulation, occupational disaster, near miss and investigation, handling and statistical analysis on events affecting physical and psychological health, safety, health, and environment management records, performance assessment measures, etc.
3. Medical examination, health management, and health promotion matter: New recruits will provide a medical examination report before entry as per the laws. In addition, under the laws and regulations, we regularly conduct medical examinations on all in-service staff, implement health management operations, prepare an annual labor health service plan, and promote various health promotion activities, such as sports incentives, cancer screening, health lectures, health education consultation activities, etc. In addition, we set up health consultation services with physicians and implement an employee assistance program (EAP) and provide free "psychological, legal, and financial" counseling services to maintain the balance and health of the employees.
4. Operating environment monitoring and occupational disease prevention measures: Based on the operating environment hazard property of the Company, as well as monitoring purpose and relevant guidance announced by the central governing authority, the Company has formulated an operating environment monitoring plan that includes a sampling strategy and regularly carrying out operating environment monitoring accordingly, truly grasping the actual exposure of employees to various hazardous substances in the workplace, and perform analysis and comparison based on the monitoring results. If the testing data is abnormal, we will immediately start a hazard identification and risk assessment investigation and take the appropriate engineering control or operation control measures to reduce site hazards and achieve the objective of preventing occupational disease and reducing site risks and safeguarding the health and safety of employees.

5. ISH examination: The occupational safety unit in each factory area is responsible for handling general occupational health and safety verification tasks. The verification results and relevant insufficiencies are reviewed by the Occupational Health and Safety Committee. The Company also set up an ISH supervisor team for regular supervision every year. Each examination report is logged by the supervisor team including audit suggestions and specific countermeasures for the Board of Directors and relevant units' reference and improvement.
6. Mechanical equipment safety management: Formulate an occupational health and safety management plan pursuant to the law every year and include all statutory equipment in administration. Publish auto-inspection operation measures for all equipment's check and inspection, including high-low pressure electrical equipment, forklift, high pressure gas container, lifters, second-class pressure containers and drying equipment etc. There is no dangerous machinery or equipment in our factory, and machinery and equipment such as stacking machines and lifts of less than one metric ton have been included in the management items. The Company will conduct all the inspections and keep the relevant inspection reports as per the law.
7. Each educational training implementation: The Company provides several EHS educational training courses in accordance with the law, including training on key equipment procurement, EHS management scheme formulations, EHS process change, OH&S committee member educational training on the safety of the environment, system risk hazard identification, and environmental considerations, internal audit on the education and training at TOSHMS, disposal or use of hazardous chemicals, education and training for first-aid personnel/personnel engaged in special operations, education and training for in-service personnel/new employees regarding health and safety, and the environment, and education and training for contractors regarding health and safety, etc. In terms of occupational health and safety, we also encourage employees to participate in various health and safety training, such as fire management personnel training, CPR and AED training, and work health, and safety training, to strengthen their knowledge of health and safety. The education and training were average about 6.1 hours in 2023.
8. Enhanced contractor administration: Establish the contractor management system-formulate the "Contractor Safety Operation Management Measures" and various operation control forms, such as the contractor application for the in-factory activity, dangerous operation (fire/overhead/hypoxia, etc.) work safety permit, lifting hanging operation permit and application form, strictly require all contractors to conduct activities by the relevant regulations. Before the project is executed, the relevant units shall require the contractor to jointly hold an agreed organization meeting to agree on health and safety management, operation control, and approach control, and sign the company's "Agreement Organization/Contractor Safety and Health Meeting Minutes" and the "Contractor's Commitment on Safety and Health Management". In addition, the engineering unit shall conduct health and safety education and training for the contractor before the operation, implement the notification of project hazards, so that the staff will be informed to abide by the relevant regulations and enhance their work safety awareness and handle it by the relevant operation management measures to ensure the quality and safety of the project. Furthermore, the Occupational Safety Units is responsible for conducting the contractor's safety assessment, abnormal deficiency analysis, as well as

reeducation to reduce possible risks during the contract period.

9. Hazard risk assessment identification: Pursuant to the Taiwan Occupational Safety and Health Management System "TOSHMS" and International Occupational Health and Safety Assessment Series "ISO 45001", the Company has formulated the health and safety hazard identification and risk assessment management approach, we will, for each hazardous factor, regularly carry out comprehensive hazard identification and risk assessment in a quantitative way to specifically evaluate the risk level of related hazards, screen out potential factors with high hazards and risks that may cause injuries or accidents, and then develop occupational health and safety objectives and management plans, and implement remedial and preventive measures as a basis for health and safety management system planning.
10. Emergency response implementation: The Company has established emergency fire teams according to the tasks assigned, e.g., the firefighting team, reporting team, and rescue team. The Company conducts regular firefighting training and drills to implement disaster prevention and rescue work. Additionally, emergency evacuation drills, regular checks and maintenance of safety and fire safety facilities, and daily safety patrols are conducted in the factory area to ensure the timely elimination of hazards to avoid disasters; in 2023, no fires occurred in the Company.
11. A statistical analysis of occupational hazards for staff in the current year and the related remedial measures: Occupational hazard accidents are classified into two categories: inside and outside the plant. The statistical objects include not only the employees of the Company but also contractors and dispatched staff. In 2023, there were 30 occupational disaster accidents and 30 people were injured. Three occupational accidents occurred in the factory (Taoyuan RD Factory), while the remaining occupational accidents were traffic accidents outside the factory during commuting hours. The total number of days lost due to injury amounted to 468 (168 days for occupational accidents taking place in the factory and 300 days for occupational disasters taking place outside the factory during commuting hours). In summary, the frequency-severity indicator (FSI) in the factory of the Company reached 0.059 in 2023, significantly lower than the average 0.15 in the computer industry in 2022 as announced by the Occupational Health and Safety Administration, Ministry of Labor. Occupational hazard investigation, analysis, and records have been conducted on all cases, and relevant investigation reports have been legally retained in accordance with the Occupational Health and Safety Act. Each work-related injury case are also included in the Occupational Health and Safety Committee meeting convened every quarter for review and communication. In addition, the Company is committed to the implementation of zero disasters in the workplace and actively responds to the activities of disaster-free working hours recording. In 2023, the Shihlin Headquarters was awarded the "Disaster-Free Working Hour Record Award" by the Industrial Health and Safety Association of Taiwan. So far, the accumulated disaster-free working hours have reached 72,403,986 hours and are still increasing.



### 4.5.3 Further Education and Training for Employees

The Company adheres to a "talent-oriented" cultivation philosophy, provides outstanding internal and external teachers and diversified cultivation channels to company talents, and is devoted to balancing the emphasis on educational training and learning development in order to continuously promote the Company's corporate culture and continuously improve its competitive advantage. In 2023, the expenditures related to employee training were NT\$18,044,844, and the total training hours were 161,592.47 hours.

"Talent cultivation" is the foundation for Inventec's sustainable operation, and the Company continuously creates a friendly environment for employee's learning and growth. The educational training system of the Company is divided into five major types of courses centered on core value courses and delivers the corporate culture and value theory of Inventec. Taking level type course and function type course as the two major axis, the Company teaches employees in accordance with their aptitude, specifically plans personal development plan for employee's career development, and assists colleagues to strengthen the capabilities required at work. The language school provides further language education opportunities to the employees to improve their personal competitive advantage; digital courses provide a diversified learning environment, which allows colleagues to learn anytime, anywhere. Course descriptions are summarized below:

- (1) Core value course: Inventec pursues the maximization of shareholders' equity while implementing corporate responsibility to make a certain contribution to society. All the Company's colleagues, from top to bottom and from inside out, have been shaped with "Inventec" DNA through official conferences and activities, allowing employees to acknowledge the operation philosophy of the Company and become "Inventec Staff". Contents include such courses and activities as monthly meetings, assistant level meetings, management forums, strategic meetings, soft/incentive lectures, team building exercises, etc.
- (2) Level type course: Management courses are planned according to the demand of colleagues at different levels; through meetings and daily communication, it improves the colleagues' management capability and establishes a common communication language and management beliefs to improve organizational performance. Contents include: Inventec EMBA advanced class, senior supervisor training, advanced supervisor training, basic supervisor training, professional training, new employee training, production personnel training, etc.
- (3) Function type course: These provide all kinds of professional knowledge and technical bases, as well as advanced courses and lectures, to satisfy the functions of employees needed in different specialties. Contents include innovation, product technology, research and development production technology, patent and intellectual property, industry intelligence, environmental safety and health, etc.
- (4) Language school: In response to international development and the competition of the Group, Inventec has been devoted to cultivating technology talents with multi-language capabilities. English and Japanese seminars are held every quarter, thus providing colleagues a learning environment for continuous language learning in the company, and foreign language skills classes are also set up to immediately satisfy colleagues' business demands. Meanwhile, internal English and Japanese tests will be held every quarter to

encourage colleagues to pass the test to acquire substantial affirmation and allowance.

- (5) Digital course: Provide colleagues with an E-Library, E-Learning, and set up the Inventec digital learning platform, and is open as an important media for employees' independent learning in order to facilitate the improvement and innovation of technical capability, as well as further promote organizational learning and improve work value and organizational competitiveness. Its contents cover all kinds of language, management, and professional courses, thus allowing employees to learn independently without time and place limitations.

#### **4.5.4 Employee Code of Conduct**

The Company has formulated "Global Employee Code of Conduct Management Measures" in each plant, which stipulate the basic code of conduct for labor and capital on the basis of fairness and impartiality. As an Inventec employee, when facing all kinds of work behaviors and ethical and legal problems, we shall aim to create shareholder and employee value and ensure social responsibility; therefore, under the precondition of following the basic requirements of laws and ethical standards of each country or district, we shall abide by all kinds of internal control systems of the Company. Upon reporting for duty, every colleague must sign and abide by it, and it shall be placed on the internal portal website, so that all colleagues can read it at any time, and regularly carry out signing and promotion work; the code of conduct is hereby summarized below:

- (1) Safeguard a healthy work environment without sexual discrimination.
- (2) All company-related confidential information must be kept confidential.
- (3) Employees must protect the personal information of other persons circulated internally or acquired upon business execution.
- (4) Employees must protect intellectual property rights.
- (5) Employees must abide by copyright regulations.
- (6) Employees must not be involved in corruption or bribery of any kind.
- (7) Employees must not participate in insider trading and avoid conflicts of interest.

In case of violation of the relevant requirements above, relevant punishment will be imposed without exception.

In order to provide all employees with a healthy, safe, and highly efficient working environment, the "Global Employee Code of Conduct Management Measures" also stipulates that no employee or applicant shall be discriminated against or deprived of talent development opportunities due to gender, age, race, color, nationality, religion, disability, or other factors irrelevant to the legal interests of Inventec. Furthermore, each plant has set up an "Employee Complaint System" to guarantee a fair arbitration mechanism when employees suffer from human rights related infringements. In the plants in mainland China, a grassroots employee caring group has been especially set up to handle employee complaints and understand the employee's voice through employee interviews, etc.

## 4.5.5 Communication Mechanism between Employer and Employees

Through all the communication mechanisms listed below, the Company provides employees with real-time responses and regular communication channels in order to facilitate a harmonious working atmosphere and create a win-win situation for both the labor and capital.

- (1) Two-way talks between grassroots employees and senior supervisor: quarterly meetings and all kinds of symposiums occasionally held.
- (2) Management policy and business process communication: communication meetings for employee representatives from each department will be regularly held every month.
- (3) Cross-department communication and labor and capital communication: an internal portal platform sets the multi-functional "Employee Opinion Exchange Area".
- (4) Instant response problem and information consultation: each unit has established a service consultation window and service hot line.
- (5) Employee welfare policy and welfare promotion: employee welfare committee monthly meetings and temporary meetings.
- (6) Grassroots employees care group: handle employee complaints and understand the employees' voice through employee interviews, etc.

## 4.5.6 In the Most Recent Year and as of the Publication of the Annual Report, the Losses Arising from Labor Disputes (including Labor Inspection Results Violating the Labor Standards Act, the Date, File Number of Punishment, Violated Article, Content of Punishment) and Disclose an Estimate of Possible Expenses that could be Currently Incurred and in the Future and Measures being or to be Taken. If a Reasonable Estimate cannot be Made, an Explanation of the Facts of why it cannot be Made shall be Provided.

According to 2023's labor inspection results, there were 1 item in violation of the Labor Standards Act (date of punishment was 2023/03/28, punishment No.-Taipei City Labor No.11260083711, contents of violation - Item 1 of Article 24. The total was NT\$ 800,000). The Company did not suffer loss from labor dispute in most recent year and as of the publication of the annual report; it is estimated that the Company should not suffer the loss from labor dispute in condition that the Company continuously and aggressively promote and carry out various employee welfare measures.

## 4.6 Infocomm Security Management

### 4.6.1 Infocomm Security Management Strategy and Framework

#### 1. Infocomm Security Risk Management Framework

##### (1) Infocomm Security Management Organization

The Company attaches importance to infocomm security and designates its president to preside over the Infocomm security response team, which is from the Personal Solution Group, Enterprise Business Group production line and OA infocomm security response team as well as reporting related issues during the regular infocomm security meeting to implement and enhance infocomm security management.

In accordance with the “Annual Internal Audit Plan” that was approved by the Inventec Board of Directors, the Audit Center does regular audits of information security items, supervises the risk appraisal and panning of the Information Security Management System (ISMS), implements conditions of the information security system, and reports risk management results to the Board on 2023/05/12. The results of the information security audit were reported to the Board on 2023/09/16.

(2) Infocomm security organization framework

Inventec has assigned a Chief Information Security Officer to lead the information security management supervisors in the headquarters and each factory area, who takes charge of the company’s information security management system planning, monitoring and performing maintenance. Employees from the information security department execute work related to information security maintenance to strengthen the monitoring and management of information security risks. Responsibilities of unit staff are as follows:

Chief Information Security Officer: takes charge of Infocomm security policy promoting and scheduling of resources and reports directly to the President.

Infocomm security department manager in headquarters: takes charge of Group information security system planning and management and reports directly to the Chief information security officer.

Infocomm security department colleagues in headquarters: take charge of Group information security service execution, protection and monitoring.

Infocomm security department manager in factory area: takes charge of factory area information security system planning and management and reports directly to the Chief information security officer.

Infocomm security department colleagues in factory area: take charge of factory area information security service execution, protection and monitoring.

2. Infocomm security policy

(1) Enterprise information security management policy

Establish Inventec’s information security policies based on ISO 27001 International Infocomm Security Management Standards for factory rules. Also set up Infocomm security targets for each factory by referring to local regulations and business specifications, to meet clients’ expectations, as well as ensure the confidentiality, integrity and accessibility of the enterprise system and network operation. According to these Infocomm security targets, each unit shall review its information security policy and target applicableness every year and organize a management review meeting to discuss and follow up on improvement.

(2) Enterprise information security risk management and continuous improvement structure framework

Inventec, based on the “Administrative Methods for Information Security Protection”, adopts a PDCA (Plan, Do, Check, and Act) administration cycle mechanism to implement information security management, prevent illegal use, organize regular Infocomm security educational training for its staff, and actively carry out risk vulnerability management. This thus guarantees physical environment security, computer mainframe security, network use

security, system access security, development and maintenance security and mobile device security. Any violation of security protection provisions will be disposed of according to “Personnel Management Measures”.

Inventec does its utmost to promote ISO 27001 international Infocomm security certification and hopes to, through a third unit’s audit and verification, gain related certifications for its Infocomm security operation procedures and specifications, achieve international standards, and meet clients’ expectations. Currently, each factory’s scope of certification is as follows:

Taipei Headquarters: The maintenance of sever room and CTM (Common Tracking Management) System in Inventec Shihlin Site. (Certification institution: AFNOR, 2020/10-2025/10).

Taoyuan RD Factory: The provision of (1) application system development, operation and maintenance for the Engineering BOM Management (EBM) by the Engineering System Development Department and the Process Engineering Notice (PEN) by the Manufacturing Execution System Division; (2) server and network infrastructure administration for Testing Tools by the World Wide Manufacturing Technology Sub-Center; (3) management of network infrastructure, server room and supporting information processing activities within the Server Information Development Center; and (4) related supporting security activities within the Administration Center. (Certification institution: BSI, 2021/12-2024/12)

Chongqing Factory: Official business, security and protection, production, test information system and machine room related information security management activities. (Certification institution: CQC, 2022/09-2025/09)

Shanghai Factory: In-company and production information system (including machine room) operations related to information security management activities. (Certification institution: CQC, 2022/08-2025/08)

Czech Factory: Server Assembly and Services, PC Assembly and Services. (Certification institution: SGS, 2020/11-2024/11)

Mexico Factory: Configuration, assembly, testing and repair of servers and racks. (Certification institution: SGS, 2022/06-2025/06)

### (3) Specific management schemes

Enhance company staff Infocomm security awareness: Company colleagues shall sign the “Codes of Conduct for Employees” every year, including Infocomm security protection measures and publish an Infocomm security notice at the proper time to remind colleagues of Infocomm security risks. Besides this, the Company has regularly organized educational training for new-employed colleagues to let them know about Inventec’s Infocomm security management regulations and cultivate their awareness for compliance. Moreover, the Company also advocates Infocomm security educational training among colleagues and provides them with the latest cases and hot news to upgrade their Infocomm security awareness.

AntiVirus and hacker monitoring: Monitor all factories’ virus detection conditions around the world and provide necessary protection measures, virus checking and killing. For

example, tracking the reasons a factory computer suffered from a virus attack and confirming that it is eradicated. Report virus attacks and Infocomm security information to the President every month, including hot events, Infocomm security prevention and countermeasures to avoid a production shutdown due to an Infocomm security event.

Vulnerability management and bug fixes: Regularly check whether the external service host has any bugs with the help of the Vulnerability Scanning System and enhance system Patch update management. For example, sorting out system software update conditions every month and reporting it to the general manager to implement vulnerability management, and taking necessary bug fixes or prevention measures.

Infocomm security inspection: Accept clients' inspection, internal self-inspection and a third-party's information security auditing in accordance with ISO 27001, other Infocomm security frameworks, and control items every year. This includes security policy, information security organization, human resource security, assets management, access control, cryptology, physical and environmental security, operational security, communication security, information system development acquisition and maintenance, supplier relation, information event management, and continuous management and compliance inspection.

Regular drill: Conduct social engineering exercises for colleagues to strengthen their awareness of safety. To ensure an uninterrupted operation, we regularly perform data backup and restoration drills and conduct drills on abnormal system operations, network attacks, virus infections, machine room fires, and other abnormal asset security events to ensure that internal colleagues can deal with and respond correctly in real-time and carry out penetration tests to find out potential weaknesses and conduct repair and defense.

Defense-in-depth: Adopt 2FA certification, a next-generation firewall, web application firewall, network access administration, intrusion detection system, antivirus software, vulnerability scanning, e-mail shield, Internet connection control, endpoint protection management, usability monitoring, log record, social engineering drill and internal Infocomm security management procedure. Also, cooperate with an external Infocomm security company to enhance monitoring and protection.

#### (4) Information security management resources input

The Company now has 10 specific Infocomm security staff (including the supervisor) and has twenty-one international information security certificates such as CISSP, CISM, CEH, ECIH, ISO 27001, LA etc.

Information Security Meeting: In 2023, 270 meetings related to asset security were held (22 Group, 100 cross-business group, and 148 for individual plants), including a quarterly asset security management review meeting, ISMS management review meeting, a monthly asset security meeting, and a weekly asset security regular meeting, to implement asset security management.

Information Security Documents: In 2023, 90 documents related to information security were added or revised.

Information Security Budget: The Information security budget presented for 2023 was \$74

million, an increase of \$27 million from last year, representing a growth rate of 36 percent. As for the effectiveness of defense, one million external network attacks were blocked on a monthly basis.

Social engineering drills: 15 social engineering drills were implemented. A total of 38,216 emails were accumulatively sent, resulting in an average phishing success rate of 78 individuals per time.

Violations by employees: Five violations were detected in total.

Information security education and training:

For new employees: Information security education and training was held for 701 people.

For general employees: 18 information security education and training courses were provided for 14,750 people.

For IT and professional employees: 8 professional information security education and training courses were provided for 290 people.

Information security objectives: Infocomm security objectives of the Company in 2023 are as below:

Enhancing Infocomm security awareness: (achieved)

Information security educational training rate for new colleagues reaches 98.8%.

All colleagues have signed Codes of Conduct for Employees, with an achievement rate of 100%.

Social engineering drill sessions have been conducted: complete training rate reaches 99%.

To improve employees' information security awareness, 18 information security publicity activities were launched.

Abiding by Infocomm security regulations: (achieved)

Regularly update manufacturer name list and sign a confidentiality agreement, discrepancies were identified in 0 pieces.

Gathered information security-related regulations and identified newly increased/revised laws and regulations (achieved).

The effectiveness of cybersecurity policies and objectives has been executed (achieved).

Information security meetings are held each quarter to discuss issues related to information security and review to the effectiveness of information security work (achieved).

Implementing Infocomm security management: (achieved)

The Company conducts vulnerability scanning of major computer hosts once every quarter. The patch rate of high-risk critical vulnerabilities has reached 100%.

During privilege account checking, abnormal account is zero.

Relevant handling sheets are issued for computers with the number of viruses detected reaching 30 or above. There are no nonconforming cases without a handling sheet issued.

To improve the information security protection capacity of development systems, source codes have been screened twice.

Ensuring company operation: (achieved)

External network service grade: SLA99.9%

To avoid the impact of accidents on corporate operations, business continuity planning (BCP) has been conducted 11 times.

The capability to respond to information security incidents and information security notification drills have been planned.

To improve the availability of information assets, verifications and spot checks have been conducted on information assets; the number of information assets not checked is less than two.

#### **4.6.2 Significant Infocomm Security Event**

In 2023, the Company was not involved in any significant Infocomm security event or suffered a loss thereof.



## 4.7 Important Contracts

Contract Nature	Counterparty	Contract Term	Major Contents	Restrictions
Sales Agreement	HP Inc.	Three years from 1998/6/1; automatically renewable for one year terms	Acceptance of order and production of HP branded notebook products	The duty of confidentiality
Quality Agreement		Same as above	Production of notebook products compliant with HP quality requirements based on Sales Agreement.	The duty of confidentiality
Service and Support Agreement		Same as above	Provision of necessary components, after sales services and related technical support for HP branded notebook products made based on Sales Agreement	The duty of confidentiality
Sales Contract	Hewlett Packard Enterprise Company	Four years from 2000/12/1; automatically renewable for one year term.	Acceptance of order and production of HP branded server products	The duty of confidentiality
Quality Agreement		Same as above	Production of server products compliant with HP quality requirements based on Sales Agreement.	The duty of confidentiality
Service and Support Agreement		Same as above	Provision of necessary components, after sales services and related technical support for HP branded server products made based on Sales Agreement	The duty of confidentiality
Syndicated Loans Contract	Syndicated Loans banks	2020/10/14~2025/10/13. An extension of three years may be applied for in writing within nine months from the date of signing the contract to three months before the expiration of the contract. Such an extension may only be implemented once.	The Participant banks agree to provide agreed credit line to Inventec Corporation during the contract term	None

## V. Financial Information

### 5.1 Five Year Financial Summary

#### 5.1.1 Five Year Financial Summary - Consolidated Balance Sheet

Unit: NT\$ Thousands

Item	Year	Five-Year Financial Summary					01/01/2024 ~3/31/2024
		2019	2020	2021	2022	2023	
Current Assets		152,167,709	173,469,952	207,623,422	190,194,241	192,205,903	201,957,803
Property, Plant and Equipment		30,729,458	28,004,583	27,466,491	31,210,871	29,611,548	30,735,643
Intangible Assets		880,774	875,801	967,451	975,242	582,912	594,029
Other Assets		9,314,911	11,811,101	11,558,058	11,835,251	17,307,613	18,703,251
Total Assets		193,092,852	214,161,437	247,615,422	234,215,605	239,707,976	251,990,726
Current Liabilities	Before Distribution	127,046,276	140,543,688	180,080,218	155,982,534	169,302,667	177,925,403
	After Distribution	131,709,994	147,180,517	185,102,683	161,022,074	174,683,880	-
Non-Current Liabilities		9,075,349	15,727,006	11,137,110	19,426,817	10,146,927	15,030,558
Total Liabilities	Before Distribution	136,121,625	156,270,694	191,217,328	175,409,351	179,449,594	192,955,961
	After Distribution	140,785,343	162,907,523	196,239,793	180,431,816	184,830,807	-
Total Equity Attributable to Owners of Parent		55,271,148	57,984,659	57,084,704	59,554,058	61,119,543	59,892,668
Share Capital		35,874,751	35,874,751	35,874,751	35,874,751	35,874,751	35,874,751
Capital Surplus		2,913,461	2,899,284	2,899,592	2,899,927	2,911,115	2,911,115
Retained Earnings	Before Distribution	18,304,941	21,112,549	21,024,959	22,227,169	22,982,165	18,690,302
	After Distribution	13,641,223	14,475,720	16,002,494	17,204,704	17,600,952	-
Other Equity Interest		-1,822,005	-1,901,925	-2,714,598	-1,447,789	-648,488	2,416,500
Treasury Stock		-	-	-	-	-	-
Non-Controlling Interests		1,700,080	-93,916	-686,610	-747,804	-861,161	-857,903
Total Equity	Before Distribution	56,971,228	57,890,743	56,398,094	58,806,254	60,258,382	59,034,765
	After Distribution	52,307,510	51,253,914	51,375,629	53,783,789	54,877,169	-

Note 1: Above financial information has been audited (review) by CPA.

Note 2: The Company also compiles individual statements. The brief individual balance sheet of the recent five years is as follows.

Note 3: The amount of item “After Distribution” was resolved by the Board on March 12, 2024.

Five Year Financial Summary - Individual Balance Sheet

Unit: NT\$ Thousands

Item \ Year		Five-Year Financial Summary				
		2019	2020	2021	2022	2023
Current Assets		131,882,962	154,010,745	188,106,930	178,263,811	165,937,754
Property, Plant and Equipment		13,225,283	13,535,629	13,081,621	13,108,522	12,966,243
Intangible Assets		71,210	66,262	155,539	162,120	169,736
Other Assets		31,071,774	38,630,013	42,405,757	47,608,006	53,777,540
Total Assets		176,251,229	206,242,649	243,749,847	239,142,459	232,851,273
Current Liabilities	Before Distribution	116,006,733	135,951,357	178,953,972	163,619,001	163,035,979
	After Distribution	120,670,451	142,588,186	183,976,437	168,641,466	168,417,192
Non-current liabilities		4,973,349	12,306,633	7,711,171	15,969,400	8,695,751
Other liabilities		-	-	-	-	-
Total Liabilities	Before Distribution	120,980,082	148,257,990	186,665,143	179,588,401	171,731,730
	After Distribution	125,643,800	154,894,819	191,687,608	184,610,866	177,112,943
Share Capital		35,874,751	35,874,751	35,874,751	35,874,751	35,874,751
Capital Surplus		2,913,461	2,899,284	2,899,592	2,899,927	2,911,115
Retained Earnings	Before Distribution	18,304,941	21,112,549	21,024,959	22,227,169	22,982,165
	After Distribution	13,641,223	14,475,720	16,002,494	17,204,704	17,600,952
Other Equity Interest		-1,822,005	-1,901,925	-2,714,598	-1,447,789	-648,488
Treasury Stock		-	-	-	-	-
Total Equity	Before Distribution	55,271,148	57,984,659	57,084,704	59,554,058	61,119,543
	After Distribution	50,607,430	51,347,830	52,062,239	54,531,593	55,738,330

Note 1: Above financial information has been audited (review) by CPA.

Note 2: The amount of item “After Distribution” was resolved by the Board on March 12, 2024

## 5.1.2 Five Year Financial Summary-Consolidated Statement of Comprehensive Income

Unit: NT\$ Thousands

Item \ Year	Five-Year Financial Summary					01/01/2024 ~ 03/31/2024
	2019	2020	2021	2022	2023	
Sales Revenues	500,952,813	508,294,198	519,732,048	541,750,850	514,746,200	130,505,965
Gross Profit from Operation	22,831,095	21,112,917	22,294,562	26,003,142	26,338,143	6,880,736
Operating Profit	6,403,495	4,441,086	4,724,634	6,669,076	7,463,224	2,137,305
Non-Operating Income and Expenses	105,566	5,904,619	2,974,550	507,959	-228,280	-609,993
Profit before Income Tax	6,509,061	10,345,705	7,699,184	7,177,035	7,234,944	1,527,312
Profit for the Period from Continued Operations	4,836,997	6,572,978	5,947,093	6,062,009	6,020,885	1,083,336
Loss from Discontinued Operations	-	-	-	-	-	-
Profit (Loss) for the Period	4,836,997	6,572,978	5,947,093	6,062,009	6,020,885	1,083,336
Other Comprehensive Income (Loss) for the Period, Net of Tax	-252,094	-152,304	-803,335	1,368,157	801,105	3,074,260
Total Comprehensive Income for the Period	4,584,903	6,420,674	5,143,758	7,430,166	6,821,990	4,157,596
Profit Attributable to Owners of Parent	5,507,960	7,547,985	6,537,765	6,128,786	6,130,732	1,089,350
Profit Attributable to Non-Controlling Interests	-670,963	-975,007	-590,672	-66,777	-109,847	-6,014
Comprehensive Income Attributable to Owners of Parent	5,287,308	7,391,406	5,736,566	7,491,484	6,935,510	4,154,338
Comprehensive Income Attributable to Non-Controlling Interests	-702,405	-970,732	-592,808	-61,318	-113,520	3,258
Basic Earnings Per Share	1.54	2.10	1.82	1.71	1.71	0.30

Note 1: Above financial information has been audited (review) by CPA.

Note 2: The Company also compiles individual statements. The brief individual comprehensive income sheet of the recent five years is as follows.

Five Year Financial Summary-Individual Statement of Comprehensive Income

Unit: NT\$ Thousands

Item \ Year	Five-Year Financial Summary				
	2019	2020	2021	2022	2023
Sales Revenues	357,462,052	407,434,848	440,973,660	452,365,599	442,686,294
Gross Profit from Operation	12,523,082	11,783,972	13,159,226	17,735,705	17,735,363
Operating Profit	3,619,693	2,259,187	2,770,365	6,532,894	6,586,053
Non-Operating Income and Expenses	2,411,761	7,334,369	4,929,528	475,984	116,416
Profit before Income Tax	6,031,454	9,593,556	7,699,893	7,008,878	6,702,469
Profit for the Period	5,507,960	7,547,985	6,537,765	6,128,786	6,130,732
Loss from Discontinued Operations					
Profit (Loss) for the Period	5,507,960	7,547,985	6,537,765	6,128,786	6,130,732
Other Comprehensive Income (Loss) for the Period, Net of Tax	-220,652	-156,579	-801,199	1,362,698	804,778
Total Comprehensive Income for the Period	5,287,308	7,391,406	5,736,566	7,491,484	6,935,510
Profit Attributable to Owners of Parent	5,507,960	7,547,985	6,537,765	6,128,786	6,130,732
Profit Attributable to Non-Controlling Interests	-	-	-	-	-
Comprehensive Income Attributable to Owners of Parent	5,287,308	7,391,406	5,736,566	7,491,484	6,935,510
Comprehensive Income Attributable to Non-Controlling Interests	-	-	-	-	-
Basic Earnings Per Share	1.54	2.10	1.82	1.71	1.71

Note 1: Above financial information has been audited (review) by CPA.

### 5.1.3 CPAs and Their Opinions for Most Recent 5-Year

Year	CPA Firm	CPA's Name	Auditing Opinion	Remarks
2019	KPMG	Lin, Wan-Wan and Yang, Liu-Fong	Unqualified	
2020	KPMG	Lin, Wan-Wan and Yang, Liu-Fong	Unqualified	
2021	KPMG	Lin, Wan-Wan and Kuo, Rou-Lan	Unqualified	Internal Adjustment in the Accounting Firm
2022	KPMG	Lin, Wan-Wan and Kuo, Rou-Lan	Unqualified	
2023	KPMG	Kuo, Rou-Lan and Chen, Ying-Ju	Unqualified	Internal Adjustment in the Accounting Firm

## 5.2 Five-Year Financial Analysis

Item		Year		Five-Year Financial Analysis					01/01/2024~ 03/31/2024
		2019	2020	2021	2022	2023			
Capital structure (%)	Debt ratio	70.50	72.97	77.22	74.89	74.86	76.57		
	Ratio of long-term capital to property, plant and equipment	214.93	262.88	250.60	250.60	237.76	240.98		
Solvency (%)	Current ratio	119.77	123.43	115.29	121.92	113.53	113.51		
	Quick ratio	90.28	93.78	80.55	89.07	77.95	77.39		
	Times interest earned (Times)	4.70	10.81	11.43	3.36	2.58	2.30		
Operating ability	Accounts receivable turnover (Times)	5.54	5.63	5.31	5.60	5.66	5.80		
	Average collection period	65.92	64.79	68.73	65.17	64.48	62.93		
	Inventory turnover (Times)	11.32	11.81	9.30	8.83	8.50	7.72		
	Accounts payable turnover (Times)	6.47	6.69	6.25	6.91	6.70	5.80		
	Average days in sales	32.24	30.90	39.24	41.33	42.94	47.28		
	Property, plant, and equipment turnover (Times)	16.30	18.15	18.92	17.36	17.38	16.98		
	Total assets turnover (Times)	2.59	2.37	2.10	2.31	2.15	2.07		
Profitability	Return on total assets (%)	3.13	3.64	2.83	3.52	4.09	3.29		
	Return on stockholders' equity (%)	8.43	11.45	10.41	10.52	10.11	7.27		
	Profit before tax to pay-in Capital (%)	18.14	28.84	21.46	20.01	20.17	4.26		
	Net profit margin (%)	0.97	1.29	1.14	1.12	1.17	0.83		
	Basic earnings per share (\$)	1.54	2.10	1.82	1.71	1.71	0.30		
Cash flow	Cash flow ratio (%)	9.64	3.08	-6.96	14.18	6.71	6.69		
	Cash flow adequacy ratio (%)	49.19	29.74	0.92	26.32	43.64	47.34		
	Cash reinvestment ratio (%)	0.06	-0.00	-0.18	0.16	0.06	0.11		
Leverage	Operating leverage	6.01	5.59	5.85	4.05	3.86	4.29		
	Financial leverage	1.38	1.31	1.19	1.84	2.60	2.22		

Analysis of financial ratio change in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Times interest earned (Times): It mainly resulted from the improvement of capital costs and the increase in interest expenses due to the impact of interest rate hikes in the United States.
2. Cash flow ratio: It resulted from the increase in accounts receivable and payable due to the increase in shipments and material preparations at the end of the year in response to customer strategies.
3. Cash flow adequacy ratio: It mainly resulted from the improvement of inventory conditions due to the improvement of raw material shortages in recent years and operating cash flow increased in the past five years.
4. Cash reinvestment ratio: It resulted from the increase in accounts receivable and payable due to the increase in shipments and material preparations at the end of the year in response to customer strategies.
5. Financial leverage: It mainly resulted from the improvement of capital costs and the increase in interest expenses due to the impact of interest rate hikes in the United States.

Note1: Above financial information has been audited (review) by CPA.

Note2: The Company compiles individual statements analysis of financial ratio shall be disclosed.

Note3: Equations:

(1). Capital Structure:

Debt ratio = Total liability / Total assets

Ratio of long-term capital to property, plant and equipment = (Net shareholders' equity + Non-current liability) / Net property, plant and equipment

(2). Solvency:

Current ratio = Current assets / Current liability

Quick ratio = (Current assets - Inventory - Prepaid expense) / Current liability

Times interest earned = Net income before tax and interest expense / Interest expense of the year

(3). Operating ability:

Account receivable turnover = Net sales / Average accounts receivable (including accounts receivable and notes receivable derived from business operation)

Days sales in accounts receivable = 365 / Account receivable turnover

Inventory turnover = Cost of goods sold / Average inventory amount

Account payable turnover = Cost of goods sold / Average accounts payable (including accounts payable and notes payable derived from business operation)

Average days in sales = 365 / Inventory turnover

Ratio of property, plant and equipment = Net sales / Average of net property, plant and equipment

Total assets turnover = Net sales / Average total assets

(4). Profitability:

Return on assets = [ Net income (loss) + Interest expense × (1 - Tax rate) ] / Average total assets

Return on shareholders' equity = Net income (loss) / Net average shareholders' equity

Operating income (pre-tax income) to Paid-in Capital Ratio = Operating income (pre-tax Income) / Paid-in Capital

Profit ratio = Net income (loss) / Net sales

Basic earnings per share = (Profit attributable to owners of parent – Preferred stock dividend) / Weighted average stock shares issued

(5). Cash flow:

Cash flow ratio = Net cash flow from operating activity / Current liability

Cash flow adequacy ratio = Net cash flow from operating activity in the past 5 years / In the past 5 years (Capital expenditure + Inventory interest + Cash dividend)

Cash reinvestment ratio = (Net cash flow from operating activity – Cash dividend) / (property, plant and equipment + Long-term investment + Other assets + Working capital)

(6). Leverage:

Degree of operating leverage = (Net operating income – Variable operating cost and expense) / Operating income

Degree of financial leverage = Operating income / (Operating income – Interest expense)



### Five-Year Individual Financial Analysis

Item \ Year		Five-Year Financial Analysis				
		2019	2020	2021	2022	2023
Capital structure (%)	Debt ratio	68.64	71.89	76.58	75.10	73.75
	Ratio of long-term capital to property, plant, and equipment	455.53	519.31	495.32	576.14	538.44
Solvency (%)	Current ratio	113.69	113.28	105.11	108.95	101.78
	Quick ratio	110.31	111.47	98.72	101.63	89.11
	Times interest earned (Times)	6.00	14.47	19.17	5.36	3.86
Operating ability	Accounts receivable turnover (Times)	4.72	5.06	4.62	4.93	5.16
	Average collection period	77.33	72.13	79.00	74.03	70.73
	Inventory turnover (Times)	111.91	123.89	61.28	36.87	25.89
	Accounts payable turnover (Times)	4.52	4.72	4.13	3.81	3.97
	Average days in sales	3.26	2.95	5.96	9.90	14.10
	Property, plant, and equipment turnover (Times)	27.03	30.10	33.71	34.51	34.14
	Total assets turnover (Times)	2.03	1.98	1.81	1.89	1.90
Profitability	Return on total assets (%)	3.64	4.24	3.06	3.07	3.39
	Return on stockholders' equity (%)	9.96	13.33	11.36	10.51	10.16
	Profit before tax to pay-in Capital (%)	16.81	26.74	21.46	19.54	18.68
	Net profit margin (%)	1.54	1.85	1.48	1.35	1.38
	Basic earnings per share (\$)	1.54	2.10	1.82	1.71	1.71
Cash flow	Cash flow ratio (%)	12.88	-0.52	2.77	14.56	-2.07
	Cash flow adequacy ratio (%)	83.15	46.29	20.18	73.74	65.56
	Cash reinvestment ratio (%)	0.15	-0.07	-0.02	6.00	-0.12
Leverage	Operating leverage	7.58	8.82	8.47	3.45	3.76
	Financial leverage	1.50	1.46	1.18	1.33	1.55

Analysis of financial ratio change in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Times interest earned: It mainly resulted from the improvement of capital costs and the increase in interest expenses due to the impact of interest rate hikes in the United States.
2. Inventory turnover: It mainly resulted from the increase in total inventory due to the increased preparation of materials to align with customers' rising demand.
3. Average days in sales: It mainly resulted from the increase in total inventory due to the increased preparation of materials to align with customers' rising demand.
4. Cash flow ratio: It resulted from the increase in accounts receivable and payable due to the increase in shipments and material preparations at the end of the year in response to customer strategies.
5. Cash reinvestment ratio: It resulted from the increase in accounts receivable and payable due to the increase in shipments and material preparations at the end of the year in response to customer strategies.

Note 1: Above financial information has been audited (review) by CPA.

## **5.3 Audit Committee’s Report in the Most Recent Year**

### **Inventec Corporation Audit Committee’s Review Report**

The Board of Directors has prepared and submitted to us the Company’s 2023 Business Report, Financial Statements, and proposal for profit distribution. The Financial Statements have been audited, certified, and issued an audit report by Kuo, Rou-Lan and Chen, Ying-Ju of KPMG Certified Public Accountants. The Business Report, Financial Statements and profit distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Convener of the Audit Committee: Chang, Chang-Pang  
Date: March 12, 2024

## **5.4 Individual Financial Statements for the Years Ended December 31, 2023, and 2022, and Independent Auditors’ Report**

Please refer to Appendix I .

## **5.5 Consolidated Financial Statements for the Years Ended December 31, 2023, and 2022, and Independent Auditors’ Report**

Please refer to Appendix II.

## **5.6 The Effect on Company or its Affiliates have Experienced Financial Difficulties:**

Due to insolvency, Inventec Solar Energy Corporation resolved at its Board meeting in 2021, to file for bankruptcy to the court and applied for a declaration of bankruptcy by resolution of the board of directors on April 8th, 2022, as it had been unable to pay off its debts due to insufficient assets. The board of directors of Inventec Solar Energy Corporation signed a settlement agreement with seven creditor banks on April 11th, 2022, before signing the revised contract agreement on April 13th of the same year. Inventec Solar Energy Corporation borrowed money from a third party to pay the

settlement to seven creditor banks, and the creditor banks agreed to dispense Inventec Solar Energy Corporation from its debts and waive all rights claimed by Inventec Solar Energy Corporation based on the credit contract. A creditor bank has withdrawn the legal proceedings filed against Inventec Solar Energy Corporation and returned all the promissory notes issued by Inventec Solar Energy Corporation in accordance with the credit contract. Since the conditions for the derecognition of financial liabilities and recognition of relevant debt negotiation interests have not been fully satisfied, short-term borrowings and long-term borrowings, current portion are still recorded in the accounts, totaling NT\$ 1,109,367 thousands. The consolidated company has recognized the accumulated losses of Inventec Solar Energy Corporation, and Inventec Solar Energy Corporation's application for a declaration of bankruptcy has no significant impact on the financial business of our company.

## VI. Review of Financial Conditions, Operating Results, and Risk Management

### 6.1 Analysis of Financial Status

#### 6.1.1. Consolidated

Unit: NT\$Thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	192,205,903	190,194,241	2,011,662	1.06%
Property, plant and equipment	29,611,548	31,210,871	-1,599,323	-5.12%
Intangible assets	582,912	975,242	-392,330	-40.23%
Other assets	17,307,613	11,835,251	5,472,362	46.24%
Total assets	239,707,976	234,215,605	5,492,371	2.35%
Current liabilities	169,302,667	155,999,609	13,320,133	8.54%
Non-current liabilities	10,146,927	19,409,742	-9,279,890	-47.77%
Total liabilities	179,449,594	175,409,351	4,040,243	2.30%
Share capital	35,874,751	35,874,751	0	0.00%
Capital surplus	2,911,115	2,899,927	11,188	0.39%
Retained earnings	22,982,165	22,227,169	754,996	3.40%
Total equity attributable to owners of parent	61,119,543	59,554,058	1,565,485	2.63%

Analysis of financial ratio changed in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Intangible assets: Due to the Goodwill impairment.
2. Other assets: Due to the purposes of some property held by the consolidated companies changed, "property, plant, and equipment" was reclassified as "investment property".

3. Non-current liabilities: It mainly resulted from the decrease in long-term borrowing due to the pandemic and reduction in capital demand.

### 6.1.2. Individual

Unit: NT\$Thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	165,937,754	178,263,811	-12,326,057	-6.91%
Property, plant and equipment	12,966,243	13,108,522	-142,279	-1.09%
Intangible assets	169,736	162,120	7,616	4.70%
Other assets	53,777,540	47,608,006	6,169,534	12.96%
Total assets	232,851,273	239,142,459	-6,291,186	-2.63%
Current liabilities	163,035,979	163,619,001	-583,022	-0.36%
Non-current liabilities	8,695,751	15,969,400	-7,273,649	-45.55%
Total liabilities	171,731,730	179,588,401	-7,856,671	-4.37%
Share capital	35,874,751	35,874,751	0	0.00%
Capital surplus	2,911,115	2,899,927	11,188	0.39%
Retained earnings	22,982,165	22,227,169	754,996	3.40%
Total equity	61,119,543	59,554,058	1,565,485	2.63%

Analysis of financial ratio changed in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Non-current liabilities: It mainly resulted from the decrease in long-term borrowing due to the pandemic and reduction in capital demand.

### 6.1.3. Impact on Significant Changes in Financial Conditions Over the Past Two Years and the Future Response Plan

According to the analysis above, the Company can learn that changes in financial conditions of the Company over the last two years have been caused by normal operating activities, hence there is no current requirement for a special future response plan.

## 6.2 Analysis of Operation Results

### 6.2.1 Consolidated

Unit: NT\$ Thousands

Item	Year		Amount changed	Change percentage (%)
	2023 Amount	2022 Amount		
Gross Sales Revenue	514,746,200	541,750,850	-27,004,650	-4.98%
Less : Sales Discounts and Allowances	-	-	-	-
Net Sales Revenue	514,746,200	541,750,850	-27,004,650	-4.98%
Operating Costs	-488,408,057	-515,747,708	27,339,651	-5.30%
Gross Profit from Operation	26,338,143	26,003,142	335,001	1.29%
Operating Expense	-18,874,919	-19,334,066	459,147	-2.37%
Operating Profit	7,463,224	6,669,076	794,148	11.91%
Non-operating Income and Expense	-228,280	507,959	-736,239	-144.94%
Income from Operations of continued segments - before tax	7,234,944	7,177,035	57,909	0.81%
Less: Income Tax (Expense)	-1,214,059	-1,115,026	-99,033	8.88%
Profit attributable to owners of parent	6,130,732	6,128,786	1,946	0.03%
Profit attributable to non-controlling interests	-109,847	-66,777	-43,070	64.50%
Income from Operations of continued segments - after tax	6,020,885	6,062,009	-41,124	-0.68%

Analysis of financial ratio changed in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Non-operating Income and Expense: It mainly resulted from the increase in financial costs due to the impact of interest rate hikes in the United States.
2. Profit Attributable to Non-Controlling Interests: Due to increase in net losses of investment companies in the current period

## Individual

Unit: NT\$ Thousands

Item	Year		Amount changed	Change percentage (%)
	2023	2022		
	Amount	Amount		
Gross Sales Revenue	442,686,294	452,365,599	-9,679,305	-2.14%
Less : Sales Discounts and Allowances	-	-	-	-
Net Sales Revenue	442,686,294	452,365,599	-9,679,305	-2.14%
Operating Costs	-424,950,931	-434,629,894	9,678,963	-2.23%
Gross Profit from operation	17,735,363	17,735,705	-342	0.00%
Less : Unrealized Profit(Loss) from Sales	-39,349	-22,319	-17,030	76.30%
Plus : Realized Profit(Loss) from Sales	22,319	17,394	4,925	28.31%
Realized Gross Profit from operation	17,718,333	17,730,780	-12,447	-0.07%
Operating Expense	-11,132,280	-11,197,886	65,606	-0.59%
Operating Profit	6,586,053	6,532,894	53,159	0.81%
Non-operating Income and Expense	116,416	475,984	-359,568	-75.54%
Income from operations of continued segments - before tax	6,702,469	7,008,878	-306,409	-4.37%
Less: Income Tax Expense	-571,737	-880,092	308,355	-35.04%
Income from operations of continued segments - after tax	6,130,732	6,128,786	1,946	0.03%

Analysis of financial ratio changed in the last two years. (If the difference does not exceed 20%, the analysis is not required.)

1. Unrealized Profit (Loss) from Sales: It mainly resulted from the early preparation of goods at the end of the year to coordinate customers' requirements.
2. Non-operating Income and Expense: It mainly resulted from the increase in financial costs due to the impact of interest rate hikes in the United States and decrease in exchange gain.
3. Income Tax Expense: Due to Income (before tax) decreased.

## **6.2.2 Expected Sales Volume and its Basis**

Due to the impact of inventory destocking and high inflation, the market demand of notebook PCs was weak in 2023, presenting a recession. However, thanks to the continual development of new computer models and notebook PCs for gaming, the Company's shipments of notebook PCs were only slightly reduced compared with the previous year. In 2024, with the continual adjustment of inventories and global economic impact, the overall outlook of the notebook PC market is generally conservative, and operating growth in the first quarter was weak. Growth is expected to gradually improve after brands launch new products in the second half of 2024. The Company is dedicated to product innovation. Based on relevant applications of AI and electronic sports products in recent years, momentum for continual growth will be brought to personal PC products. Shipment quantities and average unit prices are expected to increase.

With the rising demand for AI servers in the world, the overall server market presented a growing trend in 2023. Looking to 2024, with the development of ChatBOT and generative AI in each application field, cloud service providers (CSPs) are increasing their investments in AI, boosting demand for AI servers and showing the potential of increase in shipments in the future. With respect to AI servers of the Company, although Chinese customers are influenced by the chip ban imposed by the United States amidst the China-US trade war resulting in limited growth, the overall AI server market will maintain two-digit growth. General-purpose servers are expected to have single-digit growth due to competition with AI servers, however the overall server market will continue to grow.

As for the intelligent device industry, the growth of shipments was limited due to the impact of high inflation in 2023. In 2024, there are still doubts about the overall market of the intelligent device industry given uncertain economic trends. However, the Company expects high single-digit expansion growth empowered by the continual shipments of electronic sports products, advanced gaming headphones, wireless speakers, and AI speakers.

Additionally, the Company will continue to invest in the research and development of emerging business areas, including vehicle-mounted technology, AIoT, edge AI, and 5G, with the aim of contributing to the future operating revenue of the Company.

## **6.2.3 Possible Impact on the Future Financial Business of the Company and Response Plan**

In the face of an increasingly fierce competitive environment, the Company will continuously focus on customer demand and concentrate attention on investment in research and development to seek new opportunities, as well as focusing on core business operations, so as to respond to further market changes in the future. As for the demand of investment that might occur due to the growth of operations, the professional team of the Company will see that excellent financial planning is put in place through rigorous internal and external financial risk management analysis, allocation of integrated financial resources, and consideration of the costs of investments to ensure smooth operation of the Company. The Company has no current doubts of significant impact on finances of the business.



## 6.3 Analysis of Cash Flow

Unit: NT\$ thousands

Beginning cash balance A	Annual net cash flow from operating activities B	Annual cash outflow C	Cash surplus (insufficient) amount A+B-C	Remedial measures for cash shortfall	
				Investment plan	Financial management plan
42,450,643	11,358,842	25,676,416	28,133,069	—	—

### 1. Analysis on change of cash flow this year:

**Operating activity:** The Group continues to adjust the proportion of products, improve the cost structure, and reduce operating expenses, so that the operating cash flow of the year would not be affected, and the overall cash flow was sufficient to meet the Group's operating expenses. The annual cash inflow is NT\$ 11,358,842 thousands. This has mainly been caused by the increase in profit from operations.

**Investing activity:** Due to expand production equipment in alignment with business needs. The annual cash outflow is NT\$ 8,923,180 thousands. This has mainly been caused by the increase in property, plant and equipment.

**Financing activity:** Due to pay cash dividends and repay long-term loans. The annual cash outflow is NT\$ 16,521,912 thousands.

### 2. Remedial measures for expected cash shortfall and liquidity analysis: There should be no circumstance causing insufficient cash this year.

### 3. Cash liquidity analysis in the coming year:

Beginning cash balance (A): NT\$ 28,133,069 thousands.

Expected annual net cash flow from operating activity (B): NT\$ 7,528,678 thousands.

Expected annual cash outflow (C): NT\$ 4,206,510 thousands.

Expected cash surplus (insufficient) amount (A+B-C): NT\$ 31,455,237 thousands.

Looking into 2024, the professional team of the Company will continuously improve the cost structure and devote itself to stabilizing the gross profit margin. Together with the significant impact of cost control, it is expected that cash flow for business activities will be abundant. As well as the expenditure for business activities due to investment activities such as assets procurement, equipment replacement, cash dividend distribution, and similar expenses, the Company also takes advantage of loans from financial institutions to invest in the business, resulting in efficient cash flow thanks to this proper arrangement and management.

## 6.4 Major Capital Expenditure Items

### 6.4.1 Employment of Significant Capital Expenditure and Capital Source:

Unit: NT\$ thousands

Planned project	Actual or expected capital source	Actual or expected completion date	Total capital needed	Circumstance of actual or expected capital employment			
				2023	2024	2025	2026
Purchase more plant space and equipment	Own Capital	Current year	27,650,994	4,715,994	13,935,000	6,000,000	3,000,000

Note: The actual and expected capital employment in significant capital expenditure is consolidated data.

### 6.4.2 The Impact of Significant Capital Expenditure on Financial Business

The above capital investment is made, based on operating requirements, for the construction of new plants to expand capacity in response to future orders. Purchase and update machines and R&D equipment to increase the new product R&D range, accelerate product development, and improve production efficiency.

## 6.5 Investment Policy in Last Year, Main Causes for Profits or Losses, Improvement Plans, and the Investment Plans for the Coming Year

Inventec is mainly engaged in the R&D, manufacturing, and sales of notebook PCs, servers, and communication products. In recent years, the Company has actively diversified its product lines, and gradually extended its business to fields like AI, healthcare, and automotive electronic control units (ECU). In 2023, the Corporation suffered an investment loss of approximately NT\$ 24,508,000 under the equity method, mainly resulting from active transformation. BESTA, a company subordinate to Inventec, has actively transited its business focus to AI-related intelligent AIoT devices, such as automotive reversing imaging and IoT, and successfully entered the car insurance market. The Inventec AI Center has collaborated with Taipei Veterans General Hospital to launch intelligent wound analysis software to expand the scope of the healthcare business in the future and open a new chapter for AI-driven intelligent healthcare.

## 6.6 Analysis of Risk Management

### 6.6.1 The Impact of Interest Rate, Change in Exchange Rate, Inflation on Loss and Profit of the Company, and Future Resolutions:

1. Impact on loss and profit of the Company:

2023	Net amount of interest income (expenditure)	Net amount of exchange (loss) profit
Unit: NT\$ thousands	(1,960,544)	220,623

2. Future resolutions:

- A. Interest rate: In 2023, the financial cost was increased due to high interest rates. The financial market focused on whether the inflation would slow, and the development direction of economic activities. Interest rates in the United States are expected to remain unchanged or decrease in 2024, while the interest expenses of the Company are expected to drop accordingly. The Company is currently actively seeking financing schemes, aiming to acquire stable capital sources and an advantage in loan interest rates, and balancing different currencies and interest rates over different periods, to avoid the price risk resulting from the fluctuation of market interest rates.
- B. Exchange rate: Generally, the US dollar is relatively stable. With inflation gradually easing in the United States, interest rates by the FED are expected to be reduced. In 2024, with the economic improvement of the world and Taiwan, the exchange rate of the USD against the NTD is expected to decrease. The Company's main exchange rate policy involves offsetting creditor's rights and debts with the same currencies, and it adopts natural hedging and supplements foreign exchange hedging operations.
- C. Inflation: In 2024, global overall inflation will slow despite a limited range. The observation of future prices and the release of employment indicators will help reinforce market expectations for an economic soft-landing. The tightening effect of short-term monetary policy is not yet fully revealed. The medium- and long-term consumption momentum is expected to be inhibited with the gradual cooling of inflation and salary growth. The Company will continue to actively observe market conditions and conduct effective control over its cost and operating expenditure.
- D. Liquidity risk: The Company currently has sufficient cash deposits and current assets and maintains favorable relationships with banks with favorable credit standing, safety, and stability. The loan limits provided by such banks adequately satisfy business demands. Therefore, the Company does not have any long-term or short-term funding gaps, or a liquidity risk of temporary cash flow restraints.

### **6.6.2 Engage in High Risk and High Leverage Investments, Lend Funds to Other Parties, Endorsement and Derivatives Transaction Policy, Main Reasons for Profit or Loss, and Future Resolutions:**

Based on a steady operation philosophy, the Company mainly focuses on the operation of its original product field. Regarding investments, in addition to relevant investments in the original industry, upstream and downstream of the product field, vertical cooperation, etc., the Company does not engage in any high risk or high leverage investments. Regarding lending funds to other parties, endorsements, and derivatives related transactions, such is actually handled according to the execution policy stipulated in Procedures for Acquisition and Disposal of Assets, Procedures for Lending Funds to Other Parties, and Procedures for Endorsements and Guarantees of the Company. In the future, the Company will still rigorously execute such matters according to the handling procedures of relevant regulations in order to guarantee the maximum rights and interests of the Company and its shareholders.

### **6.6.3 Future Research and Development Plan and Research and Development Expenditures Expected to be Invested.**

1. Innovation and quality: "Innovation" is the cornerstone of differentiation, which is a main factor for breaking through in a competitive environment. The group will continuously adhere to its innovative business philosophy whether it is tangible or intangible and remain committed to customers and partners with the highest "quality" improvements in the future.
2. FTO (Freedom to Operate) : The Company values intellectual property rights, properly manages the trademarks of the Corporation, and spares no effort to protect its product patents and copyrights and defend independently researched and developed intellectual property.
3. Future research and development plan:
  - A. Notebook computers: Inventec always regards customer demand as the top priority in research and development. With the development of artificial intelligence, the additive effect of hardware and software generated by AI platforms on laptop computers is non-negligible. In 2023, the Company not only committed to the application of new-generation chips and processors to improve product performance and efficiency, but also launched new electronic sports products and AI integration as new development highlights. The year 2024 could be deemed the incubation period of AI PC, symbolizing the further deepening and extension of the applications of AI technology in the notebook PC market.
  - B. Servers and cloud services: The Company has strong hardware, software, and research and development capabilities and will continue to expand its alliance with strategic partners, in addition to the customized complete solutions to increase the added value of products, in order to pursue growth. In addition, the Company will continue to expand the smart factory to provide customers with high-performance products. The AI market and 5G applications will continue to grow and drive the server industry to become an important indicator in the digital era, and it is expected that in 2024 the Company's server and cloud industry will hit a peak.

C. Smart devices: In addition to the original intelligent wearable products, the Company also focuses on intelligent medical treatment, cloud health management, and precision medicine. In the future, the Company will still be committed to research and development, production, and manufacturing of intelligent terminal products in various fields, strengthen the interconnectivity of intelligent devices and build a complete intelligent ecosystem, and the layout of technologically forward-looking products, with the relevant cloud technology being introduced to create maximum customer value.

D. 5G: The future will be an era of a digital economy at the core. With a deep foundation of hardware, Inventec will actively explore the applications of 5T technology in each field, including communications, IoT, and intelligent transportation, as well as integrate intelligent manufacturing in the 5G era, aiming to develop the 5G private network system integration ability and cooperate closely with 5G partner.

4. Research and development expenditure expected to be invested:

The future development plan of the Company will continue to move by mastering market fluctuation and understanding customer demands. In response to new market environments, manufacturing process improvement, and technology development, the Group is expected to input more than NT\$ 12.2 billion in research and development this year and will control the product development and market sales schedule within six months.

5. The research and development plans in recent years, current progress of unfinished research and development plans, research and development expenses that need to be invested, expected time of completing mass production, and major factors influencing the success of research and development in the future:

Recent Annual Plans	Current Progress	Research and Development Expenses to be Invested	Time of Completing Mass Production (Note)	Major Factors Influencing the Success of Research and Development in the Future
Notebook computer	Under development	NT\$ 3.7 billion	2025	Provision of long-term accumulated software and hardware technology and customized overall solutions
Server and cloud computing	Under development	NT\$ 4.2 billion	2025	Provision of long-term accumulated software and hardware technology and customized overall solutions
Smart phone and wireless communication devices	Under development	NT\$ 1.0 billion	2025	Continuous innovation, good quality, excellent talent, design, manufacturing, marketing, and after-sales service capability
5G and automotive products	Under development	NT\$ 0.8 billion	2025	Provision of long-term accumulated software and hardware technology and customized overall solutions

Note: This refers to the mass production time currently expected; the actual situation is still subject to market and customer demands.

#### **6.6.4 Important Policies at Home and Abroad, the Impact of Law Changes on the Company's Financial Operations, and Resolutions:**

According to Organization for Economic Cooperation and Development BEPS 2.0 which promoted two pillars for international anti-tax-evasion, No. 1 is the profit distribution principle and No. 2 is the global minimum tax together with Taiwan CFC Law that are all applicable in 2024. For this purpose, Inventec is also actively planning to reduce the group's tax risk and relevant compliance costs. Furthermore, in terms of ESG and net-zero carbon reduction, Inventec will still follow up on the competent authority's sustainable development blueprint with the corresponding guidance to reach international standards. The relevant units of the Company have always strictly followed important policies at home and abroad, as well as law changes, and pay close attention to any changes at all times. The Company actively coordinates to handle such matters as required, commit to compliance with local and international tax regulations and assist customers in complying with relevant provisions.

#### **6.6.5 The Impact of Technology Change and Industry Change on Company Financial Operations and Resolutions:**

Amidst the wave of new 5G-driven global technologies, various industries have allied with each other to improve their competitiveness. Inventec has actively participated in 5G development, and established short-, medium-, and long-term operational objectives and financial indicators through the digital transformation strategy, utilizing big data collection, application, and analysis, and combining IoT and AI technology to build high-quality and high-efficiency 5G smart factories. However, with rapid technological devices, information security management has also become crucial.

The Company also strives to strengthen internal device identification, personnel authentication, and EDR monitoring, and improve employees' awareness of information security. These measures aim to lower risks and maintain the safety of financial management tools. The current IT security risks of Inventec as well as responsive measures are listed below:

1. Absence of information security management: Improve the enterprise's information security defense system.
  - (A). Establishment of a cybersecurity governance organization: The president is responsible for chairing and operating the infocomm security response team and regularly holding information security meetings.
  - (B). Draft information security policies, establish information security objectives, and regularly review the achievement rate of policies and objectives.
  - (C). Introduce the ISO27001 international information security management framework, and plan a new version accordingly.
  - (D). The board of directors verifies and approves Annual Internal Audit Plans. Audits are conducted annually and reported to the board.
2. Insufficient awareness of information security: Strengthen employees' awareness of information security.

- (A). All employees shall sign the information security clause in the Codes of Conduct for employees and complete general information security training.
- (B). The Company holds professional technical forums regarding information security every quarter, and uses information security announcements, posters, TV walls, and videos to publicize information security.
- (C). The Company regularly organizes social engineering drills for employees. The Company issues deficiency correction sheets to employees with the least awareness of information security and arranges for them to undergo training again.

### 3. Strengthening of the enterprise's information security resilience.

- (A). Inventory verification and identification.
  - a. Introduce an asset inventory and network access management system to improve the visualization of the internal environment and restrict the entry of illegal devices.
  - b. Execute information security risk assessments, and identify, analyze, and evaluate risks.
- (B). In-depth defense.
  - a. Establish an internal in-depth defense mechanism to implement information security management, strengthen employees' awareness, and conduct network segmentation, endpoint protection, and physical environment protection.
  - b. Strengthen information security management in the supply chain and promote and investigate information security matters.
- (C). Real-time detection.
  - a. Strengthen the monitoring of information security and carry out threat detection through a third party.
  - b. Carry out vulnerability detection and penetration tests, and patch risk vulnerabilities.
- (D). Quick response.
  - a. Deploy EDR and NDR to respond to attacks in real-time.
  - b. Regularly implement information security incident drills and strengthen the capability to respond to incidents.
- (E). Complete recovery.
  - a. Establish recovery procedures to recover damaged networks and system services.
  - b. Regularly execute data backup and restoration drills to meet PRO requirements.

### 4. Development of AI and cloud technology.

- (A). Introduce enterprise AI technology and hold AI information security forums to strengthen employees' awareness of using AI tools and avoid leaking sensitive information.

- (B). Evaluate the maturity of cloud information security, establish a cloud management system, establish specifications for the use of the cloud, implement proper information security settings and protection, and conduct information security monitoring.

#### **6.6.6 The Impact of Corporate Image Change on Corporate Crisis Management and Resolutions:**

In the context of global climate change, countries are committing to realizing the goal of Net Zero by 2050. Therefore, ESG-related measures and reforms have become increasingly important. When adhering to the concept of corporate social responsibility, Inventec deems ESG as its core value, pays constant attention to ESG and digital transformation, and reinforces the implementation of the green supply chain, circular economy, process improvement, and renewable energy enhancement to improve the Company's competitiveness and to comply with global trends. The Company adheres to a consistent operation philosophy and corporate culture. Through internal management mechanisms and external auditing execution, the Company rigorously examines and approves the setting and execution of objectives and strategies, actually mastering the overall organizational risk. As of the publication date of this annual report, the Company has no impact on enterprise crisis management caused by a change of corporate image.

#### **6.6.7 Expected Benefits of Mergers, Possible Risks, and Resolutions:**

Since 2024 and as of the publication date of this annual report, the Company has no circumstances related to conducting a merger.

#### **6.6.8 Expected Benefits of Plant Expansion, Possible Risks, and Resolutions:**

Due to political and geographical risks and customer demands, to increase the resilience of accepting orders, the factories have adjusted their operation plan to create a more flexible production mode. The business operations of the Company extend all over both sides of the Taiwan Strait, Europe, America, and Southeast Asia. In addition to the continual expansion of factories in North America (Mexico) and the Czech Republic, the Company has established production sites in Thailand and Vietnam in Southeast Asia. Through prudent global arrangements, new production bases are expected to contribute new energy to the Corporation. Given the reconfiguration of production capacity, the Company will also continue to activate existing assets, thus bettering capital liquidity and balancing asset risks.

#### **6.6.9 Risks Faced in Centralized Goods Purchase and Sales and Resolutions:**

Affected by the China-US trade war, political and geographical risks, and other factors, the global supply chain is driven to move rapidly. To obtain more flexibility in supply and demand, the Company not only conducts capacity reconfiguration in various places and the localized supply of goods but also conducts effective management of suppliers to reduce the risk of over-concentration of imports and sales. The updating multi-angle layout and integration of software and hardware will lead the Group to a broader world.



**6.6.10 The Impact of Massive Transfer or Change of Stock Equity between and among Directors, Supervisors, or Major Shareholders Holding More than Ten Percent of the Total Share of the Company and Resolutions: None.**

**6.6.11 The Impact of Change of Operation Rights of the Company, Risks, and Resolutions: None.**

**6.6.12 Litigation or Non-Litigation Cases:**

1. Significant litigation, non-litigation or administrative litigation cases of the Company and affiliated companies in the past two years, such cases that have been sentenced or are currently pending, and the results thereof that have a significant impact on shareholders' equity or securities price: None.
2. As of the publication date of annual report, whether the Directors, Supervisors, President, and shareholders with shareholding ratio over ten percent of the Company are involved in any significant litigation, non-litigation or administrative litigation cases, such cases have been sentenced or are currently pending, and the results thereof have a significant impact on shareholders' equity or securities price: None.

**6.6.13 Other Important Risks and Counter Measures**

1. Regulatory compliance and intellectual property risks:
  - A. Legal changes
    - a. Stay updated with laws, regulations, policies, and litigation and non-litigation practices.
    - b. Maintain privacy rights and trade secrets; abide by export control laws and regulations.
    - c. Hold lectures on legal affairs and intellectual property, organize education and training for new employees, and provide E-Learning courses for greater risk control.
  - B. Dynamics of industry litigation and non-litigation incidents: Master litigation and non-litigation incidents of the Corporation and take responsive measures.
2. Occupational safety risks
  - A. Assessment and identification of hazard risks: The purpose is to understand each potential high-risk and high-hazard factor, eliminate potential occupational health and safety hazards, and ensure the health and safety of personnel in the Company.
  - B. Implementation of emergency response: Regularly implement fire training and drills, emergency evacuation drills, and fire patrols, regularly check each safety facility, and implement task organization and fire drills to effectively conduct disaster prevention and relief work.
3. Product safety risks
  - A. Product and service policies: Provide a comprehensive and complete customer relations management service mechanism, align with the issues mentioned in the environmental protection regulations of countries around the world, and assist with the acquisition of certification of product environmental protection labels annually.

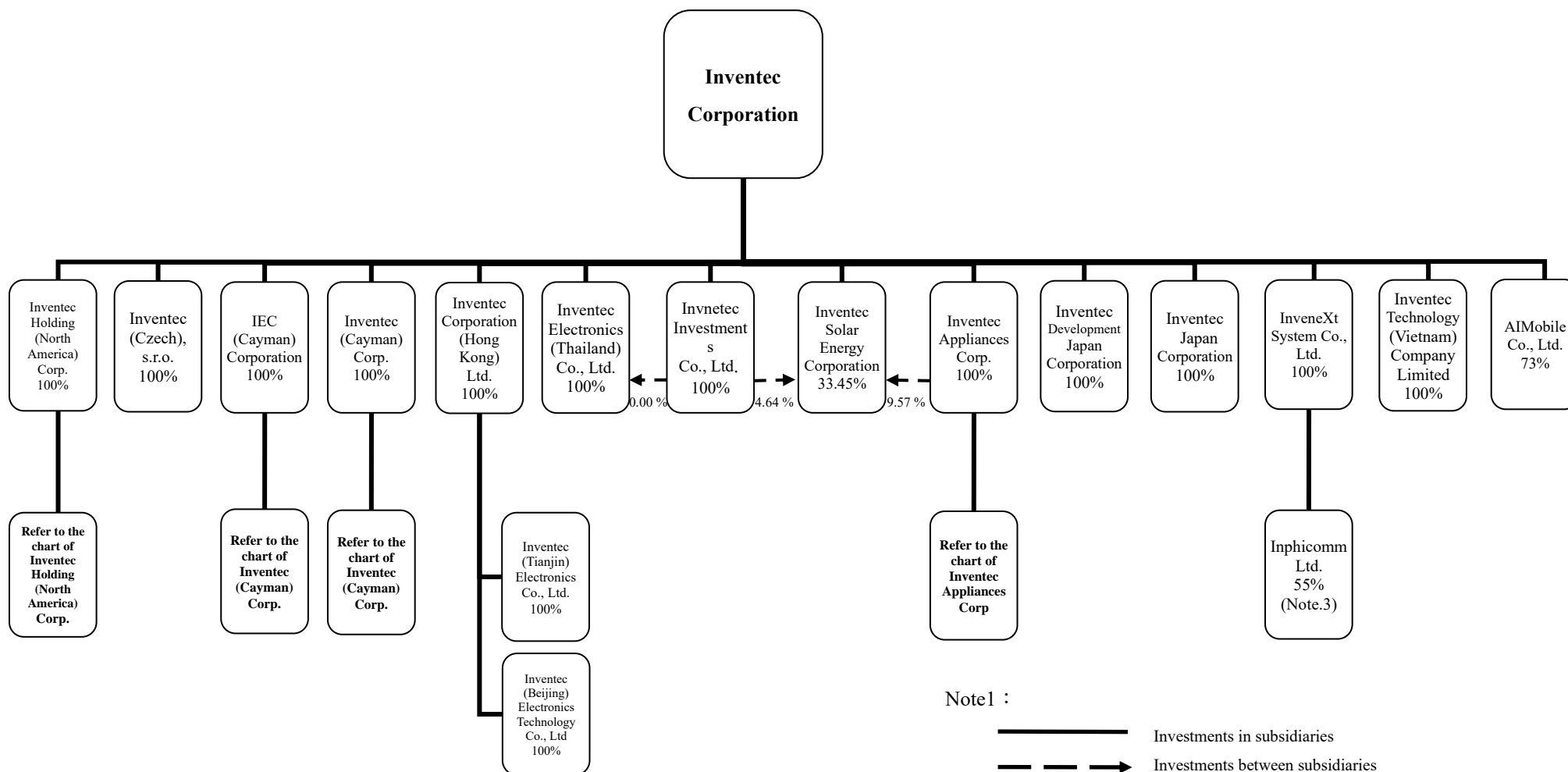
- B. Supplier evaluation management: Evaluate sustainable operational risks in the supply chain, and assure not only suppliers' quality, costs, delivery times, technology, and services, but also compliance with environmental protection laws, regulations, and specifications.
4. Environmental risks
- A. Climate change: Adopt mitigation and adaption measures according to the climate change governance framework of the TCFD. Define risk assessment and identification procedures according to climate actions, stay up to date with policies and regulations, technology, markets, and goodwill as well as risk elements in extreme climate, evaluate the niches of potential opportunities, seek new energy sources, markets, products/services, resource efficiency, and other relevant opportunities to develop new business areas and services to integrate the aforementioned into the operation processes of Inventec.
  - B. Management system certification: Set up a competent unit in charge of environmental management and establish a sustainable environmental management system in consideration of the needs of stakeholders and with reference to the environmental management systems established in international standards like ISO/IECQ.
  - C. Environmental protection expenditure: Focus on environmental control, disposal, detection, certification, and training, and lower the negative impact of operations on the environment.

## **6.7 Other Important Matters: None.**

## VII. Special Disclosure

### 7.1 Summary of Affiliated Companies

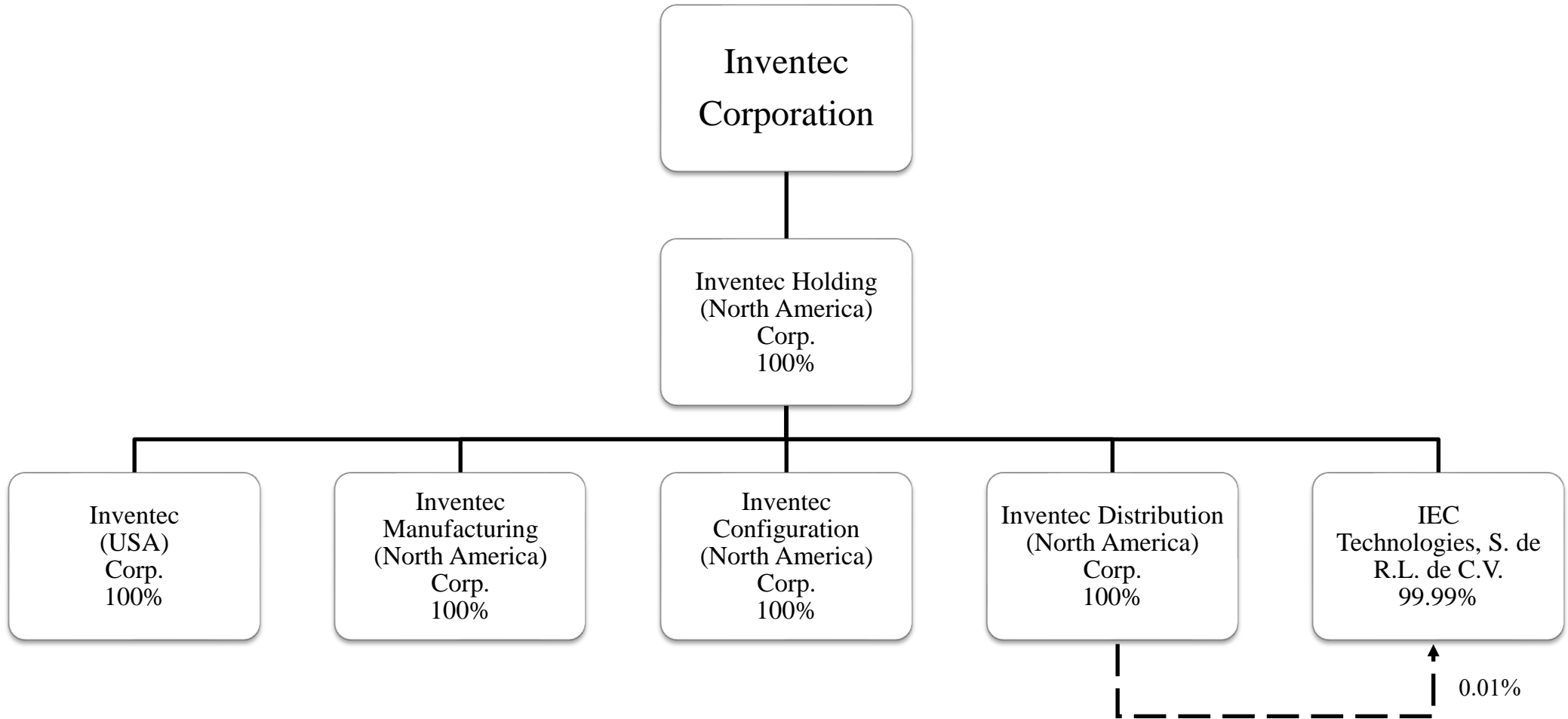
#### 7.1.1 The Chart of Inventec Corporation



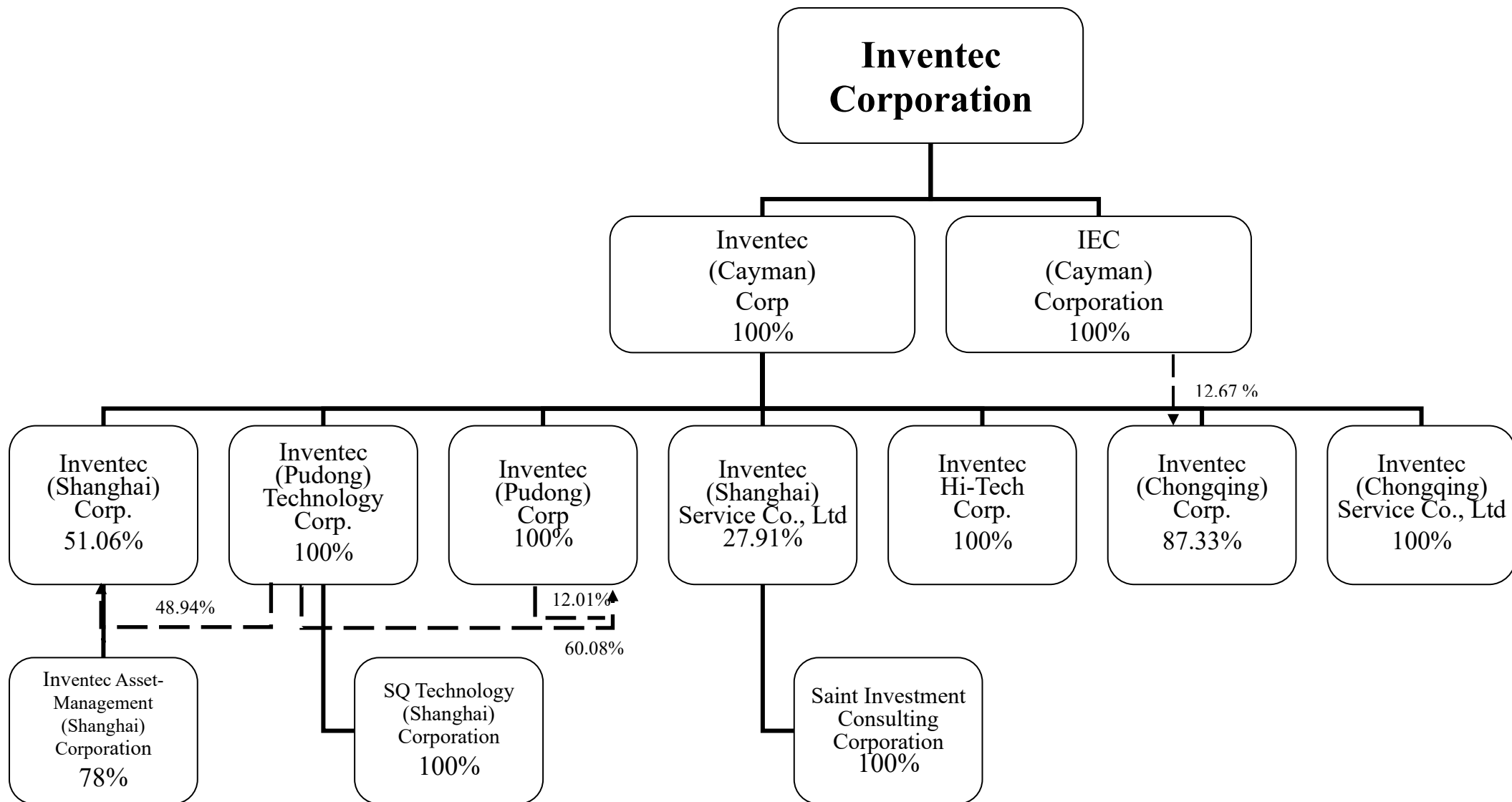
Note 2 : As of 12/31/2023

Note 3 : Capital not yet injected

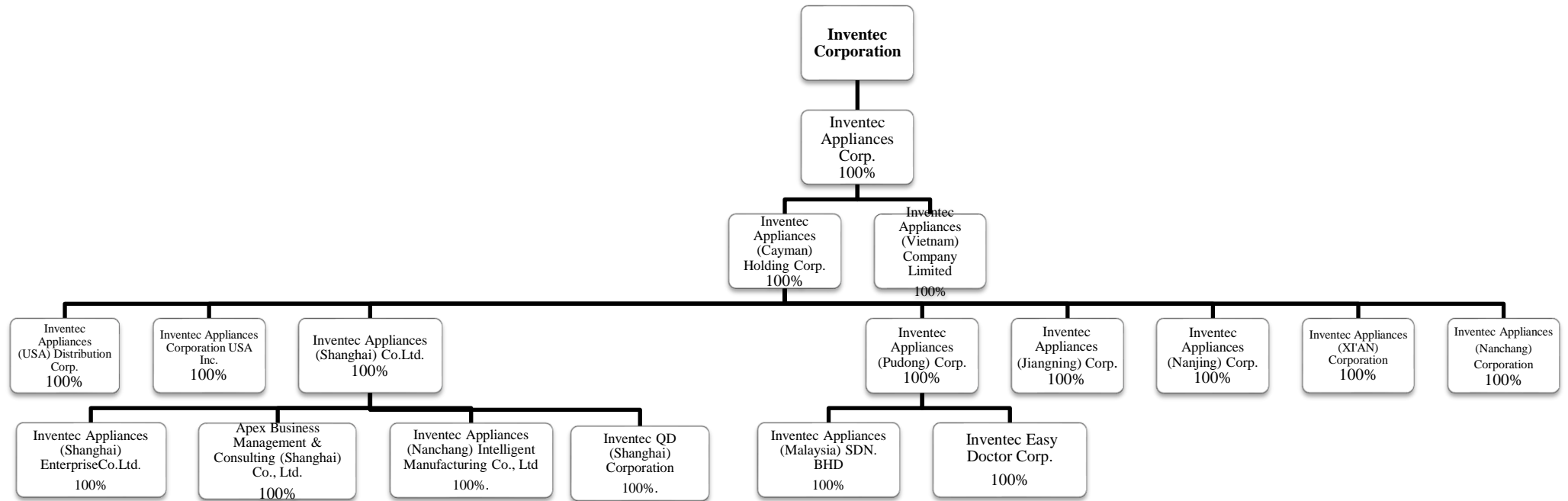
The Chart of Inventec Holding (North America) Corp.



The Chart of Inventec (Cayman)



The Chart of Inventec Appliances Corp.



## 7.1.2 Inventec Corporation Subsidiaries

Unit: NT\$ Thousands, as of 12/31/2023

Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
<b>Inventec Corporation (Hong Kong) Ltd.</b>	<b>1990.08</b>	<b>20/F Euro Trade Centre 21-23 Des Voeux Road Central HK</b>	<b>9,881</b>	<b>Investing in Mainland China and import and export business</b>
Inventec (Tianjin) Electronics Co., Ltd.	1993.11	Room 401-410, Wanzhao Smart Valley Building, No. 218 Hongqi Road, Nankai District, Tianjin, China	153,550	Electronic products software development.
Inventec (Beijing) Electronics Technology Co., Ltd.	1994.07	A206-207, Information Center, Zhongguancun Software Parkt, Beijing, China.	44,530	Production of computer-related products and after-sale services; sale of self-produced products; business information consultation
<b>Inventec (Cayman) Corp.</b>	<b>2000.06</b>	<b>P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands.</b>	<b>9,812,963</b>	<b>Holding Company</b>
Inventec (Shanghai) Corp	2000.10	Room 402-4, Building 6, No.789 Puxing Road, Minhang District, Shanghai, China	2,073,298	Computer product assembly and sale of accessories
Inventec Asset-Management (Shanghai) Corporation	2014.06	Commercial 08, 1st Floor, Building 7, No. 1528, Gumei Road, Xuhui District, Shanghai, China	1,856,655	Real estate rental and leasing
Inventec (Pudong) Corp.	2003.01	Building 1, No.789, Puxing Road (5/1 Hill, Block 105, Pujiang Town), Minhang District, Shanghai, China	1,535,500	Computer product assembly and sale
Inventec (Pudong) Technology Corp.	2004.04	Building 6, No.789, Puxing Road(2/2 Hill, Block 106, Pujiang Town), Minhang District, Shanghai, China	1,799,351	Computer products and accessories production and marketing
SQ Technology (Shanghai) Corporation	2021.01	Building 6, No.789, Puxing Road(2/2 Hill, Block 106, Pujiang Town), Minhang District, Shanghai, China	235,122	Computer products and accessories production and marketing
Inventec (Shanghai) Service Co., Ltd	2004.03	Room 402-5, Building 6, No.789 Puxing Road, Minhang District, Shanghai, China	360,865	Computer products assembly operations and sale
Saint Investment Consulting Corporation	2019.09	Room C224, Building 2, No.1628 Suzhao Road, Minhang District, Shanghai, China	260,154	Business management consulting
Inventec Hi-Tech Corp.	2004.09	Building 2, No.789, Puxing Road (5/1 Hill, Block 105, Pujiang Town), Minhang District, Shanghai, China	1,535,500	Computer products assembly operations and sale
Inventec (Chongqing) Corp.	2010.05	No.66, Xiqu Sceond Road, Shapingba District, ChongQing, China	2,303,250	Computer products assembly operations and sale
Inventec (Chongqing) Service Co., Ltd.	2010.05	3F Building No.98, Xiqu Sceond Road, Shapingba District, ChongQing, China	30,710	Computer products assembly operations and sale
<b>IEC (Cayman)</b>	<b>2013.11</b>	<b>P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road,</b>	<b>739,500</b>	<b>Holding Company</b>

Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
<b>Corporation</b>		<b>Grand Cayman, KY1-1205 Cayman Islands.</b>		
<b>Inventec Holding (North America) Corp.</b>	<b>1997.09</b>	<b>11450 Compaq Center Dr. West Suite 200, Houston, TX 77070</b>	<b>61,810</b>	<b>Holding company in America</b>
Inventec (USA) Corp.	1997.02	11450 Compaq Center Dr. West Suite 200, Houston, TX 77070	15,355	Computer product assembles and warranty services
Inventec Manufacturing (North America) Corp.	1997.09	11450 Compaq Center Dr. West Suite 200, Houston, TX 77070	61,420	Technical and Marketing support service
Inventec Distribution (North America) Corp.	1998.08	11450 Compaq Center Dr. West Suite 200, Houston, TX 77070	15,355	Sale of computer products
Inventec Configuration (North America) Corp.	1998.08	11450 Compaq Center Dr. West Suite 200, Houston, TX 77070	61,497	Assembly of computer products
IEC Technologies, S. de R.L. de C.V.	2006.09	Blvd. Miguel De La Madrid #8560 Col. Lote Bravo Cp 32695, Ciudad Juarez, Chihuahua, Mexico	3,194,017	Assembly of computer and related.
<b>Inventec (Czech), s.r.o.</b>	<b>2004.02</b>	<b>Modrice, Central Trade Park Evropska 863 664 42 Modrice, Czech Republic</b>	<b>359,464</b>	<b>Assembly of computer products and after-sale services</b>
<b>Inventec Development Japan Corporation</b>	<b>2004.12</b>	<b>7F, No.1 Shinbashi-Ekimae BL.,2-20-15 Shinbashi, Minakotu-ku, Tokyo, Japan</b>	<b>8,616</b>	<b>Development, design, and sale of computer accessories</b>
<b>Invetec Investments Co., Ltd.</b>	<b>2009.08</b>	<b>3F-1, No.166, Sec. 4, Chengde Rd., Shihlin Dist., Taipei City, Taiwan</b>	<b>150,000</b>	<b>Investment activities</b>
<b>Inventec Solar Energy Corporation</b>	<b>2010.10</b>	<b>No.349, Sec 2, Renhe Rd., Daxi Township, Taoyuan City, Taiwan.</b>	<b>3,233,548</b>	<b>Research and development, production, and sale of solar cells</b>
<b>Inventec Appliances Corp.</b>	<b>2000.05</b>	<b>No.37, Wugong 5th Road, Wugu District, New Taipei City, Taiwan</b>	<b>5,368,573</b>	<b>Smart device products</b>
Inventec Appliances (Cayman) Holding Corp.	2000.06	The Grand Pavilion Commercial Centre, Oleander Way, 802 West Bay Road, P.O. Box 32052, Grand Cayman KY1-1208, Cayman Islands.	6,128,937	Holding Company
Inventec Appliances (USA) Distribution Corp.	2000.07	5700 Tennyson Parkway Suite 300, Plano, Texas 75024	123	Sale of electronics products and accessories
Inventec Appliances Corporation USA Inc.	2006.04	2880 Lakeside Drive, Suite 247, Santa Clara, California 95054	31	Sales activities
Inventec Appliances (Shanghai) Co.Ltd.	1991.07	No.7, Gui Qing Rd., Shanghai, China.	1,584,636	Development, design, and sale of electronics products and leasing
Inventec Appliances (Shanghai) Enterprise Co.Ltd.	2015.04	Room B506, Building 3, No.7 Gui Qing Road, Xuhui District, Shanghai, China.	34,687	Industrial investment
Apex Business Management & Consulting (Shanghai) Co., Ltd.	2009.07	Room 701, Building 3, No.7 Gui Qing Road, Shanghai, China.	2,176	Business Administration
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	2018.06	No.189, Torch 3rd Road, Nanchang High-tech Industrial Development, Nanchang City, Jiangxi Province, China	260,155	Wearable intelligent equipment manufacturing, and the research and development, design, processing, manufacturing, and sale of electronic



Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
				products and communication equipment
Inventec QD (Shanghai) Corporation (Note)	2022.08	Zone A, Room 106, Building 3, No.7 Gui Qing Road, Shanghai, China.	0	Corporate headquarters management
Inventec Appliances (Pudong) Corp.	2004.03	Building 1-3, No.789 Puxing Road, Minhang District, Shanghai, China	2,364,670	Development, design, and manufacturing of wireless communication products and mobile communication equipment
Inventec Appliances (Malaysia) SDN. BHD	2018.09	253G-4-3A, Premier Centre, Jalan Burma, 10350 Penang, Malaysia	841,656	Sale of related electronic materials and products
Inventec Easy Doctor Corp.	2021.07	3F, No.789 Puxing Road, Minhang District, Shanghai, China	43,359	Sale, and manufacturing of medical equipment
Inventec Appliances (Nanjing) Corp.	1993.10	Room 202-12, No.62, Su-Yuan Road, Jiangning Economic and Technological Development Zone, Nanjing, China.	153,550	Real estate rental and leasing
Inventec Appliances (Jiangning) Corp.	2004.02	No.133, Jiang-Jun Road, Jiangning Economic and Technological Development Zone, Nanjing, China.	2,088,280	Development, design, and manufacturing of mobile communication devices (mobile phones), telephone sets (excluding multimedia advanced functions), etc
Inventec Appliances (XI'AN) Corporation	2007.12	No.50 Jin-Ye 1st Road High-tech Industrial Development Zone, Xi'an China	122,840	Development and design of related communication and electronic products and software, related technical services, and house rentals
Inventec Appliances (Nanchang) Corporation	2008.12	C401-417, No. 698 Jingdong Boulevard, High-Tech Zone of Nanchang, Jiangxi, China.	64,491	Development, design, and sale of communication and electronic-related products and software
Inventec Appliances (Vietnam) Company Limited	2022.09	Lot No. 13, Quang Minh Industrial Zone, Quang Minh Town, Me Linh District, Hanoi City, Vietnam	1,013,430	Production and sale of wearable intelligent devices
<b>AIMobile Co., Ltd.</b>	<b>2016.05</b>	<b>6F, No.166 Chengde Rd Sec 4, Shihlin District, Taipei City, Taiwan</b>	<b>110,000</b>	<b>Research and development, production, and sale of intelligent mobile devices</b>
<b>Inventec Japan Corporation</b>	<b>2019.08</b>	<b>7F, No.1 Shinbashi-Ekimae BL.,2-20-15 Shinbashi, Minakotoku-ku, Tokyo, Japan</b>	<b>2,154</b>	<b>Commercial trade and management</b>
<b>InveneXt System Co., Ltd.</b>	<b>2022.11</b>	<b>7F, No.166 Chengde Rd Sec 4, Shihlin District, Taipei City, Taiwan</b>	<b>50,000</b>	<b>Manufacturing and sale of related 5G equipments</b>
Inphicomm Ltd. (Note)	2023.07	Maystar Chambers, P.O. Box 3269, Apia, Samoa	0	5G software and hardware services

Company	Date of Incorporation	Place of Registration	Capital Stock	Business Activities
<b>Inventec Electronics (Thailand) Co., Ltd.</b>	<b>2023.06</b>	<b>No. 60 Moo 19, Navanakorn Industrial Zone 2, Klong Nueng, Klong Luang, Pathumthani 12120</b>	<b>1,537,605</b>	<b>Sale, and manufacturing of computer products</b>
<b>Inventec Technology (Vietnam) Company Limited</b>	<b>2023.10</b>	<b>Lot CN03 belongs to South Hanoi Supporting Industrial Park Phase I, Dai Xuyen Commune, Phu Xuyen District, Hanoi City, Vietnam</b>	<b>767,750</b>	<b>Manufacturing and sale of consumer electronics</b>

Note: Capital not yet injected

### **7.1.3 Shareholders in Common of Inventec Corporation and Its Subsidiaries with Deemed Control and Subordination: None.**

## 7.1.4 Industrial Classification in Inventec Corporation Subsidiaries

Industrial Classification	Company	Relationships to Related Party
<b>Holding company</b>	<b>Inventec Corporation (HongKong) Ltd.</b>	<b>Direct investment in Inventec (Beijing) Electronics Technology Co., Ltd. and Inventec (Tianjin) Electronics Co., Ltd.</b>
Electric Product Manufacturing	Inventec (Tianjin) Electronics Co., Ltd.	Electronic products software development
Electric Product Manufacturing	Inventec (Beijing) Electronics Technology Co., Ltd.	Manufacture, and warranty services of computers and related, Sales of self-manufactured products; as well as business information consultation.
<b>Holding company</b>	<b>Inventec (Cayman) Corp.</b>	<b>Direct investment in Inventec (Shanghai) Corp. etc.</b>
Electric Product Manufacturing	Inventec (Shanghai) Corp.	Import and export trade agency of computer products and accessories
Electric Product Manufacturing	Inventec Asset-Management (Shanghai) Corporation	Real estate rental and leasing
Electric Product Manufacturing	Inventec (Pudong) Corp.	Computer product assembly and sale
Electric Product Manufacturing	Inventec (Pudong) Technology Corp	Computer products and accessories production and marketing
Electric Product Manufacturing	SQ Technology (Shanghai) Corporation	Computer products and accessories production and marketing
Electric Product Manufacturing	Inventec (Shanghai) Service Co., Ltd	Computer product assembly and sale
Electric Product Manufacturing	Saint Investment Consulting Corporation	Business management consulting
Electric Product Manufacturing	Inventec Hi-Tech Corp.	Computer products assembly operations and sale
Electric Product Manufacturing	Inventec Huan Hsin (Zhejiang) Technology Co., Ltd.	Computer products assembly operations and sale
Electric Product Manufacturing	Inventec (Chongqing) Corp.	Computer products assembly operations and sale
Electric Product Manufacturing	Inventec (Chongqing) Service Co., Ltd.	Computer products assembly operations and sale
<b>Holding company</b>	<b>IEC (Cayman) Corporation</b>	<b>Direct investment in Inventec Technology (Chongqing) Corp.</b>
<b>Holding company</b>	<b>Inventec Holding (North America) Corp.</b>	<b>Direct investment in Inventec (USA) Corp. etc.</b>
Electric Products Manufacturing	Inventec (USA) Corp.	Computer product assembles and warranty services
Electric Product Manufacturing	Inventec Manufacturing (North America) Corp.	Technical and Marketing support service
Electric Product Manufacturing	Inventec Distribution (North America) Corp.	Computer product assembles and sales
Electric Products Manufacturing	Inventec Configuration (North America) Corp.	Computer product assembles
Electric Products Manufacturing	IEC Technologies, S. de R.L. de C.V.	Assembly of servers and related.
<b>Electric Products Manufacturing</b>	<b>Inventec (Czech), s.r.o.</b>	<b>Computer product assembles and warranty services</b>
Electric Product Manufacturing	<b>Inventec Development Japan Corporation</b>	<b>Developing, designing and selling computer peripherals</b>
<b>Investment</b>	<b>Invetec Investments Co., Ltd.</b>	<b>Investment activities</b>

Industrial Classification	Company	Relationships to Related Party
<b>Energy Technical Services</b>	<b>Inventec Solar Energy Corporation</b>	<b>Developing, production and selling of solar cells.</b>
<b>Electric Product Manufacturing</b>	<b>Inventec Appliances Corp.</b>	<b>Communication and digital accessory product assemble and sales</b>
Holding company	Inventec Appliances (Cayman) Holding Corp.	Investment in Inventec Electronics (Shanghai) Co., Ltd. etc.
Electric Product Manufacturing	Inventec Appliances (USA) Distribution Corp.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances Corporation USA Inc.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Shanghai) Co.Ltd.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Shanghai) Enterprise Co.Ltd.	Business Administration
Electric Product Manufacturing	Apex Business Management & Consulting (Shanghai) Co., Ltd.	Business Administration
Electric Product Manufacturing	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec QD (Shanghai) Corporation	Corporate headquarters management
Electric Product Manufacturing	Inventec Appliances (Pudong) Corp.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Malaysia) SDN. BHD	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Easy Doctor Corp.	Sale, and manufacturing of medical equipment
Electric Product Manufacturing	Inventec Appliances (Nanjing) Corp.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Jiangning) Corp.	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (XI'AN) Corporation	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Nanchang) Corporation	Communication and digital accessory product assemble and sales
Electric Product Manufacturing	Inventec Appliances (Vietnam) Company Limited	Communication and digital accessory product assemble and sales
<b>Electric Product Manufacturing</b>	<b>AIMobile Co., Ltd.</b>	<b>Research and development, production, and sale of intelligent mobile devices</b>
<b>Electric Product Manufacturing</b>	<b>Inventec Japan Corporation</b>	<b>Commercial trade and management</b>
<b>Electric Product Manufacturing</b>	<b>InveneXt System Co., Ltd.</b>	<b>Production and sale of related 5G equipments</b>
Electric Product Manufacturing	Inphicomm Ltd.	5G software and hardware services
<b>Electric Product Manufacturing</b>	<b>Inventec Electronics (Thailand) Co., Ltd.</b>	<b>Sale, and manufacturing of computer products</b>
<b>Electric Product Manufacturing</b>	<b>Inventec Technology (Vietnam) Company Limited</b>	<b>Manufacturing and sale of consumer electronics</b>

## 7.1.5 Rosters of directors, supervisors, and presidents of Inventec corporation's subsidiaries

Unit: Shares ; % As of 12/31/2023

Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
<b>Inventec Corporation (Hong Kong) Ltd.</b>	<b>Director Director</b>	<b>Representative of Inventec Corporation : Yeh, Kuo-I Yeh, Li-Cheng</b>	<b>2,500,000</b>	<b>100%</b>
Inventec (Tianjin) Electronics Co., Ltd.	Chairman Director Director Supervisor *General manager	Representative of Inventec Corporation (Hong Kong) Ltd. : Lin, Shu-Ju Chen, Wen-Chi Fan, Kang Chen, Pei-Chia Fan, Kang	N/A	100%
Inventec (Beijing) Electronics Technology Co., Ltd.	Executive Director Supervisor *General manager	Representative of Inventec Corporation (HongKong) Ltd. : Wu, Yung-Tsai Chen, Pei-Chia Chiu, Chuan-Cheng	N/A	100%
<b>Inventec (Cayman) Corp.</b>	<b>Director</b>	<b>Representative of Inventec Corporation : Yeh, Li-Cheng</b>	<b>301,768,161</b>	<b>100%</b>
Inventec (Shanghai) Corp.	Executive Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Wu, Yung-Tsai Chen, Pei-Chia Wu, Yung-Tsai	N/A	51.06%
Inventec Asset-Management (Shanghai) Corporation.	Chairman Director Supervisor  Director *General manager	Representative of Inventec (Shanghai) Corp. : Wu, Yung-Tsai Wang, Tien-Hui Chen, Pei-Chia Representative of Shanghai Caohejing Hi-Tech Park Development Corp. : Jiang, Shih-Ciang Wang, Tien-Hui	N/A	78%  22%
Inventec (Pudong) Corp.	Executive Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Wu, Yung-Tsai Chen, Pei-Chia Wang, Tien-Hui	N/A	100%
Inventec (Pudong) Technology Corp.	Chairman Director Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Lin, Shu-Ju Chen, Wen-Chi Huang, Te-Chun Chen, Pei-Chia Huang, Te-Chun	N/A	100%
SQ Technology (Shanghai) Corporation	Executive Director Supervisor *General manager	Representative of Inventec (Pudong) Technology Corp. : Lin, Shu-Ju Chen, Pei-Chia Lin, Hung-Chou	N/A	100%

Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
Inventec (Shanghai) Service Co., Ltd	Executive Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Lin, Shu-Ju Chen, Pei-Chia Huang, Te-Chun	N/A	27.91%
Saint Investment Consulting Corporation	Executive Director Supervisor *General manager	Representative of Inventec (Shanghai) Service Co., Ltd : Yeh, Li-Cheng Chen, Pei-Chia Yeh, Li-Cheng	N/A	100%
Inventec Hi-Tech Corp.	Executive Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Lin, Shu-Ju Chen, Pei-Chia Huang, Te-Chun	N/A	100%
Inventec (Chongqing) Corp.	Chairman Director Supervisor  Director *General manager	Representative of Inventec (Cayman) Corp. : Chang, Hui Yin, Fu-Ming Chen, Pei-Chia Representative of IEC (Cayman) Corporation : Yu, Sa-Hua Yu, Sa-Hua	N/A	87.33%   12.67%
Inventec (Chongqing) Service Co., Ltd.	Executive Director Supervisor *General manager	Representative of Inventec (Cayman) Corp. : Chang, Hui Chen, Pei-Chia Yu, Sa-Hua	N/A	100%
IEC (Cayman) Corporation	Director	Representative of Inventec Corporation : Yeh, Li-Cheng	<b>25,000,000</b>	<b>100%</b>
<b>Inventec Holding (North America) Corp.</b>	<b>Director Director *General manager</b>	<b>Representative of Inventec Corporation : Yeh, Li-Cheng Tsai, Chih-An Tsai, Chih-An</b>	<b>2,012,700</b>	<b>100%</b>
Inventec (USA) Corp.	Director Director *General manager	Representative of Inventec Holding (North America) Corp. : Yeh, Li-Cheng Lin, Shu-Ju Lin, Shu-Ju	500,000	100%
Inventec Manufacturing (North America) Corp.	Director Director *General manager	Representative of Inventec Holding (North America) Corp. : Yeh, Li-Cheng Lin, Shu-Ju Lin, Shu-Ju	2,000,000	100%
Inventec Distribution (North America) Corp.	Director Director *General manager	Representative of Inventec Holding (North America) Corp. : Yeh, Li-Cheng Lin, Shu-Ju Lin, Shu-Ju	500,000	100%

Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
Inventec Configuration (North America) Corp.	Director Director *General manager	Representative of Inventec Holding (North America) Corp. : Yeh, Li-Cheng Lin, Shu-Ju Lin, Shu-Ju	2,002,500	100%
IEC Technologies, S. de R.L. de C.V.	Director Director *General manager	Representative of Inventec Holding (North America) Corp. : Yeh, Li-Cheng Lin, Shu-Ju Lin, Shu-Ju	2,060,483,921	99.99%
Inventec (Czech), s.r.o.	Representative Representative Representative	Representative of Inventec Corporation : <b>Lin, Shu-Ju</b> <b>John William Busby</b> <b>Tseng, Kuang-Chao</b>	N/A	100%
Inventec Development Japan Corporation	Representative Supervisor	Representative of Inventec Corporation : Yeh, Li-Cheng Yu, Chin-Pao	45,100	100%
Inventec Investments Co., Ltd.	Chairman Supervisor *General manager	Representative of Inventec Corporation : Yeh, Li-Cheng Yu, Chin-Pao Tseng, Kuang-Chao	15,000,000	100%
Inventec Solar Energy Corporation	Director Chairman Director Director Director Supervisor Supervisor General manager	Inventec Corporation Hsieh, Jui-Hai Representative of Inventec Investments Co., Ltd. : Yu, Chin-Pao Yen, Hao Lee, Wun-Huei Cheng, Hsien-Ho Hsu, Shen-Chun Yen, Hao	108,150,000 7,291,760 15,000,000 2,378,000 220,000 530,000 79,500 2,378,000	33.45% 2.26% 4.64% 0.74% 0.07% 0.16% 0.02% 0.74%
Inventec Appliances Corp.	Chairman Director Director Director Director Supervisor *General manager	Representative of Inventec Corporation : Ho, Tai-Shui Chang, Ching-Sung Tsai, Chih-An Chang, Hui Lin, Shu-Ju Yu, Chin-Pao Chen, Po-Cheng	536,857,254	100%
Inventec Appliances (Cayman) Holding Corp.	Director	Representative of Inventec Appliances Corporation : Ho, Tai-Shui	199,574,638	100%
Inventec Appliances (USA) Distribution Corp.	Director *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Wang, Po-Hung	400,000	100%
Inventec Appliances Corporation USA Inc.	Director *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Wang, Po-Hung	10,000	100%

Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
Inventec Appliances (Shanghai) Co.Ltd.	Chairman Director Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Chang, Ching-Sung Tsai, Shih-Kuang Ho, Tai-Shui Tseng, Ching-An Tsai, Shih-Kuang	N/A	100%
Inventec Appliances (Shanghai) Enterprise Co.Ltd.	Executive Director Supervisor *General manager	Representative of Inventec Appliances (Shanghai) Co.Ltd. : Chang, Ching-Sung Tseng, Ching-An Tsai, Shih-Kuang	N/A	100%
Apex Business Management & Consulting (Shanghai) Co., Ltd.	Executive Director Supervisor *General manager	Representative of Inventec Appliances (Shanghai) Co.Ltd. : Chang, Ching-Sung Chang, Shu-Ching Tsai, Shih-Kuang	N/A	100%
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Chairman Director Director Supervisor *General manager	Representative of Inventec Appliances (Shanghai) Co.Ltd. : Chen, Kun-Hui Ho, Tai-Shui Chang, Ju-Nan Chang, Shu-Ching Chang, Ju-Nan	N/A	100%
Inventec QD (Shanghai) Corporation	Executive Director Supervisor *General manager	Representative of Inventec Appliances (Shanghai) Co.Ltd. : Wu, Yung-Tsai Tsai, Shu-Ling Wang, Tien-Hui	N/A	100%
Inventec Appliances (Pudong) Corp.	Chairman Director Director Director Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Chen, Kun-Hui Chen, Po-Cheng Hsu, Ching-Chen Chiu, Wen-Liang Chang, Shu-Ching Chen, Kun-Hui	N/A	100%
Inventec Appliances (Malaysia) SDN. BHD	Director Director Director Director Director *General manager	Representative of Inventec Appliances (Pudong) Corp. : Lee, Huai-En Lee, Tee-Hiang Chen, Po-Cheng Ho, Tai-Shui Hsu, Ching-Chen Lee, Huai-En	121,000,000	100%
Inventec Easy Doctor Corp.	Chairman Director Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Chen, Po-Cheng Chen, Kun-Hui Chang, Shu-Ching Tsai, Shih-Kuang	N/A	100%
Inventec Appliances (Nanjing) Corp.	Executive Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Chang, Shu-Ching Chen, Po-Cheng	N/A	100%



Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
Inventec Appliances (Jiangning) Corp.	Chairman Director Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Chen, Po-Cheng Hsu, Ching-Chen Chang, Shu-Ching Chen, Po-Cheng	N/A	100%
Inventec Appliances (XI'AN) Corporation	Executive Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Chang, Ching-Sung Chang, Shu-Ching Pien, Yung-Tsai	N/A	100%
Inventec Appliances (Nanchang) Corporation	Chairman Director Director Supervisor *General manager	Representative of Inventec Appliances (Cayman) Holding Corp. : Ho, Tai-Shui Chen, Kun-Hui Chang, Ju-Nan Chang, Shu-Ching Chang, Ju-Nan	N/A	100%
Inventec Appliances (Vietnam) Company Limited	Director *General manager	Representative of Inventec Appliances Corp. : Ho, Tai-Shui Wu, Jie	N/A	100%
AIMobile Co., Ltd.	Chairman Director Director Supervisor Supervisor General manager	<b>Representative of Inventec Corporation :</b> <b>Yeh, Li-Cheng</b> <b>Wu, Yung-Tsai</b> <b>Representative of Advantech Co., Ltd. :</b> <b>Chiang, Ming-Chih</b> <b>Yu, Chin-Pao</b> <b>Tsai, Shu-Mei</b> <b>Chang, Kuo-Pin</b>	<b>8,030,000</b> <b>2,970,000</b> <b>0</b> <b>0</b> <b>0</b>	<b>73.00%</b> <b>27.00%</b> <b>0.00%</b> <b>0.00%</b> <b>0.00%</b>
Inventec Japan Corporation	<b>Representative Supervisor</b>	<b>Representative of Inventec Corporation :</b> <b>Yeh, Li-Cheng</b> <b>Yu, Chin-Pao</b>	<b>200</b>	<b>100%</b>
InveneXt System Co., Ltd.	Chairman Director Director Supervisor *General manager	<b>Representative of Inventec Corporation :</b> <b>Yeh, Li-Cheng</b> <b>Wang, Chih-Cheng</b> <b>Chien, Chia-Nan</b> <b>Yu, Chin-Pao</b> <b>Chien, Chia-Nan</b>	<b>5,000,000</b>	<b>100%</b>
Inphicomm Ltd.	Chairman Director Director *General manager	Representative of InveneXt System Co., Ltd. : Yeh, Li-Cheng Chien, Chia-Nan Representative of Baicells Technology Limited : Sun, Li-Hsin Chien, Chia-Nan	550,000 450,000	55.00% 45.00%
Inventec Electronics (Thailand) Co., Ltd.	<b>Director</b> <b>Director</b> <b>Director</b>	<b>Representative of Inventec Corporation :</b> <b>Tsai, Chih-An</b> <b>Lin, Shu-Ju</b> <b>Yu, Chin-Pao</b>	<b>394,999,999</b>	<b>100%</b>

Company	Title	Name	Shareholding	
			Shares	Investment Holding (%)
<b>Inventec Technology (Vietnam) Company Limited</b>	<b>Chairman</b> <b>Director</b> <b>Director</b> <b>*General manager</b>	<b>Representative of Inventec Corporation :</b> <b>Ho, Tai-Shui</b> <b>Yu, Chin-Pao</b> <b>Wu, Jie</b> <b>Wu, Jie</b>	<b>N/A</b>	<b>100%</b>

Note: General managers marked with \* are assigned and are not individual shareholders.

## 7.1.6 Operational highlights of Inventec company subsidiaries

Unit: NT\$ Thousands (Except EPS) ; As of 12/31/2023

Company	Capital	Total Assets	Total Liabilities	Total Stockholders' Equity	Sales Revenue	Operating Income	Income after Tax	EPS after Tax
<b>Inventec Corporation (Hong Kong) Ltd.</b>	<b>9,881</b>	<b>102,303,232</b>	<b>101,861,670</b>	<b>441,562</b>	<b>0</b>	<b>(1,203)</b>	<b>30,047</b>	—
Inventec (Tianjin) Electronics Co., Ltd.	153,550	360,285	92,888	267,397	223,545	2,811	9,251	—
Inventec (Beijing) Electronics Technology Co., Ltd.	44,530	102,465	23,090	79,374	36,678	2,730	3,425	—
<b>Inventec (Cayman) Corp.</b>	<b>9,812,963</b>	<b>27,952,059</b>	<b>100</b>	<b>27,951,959</b>	<b>0</b>	<b>(377)</b>	<b>1,756,872</b>	—
Inventec (Shanghai) Corp.	2,073,298	2,443,577	645,809	1,797,767	634,812	(27,861)	(258,941)	—
Inventec Asset-Management (Shanghai) Corporation	1,856,655	5,767,663	4,425,182	1,342,480	31,573	(101,042)	(364,575)	—
Inventec (Pudong) Corp.	1,535,500	5,320,046	971,222	4,348,824	0	(21,323)	106,371	—
Inventec (Pudong) Technology Corp.	1,799,351	18,822,012	11,099,861	7,722,151	28,097,771	(65,744)	(269,443)	—
SQ Technology (Shanghai) Corporation	235,122	22,804,900	23,399,277	(594,376)	51,505,297	65,156	(89,037)	—
Inventec (Shanghai) Service Co., Ltd	360,865	339,330	2,669	336,660	0	(2,419)	5,359	—
Saint Investment Consulting Corporation	260,154	304,110	0	304,110	0	(412)	6,016	—
Inventec Hi-Tech Corp.	1,535,500	2,040,359	306,275	1,734,084	0	(48,134)	70,968	—
Inventec (Chongqing) Corp.	2,303,250	67,211,074	53,084,658	14,126,416	270,164,068	1,174,765	2,288,397	—
Inventec (Chongqing) Service Co., Ltd.	30,710	40,482	0	40,482	685	(35)	483	—
<b>IEC (Cayman) Corporation</b>	<b>739,500</b>	<b>2,064,525</b>	<b>50</b>	<b>2,064,475</b>	<b>0</b>	<b>(335)</b>	<b>292,654</b>	—
<b>Inventec Holding (North America) Corp.</b>	<b>61,810</b>	<b>5,924,417</b>	<b>31,880</b>	<b>5,892,537</b>	<b>0</b>	<b>0</b>	<b>381,713</b>	—
Inventec (USA) Corp.	15,355	267,608	37,651	229,957	0	0	0	—
Inventec Manufacturing (North America) Corp.	61,420	433,355	114,567	318,788	314,766	20,743	17,650	—
Inventec Distribution (North America) Corp.	15,355	26,104,419	25,633,893	470,526	82,745,743	26,933	11,159	—
Inventec Configuration (North America) Corp.	61,497	1,162,771	168,531	994,240	2,423,555	7,372	8,977	—
IEC Technologies, S. de R.L. de C.V.	3,194,017	4,733,382	764,836	3,968,547	2,274,499	408,672	342,788	—
<b>Inventec (Czech), s.r.o.</b>	<b>359,464</b>	<b>1,062,029</b>	<b>486,300</b>	<b>575,729</b>	<b>964,548</b>	<b>51,187</b>	<b>76,703</b>	—
<b>Inventec Development Japan Corporation</b>	<b>8,616</b>	<b>17,627</b>	<b>55</b>	<b>17,572</b>	<b>0</b>	<b>(588)</b>	<b>(627)</b>	—
<b>Inventec Investments Co., Ltd.</b>	<b>150,000</b>	<b>171,537</b>	<b>96,421</b>	<b>75,116</b>	<b>0</b>	<b>(220)</b>	<b>1,244</b>	<b>0.08</b>
<b>Inventec Solar Energy Corporation</b>	<b>3,233,548</b>	<b>3,793</b>	<b>2,078,458</b>	<b>(2,074,665)</b>	<b>0</b>	<b>(479)</b>	<b>(12,012)</b>	<b>(0.04)</b>

Company	Capital	Total Assets	Total Liabilities	Total Stockholders' Equity	Sales Revenue	Operating Income	Income after Tax	EPS after Tax
<b>Inventec Appliances Corp.</b>	<b>5,368,573</b>	<b>21,977,398</b>	<b>14,598,183</b>	<b>7,379,215</b>	<b>23,609,245</b>	<b>153,422</b>	<b>485</b>	<b>0.00</b>
Inventec Appliances (Cayman) Holding Corp.	6,128,937	12,518,056	0	12,518,056	0	0	(61,417)	—
Inventec Appliances (USA) Distribution Corp.	123	103,138	146	102,992	484,383	1,325	1,052	—
Inventec Appliances Corporation USA Inc.	31	21,624	4,960	16,664	22,766	1,603	926	—
Inventec Appliances (Shanghai) Co.Ltd.	1,584,636	1,794,103	239,819	1,554,284	23,582	(173,768)	64,524	—
Inventec Appliances (Shanghai) EnterpriseCo.Ltd.	34,687	16,543	330	16,213	0	(4,467)	(3,795)	—
Apex Business Management & Consulting (Shanghai) Co., Ltd.	2,176	140,695	9,440	131,255	45,766	5,362	6,007	—
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	260,155	104,055	240,714	(136,659)	303,404	(57,801)	(60,987)	—
Inventec QD (Shanghai) Corporation (Note)	0	3,535	8,941	(5,406)	0	(5,239)	(5,508)	—
Inventec Appliances (Pudong) Corp.	2,364,670	10,700,708	4,037,083	6,663,625	13,414,090	(734,130)	(603,516)	—
Inventec Appliances (Malaysia) SDN. BHD	841,656	4,047,982	4,424,029	(376,047)	4,840,631	(176,258)	(283,926)	—
Inventec Easy Doctor Corp.	43,359	15,594	2,996	12,598	964	(18,087)	(17,750)	—
Inventec Appliances (Nanjing) Corp.	153,550	684,988	104,804	580,184	456,836	(50,630)	194,727	—
Inventec Appliances (Jiangning) Corp.	2,088,280	4,565,251	884,528	3,680,723	3,928,138	(98,269)	186,517	—
Inventec Appliances (XI'AN) Corporation	122,840	106,764	27,817	78,947	0	(17,003)	5,225	—
Inventec Appliances (Nanchang) Corporation	64,491	24,891	20,786	4,105	61,726	4,404	4,575	—
Inventec Appliances (Vietnam) Company Limited	1,013,430	2,395,066	1,426,288	968,778	1,995,523	(39,575)	(42,776)	—
<b>AIMobile Co., Ltd.</b>	<b>110,000</b>	<b>124,606</b>	<b>140,516</b>	<b>(15,910)</b>	<b>210,173</b>	<b>(77,983)</b>	<b>(77,893)</b>	<b>(7.08)</b>
<b>Inventec Japan Corporation</b>	<b>2,154</b>	<b>3,196</b>	<b>387</b>	<b>2,809</b>	<b>18,393</b>	<b>(297)</b>	<b>(153)</b>	<b>—</b>
<b>InveneXt System Co., Ltd.</b>	<b>50,000</b>	<b>51,339</b>	<b>1,750</b>	<b>49,589</b>	<b>5</b>	<b>(152)</b>	<b>(283)</b>	<b>(0.06)</b>
Inphicomm Ltd. (Note)	0	0	0	0	0	0	0	—
<b>Inventec Electronics (Thailand) Co., Ltd.</b>	<b>1,537,605</b>	<b>1,792,772</b>	<b>299,253</b>	<b>1,493,519</b>	<b>45,416</b>	<b>(61,037)</b>	<b>(44,646)</b>	<b>—</b>
<b>Inventec Technology (Vietnam) Company Limited</b>	<b>767,750</b>	<b>772,246</b>	<b>0</b>	<b>772,246</b>	<b>0</b>	<b>(406)</b>	<b>4,554</b>	<b>—</b>

Note: Capital not yet injected

### **7.1.7 Consolidated financial statements of affiliates**

#### Representation Letter

The entities that are required to be included in the combined financial statements of Inventec Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Inventec Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Inventec Corporation  
Chairman: Yeh, Li-Cheng  
Date: March 12, 2024

### **7.2 Private Placement Securities in the Most Recent Years: None**

### **7.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None**

### **7.4 The Matters Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act, which might Materially Affect Shareholders' Equity or the Price of the Company's Securities: None**

### **7.5 Other Matters that Require Additional Description: None**

**Appendix I : Individual Financial Statements Audited by CPA of 2023**

## **Independent Auditors' Report**

To the Board of Directors of Inventec Corporation:

### **Opinion**

We have audited the financial statements of Inventec Corporation( “the Company” ), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### **Key Audit Matters**

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

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

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

Description of the key audit matter:

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

How the matter was addressed in our audit:

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

## 2. Revenue recognition

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

Description of the key audit matter:

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

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

How the matter was addressed in our audit:

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’ s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’ s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’ s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’ s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’ s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

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

#### **Notes to Readers**

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)  
**INVENTEC CORPORATION**  
**BALANCE SHEETS**  
**December 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars)

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

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

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

**STATEMENTS OF COMPREHENSIVE INCOME**

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

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

		For the years ended December 31,			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes (4), (6)(r) and (7))</b>	\$ 442,686,294	100	452,365,599	100
5000	<b>Operating costs (Notes (6)(e), (n) and (7))</b>	424,950,931	96	434,629,894	96
	<b>Gross profit from operations</b>	17,735,363	4	17,735,705	4
5910	Less: Unrealized profit (loss) from sales (Note (7))	39,349	-	22,319	-
5920	Add: Realized profit (loss) from sales (Note (7))	22,319	-	17,394	-
		17,718,333	4	17,730,780	4
	<b>Operating expenses (Notes (6)(c), (d), (n), (s) and (7)):</b>				
6100	Selling expenses	1,828,057	-	2,144,210	-
6200	Administrative expenses	2,199,905	-	1,887,769	-
6300	Research and development expenses	7,093,721	2	7,176,225	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS 9	10,597	-	(10,318)	-
		11,132,280	2	11,197,886	2
	<b>Net operating income</b>	6,586,053	2	6,532,894	2
	<b>Non-operating income and expenses (Notes (6)(f), (6)(t) and (7)):</b>				
7100	Interest income	311,716	-	176,060	-
7010	Other income	134,853	-	63,894	-
7020	Other gains and losses	(756)	-	1,959,579	-
7050	Finance costs	(2,345,589)	-	(1,609,256)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method	2,016,192	-	(114,293)	-
		116,416	-	475,984	-
7900	<b>Profit before tax</b>	6,702,469	2	7,008,878	2
7950	<b>Less: Income tax expenses (Notes (4) and (6)(o))</b>	571,737	-	880,092	-
8200	<b>Profit</b>	6,130,732	2	6,128,786	2
	<b>Other comprehensive income (loss):</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	(Losses) gains on remeasurements of defined benefit plans	(422)	-	59,282	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,635,076	-	(802,122)	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(361,182)	-	(412,858)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(84)	-	11,856	-
		1,273,556	-	(1,167,554)	-
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(100,879)	-	286,241	-
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(367,899)	-	2,244,011	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(468,778)	-	2,530,252	-
	<b>Other comprehensive income, net of income tax</b>	804,778	-	1,362,698	-
8500	<b>Total comprehensive income</b>	<b>\$ 6,935,510</b>	<b>2</b>	<b>7,491,484</b>	<b>2</b>
	<b>Earnings per share (Notes (4) and (6)(q))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 1.71</b>		<b>1.71</b>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 1.70</b>		<b>1.70</b>	

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

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

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

	Share capital		Retained Earnings			Other Equity		Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2022</b>	\$ 35,874,751	2,899,592	12,093,033	1,901,925	7,030,001	(3,036,968)	322,370	57,084,704
Profit for the period	-	-	-	-	6,128,786	-	-	6,128,786
Other comprehensive income (loss) for the period	-	-	-	-	95,889	2,530,252	(1,263,443)	1,362,698
Total comprehensive income (loss) for the period	-	-	-	-	6,224,675	2,530,252	(1,263,443)	7,491,484
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	654,924	-	(654,924)	-	-	-
Special reserve appropriated	-	-	-	812,672	(812,672)	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,022,465)	-	-	(5,022,465)
Changes in equity of associates and joint ventures accounted for using equity method	-	335	-	-	-	-	-	335
<b>Balance at December 31, 2022</b>	35,874,751	2,899,927	12,747,957	2,714,597	6,764,615	(506,716)	(941,073)	59,554,058
Profit the period	-	-	-	-	6,130,732	-	-	6,130,732
Other comprehensive income (loss) for the period	-	-	-	-	9,139	(468,778)	1,264,417	804,778
Total comprehensive income (loss) for the period	-	-	-	-	6,139,871	(468,778)	1,264,417	6,935,510
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	622,467	-	(622,467)	-	-	-
Revevsal of special reserve	-	-	-	(1,266,808)	1,266,808	-	-	-
Cash dividends on ordinary share	-	-	-	-	(5,381,213)	-	-	(5,381,213)
Changes in equity of associates and joint ventures accounted for using equity method	-	11,188	-	-	-	-	-	11,188
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(3,471)	-	3,471	-
Disposal of investment in equity instruments by subsidiaries designated at fair value through other comprehensive income	-	-	-	-	(191)	-	191	-
<b>Balance at December 31, 2023</b>	<b>\$ 35,874,751</b>	<b>2,911,115</b>	<b>13,370,424</b>	<b>1,447,789</b>	<b>8,163,952</b>	<b>(975,494)</b>	<b>327,006</b>	<b>61,119,543</b>

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

## INVENTEC CORPORATION

## STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

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

INVENTEC CORPORATION

STATEMENTS OF CASH FLOWS (CONT'D)

For the Years Ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

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

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

(English Translation of Financial Statements and Report Originally Issued in Chinese)  
**INVENTEC CORPORATION**  
**NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

**(1) Company History**

Inventec Corporation (the “Company”) was organized in 1975. The Company engages primarily in the developing, manufacturing, processing and trading of computers and related products. The Company’s registered office address is located at No.66 Hougang Street, Shihlin District, Taipei City, Taiwan, R.O.C. The shares of the Company became officially listed and traded on the Taiwan Stock Exchange in November 1996.

**(2) Financial Statements Authorization Date and Authorization Process**

The financial statements were authorized for issuance by the Board of Directors on March 12, 2024.

**(3) New Standards, Amendments and Interpretations Adopted:**

- (a) The impact of the International Financial Reporting Standards ( “IFRSs” ) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”



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- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

**(4) Summary of material policies**

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

The material accounting policies presented in the financial statements are summarized below. Except for the explanation of Note (3), the following accounting policies were applied consistently throughout the periods presented in the financial statements.

- (a) Statement of compliance

These annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

- (b) Basis of preparation

1. Basis of measurement

Except for the following significant accounts, the financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note (4)(p).

2. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

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(c) Foreign currencies

1. Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designed as at fair value through other comprehensive income, which is recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

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An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of next reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

Some trade receivables deriving from the collection of contractual cash flows and sales made by the Company are measured at FVOCI, and recognized as 'trade receivables' line item.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, trade receivables and notes receivable, other receivables, guarantee deposit paid and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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Loss allowance for trade receivables are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than year past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 1 year past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

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4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3. Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

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The financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid-in capital. If the additional paid-in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The changes in ownership of the subsidiaries are recognized as equity transaction.

(j) Property, plant, and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.



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2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	10 ~ 50 years
Machinery	2 ~ 11 years
Transportation equipment	3 ~ 6 years
Furniture and office facilities	2 ~ 14 years
Power equipment	2 ~ 16 years
Renovation and leasehold improvements	2 ~ 20 years
Miscellaneous equipment	2 ~ 16 years
Leasehold improvements	10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

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The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) fixed payments, including in-substance fixed payments;
- 2) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) amounts expected to be payable under a residual value guarantee; and
- 4) payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or
- 4) there is a change of its assessment on whether it will exercise an extension or termination option; or
- 5) there are any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

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The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets, including other equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(l) Intangible assets

1. Recognition and measurement

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software cost	1 year~6 years
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Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Provisions

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

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(o) Revenue

1. Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Services

The Company recognizes revenue when the performance obligation is completed.

3) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(p) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

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The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

**3. Termination benefits**

Termination benefits are expensed at the earlier of when the Company can no longer withdraw the offer of those benefits and when the Company recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

**4. Short-term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(q) Income taxes**

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(r) Earnings per share

The Company disclose the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as convertible bonds and employee compensation.

(s) Operating segments

Please refer to the consolidated financial report of Inventec Corporation for the years ended December 31, 2023 and 2022 for operating segments information.

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(5) Significant Accounting Assumptions and Judgements, and Major Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

The Company does not have any accounting policies which involve significant judgment which have significant influence to the annual financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note (6)(e) for further description of the valuation of inventories.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on hand	\$ 704	738
Demand deposits and checking accounts	4,170,271	17,193,469
Time deposits	1,000	740,000
Cash and cash equivalents in statement of cash flows	<b><u>\$ 4,171,975</u></b>	<b><u>17,934,207</u></b>

Refer to Note (6)(u) for the currency risk of the financial assets of the Company.



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- (b) Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income

1. Financial assets and liabilities at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 81,373	316,300
Foreign exchange swap	131,559	119,565
Non-derivative financial assets		
Emerging stock	69,014	65,461
Unquoted financial instruments	78,880	67,161
Unsecured convertible bonds	18,483	10,557
Total	<b>\$ 379,309</b>	<b>579,044</b>

The liquidation of E-TON SOLAR TECH. CO., LTD. on November 24, 2022 resulted in the Company to receive the residual property amounting to \$578,443.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial liabilities at fair value through profit or loss		
Held-for-trading financial liabilities		
Forward exchange contracts	\$ 34,655	30,966
Foreign exchange swap	263	261,417
Total	<b>\$ 34,918</b>	<b>292,383</b>

The Company uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Company is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss and held-for-trading financial liabilities on December 31, 2023 and 2022:

1) Financial assets:

	<b>December 31, 2023</b>		
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>
Foreign exchange swap	USD 210,000	USD to TWD	2024.01.05~2024.01.18
Forward	USD 40,000	USD to TWD	2024.01.12~2024.01.29
Forward	USD 20,000	USD to THB	2024.03.12

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	<b>December 31, 2022</b>		
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>
Foreign exchange swap	USD 190,000	USD to TWD	2023.01.05~2023.05.30
Forward	USD 415,000	USD to TWD	2023.01.06~2023.06.16

2) Financial liabilities:

	<b>December 31, 2023</b>		
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>
Foreign exchange swap	USD 10,000	USD to TWD	2024.01.12
Forward	USD 20,000	USD to TWD	2024.01.12
Forward	USD 47,000	USD to CNY	2024.02.21

	<b>December 31, 2022</b>		
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>
Foreign exchange swap	USD 355,000	USD to TWD	2023.01.06~2023.06.16
Forward	USD 130,000	USD to TWD	2023.01.05~2023.05.30

2. Financial assets at fair value through other comprehensive income

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity investments at fair value through other comprehensive income		
Stocks of listed companies	\$ 707,694	614,445
Stocks of unlisted companies	4,129,024	2,556,636
Total	<b>\$ 4,836,718</b>	<b>3,171,081</b>

1) Equity investments at fair value through other comprehensive income

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

For strategic purposes, the Company has sold its equity investments at fair value through other comprehensive income of \$30,188 in 2023, resulting in the Company to realize a loss of \$3,471, which was recognized as other comprehensive income, then later on, reclassified to retained earnings.

2) For credit risk and market risk, please refer to Note (6)(u).

3) As of December 31, 2023 and 2022, the aforesaid financial assets were not pledged as collateral.

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(c) Notes and accounts receivable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable - related parties	\$ 25,425,794	29,383,904
Accounts receivable - non-related parties	66,523,123	50,181,605
Less: Loss allowance	<u>(45,475)</u>	<u>(34,878)</u>
	<b><u>\$ 91,903,442</u></b>	<b><u>79,530,631</u></b>

The Company assessed that some accounts receivable were derived from the collection of contractual cash flows and sales. Therefore, those accounts receivable were measured at fair value through other comprehensive income. As of December 31, 2023 and 2022, the amount of accounts receivable measured at fair value through other comprehensive income was \$6,455,185 and \$1,328,208, respectively.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision in Taiwan were determined as follows:

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-ave rage loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 88,419,446	0.00%~0.50%	43,725
1 to 180 days past due	3,529,379	0.04%~0.50%	1,750
More than 180 days past due	<u>92</u>	0.04%~100%	<u>-</u>
	<b><u>\$ 91,948,917</u></b>		<b><u>45,475</u></b>

As of February 27, 2024, the amount received in subsequent period by the Company is \$53,817,771.

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-ave rage loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 76,502,388	0.00%~0.50%	34,016
1 to 180 days past due	<u>3,063,121</u>	0.04%~0.50%	<u>862</u>
	<b><u>\$ 79,565,509</u></b>		<b><u>34,878</u></b>

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The movements in the allowance for notes and accounts receivable were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 34,878	67,033
Impairment losses recognized (reversed)	10,597	(5,567)
Amounts written off	-	(26,588)
Balance at December 31	<u>\$ 45,475</u>	<u>34,878</u>

The allowance for impairment account is used to record expected credit losses. If the Company believes that it may not be able to collect the receivables. The accumulated impairment was used to offset the receivables when it is certain they are unrecoverable, after related legal actions were taken by the Company.

As of December 31, 2023 and 2022, none of the receivables above are pledged as collateral for loans and borrowings.

As of December 31, 2023 and 2022, the Company sold its accounts receivable without recourse as follows:

<u>December 31, 2023</u>						
<u>Purchaser</u>	<u>Amount Derecognized</u>	<u>Credit Unused</u>	<u>Credit Advanced</u>	<u>Amount Recognized in Other Receivables</u>	<u>Range of Interest Rate</u>	<u>Significant Transferring Terms</u>
Non-related parties	<u>\$ 16,362,250</u>	<u>USD 613,201</u>	<u>USD 532,799</u>	-	6.38%~6.43%	The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.

<u>December 31, 2022</u>						
<u>Purchaser</u>	<u>Amount Derecognized</u>	<u>Credit Unused</u>	<u>Credit Advanced</u>	<u>Amount Recognized in Other Receivables</u>	<u>Range of Interest Rate</u>	<u>Significant Transferring Terms</u>
Non-related parties	<u>\$ 20,338,289</u>	<u>USD 483,515</u>	<u>USD 662,485</u>	-	4.99%~5.59%	The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.

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(d) Other receivables

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other accounts receivable—related parties	\$ 45,582,076	66,877,754
Other accounts receivable—non-related parties	321,863	250,823
Less: Loss allowance	(37,065)	(71,592)
	<b><u>\$ 45,866,874</u></b>	<b><u>67,056,985</u></b>

The movement in the allowance for impairment with respect to other receivables was as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 71,592	76,343
Impairment losses reversed	-	(4,751)
Amounts written off	(34,527)	-
Balance at December 31	<b><u>\$ 37,065</u></b>	<b><u>71,592</u></b>

(e) Inventories

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Raw materials and consumables	\$ 13,815,717	6,740,808
Work in process	1,464,282	2,476,998
Finished goods	5,231,069	2,605,230
	<b><u>\$ 20,511,068</u></b>	<b><u>11,823,036</u></b>

For the years ended December 31, 2023 and 2022, the write-down of inventories amounted to \$8,671 and \$90,312, respectively. Write-down of inventory valuation is due to obsolete or out of use, which causes the net realizable value of inventory to be lower than the cost and is recognized as operating costs. For the years ended December 31, 2023 and 2022, idle capacity loss amounted to \$2,974 and \$2,302, respectively.

As of December 31, 2023 and 2022, the aforesaid inventories were not pledged as collateral.

(f) Investments accounted for using equity method

The components of investments accounted for using equity method at the reporting date were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Subsidiaries	\$ 47,075,283	42,572,062
Associates	194,236	222,154
	<b><u>\$ 47,269,519</u></b>	<b><u>42,794,216</u></b>

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The credit balance of investments accounted for using equity method at the reporting date (recognized as other non-current liabilities) were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Subsidiaries	<b>\$ 661,196</b>	<b>661,071</b>

1.Subsidiaries

Please refer to the consolidated financial statements for the year ended December 31, 2023.

2.Associates

The Company's financial information for investments in individually insignificant associates accounted for using equity method at the reporting date was as follows. These financial information are included in the financial statements.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Individually insignificant associates	<b>\$ 194,236</b>	<b>221,154</b>

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
The Company's share of (loss) profit of the associates		
Loss from continuing operations	\$ (26,499)	(32,607)
Other comprehensive (loss) income	(1,419)	3,030
Total comprehensive loss	<b>\$ (27,918)</b>	<b>(29,577)</b>

As of December 31, 2023 and 2022, the Company's investments under equity method has not been pledged as collaterals.

3.Judgment on whether the invested company has substantial control

The Company holds 37.528% of the outstanding voting shares of Inventec Besta Co., Ltd. (Besta) and obtains only one seat among all seven board directors. Therefore, the Company does not have existing rights and the current ability to direct the investee's relevant activities, thus, the Company does not have control over Besta.

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(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022 were as follows:

	Land	Building and construction	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Others	Total
Cost or deemed cost:								
Balance at January 1, 2023	\$ 7,811,588	5,267,711	1,164,369	17,656	2,263,835	1,523,405	4,070	18,052,634
Additions	-	-	196,559	-	140,013	78,124	48,213	462,909
Disposals	-	-	(14,276)	-	(107,621)	(220)	-	(122,117)
Others	-	-	33,586	-	11,843	4,547	(4,070)	45,906
Balance at December 31, 2023	<u>\$ 7,811,588</u>	<u>5,267,711</u>	<u>1,380,238</u>	<u>17,656</u>	<u>2,308,070</u>	<u>1,605,856</u>	<u>48,213</u>	<u>18,439,332</u>
Balance at January 1, 2022	\$ 7,641,024	5,134,289	1,089,220	23,676	2,230,016	1,382,858	11,719	17,512,802
Additions	170,564	133,422	80,987	6,010	105,699	150,646	4,070	651,398
Disposals	-	-	(9,146)	(12,030)	(77,832)	(20,739)	-	(119,747)
Others	-	-	3,308	-	5,952	10,640	(11,719)	8,181
Balance at December 31, 2022	<u>\$ 7,811,588</u>	<u>5,267,711</u>	<u>1,164,369</u>	<u>17,656</u>	<u>2,263,835</u>	<u>1,523,405</u>	<u>4,070</u>	<u>18,052,634</u>
Depreciation and impairment losses:								
Balance at January 1, 2023	\$ -	1,194,718	679,084	11,216	2,075,860	983,234	-	4,944,112
Depreciation for the period	-	122,705	235,906	1,743	140,275	149,287	-	649,916
Disposals	-	-	(14,276)	-	(106,443)	(220)	-	(120,939)
Balance at December 31, 2023	<u>\$ -</u>	<u>1,317,423</u>	<u>900,714</u>	<u>12,959</u>	<u>2,109,692</u>	<u>1,132,301</u>	<u>-</u>	<u>5,473,089</u>
Balance at January 1, 2022	\$ -	1,072,614	482,045	19,859	1,990,680	865,983	-	4,431,181
Depreciation for the period	-	122,104	206,185	3,387	162,375	137,964	-	632,015
Disposals	-	-	(9,146)	(12,030)	(77,195)	(20,713)	-	(119,084)
Balance at December 31, 2022	<u>\$ -</u>	<u>1,194,718</u>	<u>679,084</u>	<u>11,216</u>	<u>2,075,860</u>	<u>983,234</u>	<u>-</u>	<u>4,944,112</u>
Carrying amounts:								
Balance at December 31, 2023	<u>\$ 7,811,588</u>	<u>3,950,288</u>	<u>479,524</u>	<u>4,697</u>	<u>198,378</u>	<u>473,555</u>	<u>48,213</u>	<u>12,966,243</u>
Balance at December 31, 2022	<u>\$ 7,811,588</u>	<u>4,072,993</u>	<u>485,285</u>	<u>6,440</u>	<u>187,975</u>	<u>540,171</u>	<u>4,070</u>	<u>13,108,522</u>
Balance at January 1, 2022	<u>\$ 7,641,024</u>	<u>4,061,675</u>	<u>607,175</u>	<u>3,817</u>	<u>239,336</u>	<u>516,875</u>	<u>11,719</u>	<u>13,081,621</u>

As of December 31, 2023 and 2022, the property, plant and equipment were pledged as collateral, please refer to Note (8).

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(h) Right-of-use assets

The Company leases many assets including land and vehicles. Information about leases for which the Company as a lessee is presented below:

	<u>Land</u>	<u>Buildings</u>	<u>Vehicles</u>	<u>Total</u>
Cost:				
Balance at January 1, 2023	\$ 6,454	-	13,911	20,365
Additions	3,946	44,581	3,680	52,207
Reductions	-	-	(1,863)	(1,863)
Balance as of December 31, 2023	<u>\$ 10,400</u>	<u>44,581</u>	<u>15,728</u>	<u>70,709</u>
Balance at January 1, 2022	\$ 6,508	-	13,598	20,106
Additions	-	-	7,038	7,038
Reductions	(54)	-	(6,725)	(6,779)
Balance at December 31, 2022	<u>\$ 6,454</u>	<u>-</u>	<u>13,911</u>	<u>20,365</u>
Accumulated depreciation and impairment losses:				
Balance at January 1, 2023	\$ 5,132	-	5,602	10,734
Depreciation for the period	1,400	3,715	4,893	10,008
Reductions	-	-	(1,863)	(1,863)
Balance at December 31, 2023	<u>\$ 6,532</u>	<u>3,715</u>	<u>8,632</u>	<u>18,879</u>
Balance at January 1, 2022	\$ 3,841	-	7,913	11,754
Depreciation for the period	1,291	-	4,414	5,705
Reductions	-	-	(6,725)	(6,725)
Balance at December 31, 2022	<u>\$ 5,132</u>	<u>-</u>	<u>5,602</u>	<u>10,734</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 3,868</u>	<u>40,866</u>	<u>7,096</u>	<u>51,830</u>
Balance at December 31, 2022	<u>\$ 1,322</u>	<u>-</u>	<u>8,309</u>	<u>9,631</u>
Balance at January 1, 2022	<u>\$ 2,667</u>	<u>-</u>	<u>5,685</u>	<u>8,352</u>



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(i) Intangible assets

The costs of intangible assets and amortization of the Company for the years ended December 31, 2023 and 2022 were as follows:

	<u>Software cost</u>
Cost:	
Balance at January 1, 2023	\$ 1,142,161
Additions	260,017
Disposals	(146,254)
Others	6,067
Balance at December 31, 2023	<u>\$ 1,261,991</u>
Balance at January 1, 2022	\$ 1,290,413
Additions	193,856
Other	(346,600)
Disposals	4,492
Balance at December 31, 2022	<u>\$ 1,142,161</u>
Amortization and impairment losses:	
Balance at January 1, 2023	\$ 980,041
Amortization for the period	258,468
Disposals	(146,254)
Balance at December 31, 2023	<u>\$ 1,092,255</u>
Balance at January 1, 2022	\$ 1,134,874
Amortization for the period	191,767
Disposals	(346,600)
Balance at December 31, 2022	<u>\$ 980,041</u>
Carrying amounts:	
Balance at December 31, 2023	<u>\$ 169,736</u>
Balance at December 31, 2022	<u>\$ 162,120</u>
Balance at January 1, 2022	<u>\$ 155,539</u>

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The amortization of intangible assets is respectively included in the statement of comprehensive income:

	For the years ended December 31,	
	2023	2022
Operating costs	\$ 839	984
Operating expenses	257,629	190,783
Total	<u>\$ 258,468</u>	<u>191,767</u>

As of December 31, 2023 and 2022, none of the aforesaid intangible assets were pledged as collateral.

(j) Other current assets and other non-current assets

The other current assets-others and other non-current assets of the Company were as follows:

	December 31,	December 31,
	2023	2022
Refundable deposits	\$ 31,936	183,264
Current asset recognized as right to recover products from customers	370,385	300,998
Restricted assets	173,905	130,735
Deferred tax assets	1,668,938	1,210,223
Payments on behalf of others	998,867	373,540
Others	1,480,528	774,226
	<u>\$ 4,724,559</u>	<u>2,972,986</u>

The Company determines the substance of the transaction in terms of sales and production, as well as production of the same target, to complete its sales contract. The Company has the nature of an agent, and so the transaction is reflected as the net amount after the purchases and sales are written off. The unused inventory of purchases is listed as payments on behalf of others.

As of December 31, 2023 and 2022, other assets, which were pledged as collateral, were discussed further in Note (8).

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(k) Long-term and short-term borrowings

The significant terms and conditions of long-term and short-term borrowings were as follows:

<b>December 31, 2023</b>				
	<b>Interest Rate</b>	<b>Currency</b>	<b>Maturity Date</b>	<b>Amount</b>
Unsecured bank loans	5.69%~6.66%	USD	2024.01.03~2028.07.07	\$ 26,149,315
	1.63%~1.85%	TWD	2024.01.08~2024.01.26	3,200,000
Secured bank loans	1.94%%	TWD	2031.02.26	<u>2,150,000</u>
Total				<b><u>\$ 31,499,315</u></b>
Current				\$ 28,506,903
Non-current				<u>2,992,412</u>
Total				<b><u>\$ 31,499,315</u></b>
Unused credit line				<b><u>\$ 40,504,137</u></b>
<b>December 31, 2022</b>				
	<b>Interest Rate</b>	<b>Currency</b>	<b>Maturity Date</b>	<b>Amount</b>
Unsecured bank loans	4.40%~5.81%	USD	2023.01.06~2025.10.14	\$ 30,049,196
Secured bank loans	1.82%%	TWD	2031.02.26	<u>2,450,000</u>
Total				<b><u>\$ 32,499,196</u></b>
Current				\$ 21,753,196
Non-current				<u>10,746,000</u>
Total				<b><u>\$ 32,499,196</u></b>
Unused credit line				<b><u>\$ 36,947,603</u></b>

1. Please refer to Note (8) for details of the related assets pledged as collateral.

2. Important borrowing restrictions

The Company entered into syndicated credit agreements with a number of financial institutions. Under these agreements, the Company shall adhere to certain financial provisions such as current ratios, leverage ratios, interest coverage ratios and tangible net worth in the consolidated annual and semi-annual financial report on the balance sheet date. Otherwise, the borrowings will be considered due and payable immediately. As of December 31, 2023 and 2022, the Company was in compliance with the above financial covenants.

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(l) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Current	<u>\$ 27,935</u>	<u>5,723</u>
Non-current	<u>\$ 25,747</u>	<u>3,951</u>

For the maturities analysis, please refer to Note (6)(u) of "Financial instruments".

The amounts recognized in profit or loss were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	<u>\$ 221</u>	<u>86</u>
Expenses relating to short-term leases	<u>\$ 4,822</u>	<u>2,760</u>
Expenses relating to leases of low-value, excluding short-term leases of low-value assets	<u>\$ 147</u>	<u>225</u>

The amounts recognized in the statements of cash flows for the Company were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	<u>\$ 13,389</u>	<u>8,873</u>

1. Real estate leases

The Company leases land for its office and plants. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipment contain extension or cancellation options exercisable by the Company. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

2. Other leases

The Company leases vehicles, with lease terms of two to three years. In some cases, the Company has option to guarantees the residual value of the leased assets at the end of the contract term.

The Company also leases other equipment with contract terms of one to three years. These leases are short-term and or leases of low-value items. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

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(m) Operating Leases

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than one year	\$ 18,921	4,493
One to two years	2,734	1,801
Two to three years	1,828	1,417
Three to four years	998	1,417
Four to five years	403	591
More than five years	5,585	-
Total undiscounted lease receivables	<b><u>\$ 30,469</u></b>	<b><u>9,719</u></b>

The rental revenues incurred by leasing land, offices and plants were \$32,447 and \$31,390 for the years ended December 31, 2023 and 2022, respectively.

(n) Employee benefits

1. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of the defined benefit obligations	\$ 1,314,702	1,318,757
Fair value of plan assets	(890,216)	(840,563)
Net defined benefit liabilities	<b><u>\$ 424,486</u></b>	<b><u>478,194</u></b>

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued two-year time deposits with interest rates offered by local banks.

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The Company's pension reserve account in Bank of Taiwan amounted to \$890,216 at the end of December 31, 2023. For information on the utilization of the labor pension fund assets including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Company for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Defined benefit obligation at January 1	\$ 1,318,757	1,356,731
Current service costs and interest cost	27,481	18,079
Remeasurement on the net defined benefit liability		
— Experience adjustments arising on the actuarial gain or loss	(7,993)	17,717
— Actuarial loss (gain) arising from changes in financial assumptions	14,357	(17,547)
Benefits paid by the plan assets	(37,900)	(56,223)
Defined benefit obligation at December 31	<b>\$ 1,314,702</b>	<b>1,318,757</b>

3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Company for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Fair value of plan assets at January 1	\$ 840,563	766,812
Interest income	12,029	4,995
Remeasurement on the net defined benefit liability		
— Return on plan assets (excluding current interest)	5,942	59,452
Contributions made	69,582	65,527
Benefits paid by the plan assets	(37,900)	(56,223)
Fair value of plan assets at December 31	<b>\$ 890,216</b>	<b>840,563</b>

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4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Company for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Current service costs	\$ 9,348	9,599
Net interest of net liabilities for defined benefit obligations	6,104	3,485
	<b>\$ 15,452</b>	<b>13,084</b>
Operating cost	\$ 1,461	1,253
Selling expenses	1,874	1,613
Administration expenses	3,611	3,094
Research and development expenses	8,506	7,124
	<b>\$ 15,452</b>	<b>13,084</b>

5) Actuarial assumptions

The following are the Company's principal actuarial assumptions:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Discount rate	1.250%%	1.375%%
Future salary increases rate	2.250%%	2.250%%

The expected allocation payment made by the Company to the defined benefit plans for the one-year period after the reporting date was \$72,182.

The weighted-average duration of the defined benefit obligation is 9.30.0 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation for 2023 and 2022 shall be as follows:

	<b>Influences of defined benefit obligations</b>	
	<b>Increased 0.25%</b>	<b>Decreased 0.25%</b>
December 31, 2023		
Discount rate	\$ (28,478)	29,438

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	<b>Influences of defined benefit obligations</b>	
	<b>Increased 0.25%</b>	<b>Decreased 0.25%</b>
December 31, 2022		
Discount rate	(30,343)	31,410

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

2. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Company contribute an amount equal to 6% of the employee' s monthly wages to the Labor Pension personal account with the Bureau of the Labor Insurance.

The pension costs incurred from the contributions to the Bureau of Labor Insurance amounted to \$270,321 and \$236,032 for the years ended December 31, 2023 and 2022, respectively. Except for the accounts payable of \$67,107 and \$62,696 respectively, the Company have been contributed to the Bureau of Labor Insurance.

(o) Income taxes

1. The components of income tax expense for the years ended December 31, 2023 and 2022 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Current tax expense		
Current period	\$ 535,536	942,652
Others	-	(17,317)
	<u>535,536</u>	<u>925,335</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>36,201</u>	<u>(45,243)</u>
Income tax expense from continuing operations	<u><b>\$ 571,737</b></u>	<u><b>880,092</b></u>



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The amounts of income tax (expense) benefit recognized in other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	<u>\$ 84</u>	<u>(11,856)</u>

Reconciliations between profit before tax and income tax expense for the years ended December 31, 2023 and 2022, were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Profit before tax	<u>\$ 6,702,469</u>	<u>7,008,878</u>
Income tax using the statutory tax rate	1,340,494	1,401,775
Permanent differences	(139,041)	(147,960)
Tax incentives	(228,167)	(403,994)
Changes in unrecognized temporary differences	(401,549)	47,588
Others	-	(17,317)
Income tax expense	<u>\$ 571,737</u>	<u>880,092</u>

Others are mainly overestimate in the prior periods, which was the estimated difference between the approved amounts by the Tax Authority and the declared amounts.

2. Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

Deferred tax assets that have not been recognized in respect of the following items:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Tax effect of deductible temporary differences	<u>\$ 672,127</u>	<u>1,073,676</u>

2) Recognized deferred tax assets and liabilities

Changes in the amount of in deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

	<u>Gain (loss) on</u>	<u>Other</u>	<u>Total</u>
	<u>investment</u>		
<b>Deferred Tax Liabilities:</b>			
Balance at January 1, 2023	\$ 4,038,732	-	4,038,732
Recognized in profit or loss	494,832	-	494,832
Balance at December 31, 2023	<u>\$ 4,533,564</u>		<u>4,533,564</u>

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	<u>Gain (loss) on investment</u>	<u>Other</u>	<u>Total</u>
Balance at January 1, 2022	\$ 3,923,776	66,452	3,990,228
Recognized in profit or loss	114,956	(66,452)	48,504
Balance at December 31, 2022	<u>\$ 4,038,732</u>	<u>-</u>	<u>4,038,732</u>

	<u>Deferred Income</u>	<u>Defined Benefit Plans</u>	<u>Others</u>	<u>Total</u>
<b>Deferred Tax Assets:</b>				
Balance at January 1, 2023	\$ 1,031,165	39,295	139,763	1,210,223
Recognized in profit or loss	155,234	(10,826)	314,223	458,631
Recognized in other comprehensive income	-	84	-	84
Balance at December 31, 2023	<u>\$ 1,186,399</u>	<u>28,553</u>	<u>453,986</u>	<u>1,668,938</u>
Balance at January 1, 2022	\$ 859,826	61,640	206,866	1,128,332
Recognized in profit or loss	171,339	(10,489)	(67,103)	93,747
Recognized in other comprehensive income	-	(11,856)	-	(11,856)
Balance at December 31, 2022	<u>\$ 1,031,165</u>	<u>39,295</u>	<u>139,763</u>	<u>1,210,223</u>

3. Assessment of tax

The Company's income tax returns for the years through 2020 have been examined and approved by the Tax Authority.

(p) Capital and other equity

As of December 31, 2023 and 2022, the authorized capital of the Company both consisted of 3,650,000 thousand shares and both issued worth \$36,500,000, with par value of \$10 per share, and its outstanding capital both consisted of 3,587,475 thousand shares of stock. All issued shares were paid up upon issuance.

1. Capital surplus

The balances of the capital surplus were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Share capital	\$ 2,891,959	2,891,959
Other	19,156	7,968
	<u>\$ 2,911,115</u>	<u>2,899,927</u>

In accordance with the ROC company Act, realized capital reserves can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the securities offering and Issuance Guidelines, the amount of capital reserve to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

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2. Retained earnings

The Company's Articles of Incorporation require that after-tax earnings shall first be offset against any accumulated deficit, and 10% of the rest be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated for operations according to the proposal, and the distributed dividends may not be lower than 10% of the earnings. Surplus distribution based on issuance of new shares approved by the Board of Directors, should be resolved during the shareholder's meeting. In consideration of the Company's long-term operating plan, funding needs, and satisfying shareholder demand for cash flow, the Company distributes cash dividends of at least 10% of the aggregate of cash dividends and stock dividends if the distributions include cash dividend. In accordance with Article 240 of the ROC Company Act, the Company authorizes the distribution of dividends and bonuses or its legal reserve and capital reserve, according to Article 241 of the ROC Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; then such distribution shall be submitted to the shareholder's meeting.

1) Legal reserve

If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the statutory earnings reserve either by new shares or by cash, of up to 25 percent of the actual share capital.

2) Special reserve

In accordance with the Ruling issued by the Financial Supervisory Commission, for the contra account of other shareholders' equity incurred in the current year, a special reserve is appropriated from the current profit, plus, the amount of items other than the current profit included in the current undistributed earnings and prior period's undistributed earnings. For the amount of contra accounts in other shareholders' equity accumulated in the prior period, a special reserve which was appropriated from the prior period's undistributed earnings can no longer be allocated. When the debit balance of any of the contra account in other shareholders' equity is reversed, the related special reserve can also be reversed. The subsequent reversals of the contra accounts in other shareholders' equity shall qualify for any additional distributions.

3) Earnings Distribution

On March 14, 2023, and on March 15, 2022, the Company's Board of Directors resolved the amount of cash dividends of the earnings distribution of 2022 and 2021. These earnings were appropriated for distribution as follows:

	2022		2021	
	Dividend per share (\$)	Amount	Dividend per share (\$)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$ 1.50	<u>5,381,213</u>	1.40	<u>5,022,465</u>

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The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System website.

On March 12, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings as follows:

	<b>2023</b>	
	<b>Dividend per share (\$)</b>	<b>Amount</b>
Dividends distributed to ordinary shareholders		
Cash	\$ 1.50	<u><u>5,381,213</u></u>

3. Other equity (net of taxes)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income
Balance at January 1, 2023	\$ (506,716)	(941,073)
Exchange differences on foreign operations	(100,879)	-
Exchange differences on associates accounted for using equity method	(367,899)	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	1,635,076
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(370,659)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	3,471
Disposal of investments in equity instruments by subsidiaries designated at fair value through other comprehensive income	-	191
Balance at December 31, 2023	<u>\$ (975,494)</u>	<u>327,006</u>
Balance at January 1, 2022	\$ (3,036,968)	322,370
Exchange differences on foreign operations	286,241	-
Exchange differences on associates accounted for using equity method	2,244,011	-
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(802,122)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(461,321)
Balance at December 31, 2022	<u>\$ (506,716)</u>	<u>(941,073)</u>

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(q) Earnings per share

The following are the calculation of basic earnings per share and diluted earnings per share:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
<b>Basic earnings per share:</b>		
Profit attributable to ordinary shareholders	<u>\$ 6,130,732</u>	<u>6,128,786</u>
Weighted average number of ordinary shares (thousand shares)	<u>3,587,475</u>	<u>3,587,475</u>
Basic earnings per share (NT dollars)	<u>\$ 1.71</u>	<u>1.71</u>
<b>Diluted earnings per share:</b>		
Profit attributable to ordinary shareholders (adjusted for the effects of all dilutive potential ordinary shares)	<u>\$ 6,130,732</u>	<u>6,128,786</u>
Weighted average number of ordinary shares (thousand shares)	<u>3,587,475</u>	<u>3,587,475</u>
Effect of dilutive potential common shares (thousand shares)		
Effect of employee share bonus	<u>13,318</u>	<u>26,851</u>
Weighted average number of ordinary shares (adjusted for the effects of all dilutive potential ordinary shares)	<u>3,600,793</u>	<u>3,614,326</u>
Diluted earnings per share (NT dollars)	<u>\$ 1.70</u>	<u>1.70</u>

(r) Revenue from contracts with customers

1. Disaggregation of revenue

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Primary geographical markets		
Taiwan	\$ 83,803,531	46,955,703
USA	327,425,699	370,084,543
Japan	3,928,427	3,693,134
Hong Kong, Macao and Mainland China	5,794,472	9,219,173
Other countries	<u>21,734,165</u>	<u>22,413,046</u>
	<u>\$ 442,686,294</u>	<u>452,365,599</u>

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	For the years ended December 31,	
	2023	2022
Major products		
Computer products	\$ 442,388,041	452,095,616
Services	298,253	269,983
	<u>\$ 442,686,294</u>	<u>452,365,599</u>

2. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	<u>\$ 12,691,621</u>	<u>11,642,202</u>	<u>6,692,362</u>

For details on accounts receivable and allowance for impairment, please refer to Note (6)(c).

The amount of revenue recognized for the year ended December 31, 2023 and 2022 were \$3,760,059 and \$2,289,025, respectively.

The contract liabilities primarily relate to deferred recognition of warranty revenue, for which revenue is recognized when the warranties are redeemed or when they expire.

(s) Remunerations of employees and directors

The Company's Articles of Incorporation require that earnings shall first be offset against any deficit. A minimum of 3% will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration. If the employee remuneration is distributed in the form of stock or cash, the employees qualifying for such distribution shall include the employees of the subsidiaries of the Company who meet certain specific requirements. Such qualified employees and the distribution ratio shall be decided by the Board of Directors.

The remuneration of employees amounted to \$501,595 and \$516,364 and the remuneration of directors amounted to \$65,425 and \$68,342 for the years ended December 31, 2023 and 2022, respectively. These amounts are calculated using the Company's profit before tax for each period described above, and are determined using the earnings allocation method which stated under the Company's article. These remunerations were expensed under operating cost or expenses in 2023 and 2022. Related information would be available at the Market Observation Post System website.

There were no differences between the amounts to be distributed as remuneration to employees and directors in 2023 and 2022 and the amounts stated in the individual reports.

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(t) Non-operating income and expenses

1. Interest income

The details of interest income for the years ended December 31, 2023 and 2022, were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	<b>\$ 311,716</b>	<b>176,060</b>

2. Other income

The details of other income for the years ended December 31, 2023 and 2022, were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Rent income	\$ 32,447	31,390
Dividend income	102,406	32,504
	<b>\$ 134,853</b>	<b>63,894</b>

3. Other gains and losses

The details of other gains and losses for the years ended December 31, 2023 and 2022, were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange (losses) gains	\$ (17,404)	1,500,512
Net gains (losses) on financial assets (liabilities) measured at fair value through profit or loss	(237,567)	374,119
Other gains and losses	254,215	84,948
	<b>\$ (756)</b>	<b>1,959,579</b>

4. Finance costs

The details of finance expenses for the years ended December 31, 2023 and 2022, were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Interest expenses		
Bank borrowings	\$ 1,415,482	1,008,729
Others	930,107	600,527
	<b>\$ 2,345,589</b>	<b>1,609,256</b>

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(u) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Company.

2) Concentration of credit risk

Implicit credit risk of the Company is inherent in its cash and accounts receivable. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Company are centralized in the high-tech computer industry. To minimize credit risk, the Company periodically evaluates the Company's financial positions and the possibility of collecting trade receivables.

Besides, the Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the executives evaluate the Company's credit risk to be limited.

As of December 31, 2023 and 2022, 81% and 84% of accounts receivable were attributable to two major customers. Thus, credit risk is significantly centralized.

2. Liquidity risks

The following are the contractual maturities of financial liabilities of the Company, including estimation of interest, but excluding the impact of netting arrangements:

	Carrying amounts	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
<b>December 31, 2023</b>							
<b>Non-derivative financial liabilities</b>							
Unsecured bank loans	\$ 29,349,315	29,552,167	28,304,480	34,883	1,030,841	181,963	-
Secured bank loans	2,150,000	2,301,198	170,249	168,794	333,222	964,747	664,186
Accounts payable	103,270,054	103,270,054	103,270,054	-	-	-	-
Other payables	5,982,299	5,982,299	5,982,299	-	-	-	-
Lease liabilities	53,682	54,516	13,625	14,964	23,866	2,061	-
<b>Derivative financial liabilities</b>							
Forward exchange contracts not used for hedging:							
Outflow	34,655	(2,124,600)	(2,124,600)	-	-	-	-
Inflow	-	2,089,945	2,089,945	-	-	-	-
Foreign exchange swap contracts not used for hedging :							
Outflow	263	(306,720)	(306,720)	-	-	-	-
Inflow	-	306,457	306,457	-	-	-	-
	<b>\$ 140,840,268</b>	<b>141,125,316</b>	<b>137,705,789</b>	<b>218,641</b>	<b>1,387,929</b>	<b>1,148,771</b>	<b>664,186</b>



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	Carrying amounts	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
<b>December 31, 2022</b>							
<b>Non-derivative financial liabilities</b>							
Unsecured bank loans	\$ 30,049,196	31,404,343	21,736,670	239,205	471,946	8,956,522	-
Secured bank loans	2,450,000	2,638,429	176,667	170,305	336,527	976,911	978,019
Accounts payable	111,034,104	111,034,104	111,034,104	-	-	-	-
Other payables	6,188,727	6,188,727	6,188,727	-	-	-	-
Lease liabilities	9,674	9,787	2,347	3,449	2,389	1,602	-
<b>Derivative financial liabilities</b>							
Forward exchange contracts not used for hedging :							
Outflow	30,966	(3,976,530)	(3,976,530)	-	-	-	-
Inflow	-	3,945,564	3,945,564	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	261,417	(10,565,140)	(10,565,140)	-	-	-	-
Inflow	-	10,303,723	10,303,723	-	-	-	-
	<b>\$ 150,024,084</b>	<b>150,983,007</b>	<b>138,846,132</b>	<b>412,959</b>	<b>810,862</b>	<b>9,935,035</b>	<b>978,019</b>

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

3. Currency risks

1) Exposure to currency risks

The Company's significant exposure to foreign currency risk from its foreign currency denominated financial assets and liabilities were as follows:

	December 31, 2023		
	Foreign currency (In thousand)	Exchange rate	TWD
<b>Financial assets</b>			
<u>Monetary items</u>			
USD	\$ 4,626,384	USD : TWD 30.71	142,076,253
<u>Non-monetary items</u>			
USD	280,035	USD : TWD 30.71	8,599,864
<b>Financial Liabilities</b>			
<u>Monetary items</u>			
USD	4,254,831	USD : TWD 30.71	130,665,860

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	December 31, 2022		
	Foreign currency (In thousand)	Exchange rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 5,324,936	USD : TWD 30.70	163,475,535
<u>Non-monetary items</u>			
USD	173,135	USD : TWD 30.70	5,315,234
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	4,644,759	USD : TWD 30.70	142,594,101

2) Sensitivity analysis

The Company's exposure to foreign currency risks arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A 0.5% depreciation or appreciation of the functional currency against all the non-functional currency as of December 31, 2023 and 2022 would have increased or decreased the net profit after tax by \$45,642 and \$83,526, respectively. The analysis is performed on the same basis for both periods.

3) Gains or losses on foreign exchange

For the years ended December 31, 2023 and 2022, the foreign exchange (loss) gain, including realized and unrealized, amounted to \$(17,404) and \$1,500,512, respectively. As Company deals with diverse foreign currencies, therefore, the gains or losses on foreign exchange cannot be fully disclosed by its materiality.

4. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rates risk on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Company's profit will decrease or increase by \$62,999 and \$64,998 for the years ended December 31, 2023 and 2022, respectively, assuming all other variable factors remain constant. This is mainly due to the Company's variable rate in borrowings.

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5. Fair value of financial instruments

1) Fair value hierarchy

The Company uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. However, for financial instruments not measured at fair value whose carrying amount is estimated reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and lease liabilities information is not required:

	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 212,932	-	212,932	-	212,932
Non-derivative financial assets mandatorily measured at fair value through profit or loss	166,377	69,014	-	97,363	166,377
Subtotal	379,309	69,014	212,932	97,363	379,309
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks of listed companies	707,694	694,983	12,711	-	707,694
Accounts receivable	6,455,185	-	-	-	-
Unquoted equity instruments measured at fair value	4,129,024	-	-	4,129,024	4,129,024
Subtotal	11,291,903	694,983	12,711	4,129,024	4,836,718
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	4,171,975	-	-	-	-
Accounts receivable and other receivables	131,315,131	-	-	-	-
Other financial assets and refundable deposits	1,076,618	-	-	-	-
Subtotal	136,563,724	-	-	-	-
Total	<b>\$ 148,234,936</b>	<b>763,997</b>	<b>225,643</b>	<b>4,226,387</b>	<b>5,216,027</b>



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	December 31, 2022				Total
	Book Value	Fair Value			
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at fair value through profit or loss</b>					
Derivative financial liabilities	\$ 292,383	-	292,383	-	292,383
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	32,499,196	-	-	-	-
Notes payable and accounts payable	111,034,104	-	-	-	-
Other payables	6,188,727	-	-	-	-
Lease liabilities	9,674	-	-	-	-
Subtotal	149,731,701	-	-	-	-
Total	<b>\$ 150,024,084</b>	<b>-</b>	<b>292,383</b>	<b>-</b>	<b>292,383</b>

2) Valuation techniques and assumptions for financial instruments measured at fair value:

The fair value of financial assets and liabilities were decided in accordance with the solutions as follows:

(2.1) Non-derivative financial instruments

- A. The stocks of listed companies are financial assets with standard terms which are traded in the active markets. Their fair values are based on the quoted market prices.
- B. The fair value of private equity is based on standard terms and quoted market prices.
- C. The fair value of unquoted instruments were estimated using either the discounted cash flow model in which future cash flow were estimated and discounted or the fair value of the recognized assets and liabilities of the investees on the measurement day.

(2.2) Derivative financial instruments

Foreign exchange swap and forward exchange were usually evaluated in the latest forward rate.

3) Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value for the years ended December 31, 2023 and 2022.

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- 4) The following table shows the movements in fair value measurements under level 3 of the fair value hierarchy:

	At fair value through profit or loss	Fair value through other comprehensive income
<b>Balance as of January 1, 2023</b>	\$ 77,718	2,556,636
Total gains and losses recognized in		
Profit or loss	19,645	-
Other comprehensive income	-	1,541,826
Purchase	-	60,750
Disposals	-	(30,188)
<b>Balance as of December 31, 2023</b>	<b><u>\$ 97,363</u></b>	<b><u>4,129,024</u></b>
<b>Balance as of January 1, 2022</b>	\$ 692,469	2,134,253
Total gains and losses recognized in		
Profit or loss	(36,308)	-
Other comprehensive income	-	122,383
Purchase	-	300,000
Proceeds from capital reduction	(578,443)	-
<b>Balance as of December 31, 2022</b>	<b><u>\$ 656,161</u></b>	<b><u>2,556,636</u></b>

The aforementioned total gains and losses was recognized in "other gains and losses" and "unrealized gains and losses from financial assets at fair value through other comprehensive income". The detailed of the assets which the Company still held as of December 31, 2023 and 2022, were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Total gains and losses recognized in:		
In profit or loss, and presented in "other gains and losses"	\$ 19,645	(73,886)
In other comprehensive income, and presented in "unrealized gains and losses from financial assets at fair value through other comprehensive income" )	1,542,243	122,383

- 5) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Company uses level 3 inputs to measure fair value through profit or loss, and fair value through other comprehensive income financial assets.

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Quantified information of significant unobservable inputs was as follows:

Item	Valuation Technique	Significant Non-observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets at fair value through profit or loss— financial instruments without an active market	Comparable Listed Companies Method	<ul style="list-style-type: none"> <li>• Market Multiple (1.32~2.67)</li> <li>• Discount due to Lack of Market liquidity (30%)</li> </ul>	<ul style="list-style-type: none"> <li>• The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)</li> </ul>
Financial assets at fair value through profit or loss— equity instruments investments without an active market	Comparable Listed Companies Method	<ul style="list-style-type: none"> <li>• Market Multiple (0.60~3.84)</li> <li>• Discount due to Lack of Market liquidity (30%~50%)</li> </ul>	<ul style="list-style-type: none"> <li>• The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)</li> </ul>
Financial assets at fair value through other comprehensive income — equity instruments investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>• Net Asset Value</li> </ul>	<ul style="list-style-type: none"> <li>• No applicable</li> </ul>

6) Sensitivity analysis for fair values of financial instruments using Level 3 Inputs

The Company's fair value measurement on financial instruments is reasonable. However, the measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss will be as follows:

	Input	Variation	Impact on Fair Value Change on Net income or loss		Impact on Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
<b>December 31, 2023</b>						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Market Multiple	0.5%	\$ 487	(487)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	20,645	(20,645)
<b>December 31, 2022</b>						
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Discount Rate	0.5%	\$ 389	(389)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	12,783	(12,783)

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The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the impact on single input. Therefore, the relations and variations between inputs are not considered.

6. Offsetting financial assets and financial liabilities

The Company has financial instruments transactions, applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC, which required for offsetting. Financial assets and liabilities relating those transactions are recognized in the net amount of the balance sheets.

The Company also performs transactions not applicable to the International Financial Reporting Standards Sections 42 NO. 32, but the Company has an exercisable master netting arrangement or similar agreement in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be net settled after offsetting the financial assets and financial liabilities. Otherwise, the transaction can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

December 31, 2023						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)	
			Financial instruments (Note)	Cash collateral received		
Derivative financial instruments	\$ 176,130	-	176,130	-	176,130	
Accounts receivable and payable	13,001,678	3,112,830	9,888,848	-	9,888,848	
<b>Total</b>	<b>\$ 13,177,808</b>	<b>3,112,830</b>	<b>10,064,978</b>	<b>-</b>	<b>10,064,978</b>	

December 31, 2023						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)	
			Financial instruments (Note)	Cash collateral received		
Derivative financial instruments	\$ 34,918	-	34,918	-	34,918	
Accounts receivable and payable	10,606,730	3,112,830	7,493,900	-	7,493,900	
<b>Total</b>	<b>\$ 10,641,648</b>	<b>3,112,830</b>	<b>7,528,818</b>	<b>-</b>	<b>7,528,818</b>	



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	December 31, 2022					
	Financial assets that are offset which have an exercisable master netting arrangement or similar agreement					
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	\$ 410,110	-	410,110	-	-	410,110
Accounts receivable and payable	5,037,453	3,854,667	1,182,786	-	-	1,182,786
<b>Total</b>	<b>\$ 5,447,563</b>	<b>3,854,667</b>	<b>1,592,896</b>	<b>-</b>	<b>-</b>	<b>1,592,896</b>

	December 31, 2022					
	Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement					
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	\$ 197,718	-	197,718	-	-	197,718
Accounts receivable and payable	4,529,802	3,854,667	675,135	-	-	675,135
<b>Total</b>	<b>\$ 4,727,520</b>	<b>3,854,667</b>	<b>872,853</b>	<b>-</b>	<b>-</b>	<b>872,853</b>

Note: Master netting arrangements are included.

(v) Financial risk management

1. Overview

The Company have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Company' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent company only financial statements.

2. Risk management framework

The Company are exposed to credit risk, market risk, operating risk and liquidity risk due to its operating activities. To lower the latent unfavorable effects of changing market to the Company' s financial performance, the Company have made efforts in identifying and evaluating the risks and avoiding the uncertainty of the market through derivative financial instruments.

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The Board of Directors has the overall responsibility for the establishment and oversight of the Company's risk management framework. The financial units follow the risk management policies, and report the operating status to the Board of Directors regularly. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

**3. Credit risk**

Please refer to Note (6)(u) for the analysis of credit risk of cash, cash equivalent and accounts receivable.

**4. Liquidity risk**

Liquidity risk is a risk that the Company is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company use actual cost to estimate the cost of its products and services to better assist the Company's monitoring on the cash flow and optimizing the return on investment. As of December 31, 2023, the capital and working funds of the Company are sufficient to meet its entire contractual obligation; therefore, the management is not expecting any significant issue on liquidity risk. As of December 31, 2023 and 2022, the Company's unused credit line were amounted to \$40,504,137 and \$36,947,603, respectively.

**5. Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Company.

**1) Exchange rate risk**

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currency of the Company primarily the New Taiwan Dollars (TWD). The currencies used in these transactions are denominated in TWD and USD.

The Company often uses the principle of natural hedging as its basis, and proceed supplemented by derivative instruments for hedging exchange rate risk.

The interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Company. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

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In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Company's interest rate risk arises from long-term borrowings bearing floating interest rates. The fluctuation of the market interest rate changes the floating interest rates of the long-term borrowings, and thus affect the future cash flow. In order to decrease the effect of the market interest rate fluctuation on to the future cash flow, the Company periodically evaluates bank and currency borrowing rate to hedge the cash flow risk caused by the market interest rate fluctuation.

(w) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, additional paid-in capital, retained earnings of the Company. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

The Company's objective for managing capitals is to maintain investor, creditor and market confidence, and to sustain future development of the business by making debts and capital the most suitable capital structure and optimizing the best of it based on industrial scales, future growth development, and capital expenditures needed for plants and equipment. Thus, the Company calculates the operating funds based on the life cycle of the products, plans for the development in the long run, and then decides the most suitable capital structure considering the business cycle.

The Company ensures the financial resources and the operating plan are sufficient to support the future needs of operating funds, capital expenditures, debt refunding and dividend distribution.

The Company's debt to equity ratio at the reporting date was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total Liabilities	\$ 171,731,730	179,588,401
Less: cash and cash equivalents	<u>(4,171,975)</u>	<u>(17,934,207)</u>
Net debt	<u>167,559,755</u>	<u>161,654,194</u>
Total Equity	<b><u>\$ 61,119,543</u></b>	<b><u>59,554,058</u></b>
Debt to equity ratio	<b><u>274.15%</u></b>	<b><u>271.44%</u></b>

According to the Company's management, there were no changes in the Company's approach to capital management as of December 31, 2023.

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(x) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

1. For right-of-use assets under leases, please refer to Note (6)(h).

2. Reconciliation of liabilities arising from financing activities was as follows:

	January 1, 2023	Cash flows	Non-cash changes		December 31, 2023
			Reclassification	Foreign exchange movement	
Long-term borrowings	\$ 10,746,000	(7,477,648)	(300,000)	24,060	2,992,412
Short-term borrowings(including current portion of long-term borrowings)	21,753,196	7,654,667	300,000	(1,200,960)	28,506,903
Lease liabilities (note)	9,674	(8,199)	52,207	-	53,682
Total liabilities from financing activities	<u>\$ 32,508,870</u>	<u>168,820</u>	<u>52,207</u>	<u>(1,176,900)</u>	<u>31,552,997</u>

	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Reclassification	Foreign exchange movement	
Long-term borrowings	\$ 2,450,000	1,999,500	6,617,500	(321,000)	10,746,000
Short-term borrowings(including current portion of long-term borrowings)	39,895,717	(10,809,979)	(6,617,500)	(715,042)	21,753,196
Lease liabilities (Note)	8,492	(5,802)	6,984	-	9,674
Total liabilities from financing activities	<u>\$ 42,354,209</u>	<u>(8,816,281)</u>	<u>6,984</u>	<u>(1,036,042)</u>	<u>32,508,870</u>

Note: Reclassification is due to additions of lease and lease modification during the periods.

(7) Related Parties Transactions

(a) Names and relationships with related parties

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements.

<u>Names of related party</u>	<u>Relationships with the Company</u>
Inventec Besta Co., Ltd.	Associates
Testron Technology (JiangSu) Co., Ltd.	Associates
Inventec Group Charity Foundation	Over one-third of total amount of fund donated by the Company
Inventec Corporation (Hong Kong) Ltd.	Subsidiary
Inventec Holding (North America) Corp.	Subsidiary
Inventec (Czech), s.r.o	Subsidiary
Inventec Development Japan Corporation	Subsidiary
Inventec Japan Corporation	Subsidiary
IEC (Cayman) Corporation	Subsidiary

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**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

<u>Names of related party</u>	<u>Relationships with the Company</u>
Inventec (Cayman) Corp.	Subsidiary
Inventec Investment Co., Ltd.	Subsidiary
AIMobile Co., Ltd.	Subsidiary
Inventec Solar Energy Corporation	Subsidiary (Note 1)
InveneXt System Co., Ltd.	Subsidiary
Inventec Appliances Corp.	Subsidiary
Inventec Technology (Vietnam) Company Limited	Subsidiary
Inventec Electronics (Thailand) Co., Ltd.	Subsidiary
Inventec Manufacturing (India) Private Limited	Substantive related party (Note 2)
E-TON Solar Tech Co., Ltd.	Substantive related party (Note 3)
IEC Technologies, S. de R.L. de C.V.	Indirect holding subsidiary
Inventec Appliances (Jiangning) Corp.	Indirect holding subsidiary

Note 1: Inventec Solar Energy Corp. resolved at its broad meeting on December 1, 2021, to file the bankruptcy to the court. As of December 31, 2023, the court has not yet announced the result of the ruling.

Note 2: Inventec Manufacturing (India) Private Limited, has completed its liquidation on September 12, 2023.

Note 3: E-TON Solar Tech Co., Ltd. has completed its liquidation on November 24, 2022.

(b) Significant transactions with related parties

1. Sales

The amounts of significant sales transactions by the Company to related parties were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Subsidiaries		
Inventec Holding (North America) Corp.	\$ 78,943,495	90,749,638
Other subsidiaries	396,227	1,999,359
Associates	178	360
	<b>\$ 79,339,900</b>	<b>92,749,357</b>

After the Company receives the orders from all regions, the production and marketing department arranges to sell semi-finished products to the subsidiaries. The price is determined in accordance with mutual agreements. Since the subsidiaries are the overseas offices providing after-sales and assembling service, there is no other comparable objects, and the average collection terms are 90~105 days for sales.

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For associates and other related parties, the price and terms were determined in accordance with mutual agreements with its collection terms of OA 90 days for sales. Receivables from related parties were not secured with collaterals.

Unrealized profit (loss) from sales to the subsidiaries of the Company for the years ended December 31, 2023 and 2022 were \$39,349 and \$22,319, respectively.

2. Purchases

The amounts of significant purchase transactions by the Company to related parties were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Subsidiaries		
Inventec Corporation (Hong Kong) Ltd.	\$ 302,107,481	312,366,949
Other subsidiaries	1,847,734	1,224,937
	<b>\$ 303,955,215</b>	<b>313,591,886</b>

For the Company's purchase of materials used for after-sales service from subsidiaries, the price and terms were determined in accordance with mutual agreements with payment terms of 90~105 days.

3. Accounts receivable from related parties

The amounts of accounts receivable by the Company to related parties were as follows:

<b>Account</b>	<b>Related Party Categories</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable	Subsidiaries		
	Inventec Holding (North America) Corp.	\$ 25,373,938	28,808,753
	Other subsidiaries	51,785	575,151
	Associates	71	-
Other receivables	Subsidiaries		
	Inventec Corporation (Hong Kong) Ltd.	45,434,425	66,771,166
	Other subsidiaries	110,578	34,994
	Associates	8	2
		<b>\$ 70,970,805</b>	<b>96,190,066</b>

Note: Other receivables from subsidiaries are mainly generated from purchasing material on behalf of subsidiaries.

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4. Accounts payable to related parties

The amounts of accounts payables by the Company to related parties were as follows:

<u>Account</u>	<u>Related Party Categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiaries		
	Inventec Corporation (Hong Kong) Ltd.	\$ 56,268,441	78,674,841
	Other subsidiaries	424,199	280,405
	Associates	-	292
Other payables	Subsidiaries	175,896	224,094
	Associates	80,837	19,722
		<u>\$ 56,949,373</u>	<u>79,199,354</u>

Note: Other payables are mainly the payments of computer software, toolings, payment on behalf of others and software development.

5. Property transactions

1) Acquisition of property, plant, equipment and other assets

The amounts of acquisition of property, plant and equipment by the Company to related parties were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
E-TON Solar Tech Co., Ltd.	\$ -	308,880
Inventec Solar Energy Corporation	-	119,822
Testron Technology (JiangSu) Co., Ltd.	110,373	-
Other subsidiaries	13,300	402
Associates	12,931	38,826
	<u>\$ 136,604</u>	<u>467,930</u>

2) Disposal of property, plant and equipment and other assets

For the year ended December 31, 2023, the Company sold machinery and office equipment to subsidiaries. The total prices and gain on property disposal were \$9,684 and \$5,073, respectively.

For the year ended December 31, 2022, the Company sold machinery, office equipment and software to subsidiaries. The total prices and gain on property disposal were \$3,901 and \$2,269, respectively.

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- 3) In 2000, the Company paid property, deferred assets, assets stated under expense to investment Inventec Appliances Corp. resulting in gain on disposal of \$103,713 and other revenue of \$31,693. In addition, selling of property, plant and equipment, deferred assets and assets stated under expense has generated gain on disposal of \$5,829 and other revenue of \$6,427. As of December 31, 2023 and 2022, the unrealized gain on property disposal were \$16,599 and \$17,361, respectively.
- 4) In 1999, the Company sold property, deferred assets, assets stated under expense and trademarks to Inventec Besta Co., Ltd., resulting in a gain on property disposal of \$51,712 and other revenue of \$40,453. As of December 31, 2023 and 2022, the unrealized other revenues are both \$1,211.

6. After-sale services, product processing and support services

The payments of after-sale services, product processing and support services to related parties were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Subsidiaries		
Inventec Holding (North America) Corp.	\$ 352,714	323,786
Inventec Corporation (Hong Kong) Ltd.	324,378	280,450
Inventec (Czech), s.r.o.	952,813	792,717
	<b>\$ 1,629,905</b>	<b>1,396,953</b>

7. Acquisition of investments accounted for using equity method

The Board of directors resolved to establish Inventec Electronics (Thailand) Co., Ltd. on May 12, 2023, and made a cash capital increase on August 11, 2023. The Company invested 394,999,999 shares, amounting to \$1,594,163, and the shareholding ratio is 100%.

Inventec (Czech), s.r.o, through a resolution of the Board of Directors, made a cash capital increase on February 21, 2023. With July 12, 2023 as the base date for capital increase, the Company invested \$282,150, and the shareholding ratio remained at 100%.

The Board of directors resolved to establish Inventec Technology (Vietnam) Company Limited on February 21, 2023. The Company invested \$789,646, and the shareholding ratio is 100%.

The Board of directors resolved to establish InveneXt System Co., Ltd. on September 27, 2022. The Company invested 5,000,000 shares, amounting to \$50,000, and the shareholding ratio is 100%.

Inventec Holding (North America) Corp., through a resolution of the Board of Directors, made a cash capital increase on April 26, 2022. With April 24, 2023 as the base date for capital increase, the Company invested 2,000 shares, amounting to \$611,800, and the shareholding ratio remained at 100%.



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Inventec Holding (North America) Corp., through a resolution of the Board of Directors, made a cash capital increase on November 12, 2021. With January 21, 2022, July 7, 2022, November 9, 2022 as the base date for capital increase, the Company invested 10,000 shares, amounting to \$2,981,400, and the shareholding ratio remained at 100%.

8. Others

1) Rental and building management fee collected from and related parties were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Subsidiaries	\$ 6,848	6,568
Associates	1,727	1,761
Other related parties	-	13,254
	<b>\$ 8,575</b>	<b>21,583</b>

2) For the years ended December 31, 2023 and 2022, the amount of donation to other related parties were \$15,000 and \$10,000, respectively.

9. Guarantees and endorsements

For the year ended December 31, 2023, the Company provided a guarantee of \$772,750 for short-term bank credit facilities, foreign exchange, derivative financial instrument, and operational needs to Inventec Electronics (Thailand) Co., Ltd., with the balance of the endorsement guarantee amounting to \$772,750 as of the end of the period.

For the year ended December 31, 2023, the Company provided a guarantee of \$168,905 for operational needs to Inventec (Czech), s.r.o with the balance of the endorsement guarantee amounting to \$168,905 as of the end of the period.

For the years ended December 31, 2023 and 2022, the Company provided a guarantee of \$614,200 and \$307,100, respectively, for a bank loan to IEC Technologies, S. de R.L.de C.V., with the balance of the endorsement guarantee amounting to \$614,200 and \$307,100, respectively, as of the end of the period.

For the year ended December 31, 2022, the Company provided a guarantee of \$15,350 for the foreign exchange and derivative financial instruments to Inventec (Czech), s.r.o, with the balance of the endorsement guarantee amounting to \$15,350 as of the end of the period.

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ 371,588	442,810
Post-employment benefit	4,639	5,467
	<b>\$ 376,227</b>	<b>448,277</b>

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**(8) Pledged Assets**

The carrying amounts of assets pledged as security were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Refundable deposits (Other non-current assets)	Customs duty guarantee, membership guarantee and performance guarantee	\$ 31,936	183,264
Restricted assets (Other current assets and other non-current assets)	Collateral deposits	173,905	130,735
Land, buildings, and constructions (Property, plant and equipment)	Long-term borrowings	5,680,249	5,733,610
Total		<u>\$ 5,886,090</u>	<u>6,047,609</u>

**(9) Significant Commitments and Contingencies**

(a) Major Commitments:

1.Unused standby letters of credit were as follows: None.

2.Promissory notes issued for the bank credit and MOEA TDP performance guarantee were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
TWD	\$ 14,725,000	14,571,250
USD (in thousands)	1,811,200	1,724,000

(b) Contingencies: None.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

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(12) Other

- (a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By function By item	For the years ended December 31, 2023			For the years ended December 31, 2022		
	Operating costs	Operating and non-operating expense	Total	Operating costs	Operating and non-operating expense	Total
Employee benefits						
Salary	1,192,749	5,844,839	7,037,588	1,042,895	5,401,458	6,444,353
Labor and health insurance	115,705	441,292	556,997	91,420	394,487	485,907
Pension	37,776	247,997	285,773	31,582	217,534	249,116
Remuneration of directors	-	75,275	75,275	-	78,182	78,182
Others	51,272	266,171	317,443	36,568	149,612	186,180
Depreciation	342,435	317,489	659,924	328,237	309,483	637,720
Amortization	170,634	584,780	755,414	58,418	360,003	418,421

The Company for the years ended December 31, 2023 and 2022 employees and employee benefits expenses were as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Number of employees	<u>6,168</u>	<u>5,584</u>
Number of directors who were not employees	<u>5</u>	<u>4</u>
The average employee benefit (in thousands)	<u>\$ 1,330</u>	<u>1,320</u>
The average salaries and wages (in thousands)	<u>\$ 1,142</u>	<u>1,155</u>
The adjustment rate of average employee salaries	<u>(1.13)%</u>	<u>7.54%</u>
Remuneration of by supervisors	<u>\$ -</u>	<u>-</u>

The Company's salary and remuneration policy (including directors, supervisors, managers and employees) are as follows:

The Company's salary and remuneration policy is committed to link with performance and future risks to implement a performance-oriented remuneration system.

The remuneration system considers the Company's operating objectives along with financial status and comprehensively evaluates various categories such as performance and makes differentiated assessments based on individual contributions.

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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

- 1.Regardless operating profit or loss of the Company ' s business, the Company shall pay remuneration regularity to all directors. The remuneration is determined by the participation to the Company's operating performance of directors, the value of directors ' contribution to the Company's operations, and peer salary levels, then are reviewed by the remuneration committee and are submitted to the board of directors for further decision.
- 2.The individual salary and remuneration of directors and managers shall refer to the general salary level of peers. It should also consider personal duties, contributions, performance, and conjunct with the Company ' s operational risk management and sustainable operating performance. Policies should be reviewed by the remuneration committee and sent to the Board of Directors for further decision.
- 3.The employee's remuneration includes monthly salary based on job grades, bonuses in accordance to performance, and remuneration measured on the level of Company's profitability.

Note: The Company's Articles of Association specify that no less than 3% of profit shall be allocated for employees' remuneration and no more than 3% of profit shall be allocated for directors' remuneration.

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company for the year ended December 31, 2023:

1. Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Inventec Appliances (Nanjing) Corp.(Note 2)	Inventec Appliances (XI'AN) Corporation	Other receivables	Y	61,348	21,680	13,008	3.045%	2	-	Working Capital	-	None	-	580,184	580,184
2	Inventec Appliances (Shanghai) Co., Ltd.(Note 2)	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Other receivables	Y	266,400	130,080	130,080	3.045%	2	-	"	-	"	-	1,554,284	1,554,284
2	"	Inventec Appliances (Pudong) Corp.	Other receivables	Y	948,150	910,560	-	-	2	-	"	-	"	-	1,554,284	1,554,284
3	Inventec Appliances Corp. (Note 3)	Inventec Appliances (Malaysia) SDN.BHD.	Other receivables	Y	2,838,880	1,320,530	1,320,530	3.42%	2	-	"	-	"	-	1,475,843	2,951,685
3	"	Inventec Appliances (Vietnam) Company Limited	Other receivables	Y	972,300	921,300	-	-	2	-	"	-	"	-	1,475,843	2,951,685

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## NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
4	Inventec (Pudong) Corp. (Note 4)	Inventec Asset-Management (Shanghai) Corporation	Other receivables	Y	3,196,800	1,560,960	1,495,920	4.775%~4.875%	2	-	-	-	-	-	1,739,530	1,739,530
5	Inventec (Shanghai) Co., Ltd. (Note2)	Inventec QD (Shanghai) Corporation	Other receivables	Y	45,150	43,360	8,672	4.875%	2	-	-	-	-	-	1,797,767	1,797,767

Note 1: (1)Those with business contact, please fill in 1.

(2)Those necessary for short term financing, please fill in 2.

Note 2: Among Subsidiaries which the parent company holds 100% voting power, aggregate amount of loans shall not exceed the Company's net worth as stated in its latest financial report, and each amount of loans shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 3: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 50 percent of the permitted aggregate amount of loans of the company.

Note 4: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 5: The transactions in foreign currencies were exchanged to New Taiwan Dollars in spot rate at the date of the audited entity's financial reports.

## 2. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/guarantees to third parties on behalf of parent company	Endorsement to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	IEC Technologies, S.DE R.L. DE C.V.	2	30,559,771	648,200	614,200	307,100	-	1.00%	30,559,771	Y	N	N
0	"	Inventec (Czech), s.r.o.	2	30,559,771	171,875	168,905	168,905	168,905	0.28%	30,559,771	Y	N	N
0	"	Inventec Electronics (Thailand) Co., Ltd.	2	30,559,771	810,250	772,750	5,000	5,000	1.26%	30,559,771	Y	N	N
1	Inventec Appliances Corp.	Inventec Appliances (Malaysia) SDN. BHD.	2	3,689,607	2,937,941	2,784,976	1,125,256	-	37.74%	3,689,607	Y	N	N

Note 1: The relationship between the entity for which the endorsement/guarantee is made and the Company:

- The Company has business relationship.
- Subsidiaries in which the Company holds more than 50 percent of its voting power.
- A investee in which the Company and subsidiary holds more than 50 percent of its voting shares.
- Subsidiaries in which the Company holds more than 90 percent of its voting power.
- Companies in accordance with contractual provisions established by mutual applicants or in need of project.
- Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
- The performance of pre-sale house sales contract between intra-industry companies is in accordance with the Consumer Protection Law required joint guarantees.

Note 2: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by the Company's cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 3: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by Inventec Appliance Corp. cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 4: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

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3. Securities held as balance sheet date (excluding investment subsidiaries, associates and joint ventures) :

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	WIN Semiconductors Corp.	-	Current financial assets at fair value through other comprehensive income	4,063	645,967	0.96%	645,967	
"	Amphastar Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	26	49,016	0.05%	49,016	
"	Arima Communications Corp.	-	"	7,390	12,711	10.15%	12,711	
"	Tomorrow Studio Co., Ltd.	-	"	5	64	0.06%	64	
"	Tai Yi Precision Corporation	-	"	2,540	-	6.67%	-	
"	New E Materials Co., Ltd.	-	"	1,760	8,166	16.00%	8,166	
"	Top Taiwan Xiv Venture Capital Co., Ltd.	-	"	30,000	298,800	13.76%	298,800	
"	ZT Group Int'l, Inc.	-	"	-	3,663,692	10.00%	3,663,692	
"	Hushan Autoparts Inc.	-	"	500	29,200	0.73%	29,200	
"	Rasilient Systems, Inc. preference share	-	"	3,632	-	6.20%	-	
"	SKSpruce Holding Limited preferred stock	-	"	3,746	47,016	3.72%	47,016	
"	CloudMosa Technologies, Inc. preferred stock	-	"	235	46,451	2.08%	46,451	
"	XMEMS LABS INC preferred stock	-	"	1,000	10,171	0.93%	10,171	
"	Rescale, Inc. preferred stock	-	"	355	20,083	1.15%	20,083	
"	Sensel, Inc. preferred stock	-	"	532	-	2.42%	-	
"	ASOCS LTD. preferred stock	-	"	360	-	1.43%	-	
"	Atayalan, Inc. preferred stock	-	"	1,553	5,381	3.38%	5,381	
"	SKSpruce Holding Limited convertible short-term note	-	Current financial assets at fair value through profit or loss	-	18,483	- %	18,483	
"	Empass Technology	-	Non-current financial assets at fair value through profit or loss	622	17,744	6.71%	17,744	
"	Entire Technology Co., Ltd.	-	"	3,260	69,014	3.34%	69,014	
"	Imedtac Co., Ltd.	-	"	1,200	41,683	6.80%	41,683	
"	TMY Technology Inc.	-	"	2,857	18,953	7.42%	18,953	
"	Enflex Corporation	-	"	750	500	0.92%	500	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Inventec (Cayman) Corp.	Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	30,000	851,655	13.17%	851,655	
Saint Investment Consulting Corporation	Guangdong StarFive Technology Co., Ltd.	-	"	539	86,527	0.64%	86,527	
Inventec (Chongqing) Corp.	Kunshan Joing Technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	5,948	73,586	2.96%	73,586	
Inventec Development Japan Corporation	Famm Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	12,767	16.00%	12,767	
Inventec Investments Co., Ltd.	ENNOSTAR Inc.	-	Current financial assets at fair value through profit or loss	881	40,770	0.12%	40,770	
"	UCFUNNEL CO LTD	-	Non-current financial assets at fair value through other comprehensive income	83	20,657	5.00%	20,657	
"	Sagacity Tech. Co., Ltd.	-	"	79	480	15.00%	480	
"	Living Pattern Technology Inc.	-	"	4	440	13.70%	440	
Inventec Appliances Corp.	SCOPE INDUSTRIES BERHAD	-	"	84,444	76,055	7.32%	76,055	
"	Rong Cheng Tech. Co., Ltd.	-	"	1,950	-	9.38%	-	
"	Tai Yi Precision Corporation	-	"	635	-	1.67%	-	
"	Siano Mobile Silicon Inc.	-	"	461	-	0.15%	-	
"	All People Health Social Enterprise Co.,Ltd.	-	"	100	1,000	12.50%	1,000	
"	GCT Semiconductor, Inc.	-	"	93	-	0.07%	-	
"	Pandigital Worldwide, Ltd. preferred stock	-	"	939	-	4.80%	-	
"	BGTMobile Corporation	-	"	314	-	2.88%	-	
"	Linc Global Inc. (Proximiant, Inc.) preferred stock	-	"	594	-	5.30%	-	
"	Molekule Group, Inc.	-	"	22	7	0.05%	7	
"	XMEMS LABS INC preferred stock	-	"	3,375	57,488	3.13%	57,488	
"	Cardio Ring Technologies, Inc. convertible long-term note	-	Non-current financial assets at fair value through profit or loss	-	20,783	- %	20,783	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
Inventec Appliances (Cayman) Holding Corp.	Siano Mobile Silicon Inc.	-	Non-current financial assets at fair value through other comprehensive income	99	-	0.03%	-	
"	Leadtone Limited(Class B preferred stock)	-	"	1,250	-	2.36%	-	
"	Digital Chaotex Holdings Ltd.( Class A2 preferred stock)	-	"	446	-	2.08%	-	

Note 1: The transactions in foreign currencies were exchanged to New Taiwan Dollars in spot rate at the date of the audited entity's financial reports.

4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of company	Security type and name (Note 1)	Account name (Note 1)	Counter-party	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Price	Cost	Gain (loss) on disposal	Shares	Amount
The Company	Inventec Holding (North America) Corp. ordinary shares	Investments accounted for using equity method	Cash Capital Increase	Related parties	2,011	4,897,732	2	994,805	-	-	-	-	2,013	5,892,537
"	Inventec Technology (Vietnam) Company Limited	"	fundraising	"	-	-	-	772,246	-	-	-	-	-	772,246
"	Inventec Electronics (Thailand) Co., Ltd.	"	"	"	-	-	395,000	1,493,519	-	-	-	-	395,000	1,493,519
Inventec Appliances Corp.	Inventec Appliances (Vietnam) Company Limited	"	Cash Capital Increase	"	-	89,688	-	879,090	-	-	-	-	-	968,778
Inventec Holding (North America) Corp.	IEC TECHNOLOGIES, S. DE R.L. DE C.V.	"	"	"	1,660,484	3,012,792	400,000	955,754	-	-	-	-	2,060,484	3,968,547

Note 1: The ending balance includes adjustments of valuation.

Note 2: The transactions in foreign currencies were exchanged to New Taiwan Dollars in spot rate at the date of the audited entity's financial reports.

5. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Inventec Technology (Vietnam) Company Limited	Land use rights	2022/12/27-2023/02/21	709,881	50%	N&G Investment, LLC	Non-related parties					Appraisal report: Thanh Do Valuation Joint Stock Company, USD 24,879 thousands	Owner-occupied plant	From the date of obtaining the land use rights certificate to July 1, 2082.
Inventec (Czech), S.R.O	Right of use asset	2022/11/11-2023/03/17	1,510,327 (Note 1)	The deposit of EUR 800 thousands (TWD 10,143 thousands) has already been paid.	CTP Moravia South, spol. s.r.o	Non-related parties					The real estate appraisal report provided by professional appraiser.	Owner-occupied plant	None



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Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Inventec Electronics (Thailand) Co., Ltd	Land	2023/6/26	702,807	100%	VNS Property Co., Ltd.	Non-related parties				-	Appraisal report: S.L. Standard Appraisal Co., Ltd. THB 797,000 thousands.	Owner-occupied plant	None
"	Plant	2023/8/11	(Note 2)	4.89%	New Nanyang Construction Co., LTD	Non-related parties				-	None	Owner-occupied plant	None

Note 1: The agreement entered into in April 2023 stated that the transaction amount is the estimated amount of the right-of-use asset in April, 2024.

Note 2: The total budget does not exceed USD 151.8 million (TWD 4,661,778 thousand).

Note 3: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

- Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.
- Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Inventec Holding (North America) Corp.	Subsidiary	Sales	78,943,495	17.83%	105 days	Negotiated price	No general trading partner can be compared.	25,373,938	27.61%	
"	Inventec (Czech), s.r.o.	"	Sales	268,531	0.06%	105 days	"	"	39,573	0.04%	
"	Inventec Corporation (Hong Kong) Ltd.	"	Purchases	302,107,481	69.45%	105 days	"	"	(56,268,441)	54.49%	
"	Inventec Appliances (Nanjing) Corp.	"	Purchases	196,325	0.05%	90 days	"	"	(52,282)	0.05%	
"	Inventec Holding (North America) Corp.	"	Purchases	1,291,315	0.30%	105 days	"	"	(218,740)	0.21%	
"	Inventec (Czech), s.r.o.	"	Purchases	314,311	0.07%	105 days	"	"	(108,218)	0.10%	
Inventec Holding (North America) Corp.	The Company	Parent	Purchases	78,943,495	95.68%	105 days	"	"	(25,373,938)	97.94%	
"	The Company	"	Sales	1,291,315	1.55%	105 days	"	"	218,740	2.33%	
"	SQ Technology (Shanghai) Corporation	Associates	Sales	524,790	0.63%	105 days	"	"	45,737	0.49%	
Inventec (Czech), s.r.o.	The Company	Parent	Purchases	268,531	64.00%	105 days	"	"	(39,573)	45.88%	
"	The Company	"	Sales	314,311	32.59%	105 days	"	"	108,218	55.88%	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec Corporation (Hong Kong) Ltd.	The Company	Parent	Sales	302,107,481	100.00%	105 days	"	"	56,268,441	55.26%	
"	Inventec (Pudong) Technology Corp.	Associates	Purchases	21,678,206	7.18%	105 days	"	"	(8,143,644)	8.00%	
"	SQ Technology (Shanghai) Corporation	"	Purchases	10,991,842	3.64%	105 days	"	"	(4,415,742)	4.34%	
"	Inventec (Chongqing) Corp.	"	Purchases	269,437,433	89.19%	105 days	"	"	(43,709,055)	42.92%	
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	"	Sales	21,678,206	77.15%	105 days	"	"	8,143,644	83.24%	
"	SQ Technology (Shanghai) Corporation	"	Sales	3,840,036	13.67%	105 days	"	"	1,203,505	12.30%	
"	SQ Technology (Shanghai) Corporation	"	Purchases	232,250	1.00%	105 days	"	"	(102,195)	1.23%	
"	Inventec (Shanghai) Corp.	"	Sales	598,855	2.13%	105 days	"	"	56,337	0.58%	
Inventec (Shanghai) Corp.	Inventec (Pudong) Technology Corp.	"	Purchases	598,855	99.80%	105 days	"	"	(56,337)	99.43%	
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	"	Sales	269,437,433	99.73%	105 days	"	"	43,709,055	99.50%	
"	Inventec Electronics (Thailand) Co., Ltd.	"	Sales	154,715	0.06%	105 days	"	"	152,775	0.35%	
Inventec Electronics (Thailand) Co., Ltd.	Inventec (Chongqing) Corp.	"	Purchases	154,715	99.91%	105 days	"	"	(152,775)	92.05%	
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	"	Sales	10,991,842	21.34%	105 days	"	"	4,415,742	27.66%	
"	Inventec (Pudong) Technology Corp.	"	Sales	232,250	0.45%	105 days	"	"	102,195	0.64%	
"	Inventec (Pudong) Technology Corp.	"	Purchases	3,840,036	6.94%	105 days	"	"	(1,203,505)	5.43%	
"	Inventec Holding (North America) Corp.	"	Purchases	524,790	1.01%	105 days	"	"	(45,737)	0.21%	
Inventec Appliances Corp.	Inventec Appliances (Pudong) Corp.	"	Purchases	11,887,896	52.40%	110 days	"	"	(4,148,195)	53.63%	
"	Inventec Appliances (Nanjing) Corp.	"	Purchases	422,562	1.86%	60 days	"	"	(23,503)	0.30%	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Purchases	299,281	1.32%	60 days	"	"	(1,546)	0.02%	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
	Inventec Appliances (Malaysia) SDN. BHD.	Associates	Purchases	4,598,277	20.27%	110 days	"	"	(2,271,675)	29.37%	
	Inventec Appliances (Vietnam) Company Limited	"	Purchases	1,993,410	8.79%	60 days	"	"	(729,807)	9.44%	
	Inventec Appliances (Nanjing) Co. Ltd.	"	Purchases	218,714	0.96%	60 days	"	"	(40,965)	0.53%	
Inventec Appliances Corp.	Inventec Appliances (USA) Distribution Corp.	"	Sales	363,973	1.54%	45 days	"	"	(359)	(0.01)%	
Inventec Appliances (USA) Distribution Corp.	Inventec Appliances Corp.	"	Purchases	363,973	100.00%	45 days	"	"	359	100.00%	
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	"	Sales	11,887,896	88.62%	110 days	"	"	4,148,195	80.92%	
	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Sales	162,714	1.21%	90 days	"	"	81,117	1.58%	
	Inventec Appliances (Malaysia) SDN. BHD.	"	Sales	267,377	1.99%	90 days	"	"	213,088	4.16%	
	Inventec Appliances (Vietnam) Company Limited	"	Sales	769,035	5.73%	90 days	"	"	683,082	13.32%	
	Inventec Appliances (Malaysia) SDN. BHD.	"	Purchases	293,042	2.64%	90 days	"	"	(7,020)	0.22%	
Inventec Appliances (Nanjing) Corp.	Inventec Appliances Corp.	"	Sales	422,562	10.76%	45 days	"	"	23,503	3.10%	
	The Company	Parent	Sales	195,814	4.98%	90 days	"	"	52,282	6.89%	
	Inventec Appliances (Nanjing) Co. Ltd.	Associates	Sales	193,398	4.92%	45 days	"	"	39,626	5.22%	
	Inventec Appliances (Nanjing) Co. Ltd.	"	Purchases	145,069	5.47%	45 days	"	"	(25,368)	5.41%	
Inventec Appliances (Nanjing) Co. Ltd.	Inventec Appliances Corp.	"	Sales	218,714	47.88%	45 days	"	"	40,965	40.04%	
	Inventec Appliances (Nanjing) Corp.	"	Sales	145,069	31.76%	45 days	"	"	25,368	24.80%	
	Inventec Appliances (Nanjing) Corp.	"		193,398	63.49%	45 days	"	"	(39,626)	55.40%	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Inventec Appliances Corp.	Associates	Sales	299,281	98.64%	60 days	-	-	1,546	64.42%	
-	Inventec Appliances (Pudong) Corp.	-	Purchases	162,714	75.37%	90 days	-	-	(81,117)	100.00%	
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	-	Sales	4,598,277	94.99%	110 days	-	-	2,271,675	99.69%	
-	Inventec Appliances (Pudong) Corp.	-	Sales	293,042	6.05%	90 days	-	-	7,020	0.31%	
-	Inventec Appliances (Pudong) Corp.	-	Purchases	267,377	6.38%	90 days	-	-	(213,088)	11.43%	
Inventec Appliances (Vietnam) Company Limited	Inventec Appliances Corp.	-	Sales	1,993,410	99.88%	60 days	-	-	729,807	99.68%	
-	Inventec Appliances (Pudong) Corp.	-	Purchases	769,035	39.01%	60 days	-	-	(683,082)	55.56%	

Note 1: Based on the negotiated price while trading.

8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(Expressed in Thousands of New Taiwan Dollars)

Name of company	Counter party	Relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Inventec Holding (North America) Corp.	Subsidiary	25,373,938	2.91	968,442	Received in the subsequent period	10,597,524	-
-	Inventec Corporation (Hong Kong) Ltd. (Note 1)	-	45,434,425	-	9,777,313	Received in the subsequent period	26,991,390	-
Inventec Holding (North America) Corp.	The Company	Parent	218,740	6.80	-	-	142,715	-
Inventec Corporation (Hong Kong) Ltd.	The Company	-	56,268,441	4.48	3,255,740	Received in the subsequent period	2,067,815	-
-	Inventec (Pudong) Technology Corp. (Note 1)	Associates	3,363,354	-	1,230,315	Received in the subsequent period	307,953	-
-	SQ Technology (Shanghai) Corporation (Note 1)	-	19,001,144	-	8,546,998	Received in the subsequent period	3,613,509	-
-	Inventec (Chongqing) Corp. (Note 1)	-	23,069,927	-	-	-	23,069,927	-
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	-	8,143,644	2.24	1,420,794	Received in the subsequent period	1,572,682	-
-	SQ Technology (Shanghai) Corporation	-	1,203,505	3.50	109,653	Received in the subsequent period	415,817	-

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Name of company	Counter party	Relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	"	43,709,055	9.13	-		37,184,047	-
"	Inventec Electronics (Thailand) Co., Ltd.	"	152,775	2.03	-		-	-
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	"	4,415,742	1.69	1,834,946	Received in the subsequent period	495,134	-
SQ Technology (Shanghai) Corporation	Inventec (Pudong) Technology Corp.	"	102,195	1.33	31,552	Received in the subsequent period	32,142	-
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	"	4,148,195	2.10	-		1,090,722	-
"	Inventec Appliances (Malaysia) SDN. BHD.	"	213,088	1.62	-		54,025	-
"	Inventec Appliances (Vietnam) Company Limited	"	683,082	2.25	-		515,433	-
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	"	2,271,675	3.01	-		1,431,759	-
Inventec Appliances (Vietnam) Company Limited	Inventec Appliances Corp.	"	729,807	5.59	-		486,903	-
Inventec (Czech), s.r.o.	The Company	Parent	108,218	3.09	-		-	-

Note 1: The receivables were not yielded by sales or purchases; therefore there is no turnover rate.

Note 2: The aforementioned inter-company transactions did not include the loans to related parties. For the relevant amounts, please refer to note 13(a)1 "Loans to other parties" .

9. Trading in derivative instruments: Please refer to notes (6)(b) and (6)(v).

(b) Information on investment:

The following is the information on investees for the year ended December 31, 2023 (excluding investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (loss) of the investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Inventec Besta Co., Ltd.	Taipei	Electronic dictionary	420,347	420,347	23,405	37.53%	194,236	(70,965)	(26,499)	Investment accounted for using equity method
"	Inventec Corporation (Hong Kong) Ltd.	Hong Kong	Trading	167,162	167,162	2,500	100.00%	441,562	30,047	30,047	Subsidiary
"	Inventec Holding (North America) Corp.	USA	Holding Company	3,946,943	3,335,143	2,013	100.00%	5,892,537	381,713	381,713	"
"	Inventec Appliances Corp.	New Taipei City	Intelligent device products	9,656,877	9,656,877	536,857	100.00%	7,749,784	485	(398,400)	"
"	Inventec (Cayman) Corp.	Cayman	Holding Company	9,812,963	9,812,963	301,768	100.00%	27,951,959	1,756,872	1,756,872	"
"	IEC (Cayman) Corporation	Cayman	Holding Company	739,500	739,500	25,000	100.00%	2,064,475	292,654	292,654	"
"	Inventec (Czech), S.R.O.	Czech	Production and sales of computer products	368,071	85,921	-	100.00%	575,729	76,703	76,703	"

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INVENTEC CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (loss) of the investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Inventec Investment Co., Ltd.	Taipei	Investment Company	62,000	1,000,000	15,000	100.00%	75,116	1,244	1,244	Subsidiary
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	1,087,800	1,087,800	108,150	33.45%	(661,196)	(12,012)	(125)	"
"	Inventec Development Japan Corporation	Japan	Trading	630,845	630,845	45	100.00%	17,572	(627)	(627)	"
"	Inventec Japan Corporation	Japan	Trading and management service	2,954	2,954	-	100.00%	2,809	(153)	(153)	"
"	AIMobile Co., Ltd.	Taipei	Developing, production and sales of intelligent mobile devices	80,300	80,300	8,030	73.00%	(11,614)	(77,893)	(56,862)	"
"	InveneXi System Co., Ltd.	Taipei	5G Services, hardware and software	50,000	50,000	5,000	100.00%	49,589	(283)	(283)	"
"	Inventec Electronics (Thailand) Co., Ltd.	Thailand	Production and sales of computer products	1,594,163	-	395,000	100.00%	1,493,519	(44,646)	(44,646)	"
"	Inventec Technology (Vietnam) Company Limited	Vietnam	Production and sales of computer products	789,646	-	-	100.00%	772,246	4,554	4,554	"
Inventec Investment Co., Ltd.	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	150,000	150,000	15,000	4.64%	(96,241)	(12,012)	-	Associate Company
"	Inventec Electronics (Thailand) Co., Ltd.	Thailand	Production and sales of computer products	-	-	-	- %	-	(44,646)	-	"
Inventec Appliances Corp.	Inventec Appliances (Cayman) Holding Corp.	Cayman	Holding Company	6,128,937	6,128,937	199,575	100.00%	12,518,056	(61,417)	-	"
"	Gainia Intellectual Asset Services, Inc.	Taipei	Intellectual property rights integrative services	6,240	6,240	189	35.87%	1,237	836	-	Investment accounted for using equity method
"	Good Future Biomedical Technology Corp.	Taoyuan	Biotechnology services and retail sale and wholesale of medical devices	23,712	23,712	9,120	30.00%	19,567	(3,589)	-	"
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	311,160	311,160	30,930	9.57%	(198,449)	(12,012)	-	Associate Company
"	Inventec Appliances (Vietnam) Company Limited	Vietnam	Production and sales of intelligent devices	1,013,430	92,130	-	100.00%	968,778	(42,776)	-	"
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances (USA) Distribution Corp.	USA	Marketing promotion	24,568	24,568	400	100.00%	102,992	1,052	-	"

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INVENTEC CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Net income (loss) of the investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances Corporation USA, Inc.	USA	Sales services	1,536	1,536	10	100.00%	16,664	926	-	Associate Company
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	Malaysia	Production and sales of intelligent devices	881,769	881,769	121,000	100.00%	(376,047)	(283,926)	-	"
InveneXt System Co., Ltd.	Inphicomm Ltd.	Samoa	Sales of 5G equipment	-	-	-	55.00%	-	-	-	" (Note 3)

Note 1: The transactions in foreign currencies were exchanged to New Taiwan Dollars in spot rate at the date of the audited entity's financial reports.

Note 2: According to the regulations, the Company are not required to disclose the share of income / loss of investees.

Note 3: No capital has been injected as of December 31, 2023.

(c) Information on investment in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow						
Inventec (Shanghai) Service Co., Ltd	Sales of computer products	360,865	(2)	61,420	-	-	61,420	5,359	100.00%	5,359	336,660	30,234
Inventec (ChongQing) Service Co., Ltd	Sales of computer products	30,710	(2)	30,710	-	-	30,710	483	100.00%	483	40,482	-
Inventec(Pudong) co.,Ltd	Sales of computer products	1,535,500	(2)	1,535,500	-	-	1,535,500	106,371	100.00%	106,371	4,348,824	-
Inventec (Shanghai) Co.,Ltd.	Sales of computer products	2,073,298	(2)	905,945	-	-	905,945	(258,941)	100.00%	(276,795)	1,582,197	-
Inventec (ChongQing) Corporation	Production and sales of computer products	2,303,250	(2)	2,303,250	-	-	2,303,250	2,288,397	100.00%	2,288,397	14,126,416	2,242,107
Inventec (Pudong) Technology Corp.	Production and sales of computer products	1,799,351	(2)	1,535,500	-	-	1,535,500	(269,443)	100.00%	(278,996)	7,619,911	321,599
Inventec Electronics (Tianjin) Co.,Ltd.	Electronic product software development	153,550	(2)	130,518	-	-	130,518	9,251	100.00%	9,251	267,397	149,517
Inventec Electronics (Beijing) Co.,Ltd.	Electronic product software development	44,530	(2)	44,530	-	-	44,530	3,425	100.00%	3,425	79,374	-
INVENTEC HI-TECH CORPORATION	Sales of computer products	1,535,500	(2)	1,535,500	-	-	1,535,500	70,968	100.00%	70,968	1,734,084	-
Inventec Asset-Management(Shanghai) Corporation	Leasing	1,856,655	(3)	-	-	-	-	(364,575)	78.00%	(284,369)	1,047,135	-
Saint Investment Consulting Corporation	Business management	260,154	(3)	-	-	-	-	6,016	100.00%	6,016	304,110	-
SQ Technology (Shanghai) Corporation	Production and sales of computer products	235,122	(3)	-	-	-	-	(89,037)	100.00%	(89,037)	(594,376)	-
Truswe (ChongQing) Technology Co.,Ltd	Sales of electronic products	130,077	(3)	-	-	-	-	(23,265)	20.00%	(4,653)	17,739	-

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INVENTEC CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONT'D)

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow						
Testron Technology(Jiangsu) Co., Ltd.	Production and sales of electronic products	120,589	(3)	-	-	-	-	151,212	9.99%	12,413	118,604	-
Shanghai Haixin Electronic Technology Co., Ltd.	Production and sales of electronic products	14,116	(3)	-	-	-	-	(3,659)	16.56%	(1,512)	41,573	-
Dawmline (Nanjing) Intelligent Technology Co., Ltd.	Solution of intelligent transportation	6,637	(3)	-	-	-	-	(33,725)	15.00%	(4,722)	38,725	-
INVENTEC APPLIANCES (Shanghai) Corp.	Development of intelligent devices	1,584,636	(2)	1,477,705	-	-	1,477,705	64,524	100.00%	64,524	1,554,284	1,535,981
Inventec Appliances (Pudong) Corp.	Production and sales of intelligent devices	2,364,670	(2)	2,364,670	-	-	2,364,670	(603,516)	100.00%	(500,768)	6,475,054	2,297,117
Inventec Appliances (Jiangning) Corp.	Production and sales of intelligent devices	2,088,280	(2)	1,289,820	-	-	1,289,820	186,517	100.00%	168,319	3,659,477	3,571,176
Inventec Appliances (Nanjing) Corp.	House leasing	153,550	(2)	275,821	-	-	275,821	194,727	100.00%	194,727	619,149	85,353
INVENTEC APPLIANCES (XIAN) CORPORATION	House leasing	122,840	(2)	122,840	-	-	122,840	5,225	100.00%	5,225	78,947	-
Inventec Appliances (Nanchang) Corp.	Development of intelligent devices	64,491	(2)	64,491	-	-	64,491	4,575	100.00%	4,575	4,105	-
Apex Business Managements & Consulting (Shanghai) Co., Ltd.	Business management and Consulting	2,176	(3)	-	-	-	-	6,007	100.00%	6,007	131,255	-
Inventec Appliances (Shanghai) Enterpri	Industrial investment and investment management	34,687	(3)	-	-	-	-	(3,795)	100.00%	(3,795)	16,213	-
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Production and sales of intelligent devices	260,155	(3)	-	-	-	-	(60,987)	100.00%	(60,987)	(136,659)	-
Inventec Easy Doctor Corporation	Production and sales of medical devices , software development	43,359	(3)	-	-	-	-	(17,750)	100.00%	(17,750)	12,598	-
Inventec QD ( Shanghai ) Corporation (Note 8)	Business management and Consulting	-	(3)	-	-	-	-	(5,508)	100.00%	(5,508)	(5,406)	-

2. Limitation on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3,4,7)
The Company	8,147,363	8,147,363	-
Inventec Appliances Corp.	5,663,784	5,663,784	4,427,529

Note 1: There are three ways of investments as following:

- Direct investment in Mainland China.
- Indirect investment in Mainland china through a subsidiary in a third place.
- Others

Note 2: The recognition of investment income (loss) is based on the financial statements audited by CPA of the investee company.

Note 3: In accordance with the regulation of amended limitation calculation of Investment Commission in 29 August, 2008, MOEA (IDB) committed the Company were in the scope of operating headquarter; therefore there is no need to calculate the limitation.



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**INVENTEC CORPORATION**

**NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS (CONT'D)**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

Note 4: The upper limit on investment of Inventec Appliances Corp. is the higher of 60% of net value or 60% of consolidated net value.

Note 5: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 6: The amount of foreign currencies was translated into New Taiwan Dollars at historical exchange rates.

Note 7: After the accumulated investment in Mainland China as of December 31, 2023, deducted the accumulated remittance of earnings, the investment amounts of Inventec Appliance Corp. was still under the upper limit on investment.

Note 8: No capital has been injected as of December 31, 2023.

Note 9: The inter-company transactions were eliminated in the consolidated financial statements.

**3. Significant transactions:**

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2023, are disclosed in "Information on significant transactions" .

**(d) Major shareholders:**

<b>Shareholder' s Name</b>	<b>Shareholding</b>	<b>Shares</b>	<b>Percentage</b>
Taishin International Bank Co., Ltd, entrusted with custody of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		191,906,000	5.34%

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statements due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

**(14) Segment Information**

Please refer to consolidated financial report of Inventec Corporation for the year ended December 31, 2023.

**INVENTEC CORPORATION**  
**Statement of Cash and Cash Equivalents**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	
Cash	Petty cash	\$ 450	
	Foreign cash	254	
	Subtotal	<u>704</u>	
Cash in banks	Checking accounts	428	
	Demand deposits	80,994	
	Foreign deposits	USD 133,097 thousands	4,088,849
		JPY 1,666 thousands	
		CNY 69 thousands	
		EUR 24 thousands	
	Time deposits	<u>1,000</u>	
Subtotal	<u>4,171,271</u>		
		<u><b>\$ 4,171,975</b></u>	

**INVENTEC CORPORATION**  
**Statement of Changes in Financial Assets Measured at Fair Value**  
**through Other Comprehensive Income - Current**  
**For the year ended December 31, 2023**  
(In Thousands of New Taiwan Dollars)

Name of financial instrument	Description	Share or units	Par value	Total amount	Interest rate	Acquisition cost	Accumulate d impairment	Fair value		Note
								Unit price	Total amount	
WIN Semiconductors Corp.	Stock	4,063	\$ 40,630	<u>645,967</u>	- %	<u>113,690</u>	-	159.00	<u>645,967</u>	

**INVENTEC CORPORATION**  
**Statement of Accounts Receivables**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

Client Name	Description	Amount	Note
<u>Non-related parties:</u>			
A		\$ 49,489,896	
B		9,894,099	
Others			The year-end balance of each client doesn't exceed 5% of the account balance.
		<u>7,139,128</u>	
Subtotal		66,523,123	
Less: Loss allowance		<u>(45,475)</u>	
Net amount		<u>66,477,648</u>	
<u>Related parties:</u>			
Inventec Holding (North America) Corp.		25,373,938	
Others			The year-end balance of each client doesn't exceed 5% of the account balance.
		<u>51,856</u>	
Subtotal		<u>25,425,794</u>	
Less: Loss allowance		-	
Net amount		<u>25,425,794</u>	
Total		<u><u>\$ 91,903,442</u></u>	

## INVENTEC CORPORATION

### Statement of Other Receivables

December 31, 2023

(In Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Non-related parties	Payments on behalf of others	\$ 309,855	
Related parties	Payments of materials on behalf of others	45,582,076	
Current accrued income	Interest receivable from banks	12,008	
Less: Loss allowance		<u>(37,065)</u>	
Total		<u><u>\$ 45,866,874</u></u>	

### Statement of Inventory

Item	Amount		Note
	Cost	Net realized value	
Raw materials	\$ 14,038,248	13,815,717	
Work in process	1,473,845	1,464,282	
Finished goods	5,251,908	5,231,069	
Subtotal	20,764,001	<u><u>20,511,068</u></u>	
Less: Allowance for inventory valuation losses and obsolescence	<u>(252,933)</u>		
Total	<u><u>\$ 20,511,068</u></u>		

**INVENTEC CORPORATION**  
**Statement of Other Current Assets**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Prepayments	Payment of materials	\$ 61,420	
	Toolings	5,391	
	Others	<u>77,944</u>	
	Subtotal	144,755	
Other financial assets	Time deposits	870,777	
Restricted assets	Collateral deposits	173,905	
Temporary debits	Others	3,031	
Payment on behalf of others	Others	998,867	
Asset recognized as right to recover products from customers	Others	370,385	
Others	Others	<u>45,293</u>	
		<b><u>\$ 2,607,013</u></b>	

**Inventec Corporation**  
**Statement of Current and Non-current Financial Assets at Fair**  
**Value Through Profit or Loss**

**For the year ended December 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending balance		Collateral	Note
	Shares/(in thousand)	Fair value	Shares/(in thousand)	Amount	Shares/(in thousand)	Amount	Shares/(in thousand)	Fair value		
<u>Common Stock</u>										
Empass Technology Inc	560	\$ 11,722	62	6,022	-	-	622	17,744	None	
Entire Technology Co., Ltd.	3,260	65,461	-	3,553	-	-	3,260	69,014	"	
Imedtac Co., Ltd.	1,200	40,431	-	1,252	-	-	1,200	41,683	"	
Tmy Technology Inc.	2,857	12,538	-	6,415	-	-	2,857	18,953	"	
Enflex Corporation	750	2,470	-	-	-	1,970	750	500	"	
Subtotal		<u>132,622</u>		<u>17,242</u>		<u>1,970</u>		<u>147,894</u>		
<u>Convertible bonds</u>										
SKSpruce Holding Limited	-	10,557	-	7,926	-	-	-	18,483	"	
Total		<u>\$ 143,179</u>		<u>25,168</u>		<u>1,970</u>		<u>166,377</u>		

**INVENTEC CORPORATION**  
**Statement of Changes in Financial Assets Measured at fair Value**  
**through Other Comprehensive Income – Non-current**

**For the year ended December 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Name of financial instrument	Beginning Balance		Addition		Decrease		Ending balance		Collateral	Note
	Shares (in thousand)	Fair value	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Fair value		
<u>Common Stock</u>										
Arima Communications Corp.	7,390	\$ 37,689	-	-	-	24,978	7,390	12,711	None	
Tomorrow Studio Co., Ltd.	29	94	-	-	24	30	5	64	"	
Tai Yi Precision Corporation	2,540	-	-	-	-	-	2,540	-	"	
New E Materials Co., Ltd.	1,760	8,078	-	88	-	-	1,760	8,166	"	
Top Taiwan Xiv Venture Capital Co., Ltd.	30,000	291,600	-	7,200	-	-	30,000	298,800	"	
Hushan Autoparts Inc.	-	-	500	29,200	-	-	500	29,200	"	
ZT Group Int'l, Inc.	-	2,138,373	-	1,525,319	-	-	-	3,663,692	"	
Amphastar Pharmaceuticals Inc.	26	22,199	-	26,817	-	-	26	49,016	"	
Subtotal		<u>2,498,033</u>		<u>1,588,624</u>		<u>25,008</u>		<u>4,061,649</u>		
<u>Preferred Stock</u>										
CloudMosa Technologies, Inc.	235	35,395	-	11,056	-	-	235	46,451	"	
Rasilient Systems, Inc.	3,632	-	-	-	-	-	3,632	-	"	
SKSpruce Holding Limited	3,746	26,852	-	20,164	-	-	3,746	47,016	"	
QEEXO Co.	568	30,606	-	-	568	30,606	-	-	"	
Rescale Inc.	355	6,946	-	13,137	-	-	355	20,083	"	
Sensel Inc.	532	14,123	-	-	-	14,123	532	-	"	
ASOCS LTD.	360	-	-	-	-	-	360	-	"	
Atayalan, Inc.	1,553	4,569	-	812	-	-	1,553	5,381	"	
XMEMS LABS INC	-	-	1,000	10,171	-	-	1,000	10,171	"	
Subtotal		<u>118,491</u>		<u>55,340</u>		<u>44,729</u>		<u>129,102</u>		
Total		<u>\$ 2,616,524</u>		<u>1,643,964</u>		<u>69,737</u>		<u>4,190,751</u>		



**INVENTEC CORPORATION**  
**Statement of Changes in Investments Accounted for Using the**  
**Equity Method**

**For the Year Ended December 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Name of investee	Beginning Balance		Addition		Decrease		Ending balance			Market Value or Net Assets Value		Collateral	Note
	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Percentage of ownership	Amount	Unit price	Total amount		
Inventec Besta Co., Ltd.	23,405	\$ 222,154	-	-	-	27,918	23,405	37.53%	194,236	18.10	423,631	None	Note
Inventec Corporation (Hong Kong) Ltd.	2,500	417,502	-	24,060	-	-	2,500	100.00%	441,562	-	441,562	"	"
Inventec Holding (North America) Corp.	2,011	4,897,732	2	994,805	-	-	2,013	100.00%	5,892,537	-	5,892,537	"	"
Inventec Appliances Corp.	536,857	8,382,773	-	-	-	632,989	536,857	100.00%	7,749,784	-	7,379,214	"	"
Inventec (Cayman) Corp.	301,768	26,681,541	-	1,270,418	-	-	301,768	100.00%	27,951,959	-	27,951,959	"	"
IEC (Cayman) Corporation	25,000	1,774,967	-	289,508	-	-	25,000	100.00%	2,064,475	-	2,064,475	"	"
Inventec (Czech), S.R.O.	-	231,522	-	344,207	-	-	-	100.00%	575,729	-	575,729	"	"
Inventec Development Japan Corporation	45	19,943	-	-	-	2,371	45	100.00%	17,572	-	17,572	"	"
Inventec Japan Cororation	-	3,165	-	-	-	356	-	100.00%	2,809	-	2,809	"	"
Inventec Investment Co., Ltd.	108,800	68,239	-	6,877	93,800	-	15,000	100.00%	75,116	-	75,116	"	"
AI Mobile Co., Ltd.	8,030	44,806	-	-	-	56,420	8,030	73.00%	(11,614)	-	(11,614)	"	"
Manufacturing (India) Private Limited	5,000	49,872	-	-	-	283	5,000	100.00%	49,589	-	49,589	"	"
Inventec Electronics (Thailand) co., Ltd.	-	-	395,000	1,493,519	-	-	395,000	100.00%	1,493,519	-	1,493,519	"	"
Inventec Technology (Vietnam) Compony Limited	-	-	-	772,246	-	-	-	100.00%	772,246	-	772,246	"	"
		<u>\$ 42,794,216</u>		<u>5,195,640</u>		<u>720,337</u>			<u>47,269,519</u>		<u>47,128,344</u>		
Inventec Solar Energy Corporation	108,150	<u>\$ (661,071)</u>	-	<u>-</u>	-	<u>125</u>	108,150	33.45%	<u>(661,196)</u>	-	<u>(661,196)</u>	"	Note 1

Note : The market value of listed companies are market value, and the value of private entities are net asset value.

Note1: Recognized as "other non-current liabilities, others".

**INVENTEC CORPORATION**  
**Statement of Other Non-current Assets**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Deferred expense	Toolings	\$ 3,436,868	
Less: Accumulated depreciation		(3,186,732)	
Deferred tax assets		1,668,938	
Other assets	Refundable deposits and other assets	<u>198,472</u>	
		<b><u>\$ 2,117,546</u></b>	

**INVENTEC CORPORATION**  
**Statement of Short-term Borrowings**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<u>Category of loans</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract Period</u>	<u>Range of interest rate</u>	<u>Loan commitments</u>	<u>Collateral or guarantee</u>	<u>Note</u>
Short-term borrowings	E.SUN Bank	\$ 1,402,306	2024.01.26	6.26%	TWD 1,500,000	None	
	Citi Bank	4,169,964	2024.01.05~2024.03.05	6.09%~6.20%	TWD 229,000	"	
	DBS Bank	9,194,149	2024.01.04~2024.01.24	1.63%~6.22%	USD 300,000	"	
	Bank of Taiwan	3,438,824	2024.01.12~2024.01.26	6.24%~6.26%	USD 150,000	"	
	Sumito Mitsui Bank	2,100,000	2024.01.11~2024.01.26	1.77%	USD 150,000	"	
	Cathay United Bank	1,842,269	2024.01.05	6.10%	TWD 60,000	"	
	Mega Bank	1,842,017	2024.01.17	5.95%	USD 60,000	"	
	Hua Nan Bank	1,885,871	2024.01.03	6.15%	TWD 2,325,000	"	
	HSBC Bank	500,000	2024.01.11	1.63%	USD 65,000	"	
	Chang Hwa Bank	300,000	2024.01.08	1.85%	USD 60,000	"	
	China Construction Bank	1,531,503	2024.01.26	5.83%	USD 50,000	"	
		<b>\$ 28,206,903</b>					

**INVENTEC CORPORATION**

**Statement of Accounts Payable**

**December 31, 2023**

**(In Thousands of New Taiwan Dollars)**

<b>Vendor name</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
<u>Non-related parties:</u>			
V		\$ 11,827,066	
W		7,493,900	
X		4,664,469	
Y		2,591,625	
Z		2,374,862	
Others			The year-end balance of each client doesn't exceed 5% of the account balance.
		<u>17,625,492</u>	
Subtotal		<u>46,577,414</u>	
<u>Related parties:</u>			
Inventec Corporation (Hong Kong) Ltd.		56,268,441	
Others			The year-end balance of each client doesn't exceed 5% of the account balance.
		<u>424,199</u>	
Subtotal		<u>56,692,640</u>	
Total		<u><u>\$ 103,270,054</u></u>	

## INVENTEC CORPORATION

### Statement of Other Payables

December 31, 2023

(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>
Other payables	Payables for salary, incentive and bonus	\$ 3,287,915
	Inventory processing fee	670,472
	Interest payable and royalty	643,372
	Others	<u>1,380,540</u>
Total		<u><u>\$ 5,982,299</u></u>

### Statement of Other Current Liabilities

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Other current liabilities	Advance receipts	\$ 590	
	Receipts under custody	99,664	
	Temporary credits	8,739,492	
	Others	<u>2,604,035</u>	
		<u><u>\$ 11,443,781</u></u>	

**INVENTEC CORPORATION**  
**Statement of Long-term Borrowings**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Creditor</b>	<b>Description</b>	<b>Amount</b>	<b>Contract period</b>	<b>Interest rate</b>	<b>Collateral or guarantee</b>	<b>Note</b>
Hua Nan Bank	Secured borrowings	\$ 1,433,333	2031.02.26	1.94%	Land, buildings and construction	Without financial covenant
Bank of Taiwan	"	716,667	2031.02.26	1.94%	"	"
E.SUN Commercial Bank	Unsecured borrowings	921,300	2025.07.07	6.66%	None	"
China Construction Bank	"	221,112	2028.07.07	5.69%	"	"
Less: Long-term Borrowings, current portion		(300,000)				
<b>Total</b>		<b><u>\$ 2,992,412</u></b>				

**INVENTEC CORPORATION**  
**Statement of Other Non-current Liabilities**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Other non-current liabilities	Deferred tax liabilities	\$ 4,533,564	
	Deferred credits	57,695	
	Gaurantee deposits received	651	
	Credit balance of investments accounted for using equity method	<u>661,196</u>	
		<u><u>\$ 5,253,106</u></u>	

**INVENTEC CORPORATION**  
**Statement of Operating Costs**  
**For the year ended December 31, 2023**  
(In Thousands of New Taiwan Dollars)

Item	Amount	
	Subtotal	Total
Cost of goods sold from manufacturing	\$	75,361,679
Direct material	64,200,718	
Add: Raw material, January 1	6,951,112	
Purchases	74,023,895	
Less: Raw material, December 31	(14,038,248)	
Transferred to expense	(191,466)	
Sales	(2,544,425)	
Loss on physical inventory	(150)	
Direct labor	658,239	
Manufacturing expenses	2,590,031	
Cost of manufacturing	67,448,988	
Add: Work in process, January 1	2,490,878	
Purchases	10,493,567	
Less: Work in process, December 31	(1,473,845)	
Transferred to expense	(415,969)	
Loss on physical inventory	(70)	
Transferred to warranty	(49,811)	
Cost of finished goods	78,493,738	
Add: Finished goods, January 1	2,625,308	
Less: Finished goods, December 31	(5,251,908)	
Transferred to expense	(500,852)	
Transferred to warranty	(4,607)	
Cost of material sold		2,544,425
Cost of merchandise sold (triangle trade)		346,139,236
Loss on inventory valuation		8,671
Cost of warranty		963,113
Expense of idle capacity		2,974
Loss on physical inventory		220
Cost of provision of sales return		(69,387)
Total operating costs	<b>\$</b>	<b><u>424,950,931</u></b>



**INVENTEC CORPORATION**  
**Statement of Selling Expenses**  
**For the year ended December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Wages and salaries		\$ 658,424	
Amortizations		297,257	
Freight		392,486	
Insurance expense		125,268	
Employee benefits		99,676	
Other expenses		254,946	
		<u>\$ 1,828,057</u>	

**Statement of Administrative Expenses**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Wages and salaries		\$ 1,050,357	
Depreciation expense		162,513	
Repairs and maintenance expense		137,745	
Professional service fees		152,351	
Other expenses		696,939	
		<u>\$ 2,199,905</u>	

**INVENTEC CORPORATION**  
**Statement of Research and Development Expenses**  
**December 31, 2023**  
(In Thousands of New Taiwan Dollars)

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Wages and salaries		\$ 4,449,481	
Consumable expense		997,100	
Inspection fees		362,420	
Other expenses		1,284,720	
		<u>\$ 7,093,721</u>	

**Appendix II: Consolidated financial statements with subsidiaries  
audited by CPA of 2023**

## Independent Auditors' Report

To the Board of Directors of Inventec Corporation:

### Opinion

We have audited the consolidated financial statements of Inventec Corporation and its subsidiaries ( “the Group” ), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ( “IFRSs” ), International Accounting Standards ( “IASs” ), Interpretations developed by the International Financial Reporting Interpretations Committee ( “IFRIC” ) or the former Standing Interpretations Committee ( “SIC” ) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

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

#### 1. Inventory Valuation

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

Description of the key audit matter:

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

How the matter was addressed in our audit:

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

## **2. Revenue recognition**

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

Description of the key audit matter:

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

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

How the matter was addressed in our audit:

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

## **Other Matter**

Inventec Corporation has additionally prepared its parent company only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG

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

#### **Notes to Readers**

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

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

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

**INVENTEC CORPORATION AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

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

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



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

**INVENTEC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**For the years ended December 31, 2023 and 2022**

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

		For the years ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenue (Notes (4), (6)(u) and (7))</b>	\$ 514,746,200	100	541,750,850	100
5000	<b>Operating costs (Note (6)(e))</b>	488,408,057	95	515,747,708	95
5900	<b>Gross profit from operations</b>	26,338,143	5	26,003,142	5
	<b>Operating expenses (Notes (6)(c), (v) and (7)):</b>				
6100	Selling expenses	2,884,821	1	3,241,707	1
6200	Administrative expenses	4,665,160	1	4,004,352	1
6300	Research and development expenses	11,321,839	2	12,095,376	2
6450	Impairment losses (impairment gains and reversal of impairment losses) determined in accordance with IFRS9	3,099	-	(7,369)	-
		18,874,919	4	19,334,066	4
6900	<b>Net operating income</b>	7,463,224	1	6,669,076	1
	<b>Non-operating income and expenses (Notes (6)(f), (w) and (7)):</b>				
7100	Interest income	2,627,571	1	1,764,316	-
7010	Other income	289,318	-	263,128	-
7020	Other gains and losses	1,467,454	-	1,525,831	-
7050	Finance costs	(4,588,115)	(1)	(3,035,588)	-
7060	Shares of loss of associates and joint ventures accounted for using equity method	(24,508)	-	(9,728)	-
		(228,280)	-	507,959	-
7900	<b>Profit before tax</b>	7,234,944	1	7,177,035	1
7950	<b>Less: Income tax expenses (Notes (4) and (6)(q))</b>	1,214,059	-	1,115,026	-
8000	<b>Profit</b>	6,020,885	1	6,062,009	1
	<b>Other comprehensive income (loss):</b>				
8310	<b>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>				
8311	Gains on remeasurements of defined benefit plans	10,496	-	115,509	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,264,519	-	(1,263,059)	-
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	218	-	2,607	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	1,677	-	22,611	-
		1,273,556	-	(1,167,554)	-
8360	<b>Components of other comprehensive (loss) income that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation of foreign financial statements	(466,951)	-	2,530,890	-
8370	Shares of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(5,500)	-	4,821	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		(472,451)	-	2,535,711	-
		801,105	-	1,368,157	-
8500	<b>Total comprehensive income</b>	<b>\$ 6,821,990</b>	<b>1</b>	<b>7,430,166</b>	<b>1</b>
	<b>Profit (loss), attributable to:</b>				
8610	Profit, attributable to owners of parent	\$ 6,130,732	1	6,128,786	1
8620	Profit (loss), attributable to non-controlling interests	(109,847)	-	(66,777)	-
		<b>\$ 6,020,885</b>	<b>1</b>	<b>6,062,009</b>	<b>1</b>
	<b>Comprehensive income (loss) attributable to:</b>				
8710	Comprehensive income, attributable to owners of parent	\$ 6,935,510	1	7,491,484	1
8720	Comprehensive income (loss), attributable to non-controlling interests	(113,520)	-	(61,318)	-
		<b>\$ 6,821,990</b>	<b>1</b>	<b>7,430,166</b>	<b>1</b>
	<b>Earnings per share (Notes (4) and (6)(t))</b>				
9750	<b>Basic earnings per share (NT dollars)</b>	<b>\$ 1.71</b>		<b>1.71</b>	
9850	<b>Diluted earnings per share (NT dollars)</b>	<b>\$ 1.70</b>		<b>1.70</b>	

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

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Attributable to owners of parent					Other Equity				
	Share Capital		Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) from Financial Assets Measured at Fair Value through Other Comprehensive Income	Total Equity Attributable to Owners of Parent	Non - controlling Interests	Total Equity
	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings					
<b>Balance at January 1, 2022</b>	\$ 35,874,751	2,899,592	12,093,033	1,901,925	7,030,001	(3,036,968)	322,370	57,084,704	(686,610)	56,398,094
Profit (loss) for the period	-	-	-	-	6,128,786	-	-	6,128,786	(66,777)	6,062,009
Other comprehensive income (loss) for the period	-	-	-	-	95,889	2,530,252	(1,263,443)	1,362,698	5,459	1,368,157
Total comprehensive income (loss) for the period	-	-	-	-	6,224,675	2,530,252	(1,263,443)	7,491,484	(61,318)	7,430,166
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	654,924	-	(654,924)	-	-	-	-	-
Special reserve appropriated	-	-	-	812,672	(812,672)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,022,465)	-	-	(5,022,465)	-	(5,022,465)
Others	-	335	-	-	-	-	-	335	124	459
<b>Balance at December 31, 2022</b>	35,874,751	2,899,927	12,747,957	2,714,597	6,764,615	(506,716)	(941,073)	59,554,058	(747,804)	58,806,254
Profit (loss) for the period	-	-	-	-	6,130,732	-	-	6,130,732	(109,847)	6,020,885
Other comprehensive income (loss) for the period	-	-	-	-	9,139	(468,778)	1,264,417	804,778	(3,673)	801,105
Total comprehensive income (loss) for the period	-	-	-	-	6,139,871	(468,778)	1,264,417	6,935,510	(113,520)	6,821,990
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	622,467	-	(622,467)	-	-	-	-	-
Reversal of special reserve	-	-	-	(1,266,808)	1,266,808	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	(5,381,213)	-	-	(5,381,213)	-	(5,381,213)
Changes in equity of associates and joint ventures accounted for using equity method	-	10,746	-	-	-	-	-	10,746	-	10,746
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(3,662)	-	3,662	-	-	-
Others	-	442	-	-	-	-	-	442	163	605
<b>Balance at December 31, 2023</b>	<b>\$ 35,874,751</b>	<b>2,911,115</b>	<b>13,370,424</b>	<b>1,447,789</b>	<b>8,163,952</b>	<b>(975,494)</b>	<b>327,006</b>	<b>61,119,543</b>	<b>(861,161)</b>	<b>60,258,382</b>

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

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

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

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

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS (CONT'D)**  
**For the Years Ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

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

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

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

**(1) Company History**

Inventec Corporation (the “Company”) was organized in 1975. The Company engages primarily in the manufacturing, processing and trading of computers and related products. The Company’s registered office address is located at No.66 Hougang Street, Shihlin District, Taipei City, Taiwan, R.O.C. The shares of the Company became officially listed and traded on the Taiwan Stock Exchange in November 1996.

The Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”) primarily is involved in the production and sales of computer products and intelligent devices. Please refer to Note (4)(c) for details.

**(2) Financial Statements Authorization Date and Authorization Process**

These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2024.

**(3) New Standards, Amendments and Interpretations Adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Group has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

**(4) Summary of material policies**

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

The material accounting policies presented in the consolidated financial statements are summarized below. Except for the explanation of Note (3), the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

- (a) Statement of compliance

These consolidated financial statement statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

- (b) Basis of preparation

The consolidated entity, Inventec Solar Energy Corporation, resolved at its Board meeting on December 1, 2021, to file the bankruptcy to the court. The financial statements were prepared on the assumption that the entity was unable to continue as a going concern and did not adopt a going concern accounting basis.

1. Basis of measurement

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) Financial assets at fair value through other comprehensive income are measured at fair value;
- 3) Cash-settled share-based payment liabilities are measured at fair value;

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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4) The defined benefit liabilities (assets) are measured at fair value of the plan assets less the present value of the defined benefit obligation, limited as explained in Note (4)(q).

2. Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

1. Principle of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests as their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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2. List of subsidiaries in the consolidated financial statements

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		Note
			December 31, 2023	December 31, 2022	
The Company	Inventec Corporation (Hong Kong) Ltd.	Trading	100.00%	100.00%	
"	Inventec Holding (North America) Corp.	Holding Company	100.00%	100.00%	
"	Inventec (Cayman) Corp.	Holding Company	100.00%	100.00%	
"	IEC (Cayman) Corporation	Holding Company	100.00%	100.00%	
"	Inventec (Czech), s.r.o.	Production and sales of computer products	100.00%	100.00%	
"	Inventec Development Japan Corporation	Trading	100.00%	100.00%	
"	Inventec Investments Co., Ltd.	Investment company	100.00%	100.00%	
"	AIMobile Co., Ltd.	Developing, production and sales of intelligent mobile devices	73.00%	73.00%	
"	Inventec Japan Corporation	Trading and management services	100.00%	100.00%	
"	Inventec Appliances Corp.	Production and sales of intelligent devices	100.00%	100.00%	
"	InveneXt System CO., LTD.	Production and sales of 5G equipment	100.00%	100.00%	InveneXt System Co., LTD. was established on November 17, 2022.
"	Inventec Technology (Vietnam) Company Limited	Production and sales of computer products	100.00%	-	% Inventec Technology (Vietnam) Company Limited was established on October 16, 2023.
InveneXt System CO., LTD.	Inphicomn Ltd.	5G hardware and software services	55.00%	-	% Inphicomn. Ltd. was established on July 17, 2023. No capital has been injected as of December 31, 2023.
The Company and Inventec Investments Co., Ltd.	Inventec Electronics (Thailand) Co., Ltd.	Production and sales of computer products	100.00%	-	% Inventec Electronics (Thailand) Co., Ltd. was established on June 2, 2023.
The Company, Inventec Investments Co., Ltd. and Inventec Appliances Corp.	Inventec Solar Energy Corporation	Sales of solar cells and medical equipment	47.65%	47.65%	Inventec Solar Energy Corporation resolved at its Board meeting on December 1, 2021, to file for bankruptcy to the court, who will grant the company's request upon its ruling.
Inventec Corporation (Hong Kong) Ltd.	Inventec Electronics (Tianjin) Co., Ltd.	Electronic product software development	100.00%	100.00%	
"	Inventec (Beijing) Electronics Technology Co., Ltd.	"	100.00%	100.00%	
Inventec (Cayman) Corp. and Inventec (Pudong) Technology Corp.	Inventec (Shanghai) Corp.	Sales of computer products	100.00%	100.00%	
Inventec (Cayman) Corp., Inventec (Pudong) Technology Corp. and Inventec (Pudong) Co., Ltd	Inventec (Shanghai) Service Co., Ltd.	"	100.00%	100.00%	
Inventec (Cayman) Corp.	Inventec (Pudong) Co., Ltd.	"	100.00%	100.00%	
"	Inventec (Pudong) Technology Corp.	Production and sales of computer products	100.00%	100.00%	
"	Inventec Hi-Tech Corporation	Sales of computer products	100.00%	100.00%	
"	Inventec (Chongqing) Service Co., Ltd	"	100.00%	100.00%	
Inventec (Cayman) Corp. and IEC (Cayman) Corporation	Inventec (Chongqing) Corporation	Production and sales of computer products	100.00%	100.00%	



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**INVENTEC CORPORATION AND SUBSIDIARIES**  
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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

Name of Investor	Name of Subsidiary	Principal activity	Shareholding		Note
			December 31, 2023	December 31, 2022	
Inventec (Shanghai) Corp.	Inventec Asset-Management (Shanghai) Corporation	Leasing	78.00%	78.00%	
Inventec (Shanghai) Service Co., Ltd.	Saint Investment Consulting Corporation	Business management	100.00%	100.00%	
Inventec (Pudong) Technology Corp.	SQ Technology (Shanghai) Corporation	Production and sales of computer products	100.00%	100.00%	
Inventec Holding (North America) Corp.	Inventec (USA) Corporation	"	100.00%	100.00%	
"	Inventec Manufacturing (North America) Corporation	"	100.00%	100.00%	
"	Inventec Configuration (North America) Corporation	"	100.00%	100.00%	
"	Inventec Distribution (North America) Corporation	"	100.00%	100.00%	
Inventec Holding (North America) Corp. and Inventec Distribution (North America) Corporation	IEC Technologies, S. de R.L. de C.V.	"	100.00%	100.00%	
Inventec Appliances Corp.	Inventec Appliances (Cayman) Holding Corp.	Holding Company	100.00%	100.00%	
"	Inventec Appliances (Vietnam) Company Limited	Production and sales of intelligent devices	100.00%	100.00%	Inventec Appliances (Vietnam) Company Limited was established on September 12, 2022.
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances (USA) Distribution Corp.	Marketing promotion	100.00%	100.00%	
"	Inventec Appliances Corporation USA, Inc.	Sales service	100.00%	100.00%	
"	Inventec Appliances (Shanghai) Co., Ltd.	Development of intelligent devices	100.00%	100.00%	
"	Inventec Appliances (Pudong) Corp.	Production and sales of intelligent devices	100.00%	100.00%	
"	Inventec Appliances (Jiangning) Corp.	"	100.00%	100.00%	
"	Inventec Appliances (Nanjing) Corp.	House leasing	100.00%	100.00%	
"	Inventec Appliances (XI'AN) Corporation	"	100.00%	100.00%	
"	Inventec Appliances (Nanchang) Corporation	Development of intelligent devices	100.00%	100.00%	
Inventec Appliances (Shanghai) Co., Ltd.	Inventec Appliances (Shanghai) Enterprise Co., Ltd.	Business management	100.00%	100.00%	
"	APEX Business Management & Consulting (Shanghai) Co., Ltd.	"	100.00%	100.00%	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Production and sales of intelligent devices	100.00%	100.00%	
"	Inventec QD (Shanghai) Corporation	Business management	100.00%	-	% No capital has been injected as of December 31, 2023.
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	Production and sales of intelligent devices	100.00%	100.00%	
"	Inventec Easy Doctor Corporation	Production and sales of medical devices	100.00%	100.00%	

3.Subsidiaries excluded from the consolidated financial statements: None.

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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(d) Foreign currencies

1. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designed as at fair value through other comprehensive income, which is recognized in other comprehensive income.

2. Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
2. It is held primarily for the purpose of trading;

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3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

1. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of next reporting period following the change in the business model.

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1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

Some trade receivables deriving from the collection of contractual cash flows and sales made by the Group are measured at FVOCI, and recognized as 'trade receivables' line item.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI and contract assets.

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The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when the financial asset is more than year past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECL are the ECL that result from all possible default events over the expected life of a financial instrument.

12-month ECL are the portion of ECL that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 1 year past due;

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- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

2. Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(i) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align the accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual proportionate share.

Gains and losses resulting from the transactions between the Group and an associate are recognized only to the extent of unrelated Group's interest in the associate.

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When the Group's share of losses of an associate equals or exceeds its interest in associates, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing and the carrying amount of the investment at the date the equity method that was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the investee had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (or retained earnings) (as a reclassification adjustment) when the equity method is discontinued. If the Group's ownership interest in an associate or a joint venture is reduced, while the entity continues to apply the equity method, the Group reclassifies the proportion of the gain or loss, that had previously been recognized in other comprehensive income relating to that reduction in ownership interest, to profit or loss.

If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group shall continue to apply the equity method without remeasuring the retained interest.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under additional paid-in capital. If the additional paid-in capital resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.



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Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(k) Property, plant, and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	10 ~ 50years
Machinery	2 ~ 11years
Transportation equipment	3 ~ 6years
Furniture and office facilities	2 ~ 14years
Power equipment	2 ~ 16years
Renovation and leasehold improvements	2 ~ 20years
Miscellaneous equipment	2 ~ 16years
Leasehold improvements	10years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

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4.Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner occupied to investment property.

(l) Leases

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified assets for a period of time in exchange for consideration.

1.As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) Fixed payments, including in-substance fixed payment;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) Amounts expected to be payable under a residual value guarantee; and
- 4) Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) there is a change in future lease payments arising from the change in an index or rate; or
- 2) there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset; or

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4) there is a change of its assessment on whether it will exercise an extension or termination option;  
or

5) there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of housing, transportation, and other equipment that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- 1) the rent concessions occurring as a direct consequence of the COVID-19 pandemic;
- 2) the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- 3) any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- 4) there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

2.As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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(m) Intangible assets

1. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- |                           |                 |
|---------------------------|-----------------|
| 1) Trademark rights       | 10 years        |
| 2) Computer software cost | 1 years~6 years |

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value-in-use and its fair value less costs to sell. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(o) Provisions

A provision is recognized if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probably that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

1. Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of all possible outcomes against their associated probabilities.

2. Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

3. The Group has periodically assessed the obligation of all litigation and claims and relative legal costs based on historical experience. If settling present obligation is probable and the amount can be reasonably estimated, the Group recognizes a provision for legal claims.

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(p) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1. Sale of goods

The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2. Services

The Group recognizes revenue when the performance obligation is completed.

3. Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(q) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

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Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3. Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognizes costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

4. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(r) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors and the employees have made an agreement on the price and number of the new award.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

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Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities at the reporting date and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.



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(t) Earnings per share

The Group disclose the Company's basic and diluted earnings per share attributable to ordinary equity holders of the Company. The calculation of basic earnings per share is based on the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company, divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, such as employee compensation.

(u) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

**(5) Significant Accounting Assumptions and Judgements, and Major Sources of Estimation Uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(a) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Refer to Note (6)(e) for further description of the valuation of inventories.

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**(6) Explanation to Significant Accounts**

(a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on hand	\$ 8,845	6,536
Demand deposits and checking accounts	27,705,884	38,356,241
Time deposits	418,340	4,087,866
Cash and cash equivalents in the consolidated statements of cash flows	<b>\$ 28,133,069</b>	<b>42,450,643</b>

Refer to Note (6)(x) for the sensitivity analysis and interest rate risk of the financial assets of the Group.

(b) Financial instruments

1. Financial assets and liabilities at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 86,696	316,300
Foreign exchange swap	131,559	119,565
Non-derivative financial assets		
Stocks of listed companies	40,770	39,406
Emerging stock	69,014	65,461
Unquoted financial instruments	152,466	543,730
Unsecured convertible bonds	39,266	31,340
Total	<b>\$ 519,771</b>	<b>1,115,802</b>

The liquidation of E-TON SOLAR TECH. CO., LTD. on November 24, 2022 resulted in the Group to receive the residual property amounting to \$674,840.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial liabilities at fair value through profit or loss		
Derivative instruments not used for hedging		
Forward exchange contracts	\$ 34,655	30,966
Foreign exchange swap	263	261,417
Total	<b>\$ 34,918</b>	<b>292,383</b>

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The Group uses derivative financial instruments to hedge the certain foreign exchange and interest rate risk the Group is exposed to, arising from its operating, financing and investing activities. The following derivative instruments, without the application of hedge accounting, were classified as mandatorily measured at fair value through profit or loss financial assets and held-for-trading financial liabilities:

1) Financial assets:

	<b>December 31, 2023</b>			
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>	
Foreign exchange swap	USD 210,000	USD to TWD	2024.01.05~2024.01.18	
Forward	USD 40,000	USD to TWD	2024.01.12~2024.01.29	
Forward	USD 20,000	USD to THB	2024.03.12	
Forward	USD 35,000	USD to CNY	2024.01.25~2024.02.26	
	<b>December 31, 2022</b>			
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>	
Foreign exchange swap	USD 190,000	USD to TWD	2023.01.05~2023.05.30	
Forward	USD 415,000	USD to TWD	2023.01.06~2023.06.16	

2) Financial liabilities:

	<b>December 31, 2023</b>			
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>	
Foreign exchange swap	USD 10,000	USD to TWD	2024.01.12	
Forward	USD 20,000	USD to TWD	2024.01.12	
Forward	USD 47,000	USD to CNY	2024.02.21	
	<b>December 31, 2022</b>			
	<b>Contract Amount (in thousands)</b>	<b>Currency</b>	<b>Maturity Period</b>	
Foreign exchange swap	USD 355,000	USD to TWD	2023.01.06~2023.06.16	
Forward	USD 130,000	USD to TWD	2023.01.05~2023.05.30	

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2. Financial assets at fair value through other comprehensive income

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity investments at fair value through other comprehensive income		
Stocks of listed companies	\$ 783,756	723,062
Stocks of unlisted companies	5,160,038	3,928,007
Total	<b><u>\$ 5,943,794</u></b>	<b><u>4,651,069</u></b>

1) Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term strategic purposes.

For strategic purposes, the Group has sold its equity investments at fair value through other comprehensive income at the amount of \$30,188, resulting in the Group to reclassify the loss of \$3,662 from other equity to retained earnings.

2) For credit risk and market risk, please refer to Note (6)(x).

3) As of December 31, 2023, the aforesaid financial assets were not pledged as collateral.

(c) Notes and accounts receivable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable- non-related parties	\$ 92,280,692	88,292,622
Accounts receivable- related parties	71	1,285,573
Less: Loss allowance	(73,960)	(70,992)
	<b><u>\$ 92,206,803</u></b>	<b><u>89,507,203</u></b>

The Group assessed that some accounts receivable were derived from the collection of contractual cash flows and sales. Therefore, those accounts receivable were measured at fair value through other comprehensive income. As of December 31, 2023 and 2022, the amounts of accounts receivable measured at fair value through other comprehensive income were \$8,386,574 and \$5,107,315, respectively.

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance was determined as follows:

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 88,872,601	0%~0.5%	69,995
1 to 180 days past due	3,408,070	0.04%~10%	3,965
More than 180 days past due	92	0.04%~100%	-
	<b>\$ 92,280,763</b>		<b>73,960</b>

As of February 27, 2024, the amount received in subsequent period by the Group was \$60,409,967.

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 86,579,587	0%~0.5%	66,507
1 to 180 days past due	2,997,610	0.04%~10%	4,481
More than 180 days past due	998	0.04%~100%	4
	<b>\$ 89,578,195</b>		<b>70,992</b>

The movements in the allowance for notes and accounts receivable were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 70,992	104,130
Impairment losses recognized (reversed)	3,099	(7,369)
Amounts written off	-	(26,588)
Foreign exchange (gains) losses	(131)	819
Balance at December 31	<b>\$ 73,960</b>	<b>70,992</b>

The allowance for impairment account is used to record expected credit losses. If the Group believes that it may not be able to collect the receivables. The accumulated impairment was used to offset the receivables when it is certain they are unrecoverable, after related legal actions were taken by the Group.

As of December 31, 2023 and 2022, none of the receivables above were pledged as collateral for loans and borrowings.

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As of December 31, 2023 and 2022, the Group sold its accounts receivable without recourse as follows:

December 31, 2023						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in other Receivable	Range of Interest Rate	Significant Transferring Terms
		Unpaid (in thousands)	Paid (in thousands)			
Non-related parties	\$ 25,773,423	USD 613,201	USD 839,252	-	6.38%~6.73%	The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.
Note						
December 31, 2022						
Purchaser	Amount Derecognized	Amount Advanced		Amount Recognized in other Receivable	Range of Interest Rate	Significant Transferring Terms
		Unpaid (in thousands)	Paid (in thousands)			
Non-related parties	\$ 37,006,722	USD 483,515	USD 1,205,431	-	4.82%~5.85%	The accounts receivable factoring is without recourse but the seller still bears the risks except for eligible obligor's insolvency.
Note						

Note: The amount advanced unpaid of subsidiaries which means that the purchaser has the right to make factoring transactions with the Group based on the amount allocated by the client under factoring agreement.

(d) Other receivables

	December 31, 2023	December 31, 2022
Other accounts receivable	\$ 1,746,043	1,554,185

Other receivables consisted of interest receivable and other income.

(e) Inventories

	December 31, 2023	December 31, 2022
Raw materials and consumables	\$ 36,845,050	32,288,347
Work in process	8,530,279	10,080,564
Finished goods	13,470,047	7,575,629
Materials and supplies in transit	1,050,873	1,060,246
	<u>\$ 59,896,249</u>	<u>51,004,786</u>

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For the years ended December 31, 2023 and 2022, the write-up (write-down) of inventories amounted to \$83,555 and \$(619,750), respectively. The write down of inventory valuation is due to obsolescence or out of use, which causes the net realizable value of inventory to be lower than the cost and is recognized as operating costs. In addition, when the factor causing the net realizable value of inventory to be lower than the cost is disappeared due to scrapping or disposal, the increase in the net realized value is recognized as a deduction in operating costs. For the years ended December 31, 2023 and 2022, idle capacity loss amounted to \$5,135 and \$73,252, respectively.

As of December 31, 2023, and December 31, 2022, the aforesaid inventories were not pledged as collateral.

(f) Investments accounted for using equity method

The components of investments accounted for using equity method at the reporting date were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Associates	<b>\$ 431,681</b>	<b>443,563</b>

1. Associate

The Group's financial information for investments in individually insignificant associates accounted for using equity method at the reporting date was as follows. These financial information are included in the consolidated financial statements.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Individually insignificant associates	<b>\$ 431,681</b>	<b>443,563</b>

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
The Group's share of loss of the associates		
Loss from continuing operations	\$ (24,508)	(9,728)
Other comprehensive income	(5,282)	7,428
Total comprehensive income	<b>\$ (29,790)</b>	<b>(2,300)</b>

As of December 31, 2023 and 2022, the Group's investments under equity method were not pledged as collateral.

2. Judgment on existence of substantial control over investee

The Group holds 37.528% of the outstanding voting shares of Inventec Besta Co., Ltd. (Besta) and obtains only one seat among all seven board directors. Therefore, the Group does not have existing rights and the current ability to direct the investee's relevant activities, thus, the Group does not have control over Besta.

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(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022 were as follows:

	Land	Building and construction	Machinery and equipment	Transportation equipment	Office equipment	Other facilities	Leasehold improvements	Others	Total
Cost or deemed cost:									
Balance at January 1, 2023	\$ 8,166,465	17,273,966	18,206,229	95,181	5,452,557	7,387,838	785,745	5,315,224	62,683,205
Additions	682,473	-	922,214	16,832	382,598	313,596	36,517	2,223,828	4,578,058
Disposals	-	(208,631)	(2,004,360)	(6,180)	(387,357)	(47,666)	(653)	(137,221)	(2,792,068)
Others	-	-	47,416	-	28,308	132,060	20,917	(3,926,380)	(3,697,679)
Effect of movements in exchange rates	(8,489)	(131,976)	(61,064)	(954)	(4,545)	(52,554)	2,342	(34,634)	(291,874)
Balance at December 31, 2023	<u>\$ 8,840,449</u>	<u>16,933,359</u>	<u>17,110,435</u>	<u>104,879</u>	<u>5,471,561</u>	<u>7,733,274</u>	<u>844,868</u>	<u>3,440,817</u>	<u>60,479,642</u>
Balance at January 1, 2022	\$ 7,784,757	16,578,652	17,891,798	102,302	5,126,195	7,131,447	736,066	3,215,599	58,566,816
Additions	170,564	229,787	1,823,836	6,108	387,287	86,827	1,455	2,186,115	4,891,979
Disposals	-	-	(2,442,840)	(16,016)	(293,977)	(46,536)	(4,962)	-	(2,804,331)
Others	203,235	-	17,581	-	14,574	2,355	(3,124)	(234,338)	283
Effect of movements in exchange rates	7,909	465,527	915,854	2,787	218,478	213,745	56,310	147,848	2,028,458
Balance at December 31, 2022	<u>\$ 8,166,465</u>	<u>17,273,966</u>	<u>18,206,229</u>	<u>95,181</u>	<u>5,452,557</u>	<u>7,387,838</u>	<u>785,745</u>	<u>5,315,224</u>	<u>62,683,205</u>
Depreciation and impairment losses:									
Balance at January 1, 2023	\$ -	5,005,637	14,714,249	82,865	4,621,663	6,683,518	364,402	-	31,472,334
Depreciation for the period	-	380,741	1,015,337	5,735	397,062	204,111	49,470	-	2,052,456
Disposals	-	(166,102)	(2,007,177)	(6,180)	(377,325)	(47,763)	(38)	-	(2,604,585)
Impairment loss	-	-	-	-	-	-	116,793	-	116,793
Effect of movements in exchange rates	-	(46,101)	(58,378)	(765)	(12,961)	(48,449)	(2,250)	-	(168,904)
Balance at December 31, 2023	<u>\$ -</u>	<u>5,174,175</u>	<u>13,664,031</u>	<u>81,655</u>	<u>4,628,439</u>	<u>6,791,417</u>	<u>528,377</u>	<u>-</u>	<u>30,868,094</u>
Balance at January 1, 2022	\$ -	4,498,010	15,411,170	88,359	4,481,792	6,335,348	285,646	-	31,100,325
Depreciation for the period	-	377,571	898,622	8,147	357,392	191,158	55,449	-	1,888,339
Disposals	-	-	(2,403,142)	(16,016)	(288,635)	(45,785)	(4,963)	-	(2,758,541)
Others	-	-	-	-	-	-	620	-	620
Effect of movements in exchange rates	-	130,056	807,599	2,375	71,114	202,797	27,650	-	1,241,591
Balance at December 31, 2022	<u>\$ -</u>	<u>5,005,637</u>	<u>14,714,249</u>	<u>82,865</u>	<u>4,621,663</u>	<u>6,683,518</u>	<u>364,402</u>	<u>-</u>	<u>31,472,334</u>
Carrying amounts:									
Balance at December 31, 2023	<u>\$ 8,840,449</u>	<u>11,759,184</u>	<u>3,446,404</u>	<u>23,224</u>	<u>843,122</u>	<u>941,857</u>	<u>316,491</u>	<u>3,440,817</u>	<u>29,611,548</u>
Balance at January 1, 2022	<u>\$ 7,784,757</u>	<u>12,080,642</u>	<u>2,480,628</u>	<u>13,943</u>	<u>644,403</u>	<u>796,099</u>	<u>450,420</u>	<u>3,215,599</u>	<u>27,466,491</u>
Balance at December 31, 2022	<u>\$ 8,166,465</u>	<u>12,268,329</u>	<u>3,491,980</u>	<u>12,316</u>	<u>830,894</u>	<u>704,320</u>	<u>421,343</u>	<u>5,315,224</u>	<u>31,210,871</u>

The Group assessed the recoverable amount in respect of fixed assets, as a portion of the assets will not bring economic benefit in the future, the Group recognized the impairment loss of \$116,793 for 2023. The impairment loss was included in "non-operating income and expenses" in consolidated statements of comprehensive income.

For the year ended December 31, 2023, as part of buildings are held either to earn rental income or for capital appreciation or for both, the Group reclassified its buildings to investment property. Please refer to Note (6)(i).



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As of December 31, 2023 and 2022, assets, which were partially pledged for the Group's long-term debts and short-term debts, were discussed further in Note (8).

(h) Right-of-use assets

The Group leases many assets including land and buildings, vehicles and other equipment. Information about leases for which the Group as a lessee is presented below:

	Land	Buildings and construction	Vehicles	Others	Total
Right-of-use assets cost:					
Balance at January 1, 2023	\$ 2,479,790	1,233,702	17,101	2,309	3,732,902
Additions	3,946	131,190	14,469	17	149,622
Reductions	(36,639)	(59,485)	(2,812)	-	(98,936)
Others	(1,492,908)	273,098	-	-	(1,219,810)
Effect of movements in exchange rates	(10,135)	20,299	(122)	1	10,043
Balance at December 31, 2023	<b>\$ 944,054</b>	<b>1,598,804</b>	<b>28,636</b>	<b>2,327</b>	<b>2,573,821</b>
Balance at January 1, 2022	\$ 2,411,276	1,469,677	16,473	1,746	3,899,172
Additions	-	196,296	7,038	492	203,826
Reductions	(54)	(518,667)	(6,725)	(101)	(525,547)
Others	-	107	-	-	107
Effect of movements in exchange rates	68,568	86,289	315	172	155,344
Balance at December 31, 2022	<b>\$ 2,479,790</b>	<b>1,233,702</b>	<b>17,101</b>	<b>2,309</b>	<b>3,732,902</b>
Accumulated right-of-use assets depreciation and impairment losses:					
Balance at January 1, 2023	\$ 259,143	433,521	8,342	1,430	702,436
Depreciation for the period	47,660	247,078	6,152	378	301,268
Reductions	(5,906)	(37,771)	(2,812)	-	(46,489)
Others	(176,793)	-	-	-	(176,793)
Effect of movements in exchange rates	(5,212)	6,241	(5)	(5)	1,019
Balance at December 31, 2023	<b>\$ 118,892</b>	<b>649,069</b>	<b>11,677</b>	<b>1,803</b>	<b>781,441</b>
Balance at January 1, 2022	\$ 176,119	550,259	9,851	940	737,169
Depreciation for the period	68,653	208,696	4,982	385	282,716
Reductions	-	(362,232)	(6,725)	(7)	(368,964)
Others	-	(620)	-	-	(620)
Effect of movements in exchange rates	14,371	37,418	234	112	52,135
Balance at December 31, 2022	<b>\$ 259,143</b>	<b>433,521</b>	<b>8,342</b>	<b>1,430</b>	<b>702,436</b>
Carrying amounts:					
Balance at December 31, 2023	<b>\$ 825,162</b>	<b>949,735</b>	<b>16,959</b>	<b>524</b>	<b>1,792,380</b>
Balance at January 1, 2022	<b>\$ 2,235,157</b>	<b>919,418</b>	<b>6,622</b>	<b>806</b>	<b>3,162,003</b>
Balance at December 31, 2022	<b>\$ 2,220,647</b>	<b>800,181</b>	<b>8,759</b>	<b>879</b>	<b>3,030,466</b>

For the year ended December 31, 2023, as part of land-use right is held either to earn rental income or for capital appreciation or for both, the Group reclassified its right-of-use assets to investment property. Please refer to Note (6)(i).

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(i) Investment property

Investment property comprises office buildings that are leased to third parties under operating leases, including properties that are held as right-of-use assets, as well as those owned by the Group. Some leases provide the lessees with options to extend upon maturity or to purchase the property.

The cost, depreciation, and impairment of the investment property of the Group for the year ended December 31, 2023 were as follows:

	<u>Owned property</u>	<u>Right-of-use assets</u>	<u>Total</u>
	<u>Buildings</u>	<u>Land and improvements</u>	
Cost:			
Balance at January 1, 2023	\$ -	-	-
Additions	4,118	-	4,118
Others	3,530,745	1,855,391	5,386,136
Effect of movements in exchange rates	(64,464)	(39,470)	(103,934)
Balance at December 31, 2023	<u>\$ 3,470,399</u>	<u>1,815,921</u>	<u>5,286,320</u>
Accumulated depreciation and impairment losses:			
Balance at January 1, 2023	\$ -	-	-
Depreciation for the period	35,293	26,440	61,733
Others	-	176,792	176,792
Effect of movements in exchange rates	(761)	(3,895)	(4,656)
Balance at December 31, 2023	<u>\$ 34,532</u>	<u>199,337</u>	<u>233,869</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 3,435,867</u>	<u>1,616,584</u>	<u>5,052,451</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 10,113,473</u>

For the year ended December 31, 2023, as part of buildings and land-use right are held either to earn rental income or for capital appreciation or for both, the Group reclassified its buildings and right-of-use assets to investment property.

As of December 31, 2023, the fair value of investment property was evaluated by independent appraisers and assessed based on the latest market price of the investment property in similar locations and conditions. It was also categorized as Level 3 in the fair value hierarchy.

As of December 31, 2023, the Group's investment properties, which were pledged as collateral, were discussed further in Note (8).

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(j) Intangible assets

	<u>Goodwill</u>	<u>Software cost</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 980,719	1,158,179	2,138,898
Additions	-	260,205	260,205
Disposals	-	(146,311)	(146,311)
Reclassification	-	6,348	6,348
Effect of movements in exchange rates	-	(211)	(211)
Balance at December 31, 2023	<u>\$ 980,719</u>	<u>1,278,210</u>	<u>2,258,929</u>
Balance at January 1, 2022	\$ 980,719	1,303,779	2,284,498
Additions	-	196,393	196,393
Disposals	-	(346,625)	(346,625)
Reclassification	-	4,492	4,492
Effect of movements in exchange rates	-	140	140
Balance at December 31, 2022	<u>\$ 980,719</u>	<u>1,158,179</u>	<u>2,138,898</u>
Amortization and impairment losses:			
Balance at January 1, 2023	\$ 172,299	991,357	1,163,656
Amortization for the period	-	259,940	259,940
Impairment loss	398,885	-	398,885
Disposals	-	(146,311)	(146,311)
Effect of movements in exchange rates	-	(153)	(153)
Balance at December 31, 2023	<u>\$ 571,184</u>	<u>1,104,833</u>	<u>1,676,017</u>
Balance at January 1, 2022	\$ 172,299	1,144,748	1,317,047
Amortization for the period	-	193,140	193,140
Disposals	-	(346,625)	(346,625)
Effect of movements in exchange rates	-	94	94
Balance at December 31, 2022	<u>\$ 172,299</u>	<u>991,357</u>	<u>1,163,656</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 409,535</u>	<u>173,377</u>	<u>582,912</u>
Balance at January 1, 2022	<u>\$ 808,420</u>	<u>159,031</u>	<u>967,451</u>
Balance at December 31, 2022	<u>\$ 808,420</u>	<u>166,822</u>	<u>975,242</u>

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The amortization of intangible assets and impairment losses are respectively included in the statements of comprehensive income:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Operating costs	\$ 1,590	1,042
Operating expenses	258,350	192,098
Total	<u>\$ 259,940</u>	<u>193,140</u>

The Group's goodwill has been tested for impairment at the end of the annual reporting period and the recoverable amount is determined based on the value-in-use. The value-in-use was calculated based on the cash flow forecast from the financial budgets covering the next five-year period, and the Group used the annual discount rate of 8.82% in its test of impairment as of December 31, 2023 to reflect the relevant specific risk in the cash-generating unit.

For the year ended December 31, 2023, the Group assessed goodwill impairment and recognized an impairment loss of \$398,885 related to a subsidiary since the operating result of this cash generating unit was not as expected, and the recoverable amount of goodwill was assessed to be lower than the carrying amount. Such impairment loss was recognized in non-operating income and expenses. For the year ended December 31, 2022, the Group did not recognize any impairment loss for goodwill.

As of December 31, 2023 and 2022, none of the aforesaid intangible assets were pledged as collateral.

(k) Other current assets and other non-current assets

The other current assets-others and other non-current assets of the Group were as follows:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Refundable deposits	\$ 191,045	295,154
Current asset recognized as right to recover products from customers	370,385	300,998
Prepayments to suppliers	174,769	259,431
Restricted assets and other financial assets	5,678,208	1,679,518
Payments on behalf of others	998,867	373,540
Deferred tax assets	2,450,970	1,993,469
Others	3,927,031	3,369,665
	<u>\$ 13,791,275</u>	<u>8,271,775</u>

The Group determines the substance of the transaction in terms of sales and production, as well as production of the same target, to complete its sales contract. The Group has the nature of an agent, and so the transaction is reflected as the net amount after the purchases and sales are written off. The unused inventory of purchases is listed as payments on behalf of others.

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As of December 31, 2023 and 2022, other assets, which were pledged as collateral, were discussed further in Note (8).

(l) Other current liabilities and other non-current liabilities

The other current liabilities-others and other non-current liabilities of the Group were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Provisions - Current	\$ 3,159,611	2,719,337
Temporary credits	9,497,637	8,125,748
Receipts under custody	1,607,558	3,236,436
Deferred tax liabilities	5,801,824	5,304,733
Others	439,299	755,727
	<b><u>\$ 20,505,929</u></b>	<b><u>20,141,981</u></b>

(m) Long-term and short-term borrowings

The significant terms and conditions of long-term and short-term borrowings were as follows:

	<b>December 31, 2023</b>			
	<b>Interest Rate</b>	<b>Currency</b>	<b>Maturity Date</b>	<b>Amount</b>
Secured bank loans	1.94%~4.78%	TWD	2031.02.26	\$ 2,150,000
		CNY	2024.02.14	2,559,762
Unsecured bank loans	1.63%~6.66%	TWD	2021.11.30~2024.02.23	6,213,770
		USD	2021.11.30~2028.07.07	32,477,892
		EUR	2021.11.30	1,535
		CNY	2024.01.19~2024.07.24	5,945,001
Total				<b><u>\$ 49,347,960</u></b>
Current				\$ 46,355,548
Non-current				2,992,412
Total				<b><u>\$ 49,347,960</u></b>
Unused credit line				<b><u>\$ 103,602,121</u></b>

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	<b>December 31, 2022</b>			
	<b>Interest Rate</b>	<b>Currency</b>	<b>Maturity Date</b>	<b>Amount</b>
Secured bank loans	1.82%~4.88%	TWD	2031.02.26	\$ 2,450,000
		CNY	2024.02.14	2,087,351
Unsecured bank loans	0.57%~6.08%	TWD	2021.11.30~2023.03.08	3,653,770
		USD	2021.11.30~2025.10.14	50,912,143
		EUR	2021.11.30	1,535
		CNY	2023.05.07~2023.11.24	2,393,209
Total				<b><u>\$ 61,498,008</u></b>
Current				\$ 48,664,657
Non-current				<u>12,833,351</u>
Total				<b><u>\$ 61,498,008</u></b>
Unused credit line				<b><u>\$ 73,159,482</u></b>

1. Please refer to Note (8) for details of the related assets pledged as collateral.

2. Important borrowing restrictions

The Company entered into a syndicated credit agreement with different financial institutions. Under the agreement, the Company shall adhere to certain financial provisions such as current ratios, leverage ratios, interest coverage ratios and tangible net worth in its consolidated annual and semi-annual financial report on the balance sheet date. Otherwise, the borrowings will be considered due and payable immediately. As of December 31, 2023 and 2022, the Company was in compliance with the above financial covenants.

3. Others

Due to insolvency, Inventec Solar Energy Corporation resolved at its Board meeting on December 1, 2021, to file for bankruptcy to the court. When the court grants the bankruptcy ruling, Inventec Solar Energy Corporation will start the legal procedures of bankruptcy. After the bank allocated the remaining balance offset by the related expenses, interests, and principles, Inventec Solar Energy Corporation recognized the borrowing as short-term and long-term loans within a year or a business cycle since the company borrowings have defaulted.

Inventec Solar Energy Corporation, resolved at its Board meeting on April 8, 2022, to sign the statement of settlement with seven creditor banks on April 11, 2022, and to sign an amendment agreement on April 13, 2022. Inventec Solar Energy Corporation borrowed money from a third party to pay for settlement to seven creditor banks. Furthermore, the creditor banks agreed to forgive the debts, and to waive all rights to the income of Inventec Solar Energy Corporation based on the credit contracts. The creditor banks have withdrawn the legal proceedings against Inventec Solar Energy Corporation and returned all the promissory notes issued under the credit contracts. However, since the conditions for derecognizing financial liabilities and recognizing the benefits of debt settlement have not yet been fully met, a balance of \$1,109,367 is still accounted as short-term borrowings and current portion of long-term borrowings.

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(n) Lease liabilities

The Group lease liabilities were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current	<u>\$ 230,136</u>	<u>210,376</u>
Non-current	<u>\$ 544,452</u>	<u>542,865</u>

For the maturities analysis, please refer to Note (6)(x) of "Financial instruments".

The amounts recognized in profit or loss were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interests on lease liabilities	<u>\$ 22,504</u>	<u>23,934</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 28,053</u>	<u>37,835</u>
Expenses relating to short-term leases	<u>\$ 43,598</u>	<u>51,493</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 35,263</u>	<u>45,739</u>

The amounts recognized in the statement of cash flows for the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<u>\$ 360,097</u>	<u>356,328</u>

1. Real estate leases

The Group leases land and buildings for its office space and plants. The leases of office space typically run for 2 to 13 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of equipment contain extension or cancellation options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. When the lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period will not be included within lease liabilities.

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2. Other leases

The Group leases vehicles and other equipment, with lease terms of two to five years. In some cases, the Group has options to purchase the assets at the end of the contract term; in other cases, it guarantees the residual value of the leased assets at the end of the contract term.

The Group also leases dormitory, vehicles and other equipment with contract terms of one to two years. These leases are short-term and leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(o) Operating Leases

The Group leased investment property and certain equipments. Since the substantially all of the risks and rewards incidental to underlying assets are not transferred, the lease is an operating lease. Refer to Note (6)(i) for further description of the investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date, is as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than one year	\$ 369,770	116,142
One to two years	444,419	7,681
Two to three years	335,599	3,232
Three to four years	435,853	1,417
Four to five years	329,364	591
More than five years	450,251	-
Total undiscounted lease payments	<b><u>\$ 2,365,256</u></b>	<b><u>129,063</u></b>

The rental income incurred were \$218,485 and \$228,862 for the years ended December 31, 2023 and 2022, respectively.

(p) Employee benefits

1. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of the defined benefit obligations	\$ 1,642,506	1,655,581
Fair value of plan assets	(1,405,780)	(1,339,731)
Net defined benefit liabilities	<b><u>\$ 236,726</u></b>	<b><u>315,850</u></b>



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The Group makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive an annual payment based on years of service and average salary for the six months prior to retirement. As of December 31, 2023 and 2022, the defined benefit plans amounted to \$209,782 and \$179,419, respectively, which were accounted as other current assets.

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued two-year time deposits with interest rates offered by local banks.

The Group's pension reserve account in Bank of Taiwan amounted to \$1,405,780 at the end of December 31, 2023. For information on the utilization of the labor pension fund assets including the assets allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group on 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Defined benefit obligation at January 1	\$ 1,655,581	1,734,701
Current service costs and interest cost	39,217	26,310
Remeasurement on the net defined benefit liability		
— Experience adjustments arising on the actuarial losses and gains	(14,331)	15,433
— Actuarial losses (gains) arising from changes in financial assumptions	14,117	(35,186)
Past service credit and settlement losses	15,660	-
Benefits paid by the plan assets	(53,673)	(87,887)
Contributions paid by the employer	(15,660)	(378)
Effect of movements in exchange rates	1,595	2,588
Defined benefit obligation at December 31	<u>\$ 1,642,506</u>	<u>1,655,581</u>

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3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group on 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 1,339,731	1,235,817
Interest income	18,404	7,996
Remeasurement on the net defined benefit liability		
— Return on plan assets (excluding current interest)	10,282	95,756
Contributions made	91,036	88,049
Benefits paid by the plan assets	(53,673)	(87,887)
Fair value of plan assets at December 31	<u>\$ 1,405,780</u>	<u>1,339,731</u>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss for the Group on 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Current service costs	\$ 15,149	14,285
Net interest of net liabilities for defined benefit obligations	5,664	4,029
Past service credit and settlement losses	15,660	-
	<u>\$ 36,473</u>	<u>18,314</u>
Operating cost	\$ 6,474	4,900
Selling expenses	2,183	1,923
Administration expenses	19,310	3,972
Research and development expenses	8,506	7,519
	<u>\$ 36,473</u>	<u>18,314</u>

5) Actuarial assumptions

The following are the Group's principal actuarial assumptions:

Present Value of defined benefit obligations:

	<u>December 31,</u>	<u>December 31,</u>
	<u>2023</u>	<u>2022</u>
Discount rate	1.25%~10.50%	1.25%~10.36%
Future salary increases rate	2.00%~5.00%	2.00%~5.00%

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The expected allocation payment made by the Group to the defined benefit plans for the one year period after the reporting date was \$93,276.

The weighted-average duration of the defined benefit obligation is 7.3~10.86 years.

6) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation for 2023 and 2022 shall be as follows:

	<b>Influences of defined benefit obligations</b>	
	<b>Increased 0.25%-0.50%</b>	<b>Decreased 0.25%-0.50%</b>
December 31, 2023		
Discount rate	(34,714)	35,907
Future salary increasing rate	35,017	(34,026)
December 31, 2022		
Discount rate	(36,267)	37,512
Future salary increasing rate	36,525	(35,495)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

2. Defined contribution plans

In accordance with the provisions of the Labor Pension Act, the Group's domestic entities contribute an amount equal to 6% of the employee's monthly wages to the Labor Pension personal account with the Bureau of the Labor Insurance.

The pension costs incurred from the contributions to the Bureau of the Labour Insurance amounted to \$299,775 and \$267,556 for the years ended December 31, 2023 and 2022, respectively.

The pension expenses contributed by the foreign entities following the local regulations amounted to \$1,022,859 and \$880,170 for the years ended December 31, 2023 and 2022, respectively.

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(q) Income taxes

1. The components of income tax expense for the years ended December 31, 2023 and 2022 were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Current tax expenses		
Current period	\$ 1,036,280	1,833,533
Land value increment tax	173,374	-
Adjustment for prior periods	<u>(30,663)</u>	<u>(16,308)</u>
	<u>1,178,991</u>	<u>1,817,225</u>
Deferred tax expense		
Origination and reversal of temporary differences	35,068	(702,199)
Income tax expense from continuing operations	<u>\$ 1,214,059</u>	<u>1,115,026</u>

The amounts of income tax (expense) benefit recognized in other comprehensive income for 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement from defined benefit plans	<u>\$ (1,677)</u>	<u>(22,611)</u>

Reconciliations between profit before tax and income tax expense for the years ended December 31, 2023 and 2022 were as follows:

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Profit before tax	<u>\$ 7,234,944</u>	<u>7,177,035</u>
Income tax using the Company' s domestic tax rate	\$ 1,922,796	1,033,901
Permanent differences	(33,158)	(38,911)
Tax incentives	(698,637)	(409,689)
Current-year losses for which no deferred tax asset was recognized	375,427	642,867
Changes in unrecognized temporary differences	(475,499)	(20,672)
Over provision in prior periods	(30,663)	(16,308)
Under provision of temporary differences	(385)	(6,859)
Effect of loss carry forward	(16,783)	(69,303)
Others	170,961	-
Income tax expense	<u>\$ 1,214,059</u>	<u>1,115,026</u>

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The overestimate in the prior periods was the estimated difference between the approved amounts by the Tax Authority and the declared amounts.

2. Deferred Tax Assets and Liabilities

1) Unrecognized Deferred Tax Assets

Deferred tax assets that have not been recognized in respect of the following items:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Tax effect of deductible Temporary Differences	\$ 961,744	1,333,050
The carryforward of unused tax losses	1,953,925	1,496,408
	<b><u>\$ 2,915,669</u></b>	<b><u>2,829,458</u></b>

The carryforward of unused tax credits were determined in accordance with the rules established by each taxation authorities, and can be applied to offset against profit and income tax in the future respectively. The deferred tax assets have not been recognized in respect of the aforementioned items because they are not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

The Subsidiaries located in China, where the income tax rate is 25%, in accordance with the rules for the implementation of the Income Tax Law of the People's Republic of China for enterprises with Foreign Investment and Foreign Enterprises, was entitled to the preferential treatment for advanced technology industries with respect to reduction of or exemption from income tax. Under such tax law, commencing with the first profit-making year is exempted from income tax in the first and second profitable year and is entitled to a 50% reduction from the third to fifth year.

The Group invested in the companies which were incorporated in the Cayman Islands. The earnings of these entities are not taxable by the local government in their respective jurisdictions. Other foreign subsidiaries are taxed in accordance with the Income Tax Law of their respective jurisdiction.

As of December 31, 2023 and 2022, the Group estimated that the part of the temporary differences have slight chance to realize in the visible future, so they were not recognized as deferred tax assets.

Each company is taxed in accordance with the income tax law of their respective jurisdiction. Unused operating loss carry-forwards can be applied to offset against profit in the future after being examined by the Tax Authority. As of December 31, 2023, the company that have loss carry forwards which can be used to offset profit were as follow. Among the taxable losses, \$3,813 were recognized as deferred tax assets.

As of December 31, 2023, the Group did not recognized its prior years' loss carry-forwards as deferred tax assets, whose expiry years were as follows:

	<b>Unused loss</b>	<b>Expiry year</b>
The carryforward of unused losses	<b><u>\$ 4,557,153</u></b>	<u>2024~2033</u>

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Due to the unstable economic environment recovery, the realizability of tax assets of the tax losses, which amounted to \$4,557,153, is doubtful. Therefore, the Group has recognized the partial tax losses as deferred tax assets. If the sales grow continuously, the Group would recognize the aforementioned tax losses in the future and generate the additional tax benefits.

2) Recognized Deferred Tax Assets and Liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

	<u>Gain (loss) on investment</u>	<u>Other</u>	<u>Total</u>	
<b>Deferred Tax Liabilities:</b>				
Balance at January 1, 2023	\$ 5,278,561	26,172	5,304,733	
Recognized in profit or loss	473,993	23,492	497,485	
Effect of movements in exchange rate	-	(394)	(394)	
Balance at December 31, 2023	<u>\$ 5,752,554</u>	<u>49,270</u>	<u>5,801,824</u>	
Balance at January 1, 2022	\$ 5,759,694	82,493	5,842,187	
Recognized in profit or loss	(481,133)	(56,321)	(537,454)	
Balance at December 31, 2022	<u>\$ 5,278,561</u>	<u>26,172</u>	<u>5,304,733</u>	
	<u>Warranty expense</u>	<u>Defined Benefit Plans</u>	<u>Others</u>	<u>Total</u>
<b>Deferred Tax Assets:</b>				
Balance at January 1, 2023	\$ 1,112,865	34,266	846,338	1,993,469
Recognized in profit or loss	132,235	(10,826)	341,008	462,417
Recognized in other comprehensive income	-	(1,677)	-	(1,677)
Effect of movements in exchange rate	-	-	(3,239)	(3,239)
Balance at December 31, 2023	<u>\$ 1,245,100</u>	<u>21,763</u>	<u>1,184,107</u>	<u>2,450,970</u>
Balance at January 1, 2022	\$ 922,224	61,010	676,053	1,659,287
Recognized in profit or loss	190,641	(4,133)	(21,763)	164,745
Recognized in other comprehensive income	-	(22,611)	-	(22,611)
Effect of movements in exchange rate	-	-	192,048	192,048
Balance at December 31, 2022	<u>\$ 1,112,865</u>	<u>34,266</u>	<u>846,338</u>	<u>1,993,469</u>

3. Income Tax approval

The Company's income tax returns for the years through 2020 have been assessed and approved by the Tax Authority.

4. Profit-seeking enterprise income tax administrative remedies

The Group adopted the transfer pricing method on its income tax declaration from 2013 to 2016. However, as the calculation had a conflict with the opinion of the tax authority, the Group applied for administrative relief after paying the approved additional tax. Moreover, there was a conflict with the opinion of the tax authority regarding the payment of withholding tax about the indeterminate difference of transfer pricing from 2016; hence, The Group applied for administrative relief after paying the approved additional tax. Both of the above administrative appeals and litigation procedures were still in progress as of the reporting date.

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(r) Capital and other equity

As of December 31, 2023 and 2022, the authorized capital of the Company both consisted of 3,650,000 thousand shares and both issued worth \$36,500,000, with par value of \$10 per share, and its outstanding capital both consisted of 3,587,475 thousand shares of stock. All issued shares were paid up upon issuance.

1. Capital surplus

The balances of the capital surplus were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share capital	\$ 2,891,959	2,891,959
Others	19,156	7,968
	<b><u>\$ 2,911,115</u></b>	<b><u>2,899,927</u></b>

In accordance with the ROC company Act, realized capital reserves can only be reclassified as share capital or distributed as cash dividends after offsetting losses. The aforementioned capital reserves include share premiums and donation gains. In accordance with the securities offering and Issuance Guidelines, the amount of capital reserve to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount.

2. Retained earnings

The Company's articles of incorporation require that after-tax earnings shall first be offset against any accumulated deficit, and 10% of the rest be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the total authorized capital. Special reserve may be appropriated for operations or to meet regulations. The remaining earnings, if any, may be appropriated for operations according to the proposal, and the distributed dividends may not be lower than 10% of the earnings. Surplus distribution based on issuance of new shares approved by the Board of Directors should be resolved during the shareholder's meeting. In consideration of the Company's long-term operating plan, funding needs, and satisfying shareholder demand for cash flow, the Company distributes cash dividends of at least 10% of the aggregate of cash dividends and stock dividends if the distributions include cash dividend. In accordance with Article 240 of the ROC Company Act, the Company authorizes the distribution of dividends and bonuses or its legal reserve and capital reserve, according to Article 241 of the ROC Company Act, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; then such distribution shall be submitted to the shareholder's meeting.

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1) Legal reserve

If the Company experienced profit for the year, the meeting of shareholders shall decide on the distribution of the statutory earnings reserve either by new shares or by cash, of up to 25 percent of the actual share capital.

2) Special reserve

In accordance with the Ruling issued by the Financial Supervisory Commission, for the contra account of other shareholders' equity incurred in the current year, a special reserve is appropriated from the current profit, plus, the amount of items other than the current profit included in the current undistributed earnings and prior period' s undistributed earnings. For the amount of contra accounts in other shareholders' equity accumulated in the prior period, a special reserve which was appropriated from the prior period' s undistributed earnings can no longer be allocated. When the debit balance of any of the contra account in other shareholders' equity is reversed, the related special reserve can also be reversed. The subsequent reversals of the contra accounts in other shareholders' equity shall qualify for any additional distributions.

3) Earnings Distribution

On March 14, 2023, and on March 15, 2022, the Company's Board of Directors resolved the amount of cash dividends of the earnings distribution of 2022 and 2021. These earnings were appropriated for distribution as follows:

	2022		2021	
	Dividend per share (NT dollars)	Amount	Dividend per share (NT dollars)	Amount
Dividends distributed to ordinary shareholders				
Cash	\$	1.50 <u>5,381,213</u>	1.40	<u>5,022,465</u>

The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System website on the internet.

	2023	
	Dividend per share (\$)	Amount
Dividends distributed to common shareholders		
Cash	\$	1.50 <u>5,381,213</u>



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3. Other equity (net of taxes) and non-controlling interests

	Exchange differences on translation of foreign financial statements	Unrealized (losses) gains from financial assets measured at fair value through other comprehensive income	Non-controlling interests
Balance at January 1, 2023	\$ (506,716)	(941,073)	(747,804)
Exchange differences on foreign operations	(463,278)	-	(3,673)
Exchange differences on subsidiaries accounted for using equity method	(5,500)	-	-
Unrealized gains from financial assets measured at fair value through other comprehensive income	-	1,264,519	-
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(102)	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	3,662	-
Profit attributable to non-controlling interest	-	-	(109,847)
Others	-	-	163
Balance at December 31, 2023	<u>\$ (975,494)</u>	<u>327,006</u>	<u>(861,161)</u>
Balance at January 1, 2022	\$ (3,036,968)	322,370	(686,610)
Exchange differences on foreign operations	2,525,431	-	5,459
Exchange differences on subsidiaries accounted for using equity method	4,821	-	-
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	(1,263,059)	-
Unrealized losses from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(384)	-
Profit attributable to non-controlling interest	-	-	(66,777)
Others	-	-	124
Balance at December 31, 2022	<u>\$ (506,716)</u>	<u>(941,073)</u>	<u>(747,804)</u>

(s) Share-Based payments

1. AIMobile Co. Ltd

As of December 31, 2023, share-based payments of AIMobile Co. Ltd are as follows:

	<b>Equity transaction</b>
	<b>Employee Stock Option Plan</b>
Grant date	March 25, 2019
Number of shares granted	1,605 thousand shares
Contractual life	5 years
Grant target	Employees of AIMobile Co. Ltd
Vesting conditions	Subsequent 2~4 years service

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1) Determining the fair value of equity instruments granted

AIMobile Co. Ltd adopted the Black-Scholes Model to calculate the fair value of the stock option at grant date, and the assumptions adopted in this valuation model were as follows:

	<u>2023</u>
	<u>Employee Stock Option Plan</u>
Fair value at grant date	2.28 / 2.77 / 3.29
Share price at grant date	10.4
Exercise price	10
Expected volatility(%)	30.971% / 34.193% / 36.901%
Expected life of the option (year)	2.60 / 3.30 / 4.15
Expected dividend yield rate	-%
Risk free interest rate (%)	0.574% / 0.597% / 0.621%

AIMobile Co. Ltd use the historical volatility as base to estimate the expected volatility; the duration of stock options is in accordance with the regulations. The expected dividends were set at 0, and the risk free rate was set considering the rate of the short term government bonds. The definition of fair value did not cover the service fee of the trade or the non-market achievement conditions.

2) Expenses and liabilities resulted from share-based payments

As of December 31, 2023 and 2022, expense and liability resulted from share-based payments are accounted as follow:

	<u>2023</u>	<u>2022</u>
Expenses resulting from granted employee stock option	<u>\$ 605</u>	<u>459</u>

(t) Earnings per share

The following are the calculation of basic earnings per share and diluted earnings per share:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
<b>Basic earnings per share:</b>		
Profit attributable to ordinary shareholders	<u>\$ 6,130,732</u>	<u>6,128,786</u>
Weighted average number of ordinary shares (thousand shares)	<u>3,587,475</u>	<u>3,587,475</u>
Basic earnings per share (NT dollars)	<u>\$ 1.71</u>	<u>1.71</u>

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	For the years ended December 31	
	2023	2022
<b>Diluted earnings per share:</b>		
Profit attributable to ordinary shareholders (diluted)	<b>\$ 6,130,732</b>	<b>6,128,786</b>
Weighted average number of ordinary shares (thousand shares)	3,587,475	3,587,475
Effect of dilutive potential common shares (thousand shares)		
Effect of employee share bonus	13,318	26,851
Weighted average number of ordinary shares (diluted)	3,600,793	3,614,326
Diluted earnings per share (NT dollars)	<b>\$ 1.70</b>	<b>1.70</b>

(u) Revenue from contracts with customers

1. Disaggregation of revenue

	For the years ended December 31, 2023		
	Core	Others	Total
<b>Primary geographical markets</b>			
Taiwan	\$ 83,814,041	158,036	83,972,077
USA	343,759,573	2,035,440	345,795,013
Japan	5,330,423	493,680	5,824,103
Hong Kong, Macao and Mainland China	50,226,491	618,597	50,845,088
Other countries	28,184,531	125,388	28,309,919
	<b>\$ 511,315,059</b>	<b>3,431,141</b>	<b>514,746,200</b>
<b>Major products</b>			
Computer products	\$ 510,231,267	-	510,231,267
Services	1,083,792	21,762	1,105,554
Others	-	3,409,379	3,409,379
	<b>\$ 511,315,059</b>	<b>3,431,141</b>	<b>514,746,200</b>

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	<b>For the years ended December 31, 2022</b>		
	<b>Core</b>	<b>Others</b>	<b>Total</b>
Primary geographical markets			
Taiwan	\$ 46,893,743	230,311	47,124,054
USA	397,673,128	613,415	398,286,543
Japan	4,185,300	396,040	4,581,340
Hong Kong, Macao and Mainland China	60,169,499	250,018	60,419,517
Other countries	31,247,840	91,556	31,339,396
	<b>\$ 540,169,510</b>	<b>1,581,340</b>	<b>541,750,850</b>

Major products			
Computer products	\$ 539,471,893	-	539,471,893
Services	697,617	34,134	731,751
Others	-	1,547,206	1,547,206
	<b>\$ 540,169,510</b>	<b>1,581,340</b>	<b>541,750,850</b>

2. Contract balances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes and Accounts receivable (included related parties)	\$ 92,280,763	89,578,195	103,899,751
Less: Loss allowance	(73,960)	(70,992)	(104,130)
Total	<b>\$ 92,206,803</b>	<b>89,507,203</b>	<b>103,795,621</b>
Contract liabilities	<b>\$ 13,654,891</b>	<b>12,596,823</b>	<b>7,562,873</b>

For details on notes and accounts receivable and allowance for impairment, please refer to Note (6)(c).

The amount of revenue recognized for the years ended December 31, 2023 and 2022 were \$4,183,426 and \$3,705,906, respectively.

The contract liabilities primarily relate to deferred recognition of warranty revenue, for which revenue is recognized when the warranties are redeemed or when they expire.

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(v) Remunerations of employees and directors

The Company's articles of incorporation require that earnings shall first be offset against any deficit. A minimum of 3% will be distributed as employee remuneration and a maximum of 3% will be allocated as directors' remuneration. The employee remuneration may be distributed in the form of shares or cash, and the recipients of shares and cash may include employees of the Company's affiliated companies who meet certain specific requirements. Such qualified employees and the distribution ratio shall be decided by the Board of Directors. If the employee remuneration is distributed in the form of stock or cash, the employees qualifying for such distribution shall include the employees of the subsidiaries of the Company who meet certain specific requirements. Such qualified employees and the distribution ratio shall be decided by the Board of Directors.

The remuneration of employees amounted to \$501,595 and \$516,364 and the remuneration of directors amounted to \$65,425 and \$68,342 for the years ended December 31, 2023 and 2022, respectively. These amounts are calculated using the Company's profit before tax for each period described above, and are determined using the earnings allocation method which stated under the Company's article. These remunerations were expensed under operating cost or expenses in 2023 and 2022. Related information would be available at the Market Observation Post System after the meeting of the shareholders has been convened.

There were no differences between the amounts to be distributed as remuneration to employees and directors in 2023 and 2022 and the amounts stated in the individual reports.

(w) Non-operating income and expenses

1. Interest income

The details of interest income were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Interest income from bank deposits	<u>\$ 2,627,571</u>	<u>1,764,316</u>

2. Other income

The details of other income were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Rent income	\$ 186,912	228,862
Dividend income	102,406	34,266
	<u>\$ 289,318</u>	<u>263,128</u>

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3. Other gains and losses

The details of other income and losses were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Foreign exchange gains	\$ 220,623	667,898
Gains on disposal of investments	-	186
Net (losses) gains on financial assets (liabilities) measured at fair value through profit or loss	(325,611)	206,276
Gains on disposal of property, plant and equipment	802,292	25,430
Impairment loss on property, plant and equipment	(116,793)	-
Impairment loss on intangible assets	(398,885)	-
Others	1,285,828	626,041
	<b><u>\$ 1,467,454</u></b>	<b><u>1,525,831</u></b>

4. Finance costs

The details of finance expenses were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest expenses		
Bank borrowings	\$ 3,050,522	1,920,834
Others	1,537,593	1,114,754
	<b><u>\$ 4,588,115</u></b>	<b><u>3,035,588</u></b>

(x) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets and contract assets represented the maximum credit risk exposure of the Group.

2) Concentration of credit risk

Implicit credit risk of the Group is inherent in its cash and accounts receivable. The cash is deposited in different financial institutions. The Group manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Group are centralized in the high-tech computer industry. To minimize credit risk, the Group periodically evaluates the Group's financial positions and the possibility of collecting trade receivables.

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Besides, the Group monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss. Therefore, the executives evaluate the Group's credit risk to be limited.

As of December 31, 2023 and 2022, 64% and 55% of accounts receivable were attributable to two major customers. Thus, credit risk is significantly centralized.

**2. Liquidity risks**

The following are the contractual maturities of financial liabilities of the Group, including estimation of interest, but excluding the impact of netting arrangements:

	Carrying amounts	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	Over 5 years
<b>December 31, 2023</b>							
<b>Non-derivative financial liabilities</b>							
Secured bank loans	\$ 4,709,762	4,879,226	2,748,276	168,794	333,223	964,747	664,186
Unsecured bank loans	44,638,198	44,934,354	41,731,679	1,989,871	1,030,841	181,963	-
Accounts payable	81,307,252	81,307,252	81,307,252	-	-	-	-
Other payables	11,187,272	11,187,272	11,187,272	-	-	-	-
Lease liabilities	774,588	830,852	127,718	120,338	220,728	148,420	213,648
<b>Derivative financial liabilities</b>							
Forward exchange contracts not used for hedging:							
Outflow	34,655	(2,124,600)	(2,124,600)	-	-	-	-
Inflow	-	2,089,945	2,089,945	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	263	(306,720)	(306,720)	-	-	-	-
Inflow	-	306,457	306,457	-	-	-	-
	<b>\$ 142,651,990</b>	<b>143,104,038</b>	<b>137,067,279</b>	<b>2,279,003</b>	<b>1,584,792</b>	<b>1,295,130</b>	<b>877,834</b>
<b>December 31, 2022</b>							
<b>Non-derivative financial liabilities</b>							
Secured bank loans	\$ 4,537,351	4,839,709	223,040	222,032	2,439,707	976,911	978,019
Unsecured bank loans	56,960,657	58,536,045	44,750,412	4,357,165	471,946	8,956,522	-
Accounts payable	64,404,174	64,404,174	64,404,174	-	-	-	-
Other payables	11,997,870	11,997,870	11,997,870	-	-	-	-
Lease liabilities	753,241	807,646	115,172	115,760	232,446	226,926	117,342
<b>Derivative financial liabilities</b>							
Forward exchange contracts not used for hedging:							
Outflow	30,966	(3,976,530)	(3,976,530)	-	-	-	-
Inflow	-	3,945,564	3,945,564	-	-	-	-
Foreign exchange swap contracts not used for hedging:							
Outflow	261,417	(10,565,140)	(10,565,140)	-	-	-	-
Inflow	-	10,303,723	10,303,723	-	-	-	-
	<b>\$ 138,945,676</b>	<b>140,293,061</b>	<b>121,198,285</b>	<b>4,694,957</b>	<b>3,144,099</b>	<b>10,160,359</b>	<b>1,095,361</b>

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

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3.Currency risks

1) Exposure to currency risks

The Group's significant exposure to foreign currency risks from its foreign currency denominated financial assets and liabilities was as follows:

		<b>December 31, 2023</b>		
		<b>Foreign currency (In thousand)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	4,766,881	USD : TWD 30.71	146,390,916
		191,038	USD : CNY 7.08	5,866,777
		11,051	USD : CZK 22.38	339,376
CNY		4,582,473	CNY : USD 0.14	19,869,145
THB		564,557	THB : USD 0.03	506,577
<u>Non-monetary items</u>				
USD		280,035	USD : TWD 30.71	8,599,864
<u>Financial Liabilities</u>				
<u>Monetary items</u>				
USD		4,410,757	USD : TWD 30.71	135,454,347
		115,179	USD : CNY 7.08	3,537,147
		2,003	USD : CZK 22.38	61,512
CNY		1,885,150	CNY : USD 0.14	8,173,822
		<b>December 31, 2022</b>		
		<b>Foreign currency (In thousand)</b>	<b>Exchange rate</b>	<b>TWD</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	5,645,393	USD : TWD 30.70	173,313,565
		312,280	USD : CNY 6.96	9,586,996
		12,544	USD : CZK 22.62	385,101
CNY		5,039,190	CNY : USD 0.14	22,212,750
<u>Non-monetary items</u>				
USD		173,135	USD : TWD 30.70	5,315,234



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	December 31, 2022		
	Foreign currency (In thousand)	Exchange rate	TWD
<u>Financial Liabilities</u>			
<u>Monetary items</u>			
USD	4,934,576	USD : TWD 30.70	151,491,483
	197,792	USD : CNY 6.96	6,072,214
	18,797	USD : CZK 22.62	577,068
CNY	1,034,074	CNY : USD 0.14	4,558,198

2) Sensitivity analysis

The Group's exposure to foreign currency risks arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are denominated in foreign currency. A 0.5% depreciation or appreciation of the functional currency against all the non-functional currency as of December 31, 2023 and 2022 would have increased or decreased the net profit after tax by \$109,250 and \$158,504, respectively. The analysis is performed on the same basis for both periods.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gains (losses) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, the foreign exchange gains (losses), including realized and unrealized, amounted to \$220,623 and \$667,898, respectively.

4. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to interest rates risk on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year.

If the interest rate had increased or decreased by 0.25%, the Group's net income would have decreased or increased by \$98,780 and \$122,574 for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the Group's borrowing at variable rates.

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5. Fair value of financial instruments

1) Fair value hierarchy

The Group uses the observable market data to evaluate its assets and liabilities. The different inputs of levels of fair value hierarchy in determination of fair value are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identified assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. However, for financial instruments not measured at fair value whose carrying amount is estimated reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, the disclosure of their fair value information is not required:

	December 31, 2023				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Derivative financial assets	\$ 218,255	-	218,255	-	218,255
Non-derivative financial assets mandatorily measured at fair value through profit or loss	301,516	109,784	-	191,732	301,516
Subtotal	519,771	109,784	218,255	191,732	519,771
<b>Financial assets at fair value through other comprehensive income</b>					
Accounts receivable	8,386,574	-	-	-	-
Stocks of listed companies	783,756	771,045	12,711	-	783,756
Unquoted equity instruments	5,160,038	-	-	5,160,038	5,160,038
Subtotal	14,330,368	771,045	12,711	5,160,038	5,943,794
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	28,133,069	-	-	-	-
Accounts receivable and other receivables	85,566,272	-	-	-	-
Restricted assets and other financial assets	5,678,208	-	-	-	-
Refundable deposits	191,045	-	-	-	-
Subtotal	119,568,594	-	-	-	-
<b>Total</b>	<b>\$ 134,418,733</b>	<b>880,829</b>	<b>230,966</b>	<b>5,351,770</b>	<b>6,463,565</b>



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	December 31, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities at fair value through profit or loss</b>					
Derivative financial liabilities	\$ 292,383	-	292,383	-	292,383
<b>Financial liabilities measured at amortized cost</b>					
Bank loans	61,498,008	-	-	-	-
Accounts payable	64,404,174	-	-	-	-
Other payables	11,997,870	-	-	-	-
Lease liabilities	753,241	-	-	-	-
Subtotal	138,653,293	-	-	-	-
Total	<u>\$ 138,945,676</u>	<u>-</u>	<u>292,383</u>	<u>-</u>	<u>292,383</u>

2) Valuation techniques and assumptions for financial instruments measured at fair value:

The fair value of financial assets and liabilities was decided in accordance with the solutions as follows:

(2.1) Non-derivative financial instruments

- A. The stocks of listed companies are financial assets with standard terms which are traded in the active markets. Their fair values are based on the quoted market prices.
- B. The fair value of private equity is based on standard terms and quoted market prices.
- C. The fair value of unquoted equity instruments was estimated using the market comparable price or net asset value method. The assumption of market comparable price method was based on a comparison between the market prices of each listed company, multiplied by using the estimated price. The discount effect is adjusted due to lack of market liquidity in equity securities.
- D. The fair value of unquoted instruments was estimated using either the discounted cash flow model in which future cash flow were estimated and discounted or the fair value of the recognized assets and liabilities of the investee on the measurement day.

(2.2) Derivative financial instruments

Foreign exchange swap and forward exchange were usually evaluated in the latest forward rate.

3) Transfers between level 1 and level 2

There were no transfers between level 1 and level 2 of the fair value for the years ended December 31, 2023 and 2022.

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4) The following table shows the movements in fair value measurements under level 3 of the fair value hierarchy:

	At fair value through profit or loss	Fair value through other comprehensive income
<b>Balance as of January 1, 2023</b>	\$ 575,070	3,928,007
Total gains and losses recognized in		
Profit or loss	41,322	-
Other comprehensive income	-	1,203,824
Purchases	-	60,750
Disposals	(405,836)	(30,188)
Effect of movements in exchange rates	(18,824)	(2,355)
<b>Balance as of December 31, 2023</b>	<b>\$ 191,732</b>	<b>5,160,038</b>
<b>Balance as of January 1, 2022</b>	\$ 1,864,005	4,023,869
Total gains and losses recognized in		
Profit or loss	(159,883)	-
Other comprehensive income	-	(296,079)
Purchases	582,018	311,208
Disposals	(1,045,716)	(44,310)
Proceeds from capital reduction	(674,840)	-
Transfers out of Level 3	-	(70,010)
Effect of movements in exchange rates	9,486	3,329
<b>Balance as of December 31, 2022</b>	<b>\$ 575,070</b>	<b>3,928,007</b>

The aforementioned total gains and losses was recognized in “other gains and losses” and “unrealized gains and losses from financial assets at fair value through other comprehensive income”. The detailed of the assets which the Group still held as of December 31, 2023 and 2022, were as follow:

	<b>For the years ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
Total gains and losses recognized:		
In profit or loss, and presented in “other gains and losses”	\$ 38,959	(217,785)
In other comprehensive income, and presented in “unrealized losses from financial assets at fair value through other comprehensive income”	1,204,432	(296,079)

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5) Quantified information for significant unobservable inputs (Level 3) used in fair value measurement

The Group uses level 3 inputs to measure fair value through profit or loss, and fair value through other comprehensive income financial assets. Quantified information of significant unobservable inputs was as follows:

Item	Valuation Technique	Significant Non-observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets at fair value through profit or loss— financial instruments without an active market	Discounted Cash Flow Method	• Discounted Rate (2.80%~3.40% on December 31, 2022)	• The higher the discount rate, the lower the fair value
Financial assets at fair value through profit or loss— equity instruments investments without an active market	Comparable Listed Companies Method	• Market Multiple (1.01~2.67) • Discount due to Lack of Market liquidity (30%~50%)	• The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)
Financial assets at fair value through other comprehensive income— equity instruments investments without an active market	Comparable Listed Companies Method	• Market Multiple (0.60~3.84) • Discount due to Lack of Market liquidity (30%~50%)	• The estimated fair value would increase (decrease) if the price of earnings ratio multiple is higher (lower) and the marketability discount is lower (higher)
Financial assets at fair value through other comprehensive income — equity instruments investments without an active market	Net Asset Value Method	• Net Asset Value	• Not applicable

6) Sensitivity analysis for fair values of financial instruments using Level 3 Inputs

The Group's fair value measurement on financial instruments is reasonable. However, the measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss will be as follows:

	Input	Variation	Impact on Fair Value Change on Net income or loss		Impact on Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
<b>December 31, 2023</b>						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Market Multiple	0.5%	\$ 959	(959)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	25,303	(25,303)

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	Input	Variation	Impact on Fair Value Change on Net income or loss		Impact on Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
<b>December 31, 2022</b>						
Financial assets at fair value through profit or loss						
Financial instruments without an active market	Discount Rate	0.5%	\$ 3,432	(3,432)	-	-
Financial assets at fair value through other comprehensive income						
Equity instruments without an active market	Market Multiple	0.5%	-	-	19,569	(19,569)

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the impact on single input. Therefore, the relations and variations between inputs are not considered.

**6. Offsetting financial assets and financial liabilities**

The Group has financial instrument transactions, applicable to the International Financial Reporting Standards Sections 42 NO. 32 approved by the FSC, which required for offsetting. Financial assets and liabilities relating those transactions are recognized in the net amount of the balance sheets.

The Group also performs transactions not compliance with offsetting term of statement, but the Group has an exercisable master netting arrangement or similar agreement in place with its counterparties, and both parties reach a consensus regarding net settlement. The aforesaid exercisable master netting arrangement or similar agreement can be net settled after offsetting the financial assets and financial liabilities. Otherwise, the transaction can be settled at the total amount. In the event of default involving one of the parties, the other party can have the transaction net settled.

The following tables present the aforesaid offsetting financial assets and financial liabilities.

<b>December 31, 2023</b>						
<b>Financial assets that are offset which have an exercisable master netting arrangement or similar agreement</b>						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	\$ 302,041,536	301,201,056	840,480	-	-	840,480
Derivative financial instruments	181,453	-	181,453	-	-	181,453
Accounts receivable and payable	13,001,678	3,112,830	9,888,848	-	-	9,888,848
<b>Total</b>	<b>\$ 315,224,667</b>	<b>304,313,886</b>	<b>10,910,781</b>	<b>-</b>	<b>-</b>	<b>10,910,781</b>

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December 31, 2023						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	\$ 34,918	-	34,918	-	-	34,918
Accounts receivable and payable	10,606,730	3,112,830	7,493,900	-	-	7,493,900
<b>Total</b>	<b>\$ 10,641,648</b>	<b>3,112,830</b>	<b>7,528,818</b>	<b>-</b>	<b>-</b>	<b>7,528,818</b>

December 31, 2022						
Financial assets that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial assets (a)	Gross amounts of financial liabilities offset in the balance sheet (b)	Net amount of financial assets presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Offsetting agreement	\$ 295,730,880	295,149,472	581,408	-	-	581,408
Derivative financial instruments	410,110	-	410,110	-	-	410,110
Accounts receivable and payable	5,037,453	3,854,667	1,182,786	-	-	1,182,786
<b>Total</b>	<b>\$ 301,178,443</b>	<b>299,004,139</b>	<b>2,174,304</b>	<b>-</b>	<b>-</b>	<b>2,174,304</b>

December 31, 2022						
Financial liabilities that are offset which have an exercisable master netting arrangement or similar agreement						
	Gross amounts of recognized financial liabilities (a)	Gross amounts of financial assets offset in the balance sheet (b)	Net amount of financial liabilities presented in the balance sheet (c)=(a)-(b)	Amounts not off set in the balance sheet (d)		Net amount (e)=(c)-(d)
				Financial instruments (Note)	Cash collateral received	
Derivative financial instruments	\$ 197,718	-	197,718	-	-	197,718
Accounts receivable and payable	4,529,802	3,854,667	675,135	-	-	675,135
<b>Total</b>	<b>\$ 4,727,520</b>	<b>3,854,667</b>	<b>872,853</b>	<b>-</b>	<b>-</b>	<b>872,853</b>

Note: Master netting arrangements are included.



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(y) Financial risk management

1. Overview

The Group have exposures to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Group' s objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2. Risk management framework

The group are exposed to credit risk, market risk, operating risk and liquidity risk due to its operating activities. To lower the latent unfavorable effects of changing market to the Group's financial performance, the Group have made efforts in identifying and evaluating the risks and avoiding the uncertainty of the market through derivative financial instruments.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group' s risk management framework. The financial units follows the risk management policies, and report the operating status to the Board of Directors regularly. The internal auditors perform regular reviews by taking risk management control procedures and report to the Board of Directors.

3. Credit risk

Please refer to Note (6)(x) for the analysis of credit risk of cash, cash equivalent and accounts receivable.

4. Liquidity risk

Liquidity risk is a risk that the Group is unable to meet the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group' s approach to managing liquidity is to ensure, as much as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group' s reputation.

The Group use actual cost to estimate the cost of its products and services to better assist the Group's monitoring on the cash flow and optimizing the return on investment. As of December 31, 2023, the capital and working funds of the Group are sufficient to meet its entire contractual obligation; therefore, the management is not expecting any significant issue on liquidity risk. As of December 31, 2023 and 2022, the Group's unused credit line were amounted to \$103,602,121 and \$73,159,482, respectively.

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5. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate, and equity prices which will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the Group.

1) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollars (TWD), US Dollars (USD), Czech Koruna (CZK), Japanese Yen (JPY) and China Yuan (CNY). The currencies used in these transactions are denominated in TWD, USD, JPY and CNY.

The Group often uses the principle of natural hedging as its basis, and proceed supplemented by derivative instruments for hedging exchange rate risk.

The interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge without derivatives being entered into, and therefore, hedge accounting is not applied in these circumstances.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

2) Interest rate risk

The Group's interest rate risk arises from short-term and long-term borrowings bearing floating interest rates. The fluctuation of the market interest rate changes the floating interest rates of the long-term borrowings, and thus affect the future cash flow. In order to decrease the effect of the market interest rate fluctuation on to the future cash flow, the Group periodically evaluates bank and currency borrowing rate to hedge the cash flow risk caused by the market interest rate fluctuation.

(z) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, additional paid-in capital, retained earnings, other equity interest and non-controlling interests of the Group. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

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The group's objective for managing capitals is to maintain investor, creditor and market confidence, and to sustain future development of the business by making debts and capital the most suitable capital structure and optimizing the best of it based on industrial scales, future growth development, and capital expenditures needed for plants and equipment. Thus, the Group calculates the operating funds based on the life cycle of the products, plans for the development in the long run, and then decides the most suitable capital structure considering the business cycle.

The Group ensures the financial resources and the operating plan are sufficient to support the future needs of operating funds, capital expenditures, debt refunding and dividend distribution.

The Group's debt to equity ratio at the reporting date was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total Liabilities	\$ 179,449,594	175,409,351
Less: cash and cash equivalents	(28,133,069)	(42,450,643)
Net debt	<b>\$ 151,316,525</b>	<b>132,958,708</b>
Total Equity	\$ 60,258,382	58,806,254
Adjusted Capital	<b>\$ 60,258,382</b>	<b>58,806,254</b>
Debt to capital ratio	<b>251.11%</b>	<b>226.10%</b>

According to the Company's management, there were no changes in the Group's approach to capital management as of December 31, 2023.

(aa) Investing and financing activities not affecting the current cash flow

The Group's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

1. For right-of-use assets under leases, please refer to Note (6)(h).
2. Reconciliation of liabilities arising from financing activities were as follows:

	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>		<b>December 31, 2023</b>
			<b>Reclassification</b>	<b>Foreign exchange movement</b>	
Long-term borrowings	\$ 12,833,351	(7,477,648)	(2,387,351)	24,060	2,992,412
Short-term borrowings (including current portion of long-term borrowings)	48,664,657	(3,574,783)	2,387,351	(1,121,677)	46,355,548
Lease liabilities (Note)	753,241	(230,679)	122,257	129,769	774,588
Total liabilities from financing activities	<b>\$ 62,251,249</b>	<b>(11,283,110)</b>	<b>122,257</b>	<b>(967,848)</b>	<b>50,122,548</b>

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	January 1, 2022	Cash flows	Non-cash changes		December 31, 2022
			Reclassification	Foreign exchange movement	
Long-term borrowings	\$ 3,790,708	2,728,893	6,617,500	(303,750)	12,833,351
Short-term borrowings (including current portion of long-term borrowings)	61,942,809	(7,873,816)	(6,617,500)	1,213,164	48,664,657
Lease liabilities (Note)	876,493	(197,327)	24,564	49,511	753,241
Total liabilities from financing activities	<u>\$ 66,610,010</u>	<u>(5,342,250)</u>	<u>24,564</u>	<u>958,925</u>	<u>62,251,249</u>

Note: Reclassification is due to additions of lease and lease modification during the periods.

**(7) Related Parties Transactions**

(a) Names and relationships with the Group

The followings are entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

Names of related party	Relationships with the Group
Inventec Besta Co., Ltd.	Associates
Inventec Besta (XiAn) Co., Ltd.	Subsidiary of associates
Good Future Biomedical Technology Corp.	Associates
Yingtengda (Guangdong) Technology Co.,Ltd	Associates (Note 3)
Intenda Hong Kong Technology Co., Ltd.	Subsidiary of associates (Note 3)
Gainia Intellectual Asset Services, Inc.	Associates
Testron Technology (JiangSu) Co., Ltd.	Associates
Truswe (Chong Qing) Technology Co., Ltd.	Associates
Inventec Manufacturing (India) Private Limited	Substantive related party (Note 2)
E-TON Solar Tech. Co., Ltd.	Substantive related party (Note 1)
Inventec Group Charity Foundation	Over one-third of total amount of fund donated by the Company
Li-Cheng Yeh	Chairman of the Board of the Company
Kou-I Yeh	Director of the Board of the Company
Shih-Chih Wen	Director of the Board of the Company
Ching-Sung Chang	Director of the Board of the Company
Tom-Hwar Cho	Director of the Board of the Company
Chiung-Nan Yang	Spouse of a director of the Company
Yu-Jung Wen, Yu-Chin Wen	Children of a director of the Company
Dai-Shui He	Key management personnel of the Group

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Note 1: E-TON Solar Tech. Co., Ltd. has completed its liquidation on November 24, 2022.

Note 2: Invetec Manufacturing (India) Private Limited has completed its liquidation on September 12, 2023.

Note 3: Yingtenda (Guangdong) Technology Co., Ltd. and Intenda Hong Kong Technology Co., Ltd. have not been the related parties of the Group since August 16, 2023.

(b) Significant transactions with related parties

1. Sales

The amounts of significant sales transactions between the Group and related parties were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Associates	\$ 54,971	1,600,318
Other related parties	46	107
	<b>\$ 55,017</b>	<b>1,600,425</b>

For associates and other related parties, the price and terms were determined in accordance with mutual agreements with its collection terms of 30~90 days for sales. Receivables from related parties were not secured with collaterals, and did not require provisions for impairment.

2. Purchases

The amounts of significant purchase transactions between the Group and related parties were as follows:

	<b>For the years ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Associates	\$ -	294

There is no other vendor as comparison for the above purchases, and the purchase prices are based on the settling price agreed by both sides. The payment term is 30~75 days.

3. Receivable from related parties

The amounts of accounts receivable between the Group and related parties were as follows:

<b>Account</b>	<b>Relationship Categories</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable	Associates	\$ 71	1,285,573
Other receivables	Associates	8	22
		<b>\$ 79</b>	<b>1,285,595</b>

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4. Payable to related parties

The amounts of accounts payables between the Group and related parties were as follows:

<u>Account</u>	<u>Relationship Categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Associates	\$ -	292
Other payables	Associates	168,781	83,975
"	Other related parties	909,227	914,682
		<u>\$ 1,078,008</u>	<u>998,949</u>

As of December 31, 2023 and 2022, the Group borrowed the amount of \$909,227 and \$914,682 from the shareholder, which were accounted as other payables. The borrowing interest rate was 1.06%~1.50%.

5. Property transactions

1) Acquisition of property, plant, equipment, intangible assets and other assets

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 336,382	147,428
E-TON Solar Tech. Co., Ltd.	-	308,880
Other related parties	-	88,126
	<u>\$ 336,382</u>	<u>544,434</u>

2) In 1999, the Group sold property, deferred assets, assets stated under expense, and trademarks to Inventec Besta Co., Ltd., resulting in a gain on property disposal of \$51,712 and other revenue of \$40,453. As of December 31, 2023 and 2022, the unrealized other revenues are both \$1,211.

6. Others

1) Rental and other revenue collected from related parties were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ 2,895	2,865
Other related parties	-	13,254
	<u>\$ 2,895</u>	<u>16,119</u>

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2) Donations to other related parties were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Other related parties	<u>\$ 15,000</u>	<u>10,000</u>

3) Payments for fixture expenses, system development expenses, maintenance expenses and service expenses to associates were as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	<u>\$ 65,548</u>	<u>64,625</u>

(c) Key management personnel compensation

Key management personnel compensation comprised:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 456,349	537,330
Post-employment benefit	22,287	7,486
	<u>\$ 478,636</u>	<u>544,816</u>

**(8) Assets Pledged as Security**

The carrying amounts of assets pledged as security were as follows:

<u>Assets pledged as security</u>	<u>Liabilities secured by pledge</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Refundable deposits (Other non-current assets)	Membership guarantee and rental deposit	\$ 191,045	295,154
Restricted cash in banks (Other current assets and Other non-current assets)	Collateral deposits and performance guarantee	2,701,752	1,676,578
Land, buildings and constructions (Property, plant and equipment, and Investment property)	Current portion of long-term borrowings and long-term borrowings	9,119,808	8,813,003
Total		<u>\$ 12,012,605</u>	<u>10,784,735</u>

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**(9) Significant Commitments and Contingencies**

(a) Major Commitments:

1. Promissory notes issued for bank credit, forward contracts, secured deposits for executing technology agreements with the government and property deposits were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
TWD	\$ 18,654,982	18,201,232
USD (in thousands)	1,914,600	1,827,400

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other**

(a) The employee benefits, depreciation, depletion and amortization expenses categorized by function were as follows:

By function	For the years ended December 31, 2023			For the years ended December 31, 2022		
	Operating costs	Operating and non-operating expense	Total	Operating costs	Operating and non-operating expense	Total
Employee benefits						
Salary	7,793,903	9,998,871	17,792,774	8,199,305	9,564,801	17,764,106
Labor and health insurance	864,397	948,487	1,812,884	768,571	837,885	1,606,456
Pension	717,585	641,522	1,359,107	621,752	544,288	1,166,040
Others	495,940	450,500	946,440	653,762	334,867	988,629
Depreciation	1,569,331	846,126	2,415,457	1,375,877	795,178	2,171,055
Amortization	406,135	690,347	1,096,482	239,297	491,016	730,313



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**(13) Other disclosures**

(a) Information on significant transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group for the year ended December 31, 2023:

1. Loans to other parties:

(In Thousands of New Taiwan Dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	Inventec Appliances (Nanjing) Corp.(Note 2)	Inventec Appliances (XFAN) Corporation	Other receivables	Y	61,348	21,680	13,008	3.045%	2	-	Working Capital	-	None	-	580,184	580,184
2	Inventec Appliances (Shanghai) Co., Ltd.(Note 2)	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Other receivables	Y	266,400	130,080	130,080	3.045%	2	-	"	-	"	-	1,554,284	1,554,284
2	"	Inventec Appliances (Pudong) Corp.	Other receivables	Y	948,150	910,560	-	-	2	-	"	-	"	-	1,554,284	1,554,284
3	Inventec Appliances Corp.(Note 3)	Inventec Appliances (Malaysia) SDN. BHD.	Other receivables	Y	2,838,880	1,320,530	1,320,530	3.42%	2	-	"	-	"	-	1,475,843	2,951,685
3	"	Inventec Appliances (Vietnam) Company Limited	Other receivables	Y	972,300	921,300	-	-	2	-	"	-	"	-	1,475,843	2,951,685
4	Inventec (Pudong) Corp.(Note 4)	Inventec Asset-Management (Shanghai) Corporation	Other receivables	Y	3,196,800	1,560,960	1,495,920	4.775%-4.875%	2	-	"	-	"	-	1,739,530	1,739,530
5	Inventec (Shanghai) Corp.(Note 2)	Inventec QD (Shanghai) Corporation	Other receivables	Y	45,150	43,360	8,672	4.875%	2	-	"	-	"	-	1,797,767	1,797,767

Note 1: Purpose of fund financing for the borrower:

- (1) Those with business contact, please fill in 1.
- (2) Those necessary for short term financing, please fill in 2.

Note 2: Among Subsidiaries which the parent company holds 100% voting power, aggregate amount of loans shall not exceed the Company's net worth as stated in its latest financial report, and each amount of loans shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 3: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 50 percent of the permitted aggregate amount of loans of the company.

Note 4: Where an inter-company or inter-firm short-term financing facility is necessary, total financing amount shall not exceed 40 percent of the company's net worth as stated in its latest financial report. Each financing amount shall not exceed 100 percent of the permitted aggregate amount of loans of the company.

Note 5: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 6: The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

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2. Guarantees and endorsements for other parties:

(In Thousands of New Taiwan Dollars)

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements /guarantees to third parties on behalf of subsidiary	Subsidiary endorsements guarantees to third parties on behalf of parent company	Endorsement s/guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
0	The Company	IEC Technologies, S.DE R.L. DE C.V	2	30,559,711	648,200	614,200	307,100	-	1.00%	30,559,711	Y	N	N
0	"	Inventec (Czech), s.r.o.	2	30,559,711	171,875	168,905	168,905	168,905	0.28%	30,559,711	Y	N	N
0	"	Inventec Electronics (Thailand) Co., Ltd.	2	30,559,711	810,250	772,750	5,000	5,000	1.26%	30,559,711	Y	N	N
1	Inventec Appliances Corp.	Inventec Appliances (Malaysia) SDN. BHD.	2	3,689,607	2,937,941	2,784,976	1,125,256	-	37.74%	3,689,607	Y	N	N

Note 1: The relationship between the entity for which the endorsement/guarantee is made and the Company:

- 1.The Company has business relationship.
- 2.Subsidiaries in which the Company holds more than 50 percent of its voting power.
- 3.A investee in which the Company and subsidiary holds more than 50 percent of its voting shares.
- 4.Subsidiaries in which the Company holds more than 90 percent of its voting power.
- 5.Companies in accordance with contractual provisions established by mutual applicants or in need of project.
- 6.Companies that are endorsed and guaranteed by all capital shareholders based on their shareholding ratio due to a joint investment relationship.
- 7.The performance of pre-sale house sales contract between intra-industry companies is in accordance with the Consumer Protection Law required joint guarantees.

Note 2: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by the Company's cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 3: Both the aggregate amount of endorsements/guarantees and the amount of endorsements/guarantees for a single enterprise by Inventec Appliance Corp. cannot exceed 50 percent of its net worth as stated in its latest financial statement.

Note 4: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

3. Securities held at the reporting date (excluding investment subsidiaries, associates and joint ventures) :

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%) during the year	Note
				Shares (In thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	WIN Semiconductors Corp.	-	Current financial assets at fair value through other comprehensive income	4,063	645,967	0.96%	645,967	0.96%	
"	Amphastar Pharmaceuticals Inc.	-	Non-current financial assets at fair value through other comprehensive income	26	49,016	0.05%	49,016	0.05%	
"	Arima Communications Corp.	-	"	7,390	12,711	10.15%	12,711	10.15%	
"	Tomorrow Studio Co., Ltd	-	"	5	64	0.06%	64	0.06%	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%) during the year	Note
				Shares (In thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Tai Yi Precision Corporation	-	Non-current financial assets at fair value through other comprehensive income	2,540	-	6.67%	-	6.67%	
"	New E Materials Co., Ltd.	-	"	1,760	8,166	16.00%	8,166	16.00%	
"	Top Taiwan Xiv Venture Capital Co., Ltd.	-	"	30,000	298,800	13.76%	298,800	13.76%	
"	ZT Group Int'l, Inc.	-	"	-	3,663,692	10.00%	3,663,692	10.00%	
"	Hushan Autoparts Inc.	-	"	500	29,200	0.73%	29,200	0.73%	
"	Rasilient Systems, Inc. preference share	-	"	3,632	-	6.20%	-	6.20%	
"	SKSpruce Holding Limited preferred stock	-	"	3,746	47,016	3.72%	47,016	3.72%	
"	CloudMosa Technologies, Inc. preferred stock	-	"	235	46,451	2.08%	46,451	2.08%	
"	XMEMS LABS INC preferred stock	-	"	1,000	10,171	0.93%	10,171	0.93%	
"	Rescale, Inc. preferred stock	-	"	355	20,083	1.15%	20,083	1.15%	
"	Sensel, Inc. preferred stock	-	"	532	-	2.42%	-	2.58%	
"	ASOCS LTD. preferred stock	-	"	360	-	1.43%	-	1.43%	
"	Atayalan, Inc. preferred stock	-	"	1,553	5,381	3.38%	5,381	3.38%	
"	SKSpruce Holding Limited convertible short-term note	-	Current financial assets at fair value through profit or loss	-	18,483	- %	18,483	- %	
"	Empass Technology	-	Non-current financial assets at fair value through profit or loss	622	17,744	6.71%	17,744	6.71%	
"	Entire Technology Co., Ltd.	-	"	3,260	69,014	3.34%	69,014	4.13%	
"	Imedtac Co., Ltd.	-	"	1,200	41,683	6.80%	41,683	6.80%	
"	TMY Technology Inc.	-	"	2,857	18,953	7.42%	18,953	7.42%	
"	Enflex Corporation	-	"	750	500	0.92%	500	0.92%	
Inventec (Cayman) Corp.	Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	30,000	851,655	13.17%	851,655	13.17%	
Saint Investment Consulting Corporation	Guangdong StarFive Technology Co., Ltd.	-	"	539	86,527	0.64%	86,527	0.64%	
Inventec (Chongqing) Corp.	Kunshan Joing Technology Co., Ltd.	-	Non-current financial assets at fair value through profit or loss	5,948	73,586	2.96%	73,586	2.96%	

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Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%) during the year	Note
				Shares (In thousands)	Carrying value	Percentage of ownership (%)	Fair value		
Inventec Development Japan Corporation	Famm Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	12,767	16.00%	12,767	16.00%	
Inventec Investments Co., Ltd.	ENNOSTAR Inc.	-	Current financial assets at fair value through profit or loss	881	40,770	0.12%	40,770	0.12%	
"	UCFUNNEL CO LTD	-	Non-current financial assets at fair value through other comprehensive income	83	20,657	5.00%	20,657	5.00%	
"	Sagacity Tech. Co., Ltd.	-	"	79	480	15.00%	480	15.00%	
"	Living Pattern Technology Inc.	-	"	4	440	13.70%	440	13.70%	
Inventec Appliances Corp.	SCOPE INDUSTRIES BERHAD	-	"	84,444	76,055	7.32%	76,055	7.32%	
"	Rong Cheng Tech. Co., Ltd.	-	"	1,950	-	9.38%	-	9.38%	
"	Tai Yi Precision Corporation	-	"	635	-	1.67%	-	1.67%	
"	Siano Mobile Silicon Inc.	-	"	461	-	0.15%	-	0.15%	
"	All People Health Social Enterprise Co.,Ltd.	-	"	100	1,000	12.50%	1,000	14.29%	
"	GCT Semiconductor, Inc.	-	"	93	-	0.07%	-	- %	
"	Pandigital Worldwide, Ltd. preferred stock	-	"	939	-	4.80%	-	4.80%	
"	3GTMobile Corporation	-	"	314	-	2.88%	-	2.88%	
"	Line Global Inc. (Proximant, Inc.) preferred stock	-	"	594	-	5.30%	-	5.30%	
"	Molekule Group, Inc.	-	"	22	7	0.05%	7	0.07%	
"	XMEMS LABS INC preferred stock	-	"	3,375	57,488	3.13%	57,488	3.78%	
"	Cardio Ring Technologies, Inc. convertible long-term note	-	Non-current financial assets at fair value through profit or loss	-	20,783	- %	20,783	- %	
Inventec Appliances (Cayman) Holding Corp.	Siano Mobile Silicon Inc.	-	Non-current financial assets at fair value through other comprehensive income	99	-	0.03%	-	0.03%	
"	Leadtone Limited(Class B preferred stock)	-	"	1,250	-	2.36%	-	2.36%	
"	Digital Chaotex Holdings Ltd.( Class A2 preferred stock)	-	"	446	-	2.08%	-	2.08%	

Note 1: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

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4. Individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Name of company	Security type and name	Account name	Counter-party	Relationship	Beginning Balance		Acquisition(Note 1)		Disposal			Ending Balance		
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Price	Cost	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	Inventec Holding (North America) Corp. ordinary shares	Investments accounted for using equity method	Cash Capital Increase	Related parties	2,011	4,897,732	2	994,805	-	-	-	-	2,013	5,892,537
"	Inventec Technology (Vietnam) Company Limited	"	Incorporation by solicitation	"	-	-	-	772,246	-	-	-	-	-	772,246
"	Inventec Electronics (Thailand) Co., Ltd.	"	"	"	-	-	395,000	1,493,519	-	-	-	-	395,000	1,493,519
Inventec Appliances Corp.	Inventec Appliances (Vietnam) Company Limited	"	Cash Capital Increase	"	-	89,688	-	879,090	-	-	-	-	-	968,778
Inventec Holding (North America) Corp.	IEC TECHNOLOGIES, S. DE R.L. DE C.V.	"	"	"	1,660,484	3,012,792	400,000	955,754	-	-	-	-	2,060,484	3,968,547

Note 1: The ending balance includes adjustments of valuation.

Note 2: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

5. Acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Inventec Technology (Vietnam) Company Limited	Land use rights	2022/12/27-2023/02/21	709,881	50%	N&G Investments, LLC	Non-related parties	-	-	-	-	Appraisal report: Thanh Do Valuation Joint Stock Company, USD 24,879 thousands	Plant	From the date of obtaining the land use rights certificate to July 1, 2082.
Inventec (Czech), S.R.O.	Right-of-use asset	2022/11/11-2023/03/17	1,510,327 (Note 1)	The deposit of EUR 300 thousands (TWD 10,143 thousands) has already been paid.	CTP Moravia South, spol. s r.o.	Non-related parties	-	-	-	-	The real estate appraisal report provided by professional appraiser.	Plant	None
Inventec Electronics (Thailand) Co., Ltd.	Land	2023/06/26	702,807	100%	VNS Property Co., Ltd.	Non-related parties	-	-	-	-	Appraisal report: S.L. Standard Appraisal Co., Ltd. THB 797,000 thousands.	Plant	None
"	Plant	2023/08/11	(Note 2)	4.89%	New Nanyang Construction Co., Ltd.	Non-related parties	-	-	-	-	None	Plant	None

Note 1: The agreement entered into in April 2023 stated that the transaction amount is the estimated amount of the right-of-use asset in April, 1 2024.

Note 2: The total budget does not exceed USD 151.8 million (TWD 4,661,778 thousand).

Note 3: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

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6. Disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: None.
7. Related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Inventec Holding (North America) Corp.	Subsidiary	Sales	78,943,495	17.83%	105 days	Negotiated price	No general trading partner can be compared.	25,373,938	27.61%	
"	Inventec (Czech), s.r.o.	"	Sales	268,531	0.06%	105 days	"	"	39,573	0.04%	
"	Inventec Corporation (Hong Kong) Ltd.	"	Purchases	302,107,481	69.45%	105 days	"	"	(56,268,441)	54.49%	
"	Inventec Appliances (Nanjing) Corp.	"	Purchases	196,325	0.05%	90 days	"	"	(52,282)	0.05%	
"	Inventec Holding (North America) Corp.	"	Purchases	1,291,315	0.30%	105 days	"	"	(218,740)	0.21%	
"	Inventec (Czech), s.r.o.	"	Purchases	314,311	0.07%	105 days	"	"	(108,218)	0.10%	
Inventec Holding (North America) Corp.	The Company	Parent	Purchases	78,943,495	95.68%	105 days	"	"	(25,373,938)	97.94%	
"	The Company	"	Sales	1,291,315	1.55%	105 days	"	"	218,740	2.33%	
"	SQ Technology (Shanghai) Corporation	Associates	Sales	524,790	0.63%	105 days	"	"	45,737	0.49%	
Inventec (Czech), s.r.o.	The Company	Parent	Purchases	268,531	64.00%	105 days	"	"	(39,573)	45.88%	
"	The Company	"	Sales	314,311	32.59%	105 days	"	"	108,218	55.88%	
Inventec Corporation (Hong Kong) Ltd.	The Company	"	Sales	302,107,481	100.00%	105 days	"	"	56,268,441	55.26%	
"	Inventec (Pudong) Technology Corp.	Associates	Purchases	21,678,206	7.18%	105 days	"	"	(8,143,644)	8.00%	
"	SQ Technology (Shanghai) Corporation	"	Purchases	10,991,842	3.64%	105 days	"	"	(4,415,742)	4.34%	
"	Inventec (Chongqing) Corp.	"	Purchases	269,437,433	89.19%	105 days	"	"	(43,709,055)	42.92%	
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	"	Sales	21,678,206	77.15%	105 days	"	"	8,143,644	83.24%	
"	SQ Technology (Shanghai) Corporation	"	Sales	3,840,036	13.67%	105 days	"	"	1,203,505	12.30%	
"	SQ Technology (Shanghai) Corporation	"	Purchases	232,250	1.00%	105 days	"	"	(102,195)	1.23%	
"	Inventec (Shanghai) Corp.	"	Sales	598,855	2.13%	105 days	"	"	56,337	0.58%	
Inventec (Shanghai) Corp.	Inventec (Pudong) Technology Corp.	"	Purchases	598,855	99.80%	105 days	"	"	(56,337)	99.43%	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	Associates	Sales	269,437,433	99.73%	105 days	Negotiated price	No general trading partner can be compared.	43,709,055	99.50%	
"	Inventec Electronics (Thailand) Co., Ltd.	"	Sales	154,715	0.06%	105 days	"	"	152,775	0.35%	
Inventec Electronics (Thailand) Co., Ltd.	Inventec (Chongqing) Corp.	"	Purchases	154,715	99.91%	105 days	"	"	(152,775)	92.05%	
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	"	Sales	10,991,842	21.34%	105 days	"	"	4,415,742	27.66%	
"	Inventec (Pudong) Technology Corp.	"	Sales	232,250	0.45%	105 days	"	"	102,195	0.64%	
"	Inventec (Pudong) Technology Corp.	"	Purchases	3,840,036	6.94%	105 days	"	"	(1,203,505)	5.43%	
"	Inventec Holding (North America) Corp.	"	Purchases	524,790	1.01%	105 days	"	"	(45,737)	0.21%	
Inventec Appliances Corp.	Inventec Appliances (Pudong) Corp.	"	Purchases	11,887,896	52.40%	110 days	"	"	(4,148,195)	53.63%	
"	Inventec Appliances (Nanjing) Corp.	"	Purchases	422,562	1.86%	60 days	"	"	(23,503)	0.30%	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Purchases	299,281	1.32%	60 days	"	"	(1,546)	0.02%	
"	Inventec Appliances (Malaysia) SDN. BHD.	"	Purchases	4,598,277	20.27%	110 days	"	"	(2,271,675)	29.37%	
"	Inventec Appliances (Vietnam) Company Limited	"	Purchases	1,993,410	8.79%	60 days	"	"	(729,807)	9.44%	
"	Inventec Appliances (Nanjing) Co. Ltd.	"	Purchases	218,714	0.96%	60 days	"	"	(40,965)	0.53%	
Inventec Appliances Corp.	Inventec Appliances (USA) Distribution Corp.	"	Sales	363,973	1.54%	45 days	"	"	(359)	(0.01)%	
Inventec Appliances (USA) Distribution Corp.	Inventec Appliances Corp.	"	Purchases	363,973	100.00%	45 days	"	"	359	100.00%	
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	"	Sales	11,887,896	88.62%	110 days	"	"	4,148,195	80.92%	
"	Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	"	Sales	162,714	1.21%	90 days	"	"	81,117	1.58%	

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Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sale	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	Associates	Sales	267,377	1.99%	90 days	Negotiated price	No general trading partner can be compared.	213,088	4.16%	
"	Inventec Appliances (Vietnam) Company Limited	"	Sales	769,035	5.73%	90 days	"	"	683,082	13.32%	
"	Inventec Appliances (Malaysia) SDN. BHD.	"	Purchases	293,042	2.64%	90 days	"	"	(7,020)	0.22%	
Inventec Appliances (Nanjing) Corp.	Inventec Appliances Corp.	"	Sales	422,562	10.76%	45 days	"	"	23,503	3.10%	
"	The Company	Parent	Sales	195,814	4.98%	90 days	"	"	52,282	6.89%	
"	Inventec Appliances (Nanjing) Co. Ltd.	Associates	Sales	193,398	4.92%	45 days	"	"	39,626	5.22%	
"	Inventec Appliances (Nanjing) Co. Ltd.	"	Purchases	145,069	5.47%	45 days	"	"	(25,368)	5.41%	
Inventec Appliances (Nanjing) Co. Ltd.	Inventec Appliances Corp.	"	Sales	218,714	47.88%	45 days	"	"	40,965	40.04%	
"	Inventec Appliances (Nanjing) Corp.	"	Sales	145,069	31.76%	45 days	"	"	25,368	24.80%	
"	Inventec Appliances (Nanjing) Corp.	"	Purchases	193,398	63.49%	45 days	"	"	(39,626)	55.40%	
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Inventec Appliances Corp.	"	Sales	299,281	98.64%	60 days	"	"	1,546	64.42%	
"	Inventec Appliances (Pudong) Corp.	"	Purchases	162,714	75.37%	90 days	"	"	(81,117)	100.00%	
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	"	Sales	4,598,277	94.99%	110 days	"	"	2,271,675	99.69%	
"	Inventec Appliances (Pudong) Corp.	"	Sales	293,042	6.05%	90 days	"	"	7,020	0.31%	
"	Inventec Appliances (Pudong) Corp.	"	Purchases	267,377	6.38%	90 days	"	"	(213,088)	11.43%	
Inventec Appliances (Vietnam) Company Limited	Inventec Appliances Corp.	"	Sales	1,993,410	99.88%	60 days	"	"	729,807	99.68%	
"	Inventec Appliances (Pudong) Corp.	"	Purchases	769,035	39.01%	60 days	"	"	(683,082)	55.56%	

Note 1: Based on the negotiated price while trading.

Note 2: The aforementioned inter-company transactions were eliminated in the consolidated financial statements.



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8. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of capital stock:

(Expressed in Thousands of New Taiwan Dollars)

Name of company	Counter party	Relationship	Ending balance	Turnover	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Inventec Holding (North America) Corp.	Subsidiary	25,373,938	2.91	968,442	Received in the subsequent period	10,597,524	-
"	Inventec Corporation (Hong Kong) Ltd. (Note 1)	"	45,434,425	-	9,777,313	Received in the subsequent period	26,991,390	-
Inventec Holding (North America) Corp.	The Company	Parent	218,740	6.80	-		142,715	-
Inventec Corporation (Hong Kong) Ltd.	The Company	"	56,268,441	4.48	3,255,740	Received in the subsequent period	2,067,815	-
"	Inventec (Pudong) Technology Corp. (Note 1)	Associates	3,363,354	-	1,230,315	Received in the subsequent period	307,953	-
"	SQ Technology (Shanghai) Corporation (Note 1)	"	19,001,144	-	8,546,998	Received in the subsequent period	3,613,509	-
"	Inventec (Chongqing) Corp. (Note 1)	"	23,069,927	-	-		23,069,927	-
Inventec (Pudong) Technology Corp.	Inventec Corporation (Hong Kong) Ltd.	"	8,143,644	2.24	1,420,794	Received in the subsequent period	1,572,682	-
"	SQ Technology (Shanghai) Corporation	"	1,203,505	3.50	109,653	Received in the subsequent period	415,817	-
Inventec (Chongqing) Corp.	Inventec Corporation (Hong Kong) Ltd.	"	43,709,055	9.13	-		37,184,047	-
"	Inventec Electronics (Thailand) Co., Ltd.	"	152,775	2.03	-		-	-
SQ Technology (Shanghai) Corporation	Inventec Corporation (Hong Kong) Ltd.	"	4,415,742	1.69	1,834,946	Received in the subsequent period	495,134	-
SQ Technology (Shanghai) Corporation	Inventec (Pudong) Technology Corp.	"	102,195	1.33	31,552	Received in the subsequent period	32,142	-
Inventec Appliances (Pudong) Corp.	Inventec Appliances Corp.	"	4,148,195	2.10	-		1,090,722	-
"	Inventec Appliances (Malaysia) SDN. BHD.	"	213,088	1.62	-		54,025	-
"	Inventec Appliances (Vietnam) Company Limited	"	683,082	2.25	-		515,433	-
Inventec Appliances (Malaysia) SDN. BHD.	Inventec Appliances Corp.	"	2,271,675	3.01	-		1,431,759	-
Inventec Appliances (Vietnam) Company Limited	Inventec Appliances Corp.	"	729,807	5.59	-		486,903	-
Inventec (Czech), s.r.o.	The Company	Parent	108,218	3.09	-		-	-

Note 1: The receivables were not yielded by sales or purchases; therefore, there is no turnover rate.

Note 2: The aforementioned inter-company transactions were eliminated in the consolidated financial statements.

Note 3: The aforementioned inter-company transactions did not include the loans to related parties. For the relevant amounts, please refer to note 13(a)1 "Loans to other parties" .

9. Trading in derivative instruments: Please refer to notes (6)(b) and (6)(x).

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10. Business relationships and significant inter-company transactions:

No.	Name of company	Name of counter party	Existing relationship with the counter-party	Intercompany Transactions			
				Account name	Amount	Terms of trading	Percentage of the consolidated total revenue or total assets
0	Inventec Corporation	Inventec Holding (North America) Corp.	1	Sales	78,943,494	Negotiated price	15%
	"	"	1	Accounts Receivable	25,373,938	105 days	11%
	"	Inventec Corporation (Hong Kong) Ltd.	1	Purchases	302,107,481	Negotiated price	59%
	"	"	1	Other Receivables	45,434,425	105 days	19%
	"	"	1	Accounts Payable	56,268,441	"	23%
1	Inventec Corporation (Hong Kong) Ltd.	Inventec (Pudong) Technology Corp.	3	Purchases	21,678,206	Negotiated price	4%
	"	"	3	Accounts Payable	8,143,644	105 days	3%
	"	"	3	Accounts Receivable	3,363,354	"	1%
	"	SQ Technology (Shanghai) Corporation	3	Purchases	10,991,842	Negotiated price	2%
	"	"	3	Accounts Payable	4,415,742	105 days	2%
	"	"	3	Accounts Receivable	19,001,144	"	8%
	"	Inventec (Chongqing) Corp.	3	Purchases	269,437,433	Negotiated price	52%
	"	"	3	Accounts Payable	43,709,055	105 days	18%
	"	"	3	Accounts Receivable	23,069,927	"	10%
2	Inventec (Pudong) Technology Corp.	SQ Technology (Shanghai) Corporation	3	Sales	3,840,036	Negotiated price	1%
	"	"	3	Accounts Receivable	1,203,505	105 days	1%
3	Inventec Appliances Corp.	Inventec Appliances (Pudong) Corp.	3	Purchases	11,887,896	Negotiated price	2%
	"	"	3	Accounts Payable	4,148,195	110 days	2%
	"	Inventec Appliances (Malaysia) SDN. BHD.	3	Purchases	4,598,277	Negotiated price	1%
	"	"	3	Accounts Payable	2,271,675	110 days	1%

Note 1: Company numbering as follows:

1. Parent company - 0.
2. Subsidiaries starts from 1.

Note 2: The numbering of the relationship between transaction parties as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The transaction amount is calculated as a proportion of the consolidated revenue or assets. If categorized as an asset or liability, the calculation is compared with the consolidated asset; if categorized as income or loss, the calculation is compared with the consolidated operating revenue.

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(b) Information on investments:

The following is the information on investees for the year ended December 31, 2023 (excluding investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest percentage of ownership during the year	Net income (loss) of the investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (In thousands)	Percentage of ownership	Carrying value				
The Company	Inventec Besta Co., Ltd.	Taipei	Electronic dictionary	420,347	420,347	23,405	37.53%	194,236	37.53%	(70,965)	(26,499)	Investment accounted for using equity method
"	Inventec Corporation (Hong Kong) Ltd.	Hong Kong	Trading	167,162	167,162	2,500	100.00%	441,562	100.00%	30,047	30,047	Subsidiary
"	Inventec Holding (North America) Corp.	USA	Holding Company	3,946,943	3,335,143	2,013	100.00%	5,892,537	100.00%	381,713	381,713	"
"	Inventec Appliances Corp.	New Taipei City	Intelligent device products	9,656,877	9,656,877	536,857	100.00%	7,749,784	100.00%	485	(398,400)	"
"	Inventec (Cayman) Corp.	Cayman	Holding Company	9,812,963	9,812,963	301,768	100.00%	27,951,959	100.00%	1,756,872	1,756,872	"
"	IEC (Cayman) Corporation	Cayman	Holding Company	739,500	739,500	25,000	100.00%	2,064,475	100.00%	292,654	292,654	"
"	Inventec (Czech), S.R.O.	Czech	Production and sales of computer products	368,071	85,921	-	100.00%	575,729	100.00%	76,703	76,703	"
"	Inventec Investment Co., Ltd.	Taipei	Investment Company	62,000	1,000,000	15,000	100.00%	75,116	100.00%	1,244	1,244	"
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	1,087,800	1,087,800	108,150	33.45%	(661,196)	33.45%	(12,012)	(125)	"
"	Inventec Development Japan Corporation	Japan	Trading	630,845	630,845	45	100.00%	17,572	100.00%	(627)	(627)	"
"	Inventec Japan Corporation	Japan	Trading and management service	2,954	2,954	-	100.00%	2,809	100.00%	(153)	(153)	"
"	AIMobile Co., Ltd.	Taipei	Developing, production and sales of intelligent mobile devices	80,300	80,300	8,030	73.00%	(11,614)	73.00%	(77,893)	(56,862)	"
"	InveneXi System Co., Ltd.	Taipei	5G Services, hardware and software	50,000	50,000	5,000	100.00%	49,589	100.00%	(283)	(283)	"
"	Inventec Electronics (Thailand) Co., Ltd.	Thailand	Production and sales of computer products	1,594,163	-	395,000	100.00%	1,493,519	100.00%	(44,646)	(44,646)	"
"	Inventec Technology (Vietnam) Company Limited	Vietnam	Production and sales of computer products	789,646	-	-	100.00%	772,246	100.00%	4,554	4,554	"

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2023			Highest percentage of ownership during the year	Net income (loss) of the investee	Share of profits/losses of investee	Note
				December 31, 2023	December 31, 2022	Shares (In thousands)	Percentage of ownership	Carrying value				
Inventec Investment Co., Ltd.	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	150,000	150,000	15,000	4.64%	(96,241)	4.64%	(12,012)	-	Associate Company
"	Inventec Electronics (Thailand) Co., Ltd.	Thailand	Production and sales of computer products	-	-	-	- %	-	- %	(44,646)	-	"
Inventec Appliances Corp.	Inventec Appliances (Cayman) Holding Corp.	Cayman	Holding Company	6,128,937	6,128,937	199,575	100.00%	12,518,056	100.00%	(61,417)	-	"
"	Gainia Intellectual Asset Services, Inc.	Taipei	Intellectual property rights integrative services	6,240	6,240	189	35.87%	1,237	35.87%	836	-	Investment accounted for using equity method
"	Good Future Biomedical Technology Corp.	Taoyuan	Biotechnology services and retail sale and wholesale of medical devices	23,712	23,712	9,120	30.00%	19,567	30.00%	(3,589)	-	"
"	Inventec Solar Energy Corporation	Taoyuan	Sales of solar cells and medical equipment	311,160	311,160	30,930	9.57%	(198,449)	9.57%	(12,012)	-	Associate Company
"	Inventec Appliances (Vietnam) Company Limited	Vietnam	Production and sales of intelligent devices	1,013,430	92,130	-	100.00%	968,778	100.00%	(42,776)	-	"
Inventec Appliances (Cayman) Holding Corp.	Inventec Appliances (USA) Distribution Corp.	USA	Marketing promotion	24,568	24,568	400	100.00%	102,992	100.00%	1,052	-	"
"	Inventec Appliances Corporation USA, Inc.	USA	Sales services	1,536	1,536	10	100.00%	16,664	100.00%	926	-	"
Inventec Appliances (Pudong) Corp.	Inventec Appliances (Malaysia) SDN. BHD.	Malaysia	Production and sales of intelligent devices	881,769	881,769	121,000	100.00%	(376,047)	100.00%	(283,926)	-	Associate Company
InveneXt System Co., Ltd.	Implicomm Ltd.	Samoa	Sales of 5G equipment	-	-	-	55.00%	-	55.00%	-	-	" (Note 4)

Note 1: The aforementioned inter-company transactions have been eliminated in the consolidated financial statements.

Note 2: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 3: According to the regulations, investment companies other than the Company are not required to disclose the share of income / loss of investees.

Note 4: No capital has been injected as of December 31, 2023.

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(c) Information on investments in Mainland China:

1. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the years	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow							
Inventec (Shanghai) Service Co., Ltd	Sales of computer products	360,865	(2)	61,420	-	-	61,420	5,359	100.00%	100.00%	5,359	336,660	30,234
Inventec (ChongQing) Service Co., Ltd	Sales of computer products	30,710	(2)	30,710	-	-	30,710	483	100.00%	100.00%	483	40,482	-
Inventec (Pudong) co.,Ltd	Sales of computer products	1,535,500	(2)	1,535,500	-	-	1,535,500	106,371	100.00%	100.00%	106,371	4,348,824	-
Inventec (Shanghai) Co.,Ltd.	Sales of computer products	2,073,298	(2)	905,945	-	-	905,945	(258,941)	100.00%	100.00%	(276,795)	1,582,197	-
Inventec (ChongQing) Corporation	Production and sales of computer products	2,303,250	(2)	2,303,250	-	-	2,303,250	2,288,397	100.00%	100.00%	2,288,397	14,126,416	2,242,107
Inventec (Pudong) Technology Corp.	Production and sales of computer products	1,799,351	(2)	1,535,500	-	-	1,535,500	(269,443)	100.00%	100.00%	(278,996)	7,619,911	321,599
Inventec Electronics (Tianjin) Co.,Ltd.	Electronic product software development	153,550	(2)	130,518	-	-	130,518	9,251	100.00%	100.00%	9,251	267,397	149,517
Inventec Electronics (Beijing) Co.,Ltd.	Electronic product software development	44,530	(2)	44,530	-	-	44,530	3,425	100.00%	100.00%	3,425	79,374	-
Inventec Hi-Tech Corporation	Sales of computer products	1,535,500	(2)	1,535,500	-	-	1,535,500	70,968	100.00%	100.00%	70,968	1,734,084	-
Inventec Asset-Management (Shanghai) Corporation	Leasing	1,856,655	(3)	-	-	-	-	(364,575)	78.00%	78.00%	(284,369)	1,047,135	-
Saint Investment Consulting Corporation	Business management	260,154	(3)	-	-	-	-	6,016	100.00%	100.00%	6,016	304,110	-
SQ Technology (Shanghai) Corporation	Production and sales of computer products	235,122	(3)	-	-	-	-	(89,037)	100.00%	100.00%	(89,037)	(594,376)	-
Truswe (ChongQing) Technology Co.,Ltd	Sales of electronic products	130,077	(3)	-	-	-	-	(23,265)	20.00%	20.00%	(4,653)	17,739	-
Testron Technology (JiangSu) Co., Ltd.	Production and sales of electronic products	120,589	(3)	-	-	-	-	151,212	9.99%	9.99%	12,413	118,604	-
Shanghai Haixin Electronic Technology Co., Ltd.	Production and sales of electronic products	14,116	(3)	-	-	-	-	(3,659)	16.56%	18.00%	(1,512)	41,573	-
Dawnlane (Nanjing) Intelligent Technology Co., Ltd.	Solution of intelligent transportation	6,637	(3)	-	-	-	-	(33,725)	15.00%	15.00%	(4,722)	38,725	-
Inventec Appliances (Shanghai) Corp.	Development of intelligent devices	1,584,636	(2)	1,477,705	-	-	1,477,705	64,524	100.00%	100.00%	64,524	1,554,284	1,535,981

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**INVENTEC CORPORATION AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest percentage of ownership during the years	Investment income (losses) (Note 2)	Book value	Accumulated remittance of earnings in current period (Note 6)
					Out-flow	Inflow							
Inventec Appliances (Pudong) Corp.	Production and sales of intelligent devices	2,364,670	(2)	2,364,670	-	-	2,364,670	(603,516)	100.00%	100.00%	(500,768)	6,475,054	2,297,117
Inventec Appliances (Jiangning) Corp.	Production and sales of intelligent devices	2,088,280	(2)	1,289,820	-	-	1,289,820	186,517	100.00%	100.00%	168,319	3,659,477	3,571,176
Inventec Appliances (Nanjing) Corp.	House leasing	153,550	(2)	275,821	-	-	275,821	194,727	100.00%	100.00%	194,727	619,149	85,353
Inventec Appliances (Xi'an) Corporation	House leasing	122,840	(2)	122,840	-	-	122,840	5,225	100.00%	100.00%	5,225	78,947	-
Inventec Appliances (Nanchang) Corp.	Development of intelligent devices	64,491	(2)	64,491	-	-	64,491	4,575	100.00%	100.00%	4,575	4,105	-
Apex Business Managements & Consulting (Shanghai) Co., Ltd.	Business management and Consulting	2,176	(3)	-	-	-	-	6,007	100.00%	100.00%	6,007	131,255	-
Inventec Appliances (Shanghai) Enterprise	Industrial investment and investment management	34,687	(3)	-	-	-	-	(3,795)	100.00%	100.00%	(3,795)	16,213	-
Inventec Appliances (Nanchang) Intelligent Manufacturing Co., Ltd.	Production and sales of intelligent devices	260,155	(3)	-	-	-	-	(60,987)	100.00%	100.00%	(60,987)	(136,659)	-
Inventec Easy Doctor Corporation	Production and sales of medical devices, software development	43,359	(3)	-	-	-	-	(17,750)	100.00%	100.00%	(17,750)	12,598	-
Inventec QD (Shanghai) Corporation (Note 8)	Business management and Consulting	-	(3)	-	-	-	-	(5,508)	100.00%	100.00%	(5,508)	(5,406)	-

2. Upper limit on investment in Mainland China:

Name of Company	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment (Note 3,4,7)
The Company	8,147,363	8,147,363	-
Inventec Appliances Corp.	5,663,784	5,663,784	4,427,529

Note 1: There are three ways of investments as following:

- (1) Direct investment in Mainland China.
- (2) Indirect investment in Mainland china through a subsidiary in a third place.
- (3) Others

Note 2: The recognition of investment income (loss) is based on the financial statements reviewed by CPA of the investee company.

Note 3: In accordance with the regulation of amended limitation calculation of Investment Commission in 29 August, 2008, MOEA (IDB) committed the Company were in the scope of operating headquarter; therefore there is no need to calculate the limitation.

Note 4: The upper limit on investment of Inventec Appliances Corp. is the higher of 60% of net value or 60% of consolidated net value.

Note 5: The transactions in foreign currencies were translated into New Taiwan Dollars using spot rates at the financial report date.

Note 6: The amount of foreign currencies was translated into New Taiwan Dollars at historical exchange rates.

Note 7: After the accumulated investment in Mainland China as of December 31, 2023, deducted the accumulated remittance of earnings, the investment amounts of Inventec Appliance Corp. was still under the upper limit on investment.

Note 8: No capital has been injected as of December 31, 2023.

Note 9: The inter-company transactions were eliminated in the consolidated financial statements.

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(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

3. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China for the year ended December 31, 2023, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions" .

(d) Information on major shareholders:

Shareholder' s Name	Shareholding	Shares	Percentage
Taishin International Bank Co., Ltd, entrusted with custody of Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF		191,906,000	5.34%

Note 1: The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

Note 2: If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider' s equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider' s equity announcement please refer to the TWSE website.

**(14) Segment Information**

(a) General information

The Group's reportable segments: core department and other department. The core department manufactures computer products and intelligent device products and sells them to customers. The other department is engaged in environmental energy and emerging technology business.

The reportable segments are the Group's strategic divisions. They offer different products and services, and are managed separately because they require different technological and marketing strategies.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONT'D)**  
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(b) Information about reportable segments and their measurement and reconciliations

	For the year ended December 31, 2023			
	Core	Others	Adjustment and Elimination	Total
<b>Revenue</b>				
Revenue from external customers	\$ 511,315,059	3,431,141	-	514,746,200
Intersegment revenues	-	-	-	-
<b>Total revenue</b>	<b>\$ 511,315,059</b>	<b>3,431,141</b>	<b>-</b>	<b>514,746,200</b>
Interest expenses	\$ 4,576,559	11,556	-	4,588,115
Depreciation and amortization	3,358,896	153,043	-	3,511,939
<b>Other material non-cash item</b>				
Impairment of assets	515,678	-	-	515,678
<b>Reportable segment profit (loss)</b>	<b>\$ 8,384,343</b>	<b>(1,149,399)</b>	<b>-</b>	<b>7,234,944</b>
<b>Reportable segment assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>
	For the year ended December 31, 2022			
	Core	Others	Adjustment and Elimination	Total
<b>Revenue</b>				
Revenue from external customers	\$ 540,169,510	1,581,340	-	541,750,850
Intersegment revenues	-	-	-	-
<b>Total revenue</b>	<b>\$ 540,169,510</b>	<b>1,581,340</b>	<b>-</b>	<b>541,750,850</b>
Interest expenses	\$ 3,030,543	5,045	-	3,035,588
Depreciation and amortization	2,864,005	37,363	-	2,901,368
<b>Reportable segment profit (loss)</b>	<b>\$ 7,710,951</b>	<b>(533,916)</b>	<b>-</b>	<b>7,177,035</b>
<b>Reportable segment assets</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>-</b>

Taxation or extraordinary activity is not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non-cash items. The reportable amount is the same as the report used by the chief operating decision maker.

The operating segment's accounting policies are similar to those described in Note 2 "Significant accounting policies". Reportable segment profit or loss is measured by operating profit or loss before taxation, and is used as the base of performance evaluation.

Since the evaluated amount of the Group's assets was not provided to the chief operating decision maker, the evaluated amount of the assets which should be disclosed was 0.

(c) Product and service information

For the revenue from the external customers of the Group please refer to Note (6)(u).



(d) Geographical information

In presenting information on the basis of geography, the revenue geographical information please refer to Note (6)(u) and non-current assets which presenting based on the geographical location of the assets was as follows:

<u>By region</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Non-current assets:		
Taiwan	\$ 14,220,462	15,109,068
Mainland China	16,001,549	16,887,820
USA	4,615,770	3,003,573
Other countries	3,541,357	1,401,070
Total	<u>\$ 38,379,138</u>	<u>36,401,531</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, investment property and other assets, not including financial instruments, deferred tax assets, and pension fund assets.

(e) Major customers: Revenue

	<u>For the years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
A	\$ 271,995,202	333,740,978
B	76,582,472	42,431,544
	<u>\$ 348,577,674</u>	<u>376,172,522</u>

Inventec Corporation

Chairman: Yeh, Li-Cheng

**Inventec**

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