ASIA VITAL COMPONENTS CO., LTD.
2024 Annual Shareholder’s Meeting

Type of Meeting: Physical Meeting
Time: 9:00 a.m., June 14, 2024
Place: 2F., No. 1, Wuquan Rd., Wugu Dist., New Taipei City, Taiwan (R.O.C.) (New Taipei City Exhibition Hall)

Total outstanding AVC Shares: 383,310,157 shares
Total shares represented by shareholders present in person or by proxy:316,584,658 shares (Including electronic voting to exercise voting rights of 248,118,977 shares)

Percentage of shares held by shareholders present in person or by proxy: 82.59%

Directors present: Chairman Shen, Ching Hang, Director Ono, Ryoji, Director Kawabata Kenya, Director Toyoda Naoyuki, Director Kitanoya, Atsushi, Director Chen, Yi Cheng, Director Wang, Jui Pin, Director Huang, Chiu Mao, Independent Director Chen, Chun Cheng, Independent Director Cho, I Lang (Convener of the Audit Committee), Independent Director Ueng Joseph Chehchung, a total of 11 directors, attended, surpassing more than half of the total 13 directors.

CPA present: Chen, Cheng Chu

Chairman: Shen, Ching Hang

Recorder: Kuo, Hui Ying

A. Report Items

No. 1: 2023 Business Report
Explanation: The 2023 Business Report is attached as Appendix 1 of the Meeting Handbook.

No. 2: Audit Committee’s review report of 2023
Explanation: The Audit Committee’s review report is attached as Appendix 2 of the Meeting Handbook.

No. 3: Compensation Distribution For Employees and Directors of 2023
Explanation: According to No.27 of Article of Incorporation, 2% or less of the remuneration should be allocated to directors, amounting to NT$ 104,295,857 (1.5% of the yearly net profit); at least 3 % of the

remuneration should be allocated for employees' bonus, amounting to NT$ 215,000,000 (3.1% of the yearly net profit). All are distributed in cash.

No. 4: To report the cash distributed from 2023 profits and capital surplus to shareholders.

Explanation: 1. The Company intends to appropriate the Cash dividend for shareholders of year 2023 is NT$1,916,550,785, and NT$5 dollar is distributed per share in accordance of the shareholding record on the Ex-Dividend Date.

2. The Company intends to appropriate NT$766,620,314 from the capital surplus from the issue of shares in excess of par value to distribute cash of NT$2 per share is distributed in accordance of the shareholding record on the Ex-Dividend Date.
3. The total cash dividend is amounting to NT$2,683,171,099, and the total cash dividend per share is NT$7.
4. Cash dividend is allocated by NT 1 dollar as a unit. The fractional amount less than NT$ 1 will be set aside as AVC Employee Welfare Committee.
5. If, prior to the Ex-Dividend Date of the appropriation of earnings and capital surplus, there is a need to revise the dividend distribution ratio due to a change in the number of outstanding shares of the Company, the Chairman is authorized to adjust the ratio.

Matters for Recognition

No.1 (Proposed by the Board of Directors)

Proposal: To approve 2023 Business Report and Financial Statements.

Explanation: 1. The 2023 Individual Financial Statements and Consolidated Financial Statements have been completed and audited by accountant Chen, Cheng Chu and Hung, Kuo Sen of Ernst & Young, Taiwan. The audited report is attached as Appendix 3 of the Meeting Handbook.

2. The above-mentioned financial statements, and the Business Report are attached as Appendix 1 of the Meeting Handbook. Those are to be resolved by Audit Committee and Board of Directors, and will be submitted to shareholders' meeting for adoption.
3. Please resolve.

Resolution: Shares represented at the time of voting: 316,584,658

	Voting Results	% of the total represented share present
Votes in favor	268,193,421 votes	84.71%
Votes against	154,524 votes	0.04%
Votes invalid	0 votes	0.00%
Votes abstained	48,236,713 votes	15.23%

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

No. 2 (Proposed by the Board of Directors)

Proposal: To approve the proposal for distribution of 2023 earnings.

Explanation: 1. The Distribution of 2023 Profits was compiled in accordance with Article of Incorporation. Please refer to Appendix 4 of the Meeting Handbook.

2. The Cash dividend for shareholders of the year is NT$1,916,550,785, and NT$5 dollar is distributed per share in accordance of the shareholding record on the Ex-Dividend Date.
3. Cash dividend is allocated by NT 1 dollar as a unit. The fractional amount less than NT$ 1 will be set aside as AVC Employee Welfare Committee.
4. If, prior to the Ex-Dividend Date of the appropriation of earnings, there is a need to revise the dividend distribution ratio due to a change in the number of outstanding shares of the Company, the Chairman is authorized to adjust the ratio.
5. Please resolve.

Resolution: Shares represented at the time of voting: 316,584,658

	Voting Results	% of the total represented share present
Votes in favor	268,327,399 votes	84.75%
Votes against	55,922 votes	0.01%
Votes invalid	0 votes	0.00%
Votes abstained	48,201,337 votes	15.22%

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

B. Matters for Discussion

No.1 (Proposed by the Board of Directors)

Proposal: Amendment to the Articles of Incorporation.

Explanation: 1. Amend the company's articles of Incorporation to meet the company's current practices.

2. Before and After Amendments to the Articles of Incorporation is attached as Appendix 5 of the Meeting Handbook.
3. Please resolve.

Resolution: Shares represented at the time of voting: 316,584,658

	Voting Results	% of the total represented share present
Votes in favor	267,719,219 votes	84.56%
Votes against	39,829 votes	0.01%
Votes invalid	0 votes	0.00%
Votes abstained	48,825,610 votes	15.42%

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

No.2 (Proposed by the Board of Directors)

Proposal: Lifting of directors of non-competition restrictions.

Explanation: 1. According to Article 209 of the Company Act, a director who conducts business within the business scope of the Company for himself or others shall explain at the shareholders' meeting the essential contents of such conduct and obtain the shareholders' approval.

2. The following is a list (New).

Category	Name	Release the prohibition on directors from participation in competitive business
Corporate Representative Director	Kawabata Kenya	1. Furukawa Electric Co., Ltd., director of Heat Dissipation Product and Electronic Component Business Department; 2. Corporate Representative Director of Furukawa & AVC (Suzhou) Co., Ltd; 3. Corporate Representative Director of NTEC LIMITED; 4. Corporate Representative Director of Taiwan Furukawa Electric Co., Ltd. 5. Corporate Representative Director of ORIEX LIMITED 6. Corporate Representative Director of Furukawa Electric Thermal
Corporate Representative Director	Toyoda Naoyuki	President and General manager of Taiwan Furukawa Electric Co., Ltd.
Director	Huang, Chiu Mo	Corporate Representative Director and President of Fositek America Inc.
Director	Chen, Yi Chen	Corporate Representative Director of Paragon Semiconductor Lighting Technology Co., Ltd.
Director	Gao, Pai Ling	Corporate Representative Director of Paragon Semiconductor Lighting Technology Co., Ltd.
Director	Wang, Jui Pin	Independent Director of Huimin Environmental Tech Corp.

3. Please resolve.

Resolution: Shares represented at the time of voting: 316,584,658

	Voting Results	% of the total represented share present
Votes in favor	229,244,974 votes	72.41%
Votes against	750,577 votes	0.23%
Votes invalid	0 votes	0.00%
Votes abstained	86,589,107 votes	27.35%

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

C. Extempore Motions: None.
D. Adjournment: 9:15 a.m., June 14, 2024
   The minutes of the shareholders' meeting only states the key points of the meeting and the results of the resolution. The content, procedures and shareholders' speeches of the meeting are based on the video of the meeting. The shareholders' meeting had no shareholder inquiries.

Appendix 1

ASIA VITAL COMPONENTS CO., LTD.
2023 Business Report

The global economy faces many challenges and uncertainties in 2023, including geopolitical instability and the impact of global climate change. Geopolitical instability may have a negative impact on the stability of the global economy through issues such as trade friction and regional conflict between countries. The frequent occurrence of extreme weather events will have a serious impact on industries such as agriculture and energy, which in turn will affect the stable growth of the global economy.

2023 is a challenging year, but it is also full of opportunities for our company. As the consumer market entered a period of low-growth inventory destocking, the revenue of related consumer products such as PCs and notebooks has declined a lot. Fortunately, 2023 is a year of rapid development of AI technology, which has also brought a strong boost to our company's revenue growth momentum. Under the hard work of all employees, the revenue in 2023 reached a record high of NT$59.19 billion, an increase of about NT$3.17 billion compared with the same period last year, a growth rate of 5.67%. Both revenue and profit have achieved historical records.

I. Operation result of the Company in 2023

1. Operating revenue and net income

Unit: thousand NT dollars

Item	2022	2023	Increased (Decreased) amount	Variation ratio
Operating revenue	56,016,554	59,194,356	3,177,802	5.67%
Gross profit	10,849,617	12,388,120	1,538,503	14.18%
Net income	4,162,261	5,304,713	1,142,452	27.45%
Earnings per share (dollar)	11.78	14.11	2.33	19.78%

2.Execution of budget plan：Not applicable. (the Company didn’t prepare financial forecast of 2023.)

3. Profitability.

Unit: thousand NT dollars

Item	2022	2023
Debt ratio (%)	63.94%	71.19%
Return on Asset (%)	7.87%	8.55%
Return on Equity (%)	26.83%	28.27%
Net Profit (%)	7.43%	8.96%

4. Research and Development

The consolidated expenses on research and development of the Company in 2023 and 2022 are amounted to be NT$3.138 billion and NT$2.88 billion respectively, taking up 5.29% and 5.15% of the consolidated operating revenue.

Through the application of various products and thermal technologies and strong thermal simulation and analysis capabilities, we are able to provide total thermal solutions for servers, computers, telecommunications equipment, energy, automotive, transportation and other industrial thermal applications and we are constantly investing in research and development of new technologies to meet our customers’ future thermal needs.

II. Business plan of 2024

1.Guideline of management: The company aims to become "the leader in the thermal management industry and mechanical products." We actively develop new techniques in thermal solutions, enhance productivity in plants, and expand applications to innovative areas such as green energy and new energy, such as the electric vehicle and new energy industries. The company will continue to assist its clients and create long-term value.

2.Forecast in sales number and the reference: Benefiting from the continued growth of the global AI server, electric vehicle, and new energy industries, the company's business development in various heat dissipation fields is balanced. Based on market trends (industry reports, etc.), we expect growth in shipments and revenue.

3.Important policies in production and marketing:

(1)Marketing strategies: the Company would cater to clients’ needs and catch up with the trend on the market, sustaining the relationship with existing customers and enhancing the exploration of market and customer service.

(2)Research strategies: the Company devotes itself in development of essential techniques in heat dissipation and recruiting qualified talents in the professional field to level up the design, quality, and efficiency of the products.

(3)Production strategies: the Company makes use of the most of the resources in each of its plants and equips the plants with automatic production facilities to enhance the quality and productivity as well as gain competitiveness in delivery, quality, and cost.

III. Future Development of the company:

The Company's development policy emphasizes the integration of five core values: customer success, integrity and responsibility, passion and perseverance, openness and innovation, and teamwork. By strengthening these values and establishing a transparent governance mechanism, the Company ensures an honest and upright corporate culture. At the same time, the Company is committed to providing excellent products and services, continuously innovating to meet customer needs, and integrating sustainable development concepts into its business strategy. The Company promotes environmental protection and social responsibility projects to realize its corporate social value and long-term development goals.

IV. Impact of the external competition, legal regulations, and the overall environment of the operation:

The geopolitical situation in 2024 remains unstable, and the fact that 2024 is a super election year makes it even more influential on Taiwan's geopolitics. Regional conflicts, trade frictions, and political instability could all have an impact on the global economy. Countries need to use diplomatic means and multilateral cooperation to resolve conflicts, maintain regional stability, and reduce the impact of geopolitical risks on the economy.

Climate change will continue to be a major concern. The frequent occurrence of extreme weather events will have an impact on agriculture, energy and other industries, and in turn affect the stable growth of the global economy. Countries need to strengthen cooperation in climate change, promote green development, reduce carbon emissions, and increase investment in clean energy and sustainable development. The EU's Carbon Border Adjustment Mechanism (CBAM), which was piloted in October 2023, could create green trade barriers. The supply chain will have multiple impacts due to carbon tariffs, including cost increases, technology upgrades, and supply chain reorganization. The company will continue to pay attention to changes in relevant regulations and respond to them in order to ensure its competitiveness in the global market.

While inflation in developed economies around the world has slowed, interest rates remain high. The impact of the tightening monetary policy is expected to take until 2024 to fully manifest. According to the OECD, global economic growth in 2024 is expected to be 2.7%, slightly lower than the 2.9% in 2023. Looking ahead to the new year, the application of AI from the upstream to the downstream of the supply chain, to the application level, and the emergence of business models will bring about new industry growth. AI servers, AIPC, AI smartphones, etc. will bring about a wave of replacement demand, and bring new order and revenue growth momentum to the electronics industry.

Chairperson: Shen, Ching Hang

Appendix 2

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and earning distribution proposal. The CPA firm of Ernst & Young was retained to audit AVC's Financial Statements and has issued and audited report relating to the Financial Statements. The Business report, Financial Statements, and earnings distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Asia Vital Components Co., Ltd. According to relevant requirements of the Securities and Exchange Act the Company Law, we hereby submit this report.

Asia Vital Components Co., Ltd.

Chairman of the Audit Committee:

Sir Cho, I Lang

March 13, 2024

Appendix 3

Independent Auditors' Report

To ASIA VITAL COMPONENTS CO., LTD

Opinion

We have audited the accompanying consolidated balance sheets of ASIA VITAL COMPONENTS CO., LTD and its subsidiaries (the "Company ") as of December 31, 2023 and 2022, the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2023 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Cutoff of warehouse sales revenue

   The Company's recognized NT$59,194,356 thousand as net sales for the year ended December 31, 2023, and source of revenue comes from the sale of goods. According to the partial sales contract of the Company, the Company prepare the stock in the hub-warehouse based on the customer's demand. The Company recognizes revenue upon the goods are picked up from the hub-warehouses and accepted by the customers if picked up. Since the revenue recognition of sales from hub-warehouse should determine the performance obligation and the timing of revenue recognition, we consider this is a key audit matter.

   Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls around sales revenue, include periodic reconciliation; performing test of details on the revenue from hub-warehouse and verifying the reconciliation data between the Company and customers in order to assure the occurrence of sales revenue; performing cutoff tests on the revenue from hub-warehouse for a specific period before and after the end of the financial reporting period, includes verifying documentation from hub-warehouse custodians to assess the appropriateness of revenue cutoff; confirming the inventory quantities with materiality hub-warehouse custodian to ensure the movements and remaining quantities of inventories in the hub-warehouses.

   Please refer to Note 4 and 6 of consolidated financial statements for the revenue recognized disclosion.

2. Valuation for slow-moving inventories

   As of December 31, 2023 the Company's net inventories amounted to NT$17,234,926 thousand, constituting 24% of consolidated total assets which is significant for the financial statements. The valuation for slow-moving inventories due to the uncertainty caused by the rapid change of product technology is closely related to the significant management judgment. Therefore, we consider this is a key audit matter.

   Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls over the Company's slow-moving inventories reserve process; evaluating the appropriateness of the reserve policies for slow-moving inventories; sample-testing the accuracy of inventory aging, analyzing changes in inventory aging, considering anticipated demand and write-off activities, and recalculating inventory reserve; assessing inventory status by observing the inventory counting process.

   In addition, we evaluated the adequacy of disclosures of inventories. Please refer to Note 4, 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

Certain subsidiaries included in the consolidated financial statements were audited by other independent accountants. These subsidiaries' total assets amounted to NT$375,259 thousand and NT$430,537 thousand, which accounted for 0.52% and 0.71% of the total consolidated assets as of December 31, 2023 and 2022, respectively. The net sales of these subsidiaries amounted to NT$800,759 thousand and NT$1,393,219 thousand, which accounted for 1.35% and 2.49% of the consolidated net sales for the years ended December 31, 2023 and 2022, respectively. Certain investments, which were accounted for under the equity method based on the financial statements of the investees, were audited by other independent accountants. Our audit, insofar as it relates to the investments accounted for under the equity method balances of NT$269,484 thousand and NT$204,880 thousand, which accounted for 0.38% and 0.34% of the total consolidated assets as of December 31, 2023 and 2022, respectively, and the related shares of investment income from the associates amounted to NT$83,156 thousand and NT$29,812 thousand, which accounted for 1.04% and 0.46% of the consolidated income fromcontinuing operations before income tax for the years ended December 31, 2023 and 2022, respectively, and the related shares of other comprehensive income from the associated amounted to (NT$1,292) thousand and (NT$7,396) thousand, which accounted for 0.35% and (2.06%) of the consolidated total comprehensive income, for the years ended December 31, 2023 and 2022, respectively, is based solely on the reports of other independent accountants.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretation Committee as endorsed and as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and we design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal controls.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

We have audited and expressed an unqualified opinion on only the parent company's financial statements of the Company as of and for the years ended December 31, 2023 and 2022, respectively.

Ernst & Young, Taiwan

Republic of China

March 13, 2024

Notice to Readers

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

English translation of Consolidated Financial Statements Originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	$26,956,969	38	$20,048,964	33
Financial assets measured at amortized costs, current	6(2), 8	2,134,278	3	1,591,337	3
Notes receivable, net	4,6(3)	784,120	1	737,514	1
Accounts receivable, net	4,6(4)	5,748,404	8	3,992,020	6
Other receivables	6(4).(5)	655,852	1	342,920	1
Other receivables-related parties	6(5)	7,955	0	8,895	0
Inventories, net	6(6)	17,234,926	24	17,359,772	29
Prepayments	6(7)	561,098	1	707,461	1
Other current assets		808,571	1	697,119	1
Total current assets		54,892,173	77	45,486,002	75
Non-current assets					
Financial assets measured at fair value through other comprehensive income, noncurrent	4,6(8)	164,310	0	137,638	0
Financial assets at amortized cost-noncurrent	6(2),8	30,642	0	30, 645	0
Investments accounted for under the equity method	6(9)	363,888	1	255,698	1
Property, plant and equipment	4, 6(10), 8	11,350,100	16	9,694,096	16
Right-of-use assets	4, 6(25), 8	1,714,950	2	1,874,586	3
Investment property	4, 6(11), 8	105,638	0	99,867	0
Intangible assets	6(12)	176,574	0	134,102	0
Deferred tax assets	4, 6(29)	1,285,158	2	1,253,720	2
Other non-current assets	6(13), 8	1,566,069	2	1,485,778	3
Net defined benefit assets, noncurrent	4, 6(21)	17,715	0	21,816	0
Total non-current assets		16,775,044	23	14,987,946	25
Total assets		$71,667,217	100	$60,473,948	100

		December 31, 2023		December 31, 2022	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6(14)	$6,765,540	10	$6,294,019	10
Short-term notes payable	6(15)	30,000	0	–	–
Contract liabilities, current	6(24)	516	0	5,439	0
Notes payable		3,661,646	5	2,898,825	5
Accounts payable		15,111,400	21	11,183,322	19
Other payables	6(16)	6,127,180	9	4,828,690	8
Current tax liabilities	4, 6(29)	1,689,363	2	1,334,677	2
Lease liabilities, current	4, 6(25)	254,125	0	237,049	0
Other current liabilities	6(17)	2,406,429	3	4,421,873	7
Current portion of long-term loans	6(19)	787,127	1	1,675,864	3
Total current liabilities		36,833,326	51	32,879,758	54
Non-current liabilities					
Corporate bonds payable	6(18)	2,400,000	4	2,400,000	4
Long-term loans	6(19)	2,977,023	4	4,189,443	7
Deferred tax liabilities	4, 6(29)	2,039,195	3	1,837,012	3
Lease liabilities-Non current	4, 6(25)	869,355	1	1,026,275	2
Long-term deferred revenue	6(20)	665,737	1	705,691	1
Guarantee deposits		35,503	0	12,685	0
Total non-current liabilities		8,986,813	13	10,171,106	17
Total liabilities		45,820,139	64	43,050,864	71
Equity attributable to the parent company					
Capital	6(22)				
Common stock		3,833,101	5	3,533,101	6
Additional paid-in capital	6(22)	3,866,691	6	1,006,639	2
Retained earnings	6(22)				
Legal reserve		1,768,785	2	1,351,070	2
Special reserve		1,119,685	2	1,445,059	2
Undistributed earnings		12,892,929	18	9,280,252	16
Total retained earnings		15,781,399	22	12,076,381	20
Other components of equity		(1,451,514)	(2)	(1,119,685)	(2)
Total equity attributable to the parent company		22,029,677	31	15,496,436	26
Non-controlling interests	6(22)	3,817,401	5	1,926,648	3
Total equity		25,847,078	36	17,423,084	29
Total liabilities and equity		$71,667,217	100	$60,473,948	100

English translation of Consolidated Financial Statements originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings par share)

		December 31, 2023		December 31, 2022	
Items	Notes	Amount	%	Amount	%
Operating Revenue	4,6(24)	$59,194,356	100	$56,016,554	100
Operating costs	6(25).(26)	(46,806,236)	(79)	(45,166,937)	(81)
Gross profit		12,388,120	21	10,849,617	19
Operating expenses	6(25).(26)				
Sales and marketing expenses		(989,645)	(2)	(880,457)	(2)
General and administrative expenses		(802,959)	(1)	(756,575)	(1)
Research and development expenses		(3,128,895)	(5)	(2,884,592)	(5)
Expected credit impairment losses		(45,522)	(0)	(22,274)	(0)
Subtotal		(4,967,021)	(8)	(4,543,898)	(8)
Operating income		7,421,099	13	6,305,719	11
Non-operating income and expenses					
Interest income	6(27)	387,857	1	88,080	0
Other income	6(27)	755,146	1	688,112	1
Other gains and losses	6(27)	(186,556)	(0)	(359,502)	(1)
Finance costs	6(27)	(433,646)	(1)	(272,269)	(0)
Share of profit or loss of associates	4,6(9)	81,182	0	38,610	0
Subtotal		603,983	1	183,031	-
Income before income tax		8,025,082	14	6,488,750	11
Income tax expense	6(29)	(2,210,618)	(4)	(1,870,961)	(3)
Net income		5,814,464	10	4,617,789	8
Other comprehensive income (loss)	6(28)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans		(6,080)	(0)	18,612	0
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income		68	0	1,178	0
Income tax related to items that will not be reclassified		1,215	0	(3,722)	(0)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(429,724)	(1)	437,310	1
Share of other comprehensive income (loss) of associates		(2,492)	(0)	(7,416)	(0)
Income tax related to items that may be reclassified subsequently		67,945	0	(86,528)	(0)
Total other comprehensive loss, net of tax		(369,068)	(1)	359,434	1
Total comprehensive income		$5,445,396	9	$4,977,223	9
Net income attributable to:					
Stockholders of the parent		$5,304,713	9	$4,162,261	7
Non-controlling interests		509,751	1	455,528	1
		$5,814,464	10	$4,617,789	8
Comprehensive income (loss) attributable to:					
Common Stockholders of the parent		$4,970,146	8	$4,502,525	8
Non-controlling interests		475,250	1	474,698	1
		$5,445,396	9	$4,977,223	9
Earnings per share (NTD)	4, 6(30)				
Earnings per share-basic		$14.11		$11.78	
Earnings per share-diluted		$13.71		$11.67	

English translation of Consolidated Financial Statements originally issued in Chinese

ASIA VITAL COMPONENTS CO. , LTD

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Items	December 31, 2023									
	Capital		Retained Earnings			Other Components of Equity				
	Common Stock	Additional Paid-in Capital	Common Stock	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) From Equity Instruments Investments Measured At Fair Value Through Other Comprehensive Income	Total	Non-Controlling Interests	Total Equity
Balance as of January 1, 2022	$3,533,101	$1,260,103	$1,057,847	$1,326,487	$6,680,820	($1,120,959)	($324,100)	$12,413,299	$1,671,627	$14,084,926
Appropriation and distribution of 2021 retained earnings										
Legal reserve			293,223		(293,223)			—		—
Cash dividends					(1,165,924)			(1,165,924)		(1,165,924)
Special reserve				118,572	(118,572)			—		—
Donation from shareholders		238						238		238
Cash dividends distributed from capital surplus		(353,310)						(353,310)		(353,310)
Net income for the year ended December 31, 2022					4,162,261			4,162,261	455,528	4,617,789
Other comprehensive income (loss), net of tax for the year ended December 31, 2022					14,890	324,196	1,178	340,264	19,170	359,434
Total comprehensive income (loss)	—	—	—	—	4,177,151	324,196	1,178	4,502,525	474,698	4,977,223
Share-based payment transaction		99,608						99,608		99,608
Balance as of December 31, 2022	$3,533,101	$1,006,639	$1,351,070	$1,445,059	$9,280,252	($796,763)	($322,922)	$15,496,436	$1,926,648	$17,423,084
Balance as of January 1, 2023	$3,533,101	$1,006,639	$1,351,070	$1,445,059	$9,280,252	($796,763)	($322,922)	$15,496,436	$1,926,648	$17,423,084
Appropriation and distribution of 2022 retained earnings										
Legal reserve			417,715		(417,715)			—		—
Cash dividends					(1,596,962)			(1,596,962)		(1,596,962)
Special reserve reversed				(325,374)	325,374			—		—
Donation from shareholders		251						251		251
Cash dividends distributed from capital surplus		(317,979)						(317,979)		(317,979)
Net income for the year ended December 31, 2023					5,304,713			5,304,713	509,751	5,814,464
Other comprehensive income (loss), net of tax for the year ended December 31, 2023					(4,865)	(329,770)	68	(334,567)	(34,501)	(369,068)
Total comprehensive income (loss)	—	—	—	—	5,299,848	(329,770)	68	4,970,146	475,250	5,445,396
Issue of shares	300,000	2,550,000						2,850,000		2,850,000
Difference between consideration and carrying amount of subsidiaries acquired or disposed		10,849				5		10,854	3,104	13,958
Changes in ownership interests in subsidiaries		253,379						253,379		253,379
Share-based payment transaction		363,552						363,552		363,552
Increase in non-controlling interests								—	1,412,399	1,412,399
Disposal of equity investments at fair value through other comprehensive income					2,132		(2,132)	—	—	—
Balance as of December 31, 2023	$3,833,101	$3,866,691	$1,768,785	$1,119,685	$12,892,929	($1,126,528)	($324,986)	$22,029,677	$3,817,401	$25,847,078

English translation of Consolidated Financial Statements originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Items	2023	2022
Cash flows from operating activities:		
Net income before tax	$8,025,082	$6,488,750
Adjustments to reconcile net income before tax to net cash provided by operating activities:		
Income and expanse adjustments :		
Depreciation	1,888,934	1,660,272
Amortization	64,191	54,791
Amortization of royalty	876	876
Expected credit losses	45,522	22,274
Interest expense	433,646	272,269
Interest income	(387,857)	(88,080)
Dividend income	(2,070)	－
Compensation costs of share-based payment transaction	389,571	99,608
Share of (profit) of associates	(81,182)	(38,610)
Loss on disposal of property, plant and equipment	96,385	285,829
Loss (Gain) on disposal of investments	－	27,580
Impairment loss on non-financial assets	78,099	78,675
Others	446,807	846,798
Changes in operating assets and liabilities:		
Notes receivable	(46,051)	7,190
Accounts receivable	(2,101,240)	1,697,274
Other receivables	11,079	(45,480)
Other receivables-related parties	940	294
Inventories	(312,267)	(2,632,123)
Prepayments	146,363	865,383
Other current assets	(111,452)	310,483
Other operation assets	(542,941)	(835,296)
Contract liabilities	(4,923)	2,921
Notes payable	762,821	4,354
Accounts payable	3,928,078	(2,300,956)
Other payables	1,300,441	1,064,052
Other current liabilities	(2,015,444)	2,733,071
Net defined benefit liabilities	(1,979)	(1,557)
Cash generated from operations	12,011,429	10,580,642
Interest received	364,402	85,645
Interest paid	(435,597)	(244,498)
Income tax paid	(1,616,027)	(1,581,788)
Net cash provided by operating activities	10,324,207	8,840,001
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(14,810)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,390	－
Acquisition of financial assets measured at amortized costs	－	(27,609)
Acquisition of financial assets at fair value through profit or loss	－	(8,786)
Proceeds from disposal of financial assets at fair value through profit or loss	－	8,879
Acquisition of investments accounted for using equity method	(50,000)	－
Acquisition of property, plant and equipment	(3,657,403)	(3,666,138)
Proceeds from disposal of property, plant and equipment	3,246	30,003
Decrease (Increase) in refundable deposits	12,864	(13,628)
Acquisition of intangible assets	(110,537)	(38,620)
Proceeds from disposal of intangible assets	19	－
Acquisition of right-of-use asset	－	(193,300)
Decrease (Increase) in other noncurrent assets-others	31,955	(670,688)
(Increase) Decrease in other noncurrent assets-others	(126,760)	391,504
Dividends received	16,043	9,540
Net cash (used) in investing activities	(3,907,183)	(4,193,653)
Cash flows from financing activities:		
Increase in short-term loans	16,133,745	23,937,751
Increase (Decrease) in short-term loans	(15,560,506)	(21,577,694)
(Decrease) increase in short-term notes payable	30,000	(250,000)
Proceeds from long-term loans	3,581,846	6,691,860
Repayments of long-term loans	(5,659,361)	(4,765,263)
Increase in guarantee deposits	22,818	3,208
Repayment of lease liabilites	(265,249)	(219,395)
Cash dividends	(1,914,941)	(1,519,234)
Proceeds from issuing shares	2,850,000	－
Disposal of ownership interests in subsidiaries (without losing control)	13,958	－
Change in non-controlling interests	1,639,760	(219,677)
Net cash provided in financing activities	872,070	2,081,556
Effect of exchange rate changes on cash and cash equivalents	(381,089)	406,249
Net increase in cash and cash equivalents	6,908,005	7,134,153
Cash and cash equivalents at beginning of year	20,048,964	12,914,811
Cash and cash equivalents at end of year	$26,956,969	$20,048,964

Independent Auditors' Report

To ASIA VITAL COMPONENTS CO., LTD

Opinion

We have audited the accompanying parent company only balance sheets of ASIA VITAL COMPONENTS CO., LTD (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted 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 are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of 2023 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. Assessment of revenue recognition for hub-warehouse

The Company recognized NT$42,973,997 thousand as net sales for the year ended December 31, 2023, and source of revenue comes from the sale of goods. According to the partial sales contract of the Company, the Company prepare the stock in the hub-warehouse based on the customer's demand. The Company recognizes revenue upon the goods are picked up from the hub-warehouses and accepted by the customers if picked up. Since the revenue recognition of sales from hub-warehouse should determine the performance obligation and the timing of revenue recognition, we consider this is a key audit matter.

Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls around sales revenue, include periodic reconciliation; performing test of details on the revenue from hub-warehouse and verifying the reconciliation data between the Company and customers in order to assure the occurrence of sales revenue; performing cutoff tests on the revenue from hub-warehouse for a specific period before and after the end of the financial reporting period, includes verifying documentation from hub-warehouse custodians to assess the appropriateness of revenue cutoff; confirming the inventory quantities with materiality hub-warehouse custodian to ensure the movements and remaining quantities of inventories in the hub-warehouses.

In addition, we evaluated the adequacy of disclosures of sales. Please refer to Note 4 and 6 to the parent company only financial statements.

2. Valuation for slow-moving inventories

As of December 31, 2023, the Company's net inventories amounted to NT$12,079,831 thousand, constituting 25% of parent company total assets which is significant for the financial statements. The allowance for reduction of obsolete inventory due to the uncertainty caused by the rapid change of product technology, is closely related to the management's judgement. Therefore, we considered this a key audit matter.

Our audit procedures included, but are not limited to, understanding and testing the effectiveness of the internal controls over the Company's slow-moving inventories reserve process; evaluating the appropriateness of the reserve policies for slow-moving inventories; sample-testing the accuracy of inventory aging, analyzing changes in inventory aging, considering anticipated demand and write-off activities, and recalculating inventory reserve; assessing inventory status by observing the inventory counting process.

In addition, we evaluated the adequacy of disclosures of sales. Please refer to Note 4, 5 and 6 to the parent company only financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain subsidiaries and associates 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 reports of other auditors. These subsidiaries and associates under equity method amounted to NT$508,076 thousand and NT$439,661 thousand, representing 1.04% and 1.02% of total assets as of December 31, 2023 and 2022, respectively. The related shares of profits (loss) from the subsidiaries and associates under the equity method amounted to NT$83,696 thousand and NT$86,341 thousand, representing 1.27% and 1.78% of the income before tax for the years ended December 31, 2023 and 2022, respectively, and the related shares of other comprehensive income (loss) from the subsidiaries and associates under the equity method amounted to (NT$1,200) thousand and (NT$20) thousand, representing 0.36% and (0.01%) of the comprehensive income (loss) for the years ended December 31, 2023 and 2022, respectively.

Responsibilities of Management and Those Charged with Governance for Parent Company only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretation Committee as endorsed and as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of 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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, and we design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or an override of internal controls.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young, Taiwan

Republic of China

March 13, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English translation of Parent Company Only Financial Statements Originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	6(1)	$10,893,391	22	$8,049,726	19
Financial assets measured at amortized costs, current	6(2), 8	1,600,297	3	1,246,834	3
Notes receivable, net	4, 6(3)	–	–	1,192	0
Accounts receivable, net	4, 6(4)	1,730,943	4	1,240,056	3
Accounts receivable-related parties, net	4, 6(4), 7	86,684	0	126,935	0
Other receivables	6(4).(5)	559,378	1	246,961	1
Other receivables-related parties	6(5)	19,389	0	53,534	0
Inventories, net	6(6)	12,079,831	25	11,712,371	27
Prepayments	6(7)	15,551	0	20,972	0
Other current assets		26,258	0	4,796	0
Total current assets		$27,011,722	55	22,703,377	53
Non-current assets					
Financial assets at fair value through other comprehensive income, noncurrent		61,881	0	32,536	0
Investments accounted for using the equity method	4,6(8)	20,115,969	42	18,560,943	43
Property, plant and equipment	4, 6(9), 8	422,519	1	506,741	1
Right-of-use assets	4, 6(22)	55,390	0	41,906	0
Investment property,net	4, 6(10), 8	22,792	0	30,977	0
Intangible assets	4, 6(11)	38,989	0	34,159	0
Deferred tax assets	4, 6(26)	1,053,980	2	1,033,111	3
Other non-current assets	6(12), 8	16,686	0	25,604	0
Net defined benefit assets, noncurrent	4, 6(18)	17,715	0	21,816	0
Total non-current assets		21,805,921	45	20,287,793	47
Total assets		$48,817,643	100	$42,991,170	100

		December 31, 2023		December 31, 2022	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	6(13)	$2,186,205	4	$3,190,000	7
Notes payable		22,213	0	35,860	0
Accounts payable		608,873	1	484,594	1
Accounts payable-related parties, net	7	10,765,016	22	8,129,728	19
Other payables	6(14)	2,765,903	6	1,790,499	4
Other payables-related parties, net		3,128	0	52,217	0
Current tax liabilities	4, 6(26)	1,324,392	3	976,950	2
Lease liabilities-Current	4, 6(22)	12,563	0	13,602	0
Other current liabilities	6(15)	1,938,034	4	3,886,217	9
Current portion of long-term loans	6(17)	646,251	2	1,367,001	4
Total current liabilities		20,272,578	42	19,926,668	46
Non-current liabilities					
Corporate bonds payable	6(16)	2,400,000	5	2,400,000	6
Long-term loans	6(17)	2,521,248	5	3,627,082	8
Deferred tax liabilities	4, 6(27)	1,566,726	3	1,510,685	4
Lease liabilities-Non current	4, 6(22)	25,988	0	29,433	0
Guarantee deposits		1,426	0	866	0
Total non-current liabilities		6,515,388	13	7,568,066	18
Total liabilities		26,787,966	55	27,494,734	64
Equity attributable to the parent company					
Capital	6(19)				
Common stock		3,833,101	8	3,533,101	8
Additional paid-in capital	6(19)	3,866,691	8	1,006,639	2
Retained earnings	6(19)				
Legal reserve		1,768,785	4	1,351,070	3
Special reserve		1,119,685	2	1,445,059	3
Undistributed earnings		12,892,929	26	9,280,252	22
Total retained earnings		15,781,399	32	12,076,381	28
Other components of equity		(1,451,514)	(3)	(1,119,685)	(2)
Total equity		22,029,677	45	15,496,436	36
Total liabilities and equity		$48,817,643	100	$42,991,170	100

English translation of Parent Company Only Financial Statements originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars, except for earnings par share)

Items	Notes	2023		2022	
		Amount	%	Amount	%
Operating Revenue	4,6(21), 7	$42,973,997	100	$39,019,702	100
Operating costs	6(24), 7	(36,444,271)	(85)	(33,584,077)	(86)
Gross profit		6,529,726	15	5,435,625	14
Unrealized gross (profit)		(1,123)	(0)	(3,934)	(0)
Realized gross profit		3,934	0	29	0
Gross profit, net		6,532,537	15	5,431,720	14
Operating expenses	6(23).(24)				
Sales and marketing expenses		(444,114)	(1)	(364,262)	(1)
General and administrative expenses		(530,549)	(1)	(400,313)	(1)
Research and development expenses		(1,088,542)	(3)	(918,204)	(2)
Expected credit impairment losses		(35,916)	(0)	(17,227)	(0)
Subtotal		(2,099,121)	(5)	(1,700,006)	(4)
Operating income		4,433,416	10	3,731,714	10
Non-operating income and expenses					
Interest income	6(24)	295,363	1	33,322	0
Other income	6(24)	351,494	1	278,572	1
Other gains and losses	6(24)	66,140	0	(305,114)	(1)
Finance costs	6(24)	(133,370)	(0)	(132,212)	(0)
Share of profit or loss of subsidiaries and associates	4,6(8)	1,601,634	3	1,235,490	3
Subtotal		2,181,261	5	1,110,058	3
Income from continuing operations before income tax		6,614,677	15	4,841,772	13
Income tax expense	6(26)	(1,309,964)	(3)	(679,511)	(2)
Net income		5,304,713	12	4,162,261	11
Other comprehensive income (loss)	6(25)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit pension plans		(6,080)	(0)	18,612	0
Unrealized gains (losses) from equity instruments investments measured		68	0	1,178	0
Income tax related to items that will not be reclassified		1,215	0	(3,722)	(0)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		(396,515)	(1)	410,744	1
Share of other comprehensive income (loss) of associates		(1,200)	(0)	(20)	(0)
Income tax related to items that may be reclassified subsequently		67,945	0	(86,528)	(0)
Total other comprehensive loss, net of tax		(334,567)	(1)	340,264	1
Total comprehensive income		$4,970,146	11	$4,502,525	12
Earnings per share (NTD)	6(27)				
Earnings per share-basic		$14.11		$11.78	
Earnings per share-diluted		$13.71		$11.67	

English translation of Parent Company Only Financial Statements originally issued in Chinese
ASIA VITAL COMPONENTS CO. , LTD
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2023 and 2022
(Expressed in thousands of New Taiwan Dollars)

Items	Capital		Retained Earnings			Other Components of Equity		
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains (Losses) From Equity Instruments Investments Measured At Fair Value	Total Equity
Balance as of January 1, 2022	$3,533,101	$1,260,103	$1,057,847	$1,326,487	$6,680,820	($1,120,959)	($324,100)	$12,413,299
Appropriation and distribution of 2021 retained earnings								
Legal reserve			293,223		(293,223)			—
Special reserve				118,572	(118,572)			—
Cash dividends					(1,165,924)			(1,165,924)
Donation from shareholders		238						238
Cash dividends distributed from capital surplus		(353,310)						(353,310)
Net income for the year ended December 31, 2022					4,162,261			4,162,261
Other comprehensive income (loss), net of tax for the year ended December 31, 2022					14,890	324,196	1,178	340,264
Total comprehensive income (loss)	—	—	—	—	4,177,151	324,196	1,178	4,502,525
Share-based payment transaction		99,608						99,608
Balance as of December 31, 2022	$3,533,101	$1,006,639	$1,351,070	$1,445,059	$9,280,252	($796,763)	($322,922)	$15,496,436
Balance as of January 1, 2023	$3,533,101	$1,006,639	$1,351,070	$1,445,059	$9,280,252	($796,763)	($322,922)	$15,496,436
Appropriation and distribution of 2022 retained earnings								
Legal reserve			417,715		(417,715)			—
Cash dividends					(1,596,962)			(1,596,962)
Special reserve reversed				(325,374)	325,374			—
Donation from shareholders		251						251
Cash dividends distributed from capital surplus		(317,979)						(317,979)
Net income for the year ended December 31, 2023					5,304,713			5,304,713
Other comprehensive income (loss), net of tax for the year ended December 31, 2023					(4,865)	(329,770)	68	(334,567)
Total comprehensive income (loss)	—	—	—	—	5,299,848	(329,770)	68	4,970,146
Issue of shares	300,000	2,550,000						2,850,000
Difference between consideration and carrying amount of subsidiaries acquired or disposed		10,849				5		10,854
Changes in ownership interests in subsidiaries		253,379						253,379
Share-based payment transaction		363,552						363,552
Disposal of equity investments at fair value through other comprehensive income					2,132		(2,132)	-
Balance as of December 31, 2023	$3,833,101	$3,866,691	$1,768,785	$1,119,685	$12,892,929	($1,126,528)	($324,986)	$22,029,677

English translation of Parent Company Only Financial Statements originally issued in Chinese

ASIA VITAL COMPONENTS CO., LTD

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Items	2023	2022
Cash flows from operating activities:		
Net income before tax	$6,614,677 #	$4,841,772
Adjustments to reconcile net income before tax to net cash provided by operating activities:	#	
Income and expanse adjustments :		
Depreciation	80,618	110,650
Amortization	33,561	22,729
Amortization of royalty	876	876
Expected credit losses	35,916	17,227
Interest expense	133,370	132,212
Interest income	(295,363)	(33,322)
Dividend income	(2,070)	–
Compensation costs of share-based payment transaction	242,076	59,836
Share of profit of subsidiaries and associates	(1,601,634)	(1,235,490)
(Gain) on disposal of property, plant and equipment	(16,023)	(14,937)
Unrealized gross profit	1,124	3,933
Realized (profit)	(3,933)	(29)
Others	(45,478)	(78,060)
Changes in operating assets and liabilities:		
Notes receivable	1,455	(966)
Accounts receivable	(828,857)	1,357,566
Accounts receivable-related parties	40,251	(31,774)
Other receivables	12,510	(61,775)
Other receivables-related parties	34,145	528,642
Inventories	(321,982)	(4,207,079)
Prepayments	5,421	40,808
Other current assets	(21,462)	2,685
Other operation assets	(353,463)	(827,426)
Notes payable	(13,647)	(1,150)
Accounts payable	124,280	(196,955)
Accounts payable-related parties	2,635,288	(132,116)
Other payables	982,987	618,390
Other payables-related parties	(49,089)	27,518
Other current liabilities	(1,948,183)	2,679,895
Net defined benefit liabilities	(1,979)	(1,557)
Cash generated from operations	5,475,392	3,622,103
Interest received	272,477	32,561
Interest paid	(140,954)	(125,410)
Income tax paid	(858,190)	(500,984)
Net cash provided by operating activities	4,748,725	3,028,270
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(30,000)	(14,810)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,390	–
Acquisition of investments accounted for using the equity method	(50,000)	(989,800)
Proceeds from disposal of investments accounted for using the equity method	13,958	–
Acquisition of property, plant and equipment	(51,032)	(71,672)
Proceeds from disposal of property, plant and equipment	89,716	46,658
Decrease (Increase) in refundable deposits	8,769	(2,238)
Acquisition of intangible assets	(43,759)	(8,227)
Decrease in noncurrent assets-others	4,640	23,617
Dividends received	72,857	97,416
Net cash provided by (used) in investing activities	18,539	(919,056)
Cash flows from financing activities:		
Increase in short-term loans	6,134,940	15,611,165
(Decrease) in short-term loans	(7,138,735)	(14,321,165)
(Decrease) Increase in short-term notes and bills payable	–	(250,000)
Proceeds from long-term loans	3,270,000	6,390,000
Repayments of long-term loans	(5,096,584)	(4,727,028)
Increase in guarantee deposits	560	–
Repayment of lease liabilities	(28,839)	(10,167)
Cash dividends	(1,914,941)	(1,519,234)
Proceeds from issuing shares	2,850,000	–
Net cash (used) in provided by financing activities	(1,923,599)	1,173,571
Net increase in cash and cash equivalents	2,843,665	3,282,785
Cash and cash equivalents at beginning of year	8,049,726	4,766,941
Cash and cash equivalents at end of year	$10,893,391	$8,049,726

Appendix 4

ASIA VITAL COMPONENTS CO., LTD.

Earnings Distribution Proposal of 2023

Unit: NT dollars

Items	Subtotal	Total
Undistributed profits in the early period of 2023		7,590,948,131
Addition: Net income of 2023	5,304,712,758	
Disposal of equity investments at fair value through other comprehensive income	2,131,800	
Other comprehensive income (note 1)	-4,864,089	5,301,980,469
Subtotal		12,892,928,600
Items to be listed:		
Subtraction: to list the Legal Reserve (10%) (note 2)	-530,198,047	
Subtraction: to allocate special Legal Reserve (note 3)	-331,829,607	-862,027,654
Subtotal of earnings to be distributed this year		12,030,900,946
Distribution items:		
Dividends of shareholders—Cash (Distribution of NT$5 per share)		-1,916,550,785
Undistributed profits in the ending period		10,114,350,161

Note.1: This is the difference in pension arising from the Actuaries Report. Recalculated sum of the welfare plan is included in the accounting record.

Note.2: Calculation of the allocated Legal Reserve and the Ratio is as follows: 5,301,980,469×10%=530,198,047

Note.3: According to the regulations of the Financial Supervisory Commission (Taiwan), when distributing distributable surplus, the net deduction of other shareholders 'equity should be accounted for in the current year. The special surplus reserve of the same amount from the current profit and loss and the previous undistributed surplus shall be the previous accumulation for the amount of other shareholders 'equity deductions, the same amount of special surplus reserve shall not be distributed from the previous undistributed surplus; however, if the company has made a special surplus reserve in accordance with the provisions of the preceding paragraph, The difference of net deductions of the amount and other equity shall be included in the special surplus reserve.

Note.4: The sum of distributed profits in the period is NT$1,916,550,785 dollars (distribution of earnings in 2023 shall be completed first)

Note.5: The total amount of additional paid-in capital distribution for this period is NT$766,620,314.

Chairperson: Shen, Ching Hang.

General Manager: Shen, Ching Hang

Accounting Officer: Lin, Shu Hua

Appendix 5

ASIA VITAL COMPONENTS CO., LTD.
Before and After Amendments to the Articles of Incorporation

The current provision	The Amendment Article	Remarks
Article 4: Public announcement of the Corporation shall be made in accordance with provisions in Article 28 of the Company Act.	Article 4: Public announcement of the Corporation shall be made in accordance with provisions as prescribed by the Company Law of the Republic of China and other relevant laws and regulations.	make appropriate changes to the text
Article 8: Transfer of stocks or change of account title shall be suspended sixty days before the Shareholders' regular meeting, thirty days before the interim shareholders meeting, or five days before the date on which the Company decides to distribute dividends and bonuses or other payment baseline date.	Article 8: Transfer of stocks or change of account title is prohibited sixty days before the Shareholders' regular meeting, thirty days before the interim shareholders meeting, or five days before the date on which the Company decides to distribute dividends and bonuses or other payment baseline date.	make appropriate changes to the text
Article 9: Shareholders' meetings of the Corporation are of two types, including regular meetings and interim meetings. Regular meetings shall be convened by the Board of Directors within six months after the close of each fiscal year. Interim meetings shall be convened in accordance with the relevant laws, rules, and regulations when necessary. The Company's shareholders' meetings may be held by video conference or by using other means announced by the Ministry of Economy.	Article 9: Shareholders' meetings of the Corporation are of two types, including regular meetings and interim meetings. Regular meetings shall be convened by the Board of Directors within six months after the close of each fiscal year. Interim meetings shall be convened in accordance with the relevant laws, rules, and regulations when necessary. The Company's shareholders' meetings may be held by video conference or by using other means announced by the central government agency.	make appropriate changes to the text
Article 15: If the Company only has one corporate shareholder, the powers of the Shareholders' meeting should be performed by the corporate's Board of Directors; the rules in the Articles of Incorporation are not applicable.	Article 15:(This article is deleted.)	This article is deleted
Article 16: The resolutions of the Shareholders' Meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairperson of the meeting and delivered to all shareholders within twenty days after the meeting.	Article 16: The resolutions of the Shareholders' Meeting shall be recorded in the minutes, and such minutes shall be signed by or sealed with the stamp of the chairperson of the meeting and delivered to all shareholders within twenty days after the meeting.	make appropriate changes to the text

The current provision	The Amendment Article	Remarks
The aforementioned minutes should be distributed in accordance with Article 183 of the Company Act. The minutes shall record a summary of the essential points of the proceedings, including the year, month, dates, venues, name of chairperson, the method of adopting resolutions, as well as the discussion and results of the meeting. The minutes should be kept permanently as long as the Company is in operation.	The aforementioned minutes should be distributed in accordance with Article 183 of the Company Act. The minutes shall record a summary of the essential points of the proceedings, including the year, month, dates, venues, name of chairperson, the method of adopting resolutions, as well as the discussion and results of the meeting. The minutes should be kept permanently as long as the Company is in operation.	
Article 21: The Chairperson can assemble the Board of Directors' Meeting. A director can offer a Letter of Authorization which specifies the entrusted matters with stamps and signatures and designative another director as a representative on the meeting, and one attendee is only allowed to represent one absentee<u>; a director who lives abroad can designate a regular representative</u>. Directors who participate in the Board of Directors' Meeting by Web Cam is considered present for the meeting. Notice for assembling a Board of Directors' meeting shall be delivered to each director by email or fax seven days ahead. In the cases of emergencies, a Board of Directors' Meeting should be assembled any time, and the notice can be delivered by letters, emails, or fax.	Article 21: The Chairperson can assemble the Board of Directors' Meeting. A director can offer a Letter of Authorization which specifies the entrusted matters with stamps and signatures and designative another director as a representative on the meeting, and one attendee is only allowed to represent one absentee. Directors who participate in the Board of Directors' Meeting by Web Cam is considered present for the meeting. Notice for assembling a Board of Directors' meeting shall be delivered to each director by email or fax seven days ahead. In the cases of emergencies, a Board of Directors' Meeting should be assembled any time, and the notice can be delivered by letters, emails, or fax.	Delete the provision that allows directors to delegate their duties to other representative in writing.
Article 27: The Company should allocate at least 3 percent of its annual profit as remuneration of the employees and no more than 2 percent of it as remuneration of directors. However, when the Company has accumulated losses, the sum for compensation should be retained. Distribution of stock remunerations can be issued to	Article 27: The Company should allocate at least 3 percent of its annual profit as remuneration of the employees and no more than 2 percent of it as remuneration of directors. However, when the Company has accumulated losses, the sum for compensation should be retained. Distribution of stock <u>or cash</u> remunerations can be issued to	Clearly specify the method and recipients of employee compensation distribution

The current provision	The Amendment Article	Remarks
employees of the controlled or affiliated companies meeting certain criteria.	employees of the controlled or affiliated companies meeting certain criteria.	
Article 32: These Articles of Incorporation were enacted on December 2nd, 1991 and amended on March 31st,…on June 13th 2019 for the 30th amendment, on June 17th 2022 for the 31st time.	Article 32: These Articles of Incorporation were enacted on December 2nd, 1991 and amended on March 31st,…on June 13th 2019 for the 30th amendment, on June 17th 2022 for the 31st time, <u>on June 14th 2024 for the 32nd time.</u>	Add a revision date