

(The readers is advised that these Annual Shareholders' Meeting Minutes have been prepared originally in Chinese. In the even of a conflict between these Annual Shareholders' Meeting Minutes and the originally in Chinese version of difference in interpretation between the two versions, the Chinese language version shall prevail.)

# ADVANCED INTERNATIONAL MULTITECH CO., LTD.

## 2023 Annual Shareholders' Meeting Minutes



**Convene manner** : Physical shareholders meeting

**Meetign Time** : 10:00am on May 29th, 2023 (Monday)

**Venue** : Kaohsiung Municipal Social Education City (No. 115 Xuefu Rd., Xiaogang Dist., Kaohsiung City)

**Attending shareholders and proxy representing :**

95,242,938 shares were represented by shareholders in person and by proxy (including by exercising voting rights electronically: 22,786,246 shares), which are mounted to 69.23% of the Company's 137,571,272(have been deducted the non-voting right 2,629,000 shares).

**The board members who are participate in person :**

Chariman Hsi-Chien Cheng (Representative of Ming An Investment Co., Ltd.) 、 Director An-Hao Liu (Representative of Yuan Hong Investment Co., Ltd.) 、 Director Hsiao-Fen Tu 、 Independent Director Lee-Jung Hung (The Convener of Remuneration Committee and Audit Committee) 、 Independent Director Shyue-bin Chang , total five directors attended the 2023 Annual Shareholders' Meeting.

**Chairperson** : Hsi-Chien Cheng



**Minutes Recorder** : Yi-Miao Kuo



**I. Meeting Call to Order :**

The aggregate shareholding of the presenting shareholders constituted a quorum.

The agreegate shareholding of the shareholders present in person or by proxy constituted a quorum. The Chairman called the meeting to order.

**II. Address by the Chariman** : Omitted

**III. Report Items :**

- (I) 2022 Business of Report. (Please refer Attachment I)

(II) Audit Committee's Review Report in 2022. (Please refer Attachment II)

(III) Report of Remunerations Paid to Employees and Directors in 2022.

Explanation : 1. According to Article 29 of the Company's "Articles of Incorporation", if there is profit in the current year (referring to the profits of current year's net income before tax less the distributions of employee remuneration and director's remuneration) after deducting accumulated losses, the Company should distribute no less than 1% profits to employees as remuneration and no greater than 5% of profit to directors. The proposed allocation of employee remuneration and director remuneration is as follows:

- ① About 4.5% of the profit, for a total of NT\$128,650,000, is allocated as employee remunerations, which is no different from the estimated amount in 2022.
- ② About 0.36% of the profit, for a total of NT\$10,400,000, is allocated as remunerations paid to directors, which is no different from the estimated amount in 2022.

2. The distribution of employee remuneration and director remuneration has been approved by the board of directors on February 23, 2023, and will be paid in cash. It will be handled in accordance with the Company's "Rules for remuneration of the Employee and Directors", and the relevant distribution operations are planned to be authorized to the chairman in full discretion.

(IV) Report of Earnings Distribution of Cash Dividends in 2022.

Explanation:

According to the Articles of Incorporation of the Company, the board of directors is authorized to resolve the distribution of annual cash dividends and report to the shareholders' meeting.

The board of directors of the Company has resolved and approved the 2022 cash dividend of NT\$1,234,676,307 (\$8.97481203 per share), and the distribution of cash dividend is rounded to \$1. The total amount of irregular payments of such less than one dollar shall be included in the Company's account of other income. The aforementioned cash dividends have been distributed on May 4, 2023.

(V) Amendments to partial articles in the Company's "Rules of Procedure for Meetings of Board of Directors", "Rules Governing Share Repurchase and Transfer to Employees", and "Procedures for Ethical Management and Guidelines for Conduct". (Please refer Attachment III)

(VI) Status of the 4th Repurchased Treasury Stock Transferred to Employees.

Explanation: Status of the 4th repurchased treasury stock transferred to employees is as below

Repurchased session	The 4 <sup>th</sup> Buyback
Date of resolution by the Board	September 22, 2021
Purpose of the repurchase	To transfer to employees
Scheduled period for the repurchase	September 23, 2021 to November 22, 2021
Type and amount of shares planned to be repurchased (1 share)	Common stock / 6,700,000 shares
Planned repurchase price range (NT\$1)	\$60 to \$110
Type and amount of Shares Repurchased (1share)	Common stock / 3,379,000 shares
Total amount for the repurchased shares in this session (NT\$1)	NT\$ 258,234,917
Average price per share for this repurchased session (NT\$1)	NT\$76.42
Number of shares transferred	750,000 share
Cumulative numbers of the Company's shares held (1 share)	Common stock / 2,629,000 shares
Any other matters should be reported	Date of 1 <sup>st</sup> Transfer: 2022/03/04 Number of shares in 1 <sup>st</sup> transfer: 400,000 shares. Date of 2 <sup>nd</sup> Transfer: 2023/03/02 Number of shares in 2 <sup>nd</sup> transfer: 350,000 shares.

(VII) Status of the Execution of the Conversion of the Company's 3<sup>rd</sup> Domestic Unsecured Conversion Bonds.

Explanation:

1. In order to enrich the working capital, the Company's board of directors passed the resolution on April 18, 2022 to issue the 3<sup>rd</sup> domestic unsecured corporate bond, which was approved by the Financial Regulatory Commission on May 25, 2022 on file Jin-Guan- Zheng-Fa-Zi-Di-No. 1110342552 and also approved by TPEx with Correspondence Letter Zheng-Gui-Zhai-Zi-Di-No.11100078572 dated July 15, 2022 to start trading over the counter from July 20, 2022 at the business premises of securities firms. The main conditions are as follows:

- ① Use of the funds: Increasing working capital
- ② Total amount issued: Total par value NT\$1 billion
- ③ Face value per bond: NT\$100 thousand
- ④ Issue price: Issue by denomination
- ⑤ Issuance period: 3 years, starting from July 20, 2022 to July 20, 2025
- ⑥ Coupon rate: 0%
- ⑦ Conversion price: NT\$81 at issuance, and currently NT\$74.6
- ⑧ Collateral situation: None

2. The conversion status up until March 10, 2023 is as below:

Item	Converted - Accumulated	Un-Converted
Total face value of the bond	NT\$ 395,900,000	NT\$604,100,000
Number of shares	4,887,550 shares	8,097,855 shares (Note)

Note: the number of un-converted shares is calculated based on the conversion price of NT\$74.6.

(VIII) Shareholders' Proposals at the General Meeting of Shareholders : None.

#### IV. Approval Items

##### Approval Item (I) :

Summary: To acknowledge 2022 Business of Report and Financial Statements (proposed by the Board of Directors).

Explanation: 1. The company's 2022 parent company only financial statements and consolidated financial statements have been resolved in the Board Meeting and audited by accountants, Wang, Chun-Kai and Wu, Chien-Chih, of the PwC Taiwan with an unqualified audit opinion. The above-mentioned financial statements have been submitted together with the Business of Report to the Audit Committee for review and approval. (Please refer Attachment I and Attachment IV)

2. The proposal is submitted for acknowledgement.

Resolution: Voting result as below:

Shares represented at the time of voting (include the e-voting): 95,242,983 votes.

Voting Results	% of the total represented share present
Votes in favor : 88,229,275 votes (Include the e-voting : 16,823,603 votes)	92.63%
Votes against : 54,735 votes (Include the e-voting : 54,735 votes)	0.05%
Votes invalid : 0 votes	0%
Votes abstained : 6,958,928 votes (Include the e-voting : 5,907,908 votes)	7.30%

RESOLVED, that the above proposal be and hereby was approved as proposed.

##### Approval Item (II) :

Summary: To acknowledge 2022 Earnings Distribution Plan (proposed by the Board of Directors).

Explanation: The 2022 Earnings Distribution Sheet is proposed for acknowledgement.

# Advanced International Multitech Co., Ltd.

## Earnings Distribution Sheet

**2022**

**Unit: NTD\$1**

Item	Amount	
	Subtotal	Total
Undistributed earnings, beginning of the year		\$ 1,489,672,849
Add: Current period net income(loss) after tax	2,240,779,972	
Current period comprehensive income (loss)	5,594,157	2,246,374,129
Less: provision of 10% legal reserve	(224,637,413)	
Add: Reversal of special reserve	78,124,119	(146,513,294)
Distributable earnings		3,589,533,684
Distribute item		
Dividend - cash (\$8.97481203 per share)	(1,234,676,307)	
Dividend - stock (\$0 per share)	0	(1,234,676,307)
Undistributed earnings, end of the year		<u>\$ 2,354,857,377</u>

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo



Resolution: Voting result as below:

Shares represented at the time of voting (include the e-voting): 95,242,983 votes.

Voting Results	% of the total represented share present
Votes in favor : 88,415,234 votes (include the e-voting : 17,009,562 votes)	92.83%
Votes against : 56,795 votes (include the e-voting : 56,795 votes)	0.05%
Votes invalid : 0 votes	0%
Votes abstained : 6,770,909 votes (include the e-voting : 5,719,889 votes)	7.10%

RESOLVED, that the above proposal be and hereby was approved as proposed.

**V. Extempore motion** : None.

**VI. Meeting Adjourned** : 10:22 am.

There are no shareholders asking question at this annual shareholders' meeting.

## **Business of Report**

Thank you for your continued interests, support, and care to Advanced International Multitech Co., Ltd., and it is hoped that you will continue to give us more attention and support in the days to come, thank you.

Below is the report of 2022 Business results and 2023 Business plans.

### 1. 2022 Consolidated Business Report

#### (1) The execution result of the 2022 busnies plans

The company's consolidated operating revenue was NTD21,422,785(thousand) in the year of 2022, which was an increase of 26.7% comparing with NTD16,908,024(thousand) in the year of 2021. The consolidated net profit in the year of 2022 was NTD2,500,237(thousand), which was an increase of 72.21% comparing with the consolidated net profit of NTD1,451,840(thousand) in the year of 2021. in 2022, the after-tax earnings per per share was NTD16.92.

(2) The 2022 budget execution status: Not available, the Company did not disclose financial forecast in the year of 2022.

#### (3) Financial information:

##### ① Financial information

Unit: In Thousands of New Taiwan Dollars ; %

Year	2022	2021	Increase (Decrease) by (%)
Sales Revenue	21,422,785	16,908,024	26.70%
Cost of Goods Sold	17,067,951	13,691,412	24.66%
Gross Profits	4,354,834	3,216,612	35.39%
Operating Expenses	1,664,172	1,448,332	14.90%
Other Income and expenses - Net	137,364	178,394	(23%)
Non-operating income and expense	416,576	(125,101)	432.99%
Net Income before Tax	3,244,602	1,821,573	78.12%
Net Income after Tax	2,500,237	1,451,840	72.21%
Total Comprehensive Profit/Loss	2,583,955	1,425,165	81.31%

##### ② Analysis on profitability

Unit: In Thousands of New Taiwan Dollars ; %

Item	Ratio	
Return on Assets (%)	17.07%	
Return on Equity (%)	37.35%	
To Paid-in-Capital (%)	Operating income	206.14%
	Net income before tax	236.50%
Net Income Margin (%)	11.67%	
Earnings Per Share (\$1)	16.92	

#### (4) R&D situation

The result of 2022 R&D

- ① Development of high and low pressure RTM technology.
- ② RCS certification obtained for carbon fiber recycling.
- ③ Development and transfer of high strength stainless steel casting ball head.
- ④ Development and transfer of high gravity castings and the combined structures with different materials.
- ⑤ Carbon fiber forming technology with inverted design.
- ⑥ The application of graphene in composite materials.
- ⑦ Mass production and application of thermoplastic forming technology in golf and consumer electronic products.
- ⑧ Development of carbon fiber woven technology.
- ⑨ Development of carbon fiber pre-forming technology.
- ⑩ Carbon composite wheel passed TUV certification test.
- ⑪ Mass production of various automobile interior and exterior decorative parts.
- ⑫ Application of self-produced die-molding parts in the mass production of golf head composite materials.
- ⑬ Development and transfer of multi-angle changeable golf club structure.
- ⑭ Development of the automation technology in the weaving of fiber laminates.
- ⑮ Technology development of winding braided carbon fiber ball head cover and bottom plate.
- ⑯ Carbon fiber forged exterior molding materials and the technology development.
- ⑰ Technology development of composite materials laminating machine.
- ⑱ Development of bio-based (20% biomass ratio) epoxy resin formula.
- ⑲ Development of high strength toughened striking panel formula.
- ⑳ Development of SMCNSPU eco-friendly formula.
- ㉑ Development of winding epoxy resin formula (TOWPREG).
- ㉒ Development of light-weight/high-strength thermoplastic carbon fiber plates.

## 2. Summary of 2023 Business Plan

### (1) Operating strategy

- ① Look closely at the domestic and international dynamic situation and connect to customers' supply chain strategies to formulate future production location layout goals and plans, in order to maintain competitiveness in the changing world environment and economic fluctuations.
- ② Integrate internal and external resources, continue to maintain the leading edge of core technology, and fully cooperate with customers to develop high value-added products to increase the market share and competitive advantage of customers' products.

- ③ Continue utilizing lean management for further enhancing operational efficiency, establish an organizational form and operating mechanism that meet customer needs, fast respond to customers' needs and more effectively utilize overall operating resources.

(2) Expected unit of sales

Based on the market's supply and demand situation and industrial environment, as well as the consideration and evaluation of the Company's capabilities and development, it is estimated that the sales volume of ball heads and golf equipment in 2023 will be about 13.5 million to 16.5 million pcs, and the one-year volume of golf balls maybe exceed around 10% of the total sales in 2022.

(3) Important production and marketing strategy

- ① Continue to strengthen the development and application technology of composite materials related products, and create a competitive advantage through the strength of conveyor production concept, i.e. from the innovation and design of composite materials, to production and manufacturing.
- ② Establish partnerships with key supply chains to respond to customers' needs with better flexibility and responsiveness, and provide customers with complete solutions.
- ③ Continue to pay attention to the sales status and market information of the client, in order to quickly synchronize or adjust the internal and external resources with the expected order status, and respond to external changes with the highest efficacy.

(4) Future development strategy

- ① Integrate internal and external resources to invest in the research and development of composite material's raw materials, manufacturing procedures and products, and can continue to innovate to meet the needs of customers in various industries; respond to future industry and technology trends, and lead the industry to lead the transformation of products and business models.
- ② Cultivate the talents and capabilities that the organization needs in the future, strengthen human resource development and talent cultivation plans, enhance the work value and sense of belonging of colleagues, and constantly challenge higher operating goals.
- ③ Aiming at the new corporate thinking of ESG, gradually implement the goals of carbon reduction, waste reduction, and energy conservation, and establish a carbon management mechanism to respond to the trend of the times; at the same time, continue to care for vulnerable groups, fulfill corporate social responsibilities, and implement corporate governance to achieve the realm of sustainable management and create all-win situation for employees, shareholders and the general public.



(5) Effects of the external competitive environment, regulation environment, and overall operation environment

Looking back on the year of 2022, although the epidemic has gradually eased, it has been replaced by unknowns and turmoil in international geopolitics. In addition, the shadow of inflation and economic recession has emerged, and the world situation is full of unpredictable factors. In such a treacherous and ever-changing environment, we still overcame various challenges and handed over good results with all indicators hitting new highs.

Looking ahead to the year ahead, the international situation and economic environment are still full of uncertainties. Advanced International Multitech will lead the direction on the unknown road with the DNA of listening to the voice of customers; our strong management team will demonstrate its team strength to overcome adversity. Moreover, Advanced International Multitech possess a group of excellent employees who can continue to stick to their posts and meet more challenging tasks. In the face of future tests and changes, Advanced International Multitech will insist on the concept of "sincerity, creativity, and satisfaction" to advance on the road of sustainable management.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo



## Advanced International Multitech Co., Ltd. Review Report of Audit Committee

Attn: Advanced International Multitech Co., Ltd. 2023 General Shareholders' Meeting

The board of directors submitted the Company's 2022 Business of Report, parent company only financial statements, consolidated financial statements, and Earnings Distribution Plan among which the financial statements were audited and completed with an audit report by the PwC Taiwan, appointed by the Company's board of directors.

The above Business of Report, parent company only financial statements, consolidated financial statements, and Earnings Distribution Plan have been verified by the Audit Committee, and there are no discrepancies. Accordance to the Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

February 23, 2023

Audit Committee of Advanced International Multitech Co., Ltd.

Convener: Hung, Li-Jung



**Advanced International Multitech Co., Ltd.**

**Management of Operation of Board Meeting Revision Comparison Chart**

**【 Attachment III 】**

Revised Articles	Articles before Revision	Explanations
<p>Article III                      The Company’s Board of Directors’ Meeting should be convened at least once per quarter. The time, place and reason for the meeting shall be clearly stated at the time of the convening, and all directors shall be notified seven days in advance. However, in case of emergency, it can be called at any time. The notification of the convening in the preceding paragraph may be sent electronically.                      Matters stated in Article XII-1 shall be listed in the reason for the convening, and shall not be proposed as extempore motion.</p>	<p>Article III                      The Company’s Board of Directors’ Meeting should be convened at least once per quarter. The time, place and reason for the meeting shall be clearly stated at the time of the convening, and all directors shall be notified seven days in advance. However, in case of emergency, it can be called at any time. The notification of the convening in the preceding paragraph may be sent electronically.                      Matters stated in Article XII-1 shall be listed in the reason for convening, and shall not be proposed as extempore motion <u>unless there are emergencies or having justified reasons.</u></p>	<p>1.Amended following the changes of laws and regulations.                      2.Because matters stated in Article XII-1 are important matters relating to the Company’s operations, such shall be stated clearly in the reason for the convening, so that directors have sufficient time and information to evaluate the proposals before making decisions. Therefore, the exceptional circumstances are deleted in the article,and clearly defines that matters stipulated in Article XII-1 shall be listed in the reason for the convening, and</p>

**Advanced International Multitech Co., Ltd.**

**Management of Operation of Board Meeting Revision Comparison Chart**

**【 Attachment III 】**

Revised Articles	Articles before Revision	Explanations
		shall not be proposed by extempore motion.
<p>Article XII The Company shall submit the following matters to the board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</li> <li>3. Formulation or revision of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and the evaluation of the effectiveness of the internal control system.</li> <li>4. Formulation or revision of the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, and providing endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.</li> <li>5. Raising, issuing or private placement of securities with equity nature.</li> <li>6. <u>Election or dismissal of the Chairman.</u></li> <li>7. <u>Appointment and dismissal of financial, accounting or internal audit supervisors.</u></li> <li>8. <u>Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency</u></li> </ol>	<p>Article XII The Company shall submit the following matters to the board of directors for discussion:</p> <ol style="list-style-type: none"> <li>1. The Company's business plan.</li> <li>2. Annual financial report and semi-annual financial report. However, the semi-annual financial report does not need to be audited and certified by an accountant according to laws and regulations, this restriction does not apply.</li> <li>3. Formulation or revision of the internal control system in accordance with Article 14-1 of the Securities and Exchange Act, and the evaluation of the effectiveness of the internal control system.</li> <li>4. Formulation or revision of the procedures for handling major financial business activities such as acquiring or disposing of assets, engaging in derivatives transactions, lending funds to others, and providing endorsements or guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.</li> <li>5. Raising, issuing or private placement of securities with equity nature.</li> <li>6. Appointment and dismissal of financial,</li> </ol>	<ol style="list-style-type: none"> <li>1. Amended following the changes of laws and regulations.</li> <li>2. With reference to the provisions of the Company Act and the Ministry of Economic Affairs' correspondence, since the dismissal and election of the Chairman are both important matters of the Company, Subparagraph 6 of Paragraph 1 is newly added, specifying that the election or dismissal of the Chairman should be discussed by the board of directors. The current Subparagraph 6 to 8 are reclassified as</li> </ol>

**Advanced International Multitech Co., Ltd.**

**Management of Operation of Board Meeting Revision Comparison Chart**

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Revised Articles	Articles before Revision	Explanations
<p>relief due to major natural disasters may be submitted to the next board of directors for ratification.</p> <p><u>9.</u> Any other matters that should be resolved by the shareholders' meeting or the board of directors in accordance with laws and regulations or the Company's Articles of Incorporation, or major matters stipulated by the competent authority pursuant to Article 14-3 of the Securities and Exchange Act.</p> <p>The term "related party" mentioned in subparagraph <u>8</u> of the preceding paragraph refers to the related party regulated in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"; the term "major donation to non-related party" refers to the amount of each donation or the cumulative amount of donations to the same object within one year reaching more than NT\$100 million, or 1% of the net operating income or 5% of the paid-in capital in the latest annual financial report certified by an accountant.</p> <p>The term "within one year" mentioned in the preceding paragraph refers to the date of the meeting of the board of directors as the benchmark, and is retroactively calculated one year in advance, and the part that has been passed by the resolution of the board of directors is exempted from counting.</p> <p>As for the independent directors of the Company, at least one independent director shall attend the board meeting in person; for matters that should be brought up for</p>	<p>accounting or internal audit supervisors</p> <p>7. Donations to related parties or major donations to non-related parties. However, public welfare donations for emergency relief due to major natural disasters may be submitted to the next board of directors for ratification.</p> <p>8. Any other matters that should be resolved by the shareholders' meeting or the board of directors in accordance with laws and regulations or the Company's Articles of Incorporation, or major matters stipulated by the competent authority pursuant to Article 14-3 of the Securities and Exchange Act.</p> <p>The term "related party" mentioned in subparagraph 7 of the preceding paragraph refers to the related party regulated in the "Regulations Governing the Preparation of Financial Reports by Securities Issuers"; the term "major donation to non-related party" refers to the amount of each donation or the cumulative amount of donations to the same object within one year reaching more than NT\$100 million, or 1% of the net operating income or 5% of the paid-in capital in the latest annual financial report certified by an accountant.</p> <p>The term "within one year" mentioned in the preceding paragraph refers to the date of the meeting of the board of directors as the benchmark, and is retroactively calculated one year in advance, and the part that has been passed by the</p>	<p>subparagraph 7 to 9.</p> <p>3. Order of the subparagraph was amended to match the change involved in paragraph 1, and paragraph 3 and 4 were not amended.</p>

**Advanced International Multitech Co., Ltd.**

**Management of Operation of Board Meeting Revision Comparison Chart**

**【 Attachment III 】**

Revised Articles	Articles before Revision	Explanations
<p>resolution by the board of directors as stated in the first paragraph, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	<p>resolution of the board of directors is exempted from counting. As for the independent directors of the Company, at least one independent director shall attend the board meeting in person; for matters that should be brought up for resolution by the board of directors as stated in the first paragraph, all independent directors shall attend the board meeting. If independent directors have objections or reserved opinions, they shall be stated in the minutes of the board meeting; if independent directors cannot express their objections or reserved opinions in person at the board meeting, unless there are legitimate reasons, they shall issue written opinions in advance and state them in the minutes of the board meeting .</p>	
<p>Article XX This rules of procedure was established on December 28, 2006. The 1<sup>st</sup> amendment was made on March 28, 2008. The 2<sup>nd</sup> amendment was on December 8, 2011. The 3<sup>rd</sup> amendment was made on March 8, 2013. The 4<sup>th</sup> amendment was made on November 9, 2017. The 5<sup>th</sup> amendment was made on May 9, 2019. The 6<sup>th</sup> amendment was made on November 5, 2021. <u>The 7<sup>th</sup> amendment was made on November 4, 2022.</u></p>	<p>Arcitle XX This rules of procedure was established on December 28, 2006. The 1<sup>st</sup> amendment was made on March 28, 2008. The 2<sup>nd</sup> amendment was on December 8, 2011. The 3<sup>rd</sup> amendment was made on March 8, 2013. The 4<sup>th</sup> amendment was made on November 9, 2017. The 5<sup>th</sup> amendment was made on May 9, 2019. The 6<sup>th</sup> amendment was made on November 5, 2021.</p>	

## Advanced International Multitech Co., Ltd.

### Rules Governing Share Buyback and Transfer to Employees Revision Comparison Chart

【Attachment III】

Revised Articles	Articles Before Revision	Explanations
<p>Article V</p> <p>The company shall evaluate, based on standards such as employee position rank, years of service, and job performance, and must also take into account factors such as the total amount of repurchased shares held by the Company on the stock subscription base date and the upper limit of the number of shares subscribed by a single employee, to determine the employees' entitlements to the number of shares. <u>The actual subscription qualifications and the number of subscriptions are resolved by the board of directors.</u> <u>However, if the subscriber is a manager, it should be submitted to the remuneration committee for deliberation before submitting to the board of directors for resolution; if the subscriber is not a manager, it should be submitted to the audit committee for deliberation before submitting to the board of directors for resolution.</u></p>	<p>Article V</p> <p>The company shall evaluate, based on standards such as employee position rank, years of service, and job performance, and must also take into account factors such as the total amount of repurchased shares held by the Company on the stock subscription base date and the upper limit of the number of shares subscribed by a single employee, to determine the employees' entitlements to the number of shares. <u>The entitlement is sent to the Chairman for approval. Employees who do not subscribe after the subscription and payment period shall be regarded as abstentions. The Chairman shall negotiate with other employees to subscribe for the remaining shares.</u></p>	<p>Amended following the changes of laws and regulations. The transfer's review procedure should at least include reporting to the remuneration committee or the audit committee for approval, and then submitting to the board of directors for approval.</p>
<p>Article VII</p> <p>The repurchased shares are transferred to the employees using the actual average repurchased price as the transfer price (calculated up to NT\$0.1, rounded up below). However, before the transfer, if there is an increase in the Company's issued common share, adjustment should be carried out according to the share increase ratio; if the transfer is made to employees at a price lower than the actual average repurchase price, prior to the transfer, the proposal shall be submitted to the latest shareholders' meeting attended by shareholders representing more than half of the total number of issued shares</p>	<p>Article VII</p> <p>The repurchased shares are transferred to the employees using the actual average repurchased price as the transfer price (calculated up to NT\$0.1, rounded up below). However, before the transfer, if there is an increase in the Company's issued common share, adjustment should be carried out according to the share increase ratio; if the transfer is made to employees at a price lower than the actual average repurchase price, prior to the transfer, the proposal shall be submitted to the latest shareholders' meeting attended by shareholders representing more than half</p>	<p>Amended following the changes of laws and regulations. A price adjustment formula to adjust transfer price is added.</p>

## Advanced International Multitech Co., Ltd.

### Rules Governing Share Buyback and Transfer to Employees Revision Comparison Chart

【 Attachment III 】

Revised Articles	Articles Before Revision	Explanations
<p>for approval by at least two-third of the voting rights agree on the proposal, and then stated in the reason for convening the shareholders' meeting pursuant to matters stipulated in Article 10-1 of the "Regulation Governing Share Repurchase by Exchange-Listed and OTC-listed Companies".</p> <p><u>Formula to Adjust Transfer Price:</u>  <u>Adjusted price = Actual average repurchased price * Total number of common shares at the time of completion of share repurchase / Total number of common shares held by the Company prior to the transfer of repurchased shares to employees</u></p>	<p>of the total number of issued shares for approval by at least two-third of the voting rights agree on the proposal, and then stated in the reason for convening the shareholders' meeting pursuant to matters stipulated in Article 10-1 of the "Regulation Governing Share Repurchase by Exchange-Listed and OTC-listed Companies".</p>	
<p>Article X  This Rule was established on September 22, 2021. The 1<sup>st</sup> amendment was made on October 8, 2021. The 2<sup>nd</sup> amendment was made on January 20, 2022. The 3<sup>rd</sup> amendment was made on February 7, 2022. <u>The 3<sup>rd</sup> amendment was made on January 13, 2023.</u></p>	<p>Article X  This Rule was established on September 22, 2021. The 1<sup>st</sup> amendment was made on October 8, 2021. The 2<sup>nd</sup> amendment was made on January 20, 2022. The 3<sup>rd</sup> amendment was made on February 7, 2022.</p>	



**Advanced International Multitech Co., Ltd.**

**Procedures for Ethical Management and Guidelines for Conduct Revision Comparison Chart**

**【 Attachment III 】**

Revised Article	Article before Revision	Explanation
<p>5.7 The Handling of Unethical Conduct</p> <p>5.7.1 When the Company’s personnel are involved in unethical conduct, the Company has established a specific whistle-blowing system, the "<u>Operational Procedures for Reporting of Unfaithful Behavior</u>", and truly implemented it. The Procedure covers the following matters:</p> <p>5.7.1.1 Establish and announce internal independent reporting mailboxes or special lines, or entrust other external independent organizations to provide reporting mailboxes and special lines for use by internal and external personnel of the Company.</p> <p>The following omitted...</p>	<p>5.7 The Handling of Unethical Conduct</p> <p>5.7.1 When the Company’s personnel are involved in unethical conduct, the Company has established a specific whistle-blowing system, the "<u>Operational Procedures for Reporting of Illegal, Immoral or Dishonest Behavior</u> ", and truly implemented it. The Procedure covers the following matters:</p> <p>5.7.1.1 Establish and announce internal independent reporting mailboxes or special lines, or entrust other external independent organizations to provide reporting mailboxes and special lines for use by internal and external personnel of the Company.</p>	<p>Name of the Reporting System document was amended. Please refer to the revised article.</p>

Advanced International Multitech Co., Ltd.

Letter of Representation for Consolidated Financial Statements

For the year 2022 (from January 1 to December 31, 2022), the Company's entities that are required to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the parent-subsidary consolidated financial statements under the International Financial Reporting Standards 10. Moreover, the related information required to be disclosed for the consolidated financial statements of affiliated enterprises has been fully disclosed in the aforementioned parent-subsidary consolidated financial statements. Therefore, consolidated financial statements of affiliated enterprises will not be prepared.

Represented by

Company Name: Advanced International Multitech Co., Ltd.

Responsible Person: Hsi-Chien Cheng



February 23, 2023

## Independent Auditor's Report

To Advanced International Multitech Co., Ltd.

### **Auditor's Opinions**

Advanced International Multitech Co., Ltd. and Subsidiaries' ("the Group" hereinafter) consolidated balance sheets ended December 31, 2022 and 2021, consolidated statements of comprehensive income, the consolidated statements of changes in equity, consolidated statements of cash flows from January 1 to December 31, 2022 and 2021, and the notes to the consolidated financial statements (including the summary of significant accounting policies) have been reviewed by the auditor.

In our opinion, based on our audits and the reports from other auditors (please refer Other Matters item), the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial position of Advanced International Multitech Co., Ltd. as of December 31, 2022 and 2021, and its consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022 and 2021 are presented in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and effected by the Financial Supervisory Commission.

### **Basis for Audit Opinion**

We planned and conducted our audits in accordance with the "Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants" and Generally Accepted Auditing Standards in 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 have stayed independent from Advanced Group as required by the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Code. Based on our audits and the reports from other auditors, we believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements of Advanced Group. Such matters have been dealt with in the course of auditing and compiling the consolidated financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually.

Key Audit Matters for the consolidated financial statements of Advanced Group for 2022 are stated as follows:

### **Assessment of Impairment of Accounts Receivable**

#### Descriptions

Please refer to Note IV(X) and (XI) to the consolidated financial statements for accounting policies regarding accounts receivables and impairment assessment; please refer to Note V(II) to the consolidated financial statements for uncertainties of accounting estimates and assumptions regarding accounts receivables; and please refer to Note VI(IV) to the consolidated financial statements for net accounts receivables.

In measuring the expected credit losses, Advanced Group must use its judgment to identify the factors that affect the future recoverability of the accounts receivable, and consider the time value of money, the information that is reasonable and available to prove the forecast of future economic conditions, and the supporting documents obtained by the management. Therefore, we identified the evaluation of impairment for accounts receivables as a key audit matter for Advanced Group.

#### Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

1. Based on our understanding of Advanced Group's operation and its sales counter-party, we have determined the reasonableness of the policy and procedures regarding provision of loss allowance for accounts receivables, including the objective evidence that determine the loss rate, e.g. characters of customers, assessment of past payment collection experience, and future economic conditions. We have also compared whether the policy for provision of loss allowance for accounts receivables is consistent throughout the reporting period.
2. We have assessed the reasonableness of the supporting documents based on the expected loss rates for different days past due as provided by the management.
3. We have also verified the correctness of the aging of accounts receivables in order to ensure the agreement of the financial information with its policy.
4. We have also tested the recovery of accounts receivables after the audit period so as to evaluate the possibility of recovery.

### **Inventory Valuation**

#### Descriptions

Refer to Note IV(XIII) to the consolidated financial statements for accounting policies regarding inventory valuation; Note V(II) for uncertainty of accounting estimates and assumptions regarding inventory valuation; and Note VI(V) for details of inventory accounting subjects.

The main business of Advanced Group is to undertake the production of consumer products for

the world's major brands. The inventory of such products, owing to rapid changes in technology and a high degree of customization, possesses higher risk of Inventory valuation loss or obsolescence. Advanced Group measures the value of inventory through the employment of an item by item approach which recognizes the value at the lower of cost and net realizable value. Advance Group also evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Since the assessment process may involve the management's judgment based on the relevant supporting documents obtained, which is an area to be determined in an audit, we have identified the inventory valuation as the key audit matter for Advanced Group.

#### Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

1. We have compared whether the policy for provision of allowance of inventory valuation loss is consistent throughout the reporting period and assessed the reasonableness of its provision policy.
2. We have examined the inventory management process, reviewed the annual inventory plan and participated in annual inventory counts in order to assess the effectiveness of management's judgment and control of obsolete inventory.
3. We have sampled and tested the net realizable value of individual inventory item to assess the reasonableness of the allowance to reduce inventory to market.

#### **Other Matters – reference to other accountants' audits**

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The total investment amount of those aforementioned companies accounted for under equity method amounted to NT\$15,568 thousand, representing 0.09% of total consolidated assets as of 31 December 2022. The total operating revenues(losses) of those aforementioned companies accounted for under equity method amounted to NT\$(32) thousand, representing 0% of total consolidated comprehensive profit or loss for the period from January 1 to December 31, 2022.

#### **Other Matters - parent company only financial statements**

Advanced International Multitech Co., Ltd. has also compiled parent company only financial statements for 2022 and 2021, and issued an unqualified audit opinion with other matter paragraph and an unqualified audit opinion report respectively from our CPA for reference.

#### **Responsibility of the management and the governing body for the consolidated financial statements**

It is the management's responsibility to fairly present the Consolidated Financial Statements in conformity with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," as well as International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations endorsed and effected by the Financial Supervisory Commission, and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the consolidated financial statements, the responsibility of management includes assessing Advanced Group's ability to continue as a going concern, disclosing going concern matters, as well as adopting going concern accounting, unless the management intends to liquidate Advanced Group or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Advanced Group (including Audit Committee) have the responsibility to oversee the financial reporting process.

### **The Accountants' Responsibility in Auditing the Consolidated Financial Statements**

The purpose of our audit is to provide reasonable assurance that the consolidated financial statements as a whole contains no material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. "Reasonable assurance" refers to a high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Generally Accepted Auditing Standards in the Republic of China does not guarantee that a material misstatement(s) in the consolidated financial statements will be detected. There may still be material misstatements due to fraud or errors, which are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users of the consolidated financial statements.

We have exercised professional judgment and maintained professional skepticism while abiding by the Generally Accepted Auditing Standards in the Republic of China in our audit. The following tasks have also been performed:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
2. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Advanced Group.
3. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence acquired, on the appropriateness of the

management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Advanced Group to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the consolidated financial statements in our audit report of the relevant disclosures therein, or to amend our audit opinion in the event that any inappropriate disclosure was found. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Advanced Group to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
  
6. Acquired sufficient and appropriate audit evidence regarding the financial information of entities within Advanced Group in order to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of auditing the Group, and for formation of an audit opinion.

Communications between us and the company's governing body take account of the scope and timing of the planned audit and significant audit findings, including any significant deficiencies in the internal controls during the audit process.

We have also provided the governing body with our statement of independence in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governing body all relationships and other matters that may be deemed to have an influence on our independence (including safeguard measures).

From the matters communicated with those charged with governance, we determined the key audit matters of the 2022 consolidated financial statements of Advanced Group. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

PwC Taiwan

Chun-Kao Wang

CPA:

Chien-Chih Wu

Financial Supervisory Commission, R.O.C. (Taiwan)

Approval No.: Jin Guan Zheng Shen Zi No. 1110349013

Jin Guan Zheng Shen Zi No. 1030027246

February 23, 2023

**【Attachment IV】**

Advanced International Multitech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

Assets	Notes	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	VI (I)	\$ 2,291,800	14	\$ 833,023	7
1110	Financial assets at fair value through profit or loss – current	VI(II)	10,037	-	139	-
1136	Financial assets at amortized cost – current	VI (III) and VIII	23,788	-	283,323	2
1150	Notes receivable – net	VI(IV)	5,983	-	9,567	-
1170	Account receivable – net	V and VI(IV)	5,043,280	30	4,132,586	32
1200	Other receivables		48,440	-	17,169	-
130X	Inventories	V and VI(V)	4,106,782	25	3,178,869	24
1410	Prepayments	VI(VII)	216,928	1	319,016	3
1470	Other current assets		20,492	-	29,617	-
11XX	<b>Total current assets</b>		<u>11,767,530</u>	<u>70</u>	<u>8,803,309</u>	<u>68</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss – non-current	VI(II)	19,448	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current	VI(VI)	55	-	55	-
1535	Financial assets at amortized cost – non-current	VI(III) and VIII	5,630	-	3,860	-
1550	Investment accounted for using the equity method	VI(VIII)	34,344	-	3,200	-
1600	Property, plant and equipment	VI(IX)and VIII	3,789,767	23	3,099,062	24
1755	Right-of-use assets	VI(X)	846,828	5	768,513	6
1780	Intangible assets	VI(XI)	17,828	-	12,539	-
1840	Deferred income tax assets	VI(XXX)	89,642	1	65,354	-
1915	Prepayment for business facilities		67,754	-	128,540	1
1990	Other non-current assets – others	VIII	178,569	1	146,575	1
15XX	<b>Total non-current assets</b>		<u>5,049,865</u>	<u>30</u>	<u>4,227,698</u>	<u>32</u>
1XXX	<b>Total assets</b>		<u>\$ 16,817,395</u>	<u>100</u>	<u>\$ 13,031,007</u>	<u>100</u>

(Continue to next page)



Advanced International Multitech Co., Ltd. and Subsidiaries  
Consolidated Balance Sheets  
December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	Liabilities and equities	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>					
2100	Short-term loans	VI(XII) and VIII	\$ 1,515,967	9	\$ 1,901,873	15
2120	Financial liabilities at fair value through profit or loss - current	VI(II)	417	-	-	-
2150	Notes payable		1,622	-	3,821	-
2170	Accounts payable	VII	2,230,307	13	2,088,622	16
2200	Other payable	VI(XIII)	2,246,177	13	1,874,926	14
2230	Income tax liabilities		650,310	4	348,802	3
2280	Lease liabilities -current		61,870	1	30,639	-
2300	Other current liabilities	VI(XIV)(XVI)(XXII)(XXV) and VIII	131,515	1	224,617	2
21XX	<b>Total current liabilities</b>		<u>6,838,185</u>	<u>41</u>	<u>6,473,300</u>	<u>50</u>
	<b>Non-current liabilities</b>					
2530	Convertible bonds payable	VI(XV)	1,286,647	8	-	-
2540	Long-term loans	VI(XVI) and VIII	78,221	1	137,536	1
2570	Deferred income tax liabilities	VI(XXX)	243,594	1	164,860	1
2580	Lease liabilities – non-current		567,788	3	528,689	4
2630	Long-term deferred income	VI(XVI)	456	-	159	-
2640	Net defined benefit liabilities – non-current	VI(XVII)	64,719	-	73,348	1
2670	Other non-current liabilities - other		689	-	632	-
25XX	<b>Total non-current liabilities</b>		<u>2,242,114</u>	<u>13</u>	<u>905,224</u>	<u>7</u>
2XXX	<b>Total liabilities</b>		<u>9,080,299</u>	<u>54</u>	<u>7,378,524</u>	<u>57</u>
	<b>Equities</b>					
	<b>Equity attributable to shareholders of the parent company</b>					
	Share capital	VI(XIX)				
3110	Capital of common shares		1,371,929	8	1,353,127	10
	Capital surplus	VI(XV)(XX)				
3200	Capital surplus		973,927	6	781,236	6
	Retained earnings	VI(XXI)				
3310	Legal reserve		1,063,914	6	929,358	7
3320	Special reserve		167,767	1	142,996	1
3350	Undistributed earnings		3,736,047	22	2,376,835	18
	Other equities					
3400	Other equities		( 89,642)	-	( 167,766)	( 1)
3500	Treasury stock	VI(XIX)	( 227,667)	( 1)	( 258,235)	( 2)
31XX	<b>Total equity attributable to shareholders of the parent company</b>		<u>6,996,275</u>	<u>42</u>	<u>5,157,551</u>	<u>39</u>
36XX	<b>Non-controlling interests</b>	IV(III)	<u>740,821</u>	<u>4</u>	<u>494,932</u>	<u>4</u>
3XXX	<b>Total equities</b>		<u>7,737,096</u>	<u>46</u>	<u>5,652,483</u>	<u>43</u>
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Significant subsequent event	XI				
3X2X	<b>Total liabilities and equities</b>		<u>\$ 16,817,395</u>	<u>100</u>	<u>\$ 13,031,007</u>	<u>100</u>

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial. Please refer to them as well.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo



Advanced International Multitech Co., Ltd. And Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share Presented in New Taiwan Dollars)

Item	Notes	2022		2021	
		Amount	%	Amount	%
4000 Sales revenue	VI(XXII)	\$ 21,422,785	100	\$ 16,908,024	100
5000 Cost of goods sold	VI(V)(XI) (XXVIII) (XXIX)	( 17,067,951)	( 80)	( 13,691,412)	( 81)
5900 Gross Profits		4,354,834	20	3,216,612	19
Operating expenses	VI(XI)(XXVIII) (XXIX) and VII				
6100 Sales and marketing expenses		( 291,829)	( 1)	( 259,389)	( 2)
6200 Administrative expenses		( 613,757)	( 3)	( 518,665)	( 3)
6300 Research and development expenses		( 756,715)	( 4)	( 669,909)	( 4)
6450 Expected credit impairment loss	XII(II)	( 1,871)	-	( 369)	-
6000 Total operating expenses		( 1,664,172)	( 8)	( 1,448,332)	( 9)
6500 Other income and expenses – net	VI(XXIII)	137,364	1	178,394	1
6900 Operating income		2,828,026	13	1,946,674	11
Non-operating income and expenses					
7100 Interest income	VI(XXIV)	16,271	-	3,787	-
7010 Other income	VI(XXV)	7,088	-	24,796	-
7020 Other gain and losses	VI(II)(XXVI)	460,289	2	( 122,637)	( 1)
7050 Finance costs	VI(IX)(X)(XXVII)	( 59,741)	-	( 28,578)	-
7060 Share of the profit (loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	( 7,331)	-	( 2,469)	-
7000 Total non-operating income and expenses		416,576	2	( 125,101)	( 1)
7900 Net income before tax		3,244,602	15	1,821,573	10
7950 Income tax expenses	VI(XXX)	( 744,365)	( 3)	( 369,733)	( 2)
8200 Net income		\$ 2,500,237	12	\$ 1,451,840	8

(Continue to next page)

Advanced International Multitech Co., Ltd. And Subsidiaries  
Consolidated Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share Presented in New Taiwan Dollars)

Item	Notes	2022		2021		
		Amount	%	Amount	%	
<b>Other comprehensive income</b>						
<b>Items that will not be re-classified to profit or loss</b>						
8311	Defined benefit plan re-measurements	VI(XVII)	\$ 6,993	-	(\$ 2,381)	-
8349	Income tax-related items that are not reclassified subsequently to profit or loss	VI(XXX)	( 1,399)	-	476	-
8310	Total of items that will not be re-classified to profit or loss		5,594	-	( 1,905)	-
<b>Items that may be re-classified subsequently to profit or loss</b>						
8361	Exchange differences on translation of foreign financial statements		78,124	-	( 24,770)	-
8300	<b>Other comprehensive income - net</b>		\$ 83,718	-	(\$ 26,675)	-
8500	<b>Total comprehensive income</b>		\$ 2,583,955	12	\$ 1,425,165	8
Net income(loss) attributable to:						
8610	Shareholders of the parent		\$ 2,240,780	11	\$ 1,347,465	7
8620	Non-controlling interests		259,457	1	104,375	1
	Total		\$ 2,500,237	12	\$ 1,451,840	8
Comprehensive income(loss) attributable to:						
8710	Shareholders of the parent		\$ 2,324,498	11	\$ 1,320,790	7
8720	Non-controlling interests		259,457	1	104,375	1
	Total		\$ 2,583,955	12	\$ 1,425,165	8
Earnings per Share						
		VI(XXXI)				
9750	Basic		\$ 16.92		\$ 10.01	
9850	Diluted		\$ 16.20		\$ 9.92	

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statements.  
Please refer to them as well.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo



  
Advanced International Multitech Co., Ltd. And Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit : In Thousands of New Taiwan Dollars

	Equity attributable to shareholders of the parent company												Non-controlling interest	Total equity
	Notes	Capital Reserve					Retained Earnings			Exchange difference on translation of foreign financial statements	Treasury stock	Total		
		Capital of common shares	Share premium	Recognized value of changes in equity of ownership of subsidiaries	Stock option	Others	Legal reserve	Special reserve	Undistributed earnings					
<u>2021</u>														
Balance as of January 1, 2021		\$ 1,353,127	\$739,866	\$ 16,480	\$ -	\$ 24,890	\$ 861,536	\$133,828	\$ 1,473,609	(\$ 142,996)	\$ -	\$ 4,460,340	\$ 408,534	\$ 4,868,874
Net income		-	-	-	-	-	-	-	1,347,465	-	-	1,347,465	104,375	1,451,840
Other comprehensive income(loss)		-	-	-	-	-	-	( 1,905)	( 24,770)	-	( 26,675)	-	( 26,675)	
Total comprehensive income(loss)		-	-	-	-	-	-	-	1,345,560	( 24,770)	-	1,320,790	104,375	1,425,165
Earnings appropriation and allocation for 2020	VI(XXI)													
Provision of legal reserve		-	-	-	-	-	67,822	-	( 67,822)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	9,168	( 9,168)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	-	( 365,344)	-	-	( 365,344)	-	( 365,344)
Cash dividends from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	( 17,977)	( 17,977)
Treasury stock buyback	VI(XIX)	-	-	-	-	-	-	-	-	( 258,235)	( 258,235)	-	( 258,235)	
Balance as of December 31, 2021		\$ 1,353,127	\$739,866	\$ 16,480	\$ -	\$ 24,890	\$ 929,358	\$142,996	\$ 2,376,835	(\$ 167,766)	(\$258,235)	\$ 5,157,551	\$ 494,932	\$ 5,652,483
<u>2022</u>														
Balance as of January 1, 2022		\$ 1,353,127	\$739,866	\$ 16,480	\$ -	\$ 24,890	\$ 929,358	\$142,996	\$ 2,376,835	(\$ 167,766)	(\$258,235)	\$ 5,157,551	\$ 494,932	\$ 5,652,483
Net Income		-	-	-	-	-	-	-	2,240,780	-	-	2,240,780	259,457	2,500,237
Other comprehensive income(loss)		-	-	-	-	-	-	-	5,594	78,124	-	83,718	-	83,718
Total comprehensive income(loss)		-	-	-	-	-	-	-	2,246,374	78,124	-	2,324,498	259,457	2,583,955
Earnings appropriation and allocation for 2021	VI(XXI)													
Provision of legal reserve		-	-	-	-	-	134,556	-	( 134,556)	-	-	-	-	-
Provision of special reserve		-	-	-	-	-	-	24,771	( 24,771)	-	-	-	-	-
Cash dividends for common shares		-	-	-	-	-	-	-	( 727,835)	-	-	( 727,835)	-	( 727,835)
Cash dividends from subsidiaries		-	-	-	-	-	-	-	-	-	-	-	( 56,179)	( 56,179)
Recognized equity items due to the issuance of convertible bond- from stock option	VI(XV)	-	-	-	65,084	-	-	-	-	-	-	65,084	42,611	107,695
Conversion of convertible bonds	VI(XV)	18,802	137,519	-	( 9,912)	-	-	-	-	-	-	146,409	-	146,409
Treasury stock transfer to employees	VI(XVIII)(XIX)	-	-	-	-	-	-	-	-	-	30,568	30,568	-	30,568
Balance as of December 31, 2022		\$ 1,371,929	\$877,385	\$ 16,480	\$ 55,172	\$ 24,890	\$ 1,063,914	\$167,767	\$ 3,736,047	(\$ 89,642)	(\$227,667)	\$ 6,996,275	\$ 740,821	\$ 7,737,096

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statements. Please refer to them as well.



Advanced International Multitech Co., Ltd. And Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

【 Attachment IV 】



Unit : In Thousands of New Taiwan Dollars

	Notes	2022	2021
<u>Cash flows from operating activities</u>			
Net income before tax		\$ 3,244,602	\$ 1,821,573
Adjustments			
Income and expense items			
Depreciation expenses	VI(IX)(X)(XXVIII)	638,409	523,384
Amortization expenses	VI(XXVIII)	66,602	25,256
Expected credit impairment loss	XII(II)	1,871	369
Net loss(gain) from financial assets and liabilities at fair value through profit or loss	VI(II)(XXVI)	6,512	( 1,857 )
Interest expense	VI(XXVII)	59,584	28,391
Interest income	VI(XXIV)	( 16,271 )	( 3,787 )
Share of the profit(loss) of associates and joint ventures accounted for using the equity method	VI(VIII)	7,331	2,469
Loss on non-financial assets impairments	VI(VIII)(XXVI)	-	42,407
Loss on disposal and retirement of property, plant and equipment	VI(XXVI)	243	7,950
Reclassification of property, plant and equipment to expense	VI(XXXII)	1,377	1,002
Gains on lease modification	VI(X)	( 1,596 )	( 204 )
Changes in operating assets and liabilities			
Net changes in operating assets			
Financial assets at fair value through profit or loss – current		( 6,311 )	7,462
Notes receivables		3,584	( 1,759 )
Account receivables		( 845,224 )	( 1,001,056 )
Other receivables		( 31,249 )	599
Inventories		( 832,054 )	( 949,792 )
Prepayments		106,557	( 119,476 )
Other current assets		9,369	( 21,638 )
Net changes in operating liabilities			
Financial liabilities at fair value through profit or loss – current		( 6,117 )	( 5,295 )
Notes payable		( 2,199 )	573
Account payable		75,719	237,193
Other payable		299,137	407,379
Other current liabilities		( 23,824 )	( 21,810 )
Long-term deferred income		297	159
Net defined benefit liabilities – non-current		( 1,933 )	( 14,854 )
Cash provided by operating activities		2,754,416	964,638
Income tax paid		( 391,081 )	( 212,610 )
Net cash provided by operating activities		2,363,335	752,028

(Continue to next page)

Advanced International Multitech Co., Ltd. And Subsidiaries  
Consolidated Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit : In Thousands of New Taiwan Dollars

	Notes	2022	2021
<u>Cash provided by investing activities</u>			
Financial assets at fair value through profit or loss – increase in non-current		(\$ 21,586)	\$ -
Financial assets at amortized cost – decrease in current		259,535	181,765
Financial assets at amortized cost – decrease (increase) in non-current		( 1,770)	40,789
Acquisition of investments accounted for using the equity method		( 37,890)	-
Acquisition of property, plant, and equipment	VI(XXXII)	( 711,372)	( 930,363)
Increase in prepayments for business facilities		( 370,711)	( 121,826)
Proceeds from disposal of property, plant, and equipment		2,543	3,964
Acquisition of intangible assets	VI(XI)	( 12,620)	( 10,410)
Increase in refundable deposits		-	( 6)
Decrease in refundable deposits		22,352	12,306
Other non-current assets – increase in others		( 111,387)	( 61,844)
Interest received		16,271	3,787
Net cash outflows from investing activities		( 966,635)	( 881,838)
<u>Cash provided by (used in) financing activities</u>			
Increase in short-term loans	VI(XXXIII)	15,635,914	15,432,107
Decrease in short-term loans	VI(XXXIII)	( 16,107,130)	( 14,533,888)
Repayment of the principal amount of rentals	VI(XXXIII)	( 61,436)	( 128,438)
Increase in long-term loans	VI(XXXIII)	93,200	27,700
Repayment in long-term loans	VI(XXXIII)	( 221,680)	( 96,012)
Increase in deposits received		44	87
Interest paid		( 56,861)	( 21,668)
Issuance of corporate bond	VI(XXXIII)	1,530,661	-
Cash dividend distributed	VI(XXI)	( 727,835)	( 365,344)
Cash dividend distributed by subsidiaries		( 56,179)	( 17,977)
Treasury stock buyback cost	VI(XIX)	-	( 258,235)
Transfer of treasury stock to employees	VI(XVIII)(XIX)	30,568	-
Net cash provided by (used in) financing activities		59,266	38,332
Effect of exchange rate changes on cash and cash equivalents		2,811	( 6,054)
Increase(Decrease) in cash and cash equivalents for the current period		1,458,777	( 97,532)
Cash and cash equivalents, beginning of the period		833,023	930,555
Cash and cash equivalents, end of the period		\$ 2,291,800	\$ 833,023

The accompanying notes to the Consolidated financial statements are an integral part of the consolidated financial statement. Please refer to them as well.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kao



To Advanced International Multitech Co., Ltd.

### **Auditor's Opinions**

Advanced International Multitech Co., Ltd.'s parent company only balance sheets ended December 31, 2022 and 2021, parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows from January 1 to December 31, 2022 and 2021, and the notes to the parent company only financial statements (including the summary of significant accounting policies) have been reviewed by the auditor.

In our opinion, based on our audits and the reports from other auditors (please refer Other Matters item), the aforementioned parent company only financial statements present fairly, in all material respects, the parent company only financial position of Advanced International Multitech Co., Ltd. as of December 31, 2022 and 2021, and its parent company only financial performance and parent company only cash flows from January 1 to December 31, 2022 and 2021 are presented in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Audit Opinion**

We planned and conducted our audits in accordance with the "Rules Governing the Auditing and Attestation of Financial Statements by Certified Public Accountants" and Generally Accepted Auditing Standards in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only Financial Statements section of our report. We have stayed independent from Advanced International Multitech Co., Ltd. as required by the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled other responsibilities as stipulated by the Code. Based on our audits and the reports from other auditors, we believe that we have obtained sufficient and appropriate audit evidence to serve as a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements of Advanced International Multitech Co., Ltd. Such matters have been dealt with in the course of auditing and compiling the parent company only financial statements and in the preparation of our audit opinion. As such, we do not respond to each key matter individually.

Key Audit Matters for the parent company only financial statements of Advanced International Multitech Co., Ltd. for 2022 are stated as follows:

### **Assessment of Impairment of Accounts Receivable**

#### Descriptions

Please refer to Note IV(IX) and (X) to the parent company only financial statements for accounting policies regarding accounts receivables and impairment assessment; please refer to Note V(II) to the parent company only financial statements for uncertainties of accounting estimates and assumptions regarding accounts receivables; and please refer to Note VI(IV) to the parent company only financial statements for net accounts receivables.

In measuring the expected credit losses, Advanced International Multitech Co., Ltd. must use its judgment to identify the factors that affect the future recoverability of the accounts receivable, and consider the time value of money, the information that is reasonable and available to prove the forecast of future economic conditions, and the supporting documents obtained by the management. Therefore, we identified the evaluation of impairment for accounts receivables as a key audit matter for Advanced International Multitech Co., Ltd..

#### Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

5. Based on our understanding of Advanced International Multitech Co., Ltd. operation and its sales counter-party, we have determined the reasonableness of the policy and procedures regarding provision of loss allowance for accounts receivables, including the objective evidence that determine the loss rate, e.g. characters of customers, assessment of past payment collection experience, and future economic conditions. We have also compared whether the policy for provision of loss allowance for accounts receivables is consistent throughout the reporting period.
6. We have assessed the reasonableness of the supporting documents based on the expected loss rates for different days past due as provided by the management.
7. We have also verified the correctness of the aging of accounts receivables in order to ensure the agreement of the financial information with its policy.
8. We have also tested the recovery of accounts receivables after the audit period so as to evaluate the possibility of recovery.



## **Inventory Valuation**

### Descriptions

Refer to Note IV(XII) to the parent company only financial statements for accounting policies regarding inventory valuation; Note V(II) for uncertainty of accounting estimates and assumptions regarding inventory valuation; and Note VI(V) for details of inventory accounting subjects.

The main business of Advanced International Multitech Co., Ltd. is to undertake the production of consumer products for the world's major brands. The inventory of such products, owing to rapid changes in technology and a high degree of customization, possesses higher risk of Inventory valuation loss or obsolescence. Advanced International Multitech Co., Ltd. measures the value of inventory through the employment of an item by item approach which recognizes the value at the lower of cost and net realizable value. Advance Group also evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Since the assessment process may involve the management's judgment based on the relevant supporting documents obtained, which is an area to be determined in an audit, we have identified the inventory valuation as the key audit matter for Advanced International Multitech Co., Ltd..

### Audit Procedures

The procedures we have performed on the aforementioned key audit matter are summarized as follows:

4. We have compared whether the policy for provision of allowance of inventory valuation loss is consistent throughout the reporting period and assessed the reasonableness of its provision policy.
5. We have examined the inventory management process, reviewed the annual inventory plan and participated in annual inventory counts in order to assess the effectiveness of management's judgment and control of obsolete inventory.
6. We have sampled and tested the net realizable value of individual inventory item to assess the reasonableness of the allowance to reduce inventory to market.

### **Other Matters – reference to other accountants' audits**

We did not audit the financial statements of certain investee companies accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The total investment amount of those aforementioned companies accounted for under equity method amounted to NT\$15,568 thousand, representing 0.13% of total assets as of 31 December 2022. The total operating revenues(losses) of those aforementioned companies accounted for under equity method amounted to NT\$(32) thousand, representing 0% of total comprehensive profit or loss for the period from January 1 to December 31, 2022.

**Responsibility of the management and the governing body for the parent company only financial statements**

It is the management's responsibility to fairly present the parent company only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain internal controls which are necessary for the preparation of the parent company only financial statements so as to avoid material misstatements due to fraud or errors therein.

In preparing the parent company only financial statements, the responsibility of management includes assessing Advanced International Multitech Co., Ltd. ability to continue as a going concern, disclosing going concern matters, as well as adopting going concern accounting, unless the management intends to liquidate Advanced International Multitech Co., Ltd. or terminate the business, or no practicable measure other than liquidation or termination of the business can be taken.

The governing bodies of Advanced International Multitech Co., Ltd. (including Audit Committee) have the responsibility to oversee the financial reporting process.

**The Accountants' Responsibility in Auditing the Parent Company Only Financial Statements**

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. "Reasonable assurance" refers to a high level of assurance. Nevertheless, our audit, which was carried out in accordance with the Generally Accepted Auditing Standards in the Republic of China does not guarantee that a material misstatement(s) in the parent company only financial statements will be detected.

There may still be material misstatements due to fraud or errors. 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.

We have exercised professional judgment and maintained professional skepticism while abiding by the Generally Accepted Auditing Standards in the Republic of China in our audit.

The following tasks have also been performed:

7. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, deliberate omissions, false statements, or violations of internal controls, the risk of an undetected material misstatement due to fraud is greater than that due to errors.
8. Acquired necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate under the circumstances. Nevertheless, the purpose of such understanding is not to provide any opinion on the effectiveness of the internal controls of Advanced International Multitech Co., Ltd.
9. Assess the appropriateness of the accounting policies adopted by the management level, as well as the reasonableness of their accounting estimates and relevant disclosures.

10. Concluded, based on the audit evidence acquired, on the appropriateness of the management's use of the going-concern basis of accounting, and determined whether a material uncertainty exists where events or conditions that might cast significant doubt on the ability of Advanced International Multitech Co., Ltd. to continue as going concerns. If we believe there are events or conditions indicating the existence of a material uncertainty, we are required to remind the users of the parent company only financial statements in our audit report of the relevant disclosures therein, or to amend our audit opinion in the event that any inappropriate disclosure was found. Our conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may cause Advanced International Multitech Co., Ltd. to cease to continue as a going concern.
11. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.
12. Acquired sufficient and appropriate audit evidence regarding the financial information of entities within Advanced International Multitech Co., Ltd. in order to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and execution of auditing the Company, and for formation of an audit opinion. Communications between us and the company's governing body take account of the scope and timing of the planned audit and significant audit findings, including any significant deficiencies in the internal controls during the audit process.
- We have also provided the governing body with our statement of independence in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China, and communicated with the governing body all relationships and other matters that may be deemed to have an influence on our independence (including safeguard measures).
- From the matters communicated with those charged with governance, we determined the key audit matters of the 2022 parent company only financial statements of Advanced International Multitech Co., Ltd. Such matters have been explicitly stated in our audit report, unless laws or regulations prevent their disclosures, or, in extremely rare cases, we decide not to communicate such matters in our audit report in consideration that the reasonably anticipated adverse impacts of such communication would be greater than the public interest it would promote.

PwC Taiwan

Chun-Kai Wang

CPA:


Chien-Chih Wu

Financial Supervisory Commission, R.O.C. (Taiwan)

Approval No.: Jin Guan Zheng Shen Zi No. 1110349013

Jin Guan Zheng Shen Zi No. 1030027246

February 23, 2023

  
Advanced International Multitech Co., Ltd. and Subsidiaries  
Parent Company Only Balance Sheets  
December 31, 2022 and 2021

【 Attachment IV 】

Unit: In Thousands of New Taiwan Dollars

Assets	Notes	1 December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
<b>Current assets</b>						
1100	Cash and cash equivalents	VI (I)	\$ 1,461,327	12	\$ 598,209	6
1110	Financial assets at fair value through profit or loss – current	VI(II)	8,837	-	-	-
1136	Financial assets at amortized cost – current	VI (III)	21,286	-	282,135	3
1150	Notes receivable – net	VI(IV)	4,863	-	9,567	-
1170	Account receivable – net	V, VI(IV), and VII	4,542,352	38	3,644,025	40
130X	Inventories	V and VI(V)	944,922	8	802,884	9
1410	Prepayments		88,451	1	93,193	1
1470	Other current assets		53,256	1	30,104	-
11XX	<b>Total current assets</b>		<u>7,125,294</u>	<u>60</u>	<u>5,460,117</u>	<u>59</u>
<b>Non-current assets</b>						
1510	Financial assets at fair value through profit or loss – non-current	VI(II)	19,448	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current	VI(VI)	55	-	55	-
1550	Investment accounted for using the equity method	VI(VII)	2,598,284	22	1,853,435	20
1600	Property, plant and equipment	VI(XIII)and VIII	1,437,913	12	1,241,819	14
1755	Right-of-use assets	VI(IX)	477,419	4	463,874	5
1780	Intangible assets	VI(X)	12,714	-	6,162	-
1840	Deferred income tax assets	VI(XXVIII)	43,986	1	34,519	1
1900	Other non-current assets	VIII	113,518	1	119,029	1
15XX	<b>Total non-current assets</b>		<u>4,703,337</u>	<u>40</u>	<u>3,718,893</u>	<u>41</u>
1XXX	<b>Total assets</b>		<u>\$ 11,828,631</u>	<u>100</u>	<u>\$ 9,179,010</u>	<u>100</u>

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Advanced International Multitech Co., Ltd. and Subsidiaries

Parent Company Only Balance Sheets

December 31, 2022 and 2021

【Attachment IV】

Unit: In Thousands of New Taiwan Dollars

Liabilities and equities	Note	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
<b>Current liabilities</b>					
2100 Short-term loans	VI(XI) and VIII	\$ 11,393	-	\$ 316,049	3
2120 Financial liabilities at fair value through profit or loss - current	VI(II)	417	-	-	-
2150 Notes payable		893	-	3,453	-
2170 Accounts payable		115,390	1	207,465	2
2180 Account payable - related party	VII	1,673,075	14	1,743,802	19
2200 Other payable	VI(XII)	893,601	7	691,172	8
2230 Income tax liabilities		440,827	4	241,335	3
2280 Lease liabilities -current		18,359	-	13,246	-
2300 Other current liabilities	VI(XIII) and XX	79,866	1	109,819	1
21XX <b>Total current liabilities</b>		<u>3,233,821</u>	<u>27</u>	<u>3,326,341</u>	<u>36</u>
<b>Non-current liabilities</b>					
2530 Convertible bonds payable	VI(XIV)	816,573	7	-	-
2570 Deferred income tax liabilities	VI(XXVIII)	243,179	2	164,543	2
2580 Lease liabilities – non-current		474,064	4	457,227	5
2640 Net defined benefit liabilities – non-current	VI(XV)	64,719	1	73,348	1
25XX <b>Total non-current liabilities</b>		<u>1,598,535</u>	<u>14</u>	<u>695,118</u>	<u>8</u>
2XXX <b>Total liabilities</b>		<u>4,832,356</u>	<u>41</u>	<u>4,021,459</u>	<u>44</u>
<b>Equities</b>					
3110 Share capital	VI(XVII)	1,371,929	12	1,353,127	15
3200 Capital surplus	VI(XVIII)	973,927	8	781,236	8
3310 Retained earnings	VI(XIX)	1,063,914	9	929,358	10
3320 Legal reserve		167,767	1	142,996	2
3350 Special reserve		3,736,047	32	2,376,835	26
3400 Undistributed earnings		( 89,642)	( 1)	( 167,766)	( 2)
3500 Other equities	VI(XVII)	( 227,667)	( 2)	( 258,235)	( 3)
3XXX <b>Total equities</b>		<u>6,996,275</u>	<u>59</u>	<u>5,157,551</u>	<u>56</u>
3X2X <b>Total liabilities and equities</b>		<u>\$ 11,828,631</u>	<u>100</u>	<u>\$ 9,179,010</u>	<u>100</u>

The accompanying notes to Parent Company Only financial statements are an integral part of the parent company only financial. Please refer to them as well.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo




Advanced International Multitech Co., Ltd. And Subsidiaries  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share Presented in New Taiwan Dollars)

Item	Notes	2022		2021	
		Amount	%	Amount	%
4000 Sales revenue	VI(XX)	\$ 17,824,766	100	\$ 14,300,562	100
5000 Cost of goods sold	VI(V)(X) (XXVI) (XXVII) and VII	( 15,185,387)	( 85)	( 12,174,092)	( 85)
5900 Gross Profits		<u>2,639,379</u>	<u>15</u>	<u>2,126,470</u>	<u>15</u>
Operating expenses	VI(X)(XXVI) (XXVII) and VII				
6100 Sales and marketing expenses		( 206,294)	( 1)	( 186,384)	( 1)
6200 Administrative expenses		( 319,604)	( 2)	( 266,857)	( 2)
6300 Research and development expenses		( 561,756)	( 3)	( 516,147)	( 4)
6450 Expected credit impairment loss	XII(II)	( 1,397)	-	( 353)	-
6000 Total operating expenses		( 1,089,051)	( 6)	( 969,741)	( 7)
6500 Other income and expenses – net	VI(XXI)	<u>123,245</u>	<u>-</u>	<u>175,463</u>	<u>1</u>
6900 Operating income		<u>1,693,573</u>	<u>9</u>	<u>1,332,192</u>	<u>9</u>
Non-operating income and expenses					
7100 Interest income	VI(XXII)	12,448	-	2,798	-
7010 Other income	VI(XXIII)	5,948	-	10,456	-
7020 Other gain and losses	VI(II)(XXIV)	318,225	2	( 99,512)	( 1)
7050 Finance costs	VI(XXV)	( 12,252)	-	( 5,019)	-
7070 Share of the profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method		<u>722,421</u>	<u>4</u>	<u>335,956</u>	<u>3</u>
7000 Total non-operating income and expenses		<u>1,046,790</u>	<u>6</u>	<u>244,769</u>	<u>2</u>
7900 Net income before tax		<u>2,720,363</u>	<u>15</u>	<u>1,576,961</u>	<u>11</u>
7950 Income tax expenses	VI(XXVIII)	( 479,583)	( 2)	( 229,496)	( 2)
8200 Net income		<u>\$ 2,240,780</u>	<u>13</u>	<u>\$ 1,347,465</u>	<u>9</u>

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Advanced International Multitech Co., Ltd. And Subsidiaries  
Parent Company Only Statement of Comprehensive Income  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit: In Thousands of New Taiwan Dollars  
(Except for Earnings Per Share Presented in New Taiwan Dollars)

Item	Note	2022		2021	
		Amount	%	Amount	%
<b>Other comprehensive income</b>					
<b>Items that will not be re-classified to profit or loss</b>					
8311	Defined benefit plan re-measurements	VI(XV)	\$ 6,993	-	(\$ 2,381) -
8349	Income tax related items that are not reclassified subsequently to profit or loss	VI(XXVIII)	(1,399)	-	476 -
8310	Total of items that will not be re-classified to profit or loss		5,594	-	(1,905) -
<b>Items that may be re-classified subsequently to profit or loss</b>					
8361	Exchange differences on translation of foreign financial statements		78,124	-	(24,770) -
8300	<b>Other comprehensive income - net</b>		\$ 83,718	-	(\$ 26,675) -
8500	<b>Total comprehensive income</b>		\$ 2,324,498	13	\$ 1,320,790 9
Earnings per Share VI(XXIX)					
9750	Basic		\$ 16.92	\$ 10.01	
9850	Diluted		\$ 16.20	\$ 9.92	

The accompanying notes to the parent company only financial statements are an integral part of the parent company only financial statements. Please refer to them as well.

Chairman : His-Chien Cheng




Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo



  
Advanced International Multitech Co., Ltd. And Subsidiaries  
Parent Company Only Statements of Changes in Equity  
January 1 to December 31, 2022 and 2021

【 Attachment IV 】

Unit : In Thousands of New Taiwan Dollars

	Note	Capital Surplus				Retained Earnings			Exchange differences on translation of foreign financial statements	Treasury stock	Total	
		Capital of common stock	Share premium	Recognized value of changes in equity of ownership of subsidiaries	Stock option	Others	Legal reserve	Special reserve				Un-distributed earnings
<u>2021</u>												
Balance as of January 1, 2021		\$ 1,353,127	\$ 739,866	\$ 16,480	\$ -	\$ 24,890	\$ 861,536	\$ 133,828	\$ 1,473,609	(\$ 142,996)	\$ -	\$ 4,460,340
Net income		-	-	-	-	-	-	-	1,347,465	-	-	1,347,465
Other comprehensive income		-	-	-	-	-	-	-	( 1,905 )	( 24,770 )	-	( 26,675 )
Total comprehensive income		-	-	-	-	-	-	-	1,345,560	( 24,770 )	-	1,320,790
Earnings appropriation and allocation for 2020:	VI(XIX)											
Provision of legal reserve		-	-	-	-	-	67,822	-	( 67,822 )	-	-	-
Provision of special reserve		-	-	-	-	-	-	9,168	( 9,168 )	-	-	-
Cash dividends from common shares		-	-	-	-	-	-	-	( 365,344 )	-	-	( 365,344 )
Treasury stock buyback	VI(XVII)	-	-	-	-	-	-	-	-	( 258,235 )	( 258,235 )	( 258,235 )
Balance as of December 31, 2021		\$ 1,353,127	\$ 739,866	\$ 16,480	\$ -	\$ 24,890	\$ 929,358	\$ 142,996	\$ 2,376,835	(\$ 167,766)	(\$ 258,235)	\$ 5,157,551
<u>2022</u>												
Balance as of January 1, 2022		\$ 1,353,127	\$ 739,866	\$ 16,480	\$ -	\$ 24,890	\$ 929,358	\$ 142,996	\$ 2,376,835	(\$ 167,766)	(\$ 258,235)	\$ 5,157,551
Net income		-	-	-	-	-	-	-	2,240,780	-	-	2,240,780
Other comprehensive income		-	-	-	-	-	-	-	5,594	78,124	-	83,718
Total comprehensive income		-	-	-	-	-	-	-	2,246,374	78,124	-	2,324,498
Earnings appropriation and allocation for 2021:	VI(XIX)											
Provision of legal reserve		-	-	-	-	-	134,556	-	( 134,556 )	-	-	-
Provision of special reserve		-	-	-	-	-	-	24,771	( 24,771 )	-	-	-
Cash dividends from common shares		-	-	-	-	-	-	-	( 727,835 )	-	-	( 727,835 )
Recognized equity items due to the issuance of convertible bond- from stock options	VI(XIV)	-	-	-	65,084	-	-	-	-	-	-	65,084
Conversion of convertible bonds	VI(XIV)	18,802	137,519	-	( 9,912 )	-	-	-	-	-	-	146,409
Treasury stock transfer to employees	VI(XVI)(XVII)	-	-	-	-	-	-	-	-	-	30,568	30,568
Balance as of December 31, 2022		\$ 1,371,929	\$ 877,385	\$ 16,480	\$ 55,172	\$ 24,890	\$ 1,063,914	\$ 167,767	\$ 3,736,047	(\$ 89,642)	(\$ 227,667)	\$ 6,996,275

The accompanying notes to the parent company only financial statements are an integral part of the parent company only financial statements. Please refer to them as well.

Chairman : His-Chien Cheng



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Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo





  
Advanced International Multitech Co., Ltd. And Subsidiaries  
Parent Company Only Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

【 Attachment IV 】

Unit : In Thousands of New Taiwan Dollars

	Note	2022	2021
<b>Cash flows from operating activities</b>			
Net income before tax		\$ 2,720,363	\$ 1,576,961
Adjustments			
Income and expenses items			
Depreciation expenses	VI(VIII)(IX) (XXVI)	235,616	200,378
Amortization expenses	VI(XXVI)	24,553	13,672
Expected credit impairment loss	XII(II)	1,397	353
Net loss (gain) from financial assets and liabilities at fair value through profit or loss	VI(II)(XXIV)	3,611	264
Interest expenses	VI(XXV)	12,252	5,019
Interest income	VI(XXII)	( 12,448 )	( 2,798 )
Share of the profit (loss) of subsidiaries, associates, and joint ventures accounted for using equity method		( 722,421 )	( 335,956 )
Loss on non-financial asset impairment	VI(VII)(XXIV)	-	42,407
Loss (gain) on disposal and retirement of property, plant and equipment	VI(XXIV)	( 275 )	7,014
Reclassification of property, plant and equipment to expense	VI(XXX)	1,377	1,002
Gains on lease modification	VI(XXIV)	( 1,596 )	-
Changes in operating assets and liabilities			
Net change in operating assets			
Financial asset at fair value through profit or loss - current		( 7,396 )	( 60 )
Notes receivables		4,704	( 1,759 )
Account receivables		( 899,724 )	( 803,408 )
Inventories		( 142,038 )	( 254,787 )
Prepayments		4,742	( 51,219 )
Other current assets		( 23,152 )	( 17,503 )
Net change in operating liabilities			
Financial liabilities at fair value through profit or loss - current		( 1,670 )	-
Notes payable		( 2,560 )	205
Account payable		( 92,075 )	2,622
Account payable - related party		( 70,727 )	( 148,866 )
Other payable		168,222	185,056
Other current liabilities		( 29,953 )	( 26,026 )
Long-term deferred income		-	( 6,152 )
Net defined benefit liabilities - non-current		( 1,636 )	( 11,083 )
Cash provided by operating activities		1,169,166	375,336
Income tax paid		( 212,321 )	( 98,382 )
Net cash provided by operating activities		956,845	276,954

(Continue to next page)

Advanced International Multitech Co., Ltd. And Subsidiaries  
Parent Company Only Statements of Cash Flows  
January 1 to December 31, 2022 and 2021

【Attachment IV】

Unit : In Thousands of New Taiwan Dollars

	Note	2022	2021
<u>Cash provided by investing activities</u>			
Financial assets at fair value through profit or loss- increase in non-current		(\$ 21,586)	\$ -
Financial assets at amortized cost - decrease in current		260,849	182,953
Financial assets at amortized cost - decrease in non-current		-	44,649
Acquisition of investments accounted for using equity method		( 15,600)	-
Cash dividends from investments accounted for using equity method		71,296	262,395
Acquisition of property, plant, and equipment	VI(XXX)	( 12,521)	( 458,404)
Increase in prepayments for business facilities		( 332,390)	( 68,191)
Proceeds from disposal of property, plant, and equipment		976	3,566
Acquisition of intangible assets	VI(X)	( 11,985)	( 6,920)
Increase in refundable deposits		-	( 2,284)
Decrease in refundable deposits		22,441	11,524
Increase in other non-current assets		( 60,032)	( 24,667)
Interest received		12,448	2,798
Net cash outflows from investing activities		( 86,104)	( 52,581)
<u>Cash flows from financing activities</u>			
Increase in short-term loans	VI(XXXI)	8,399,795	9,438,297
Decrease in short-term loans	VI(XXXI)	( 8,704,451)	( 9,199,735)
Repayment of the principal amount of rentals	VI(XXXI)	( 20,687)	( 23,934)
Interest paid		( 6,036)	( 1,303)
Cash dividend distributed	VI(XIX)	( 727,835)	( 365,344)
Issuance of corporate bond	VI(XXXI)	1,021,023	-
Treasury stock buyback cost	VI(XVII)	-	( 258,235)
Transfer of treasury stock to employees	VI(XVII)	30,568	-
Net cash outflows from financing activities		( 7,623)	( 410,254)
Increase (Decrease) in cash and cash equivalents for the current period		863,118	( 185,881)
Cash and cash equivalents, beginning of the period		598,209	784,090
Cash and cash equivalents, end of the period		\$ 1,461,327	\$ 598,209

The accompanying notes to the parent company only financial statements are an integral part of the parent company only financial statement. Please refer to them as well.

Chairman : His-Chien Cheng



Manager : I-Nan Chou



Accounting Manager : Yi-Miao Kuo

