


Axiomtek Co., Ltd.
2024 Annual Shareholders' Meeting
Meeting Minutes
(Translation)

Meeting Time: 09:00 AM, May 24th (Friday), 2024

Meeting Venue: 8F., No.55, Nanxing Rd., Xizhi Dist., New Taipei City, Taiwan

Meeting Method: Physical Shareholders Meeting

Total outstanding shares of Axiomtek Co., Ltd.: 102,020,460 shares

Total shares represented by the shareholders present in person or by proxy (including votes casted electronically: 47,889,560): 52,984,822 shares

The number of non-voting rights: 0 shares

Percentage of outstanding share held by shareholders present in person or by proxy: 51.93%

Directors Present: Yang, Yu-Te (the Chairman of the Board of Directors),

Tsai Shih-Yang (Director), Huang, Jui-Nan (Director)

Chang, Jen-Chih (Independent Director/Convener of Audit Committee)

Lin, Yih-Jong (Independent Director)

There were 5 Directors present, more than half of the 7 Directors.

Attendee: Mr. Lin, Po-Chuan /CPA, PricewaterhouseCoopers

Chairman: Yang, Yu-Te, the Chairman of the Board of Directors

Recorder: Hsu, Chin-Chuan



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

II. Chairman's Address (omitted)

III. Reports Items

1. 2023 Business Report (Please refer to ATTACHMENT I)
2. 2023 Consent Report of Audit Committee (Please refer to ATTACHMENT II)
3. Report of communication between the members of Audit Committee and the head of internal auditor. (Please refer to ATTACHMENT III)
4. 2023 Report of Remuneration Distribution to Employees and Directors

Explanation:

- (1) According to Article 27 of the Articles of Incorporation of the Company: This Company shall set aside 1%-20% as employees' remuneration and the percentage lower than 2% as directors' remuneration if the Company has profit (means the pre-tax income before deduction of the employees' and directors' remuneration) in the current year.
- (2) The Board of Directors of the Company had approved to allocate TWD 60,000,000 as the remuneration to employees and TWD 9,286,000 as the remuneration to the directors for the year 2023, where all remuneration shall be paid in cash. (hereinafter

all monetary unit is TWD)

- (3) The above-mentioned remuneration to employees and to directors had been expensed for the year 2023, the amount of the expenditures is consistent with that of the remuneration allocation agreed by the Board of Directors.
- (4) The proposal has been approved by the Remuneration Committee and passed by the resolution of the Board of Directors.

5. 2023 Report of Profit Distribution of Cash Dividend

Explanation:

- (1) According to the 27-1 of the Article of Incorporation of the Company, the Board of Directors is authorized to distribute dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the Shareholders' Meeting.
- (2) 2023 profit distribution of cash dividend totaling in TWD 438,232,180, or TWD 4.3 per share. The Chairman of the Board of Directors is authorized to determine the record date, payment date and other relevant matters for the distribution of the cash dividend.
- (3) If there is any change in the number of common shares of the Company which consequently leads to a change in the dividend distribution ratio, the Chairman of the Board of Directors is authorized to adjust the dividend distribution ratio based on the actual shares outstanding on the record date for distribution.
- (4) The 2023 net income shall be distributed with higher priority this time.
- (5) Regarding the cash dividend distribution this time, the cash dividend is to be calculated to the integral number with all decimals truncated. And all the truncated decimals from all distorted figures are accumulated to a summation amount which will then be adjusted among shareholders - in the order of decimal of each cash dividend amount from big to small as well as in the order of account number from the top to the bottom - until the total amount of cash dividend actually paid out can match that in the book.

6. 2023 Report of Remuneration Paid to Directors.

Explanation:

- (1) According to the Company's profitability, the investment and contribution of each director to the Company's affairs, the Chairman of the board will propose a remuneration proposal, which will be approved by the Remuneration Committee and passed by the Board of Directors.
- (2) Information on Directors' remuneration, including remuneration policy, content and amount of individual remuneration, etc., please refer to ATTACHMENT IV.

7. The Status of the Second Domestic Unsecured Convertible Corporate Bonds Conversion.

Explanation:

Particulars about the issuance and conversion of the Second Domestic Unsecured Convertible Corporate Bonds are as follows:

- (1) The aggregate amount of issuance: The face value of each convertible corporate bond was set to be TWD 100,000 even sold at the full price where totally 8,000 convertible corporate bonds were issued this time totaling in TWD 800 million even. Issued at 106% of the face value, the actual total issuance amount is TWD 848,003,380.
- (2) Coupon rate: Annual coupon rate was set to be 0%.
- (3) Issuance period: The maturity period was set to be three years from August 28th, 2023 (the issuance date) to August 28th, 2026(the maturity date).
- (4) Conversion status: As of March 26th, 2024, totally 1 of the convertible corporate bonds had been converted to 1,028 ordinary shares of the Company by the bondholders.

IV. Proposal and Acknowledgement

1. 2023 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation:

- (1) 2023 Business Report and Financial Statements (including Parent Company Only and Consolidated Financial Statements) of the Company had been passed by the Audit Committee and the Board of Directors where the Financial Statements had been audited by CPA Lin, Po-Chuan and Wu, Han-Chi of PricewaterhouseCoopers Taiwan. The Audit Committee had also issued a written Consent Report incorporating 2023 Business Report, Financial Statements along with 2023 Profit Distribution.
- (2) For details, please refer to ATTACHMENT I for 2023 Business Report, ATTACHMENT V for 2023 Independent Auditors' Report and Parent Company Only Financial Statements, and ATTACHMENT VI for 2023 Independent Auditors' Report and Consolidated Financial Statements.
- (3) Please kindly acknowledge this proposal.
(No shareholders raised any questions about this proposal.)

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention/Invalid votes
52,984,822 votes	51,774,894 votes	11,460 votes	1,198,468 votes
100.00%	97.71%	0.02%	2.26%

2. 2023 Profit Distribution.

(Proposed by the Board of Directors)

Explanation:

- (1) Please refer to ATTACHMENT VII for 2023 Profit Distribution Table.
- (2) For 2023, the beginning retained earnings of the Company is TWD 1,090,816,543, less remeasurement of defined benefit plans recognized in retained earnings of TWD 1,957,780, and unappropriated retained earnings after adjustment is TWD 1,088,858,763, plus 2023 net income of TWD 727,623,554, and set aside legal reserve of TWD 72,566,577, and reversal of special reserve of TWD 4,279,749, the total unappropriated retained earnings is TWD 1,748,195,489, 2023 profit distribution of cash dividend totaling in TWD 438,232,180. The Company shall, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors.
【TWD 1,748,195,489 =
TWD 1,090,816,543 - 1,957,780 + 727,623,554 - (727,623,554 - 1,957,780) x 10% + 4,279,749】
- (3) The 2023 net income shall be distributed with higher priority this time.
- (4) Please kindly acknowledge this proposal.

Shareholder questions:

Summary of speech by Shareholder No. 60282: It is suggested that earnings distribution of the Company should be in the form of stock dividends instead of cash dividends, and funds should be reserved for investment and expansion. It is expected that Axiomtek's EPS will double in three years.

Chairman Yang Yu-De replied: The Company has already incorporated stock dividends into our earnings distribution policy planning and distributed approximately TWD 1 stock dividend per share last year. However, to avoid excessive dilution of share capital, we will not issue stock dividends every year, aiming to maintain stable EPS growth for the Company. We appreciate the shareholder's suggestion and support.

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention/Invalid votes
52,984,822 votes	52,017,594 votes	194,584 votes	772,644 votes
100.00%	98.17%	0.36%	1.45%

V. Election and Discussion Items

1. Re-election of Directors.

(Proposed by the Board of Directors)

Explanation:

- (1) As the term of the current (the twelfth) directors expires on July 4th, 2024 and the re-election of directors shall be held in the Shareholders' Meeting this year.
- (2) According to Article 18 and Article 18-1 of the Articles of Incorporation of the Company, the Shareholders' Meeting plans to elect 7 directors (including 3 independent directors) with a term of 3 years. The candidate nomination system is adopted for the election of directors and they may be eligible for re-election.
- (3) The term of the 13th new directors shall be from May 24th, 2024 to May 23rd, 2027. The term of the current directors shall continue until the new director is elected and dismissed at the 2024 Shareholders' Meeting. The term of the original directors shall expire upon the completion of this Shareholders' Meeting.
- (4) The list of candidates for directors (including independent directors) and relevant information are as follows. The professional qualifications and independence of the candidates for independent directors have been inspected by the chief corporate governance and in compliance with relevant laws and regulations, and have been approved by the Nomination Committee and the Board of Directors.

Title	Name	Education	Experiences	Current Position	Shares Held
Director	Yang, Yu-Te	Bachelor of Electrical Engineering, Fu Jen University	Founder and General Manager of Axiomtek Co., Ltd. Manager of Advantech Co., Ltd. Automation System Unit	Chairman and Chief Strategy Officer of Axiomtek Co., Ltd.	1,977,156
Director	Advantech Co., Ltd. Representative Liu, Wei-Ting	Master of Business Administration, National Taiwan University Bachelor of Electrical Engineering, University of Illinois	Supervisor of Tran-Fei Development Co., Ltd. Chairman of ACI IOT Investment Fund-I Corporation Director of DotZero Co., Ltd. Supervisor of iLink Co., Ltd.	Investment Representative of Advantech Co., Ltd. Corporate Investment Division. Chairman of ChuanTing Investment Co., Ltd. Chairman of Tran-Fei Development Co., Ltd. Chairman of Shiung-Yang Investment Corporation. Chairman of IoT Vision Investment Corporation Chairman of Advantech Intelligent City Services Co., Ltd. Chairman of Cermate	28,080,142

Title	Name	Education	Experiences	Current Position	Shares Held
				Technologies Inc. Chairman of Huan Yan Water Solution Co., Ltd. Director of Advantech Co., Ltd. Director of DeNeng Scientific Research Co., Ltd. Director of K&M Investment Co., Ltd. Director of CZ Investment Co., Ltd. Director of Smasoft Technology Co., Ltd. Director of ISAP Solution Corporation. Director of Yan Xu Green Electricity Co. LTD. Director of Advantech Corporate Investment Co.,Ltd. Supervisor of Advantech Intelligent Healthcare Co., Ltd. Supervisor of JiaTech International Investment Co., Ltd.	
Director	Tsai, Shih-Yang	Bachelor of Electronic Engineering, MingHsin University Bachelor of Applied Mathematics (Information Dept.), Chinese Culture University	Supervisor of Axiomtek Co., Ltd. Director of Advantech Equipment Corp. Supervisor of Advantech Equipment Corp. Supervisor of Winmate Inc.	Director of Axiomtek Co., Ltd. Chairman of Smart Management Consulting Co., Ltd. Chairman of Fudi Investment Co., Ltd. Chairman of Junzhuang Comprehensive Development Co., Ltd. Director of JAYA Networks Corp. Director of Legendaire Technology Co., Ltd. Independent Director of Jeilin Technology CO., Ltd. Chief Consultant of Global Talentrepreneur Innovation &	1,547,855

Title	Name	Education	Experiences	Current Position	Shares Held
				Collaboration Association.	
Director	Huang, Jui-Nan	Master of Management Sciences, Tamkang University Bachelor of Computer Science & Information Engineering, National Taiwan University	VP, Advantech Industry Automation Group Chairman of Cermate Technologies Inc. Independent Director of Avermedia Technologies Inc. Director of Zotech Co., Ltd.	Director and President of Axiomtek Co., Ltd.	319,865
Independent Director	Chang, Jen-Chih	Master of Accounting, National Chengchi University Bachelor of Accounting, National Chung Hsing University	Department Head, Department of Accounting & Statistics, Chungyu College of Business Management Department Head, National Taipei College of Business	Independent Director of Axiomtek Co., Ltd. Certified Public Accountant of Hot Tai Accounting Firm. Chairman of Renchuang Investment Co., Ltd. Director of Liang Guan Investment Co., Ltd.	0
Independent Director	Yu, Chwo-Ming	PhD in Business Administration, University of Michigan	Independent Director of Yuanta Securities Co., Ltd. Independent Director of Yuanta Futures Co., Ltd. Independent Director of Yuanta Bank Co., Ltd. Independent director of Advantech Co., Ltd. Member of Remuneration Committee, Advantech Co., Ltd. Professor, Department of Business Administration, National Chengchi University.	Independent Director of Axiomtek Co., Ltd. Professor, Department of Industrial and Business Management, Chang Gung University. Independent Director of Integrated Service Technology Inc. Independent Director of WPG Holdings Limited.	18,595
Independent Director	Lin, Hsiu-Ting	Bachelor of Accounting, National Chengchi University	CFO of VHQ Media Holdings Ltd Vice President of Investment, Vincera Capital Co., Ltd. Assistant Vice President, Industrial Bank of Taiwan	CFO of SiliconCore Taiwan Co., Ltd. Independent Director of Thai Kin Co., Ltd.	0

Title	Name	Education	Experiences	Current Position	Shares Held
			Assistant Manager of Capital Securities Corporation Deloitte & Touche		

(5) Please Vote.

(No shareholders raised any questions about this proposal.)

Election Results:

A. The elected Directors and the number of elected rights obtained are as follows:

Title	Shareholders' No. /ID No.	Name	Rights Obtained
Director	2	Yang, Yu-Te	61,708,810
Director	507	Advantech Co., Ltd. Representative Liu, Wei-Ting	55,680,261
Director	611	Tsai, Shih-Yang	53,366,608
Director	45908	Huang, Jui-Nan	46,566,385
Independent Director	L1021*****	Chang, Jen-Chih	44,243,658
Independent Director	733	Yu, Chwo-Ming	43,952,174
Independent Director	G2206*****	Lin, Hsiu-Ting	43,403,726

B. The failed Directors and the number of election rights obtained: None.

2. Release of the Prohibition on Directors from Participation in Competitive Business.
(Proposed by the Board of Directors)

Explanation:

- (1) In order to comply with Article 209 of the Company Act: "A director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- (2) In order to take advantage of the specialty and relevant experience of the directors of the Company, hereby it is proposed – according to the provision mentioned above - to add a new clause which is to release the prohibition on directors from participation in competitive business in 2024.

- (3) The newly elected directors (including independent directors) have been approved by the Audit Committee and the Board of Directors to release of the prohibition from participation in competitive business as follows:

Title	Name	Concurrent Positions in Other Companies
Chairman	Yang, Yu-Te	Chairman of Axiom Technology, Inc. U.S.A. Chairman of Axiomtek Deutschland GmbH Chairman of Axiom Technology (BVI) Co., Ltd. Chairman of Axiomtek Japan Co., Ltd. Chairman of Axiomtek UK Limited Director of Uni-innovate Technology Co., Ltd.
Director	Advantech Co., Ltd. Representative Liu, Wei-Ting	Investment Representative of Advantech Co., Ltd. Corporate Investment Division. Chairman of ChuanTing Investment Co., Ltd. Chairman of Tran-Fei Development Co., Ltd. Chairman of Shiung-Yang Investment Corporation. Chairman of IoT Vision Investment Corporation Chairman of Advantech Intelligent City Services Co., Ltd. Chairman of Cermate Technologies Inc. Chairman of Huan Yan Water Solution Co., Ltd. Director of Advantech Co., Ltd. Director of DeNeng Scientific Research Co., Ltd. Director of K&M Investment Co., Ltd. Director of CZ Investment Co., Ltd. Director of Smasoft Technology Co., Ltd. Director of ISAP Solution Corporation. Director of Yan Xu Green Electricity Co. LTD. Director of Advantech Corporate Investment Co.,Ltd. Supervisor of Advantech Intelligent Healthcare Co., Ltd. Supervisor of JiaTech International Investment Co., Ltd.
Director	Tsai, Shih-Yang	Chairman of Smart Management Consulting Co., Ltd. Chairman of Fudi Investment Co., Ltd. Chairman of Junzhuang Comprehensive Development Co., Ltd. Director of JAYA Networks Corp. Director of Legendaire Technology Co., Ltd. Independent Director of Jeilin Technology CO., Ltd. Chief Consultant of Global Talentpreneur Innovation & Collaboration Association.
Director	Huang, Jui-Nan	Director of Parktron Technology Co., Ltd.
Independent director	Chang, Jen-Chih	Certified Public Accountant of Hot Tai Accounting Firm. Chairman of Renchuang Investment Co., Ltd. Director of Liang Guan Investment Co., Ltd.
Independent Director	Yu, Chwo-Ming	Professor, Department of Industrial and Business Management, Chang Gung University. Independent Director of Integrated Service Technology Inc. Independent Director of WPG Holdings Limited.
Independent Director	Lin, Hsiu-Ting	CFO of SiliconCore Taiwan Co., Ltd. Independent Director of Thai Kin Co., Ltd.

- (4) Please kindly discuss this proposal.

(No shareholders raised any questions about this proposal.)

Resolution: Proposal was approved after voting.

Voting Results:

Shares represented at the time of voting	Approval votes	Disapproval votes	Abstention/Invalid votes
52,984,822 votes	51,138,983 votes	117,991 votes	1,727,848 votes
100.00%	96.51%	0.22%	3.26%

VI. Extemporaneous Motions: None.

VII. Adjournment: There was no other business and extemporaneous motion, the Chairman announced the meeting adjourned at 09:32 AM, May 24th (Friday), 2024.

(The minutes of the Annual Shareholders' Meeting only set out the main point of the meeting, and the detailed content is still subject to the audio-visual records of the meeting)

PART TWO – ATTACHMENTS

(ATTACHMENT I)

AXIOMTEK CO., LTD.

2023 Business Report

Axiomtek Co., Ltd. (hereinafter referred to as "the Company") has the annual operating revenue of TWD 4.609 billion in 2023, an reduce of 9.31% from TWD 5.082 billion in 2022.

The overall global environment is still facing regional political and economic instability. The Company has demonstrated growth in profits for three consecutive years. In the future, the market is expected to gradually explore more business opportunities with AI (artificial intelligence), edge computing, Internet of Things, industrial cybersecurity, and 5G innovative application technologies. The company will be based on the core technology of the Industrial Internet of Things, embedded technology, software and hardware integration, and ecosystem partners, making good use of existing hardware professional manufacturing and flexible design advantages to create valuable services and provide customers with domain-focused solutions. The company will continue to pursue sustainable operations as its goal, fulfill its corporate social responsibilities, attach importance to ESG, and become the best partner trusted by customers with value service as the core.

The Company's operating results in 2023 and business plan for 2024 are illustrated as follows:

I. Operating Results in 2023:

(I) Outcome of business plan implementation:

The Company's operating revenue was TWD 4.609 billion, the net income of TWD 728 million, a total comprehensive income of TWD 732 million and after-tax earnings per share was TWD 7.19 in 2023.

(II) Budget implementation:

The Company has not disclosed the financial forecast for 2023, so there is no budget achievement.

(III) Financial income, expenditures and profitability:

Item		2023	2022
Financial Structure (%)	Debt to assets ratio	33.61	36.37
	Long-term capital to property, plant and equipment ratio	244.42	230.29
Solvency (%)	Current ratio	236.64	142.93
	Quick ratio	135.60	79.87
	Interest earned ratio (times)	7,784.77	13,385.70
Profitability	Return on assets (%)	12.37	11.62
	Return on equity (%)	18.76	18.17
	Income before tax to paid-in capital (%)	90.12	82.28
	Profit ratio (%)	15.79	11.86
	Earnings per share (TWD)	7.19	6.06

(IV) Research and development status:

In response to sustainable management and market development trends, the following medium and long-term development directions are planned:

1. Focus on the industrial application in vertical markets such as factory automation, rail transit, green energy, and smart grid; provide edge computing platforms, machine vision solutions, touch panel computer, and combine core technologies such as video, audio, and smart platforms to provide comprehensive AIoT solution.
2. The edge computing system is developing toward intelligent, compact, and modular products. Strengthen the integrated application of the embedded operating system and provide a security upgrade solution for the Internet of Things.
3. Develop specific domain-focused platforms for smart retail, medical, gaming, entertainment markets, and integrate software expertise to provide customers with a complete and reliable solution.
4. Migrate the system level to an application market solution, combine DigiHub to provide software and hardware integration services; deepen the added value, and provide exclusive, customized, and flexible services for partners.

II. Summary Business Plan for 2024:

(I) Business policy

1. Focus on the integration of artificial intelligence and the Internet of Things, smart manufacturing-related technologies and edge computing platforms, and continue to invest in domain industries such as factory automation, smart energy, transportation, medical, gaming, and smart retail.

2. Provide a complete product line and professional customization services for targeted vertical markets.
3. Collaborate with strategic partners to create alliances, integrate software and hardware to enhance value-added products, and pursue long-term development and sustainable operation of the enterprise.
4. Global localization business policy, actively deploying overseas Design Engineering Service to provide localized professional services; adding overseas service bases, global marketing channels to deepen customer relationships, and establishing global distribution partners.
5. Form follows function can organize corresponding development, pursue the vision of sustainable development of the enterprise and long-term talent cultivation.

(II) Production and sales policies:

1. Introduce MES (Manufacturing Execution System) smart factory operations management and progress towards full factory automation.
2. Implement green production supply chain and supplier management, use GPMS (Green Product Management System) and SCM (Supply Chain Management) management mechanisms to confirm that products are non-toxic and harmless, and regularly audit the quality of suppliers.
3. Through the PLM (Product Lifecycle Management), global information management and communication systems, obtain data on materials, semi-finished products, inventories and future market demands, reducing inventory management costs and losses due to price reduction on the slow-moving stock.

III. The Company's Development Strategy:

(I) Sales strategy:

1. Give full play to the key influence of digital transformation, accumulate innovative design service capabilities, software and hardware integration technology, deepen the added value of the industry, and provide customers with exclusive technology services.
2. Focusing on research and development, design, professional manufacturing, and global sales, marketing worldwide with its own brand; actively deploying global localization strategies, establishing sales bases and technical bases, expanding marketing channels, and realizing localized services.
3. Formulate strategies and tactics for the sales strategies of major global customers including key accounts, domain-focused system integrators, and channel partners, expand sales scale and assist customers to develop a new market.
4. Strengthen the added value of software and hardware integration, duplicate

success cases, shorten customer development time and development costs, and create a win-win model.

5. Utilize the Salesforce cloud application and platform, use IT and BI (Business Intelligence) to effectively manage customer relationships and manage project progress, and integrate digital marketing models to improve customer experience.

(II) Product technology:

1. Edge computing platform: towards miniature and modular design, adopts industrial aesthetic design, and emphasizes user experience. Designed for automation, smart energy, machine vision, AMR, artificial intelligence and IoT application markets. Obtain product specialty certifications for specific vertical applications.
2. IT/OT cybersecurity platform: lock the industrial network security application market, develop edge computing computer platform, remote monitoring technology IPMI (Intelligent Platform Management Interface) and high-speed Ethernet module, and develop SDN (Software-Defined Networking) network security architecture.
3. Digital signage players and self-service kiosks: provide affordable and high-performance models, integrating touch screens, barcode readers, payment devices, and other multifunctional all-in-one machines; through multiple screen output interfaces and customized software and firmware program to achieve multi-screen splicing and self-management of the system.
4. Computers for medical equipment: by providing customized services, we aim to meet the needs of customers for efficient and small computer hosts, thereby accelerating the running speed and efficiency of testing instruments. Advanced systems can be equipped with AI chip cards to enhance the computing power of medical application software, accelerate and shorten the development process. Integrate with customer IT architecture to create a smart healthcare environment.
5. Gaming industry-specific computer platform: develop Botton Deck platform, Video Mixer technology and game machine PTS (Player Tracking System) system platform, background management system, image processing, and Jackpot server, etc., and deepen its vertical industry expertise and integration capabilities.

IV. The Effect of the External Competitive, the Legal Environment and the Overall Business Environment:

Edge computing with Artificial Intelligence of Things, AR/VR, 5G, and other technologies for domain vertical industries are made to support customers' success. The Company will continue to promote digital transformation and business growth, accumulate innovative

design service capabilities, and formulate Company organizational development, taking sustainable management as its mission. The company will attach importance to corporate social responsibility and create talents with an international business perspective. Long-term development strategies will be planned, and regionalized services and supply chains will be implemented to meet the local needs of customers.

Looking forward to the future, the Company will continue to cultivate its own industrial Internet of Things technology capabilities, focusing on the vertical application market. More software and hardware integration capabilities will be invested in, leading performance growth with innovative value-added technology services. Cooperation with key customers, system integrators, distributors, and other partners will be emphasized to create an alliance ecosystem. The Company attaches great importance to corporate governance and ESG responsibilities, formulating vision and goals to help strategic partners continue to grow and seize business opportunities.

Yang, Yu-Te, Chairman

Huang, Jui-Nan, President

Hsu, Chin-Chuan,
Principal Accounting Officer

AXIOMTEK CO., LTD.

(ATTACHMENT II)

2023 Consent Report of Audit Committee

To 2024 Annual Meeting of Shareholders of
AXIOMTEK CO., LTD.

Date: February 22nd, 2024

Consented by the Audit Committee, the 2023 Business Report, Financial Statements and profit distribution proposals have also been resolved by the Board of Directors of the Company where the financial statements have been completely audited and subsequently the Unqualified Opinion Independent Auditors' Report has been issued by the CPA Lin, Po-Chuan and Wu, Han-Chi of PricewaterhouseCoopers Taiwan which has been entrusted by the Board of Directors.

In compliance with the provisions of relevant laws and regulations, the abovementioned 2023 Business Report, Financial Statements and Profit Distribution proposals are being reported and presented herewith for review in order to comply with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Sincerely yours,

Chang, Jen-Chih
Convener of Audit Committee
AXIOMTEK CO., LTD.

(ATTACHMENT III)

Communication Status between the Members of Audit Committee and the Head of Internal Auditor.

Participant	Date	Attendees	Significant Matters of Communication	Outcome of the Communication
Head of Internal Auditor	Feb 23, 2023 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Internal Auditor: Alex Mou PwC Taiwan: CPA Feng, Ming-Chuan, CPA Lin, Po-Chuan, Manager Raby Cheng	1. 2022 Q4 audit report 2. The status of the execution of the internal control system and the results of the self-audits. Discuss the effectiveness of the 2022 internal control system and the internal control system statement. 3. Explanation and discussion on the revision of the "Internal Control System" and " Internal Audit Implementation Rules " of the company.	The defect part has been improved immediately. Report to the Board of Directors after resolution passed.
	Apr 27, 2023 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Internal Auditor: Alex Mou	1. 2023 Q1 audit report	The defect part has been improved immediately. Report to the Board of Directors after resolution passed.
	Jul 27, 2023 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Internal Auditor: Alex Mou PwC Taiwan: CPA Lin, Po-Chuan, Manager Raby Cheng	1. 2023 Q2 audit report	The defect part has been improved immediately. Report to the Board of Directors after resolution passed.
	Oct 26, 2023 Audit Committee	Independent Directors: Chang, Jen-Chih, Lin, Yih-Jong, Yu, Chwo-Ming Internal Auditor: Alex Mou PwC Taiwan: Manager Raby Cheng, May Yang	1. 2023 Q3 audit report 2. 2024 annual audit plan	The defect part has been improved immediately. Report to the Board of Directors after resolution passed.
	Jan 21, 2023 Feb 23, 2023 Mar 29, 2023 May 12, 2023 Jun 8, 2023 July 5, 2023 Aug 9, 2023 Sep 4, 2023 Oct 5, 2023 Oct 31, 2023 Dec 4, 2023 Jan 2, 2024 Internal audit reports	Before the end of each month, the confirmed audit report of the previous month will be sent to the mailboxes of the Independent Directors	Jan 2023 Monthly audit and tracking report. Feb 2023 Monthly audit and tracking report. Mar 2023 Monthly audit and tracking report. Apr 2023 Monthly audit and tracking report. May 2023 Monthly audit and tracking report. Jun 2023 Monthly audit and tracking report. Jul 2023 Monthly audit and tracking report. Aug 2023 Monthly audit and tracking report. Sep 2023 Monthly audit	According to the 2022 annual audit plan passed on Oct 28, 2021, various circular audits will be carried out monthly, and the audit results and follow-up reports will be sent to each Independent Directors before the end of each month and obtained all Independent Director's Receipt letter.

Participant	Date	Attendees	Significant Matters of Communication	Outcome of the Communication
			and tracking report. Oct 2023 Monthly audit and tracking report. Nov 2023 Monthly audit and tracking report. Dec 2023 Monthly audit and tracking report.	

(ATTACHMENT IV)**2023 Remuneration Paid to Directors**

Unit: Thousand shares/TWD Thousand

Job Title	Name	Remuneration to Directors								Sum of A+B+C+D and Ratio to Net Income (%)		Remuneration Received by Directors for Concurrent Service as an Employee								Sum of A+B+C+D+E+F+G and Ratio to Net Income (%) (Note 10)		Remuneration Received from Investee Enterprises other than Subsidiaries or from the Parent Company (Note 11)
		Base Compensation (A) (Note 2)		Retirement Pay and Pension (B)		Directors Profit-Sharing Compensation (C) (Note 3)		Expenses and Perquisites (D) (Note 4)				Salary, Rewards, and Special Disbursements (E) (Note 5)		Retirement Pay and Pension (F)		Employee Profit-Sharing Compensation (G) (Note 6)						
		The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company	All Consolidated Entities (Note 7)	The Company		All Consolidated Entities (Note 7)		The Company	All Consolidated Entities (Note 7)	
																Amount in Cash	Amount in Stock	Amount in Cash	Amount in Stock			
Chairman	Yang, Yu-Te	0	0	0	0	2,034	2,034	30	30	2,064 0.28%	2,064 0.28%	14,200	14,200	0	0	0	0	0	0	16,264 2.24%	16,264 2.24%	None
Director	Advantech Co., Ltd.	0	0	0	0	1,077	1,077	0	0	1,077 0.15%	1,077 0.15%	0	0	0	0	0	0	0	0	1,077 0.15%	1,077 0.15%	None
	Representative: Liu, Wei-Ting	0	0	0	0	0	0	30	30	30 0.00%	30 0.00%	0	0	0	0	0	0	0	0	30 0.00%	30 0.00%	None
Director	Tsai, Shih-Yang	0	0	0	0	1,077	1,077	30	30	1,107 0.15%	1,107 0.15%	0	0	0	0	0	0	0	0	1,107 0.15%	1,107 0.15%	None
Director	Huang, Jui-Nan	0	0	0	0	1,077	1,077	30	30	1,107 0.15%	1,107 0.15%	16,726	16,726	108	108	0	0	0	0	17,941 2.47%	17,941 2.47%	None
Independent Director	Lin, Yih-Jong	0	0	0	0	1,257	1,257	30	30	1,287 0.18%	1,287 0.18%	0	0	0	0	0	0	0	0	1,287 0.18%	1,287 0.18%	None
Independent Director	Chang, Jen-Chih	0	0	0	0	1,197	1,197	30	30	1,227 0.17%	1,227 0.17%	0	0	0	0	0	0	0	0	1,227 0.17%	1,227 0.17%	None
Independent Director	Yu, Chwo-Ming	0	0	0	0	1,567	1,567	30	30	1,597 0.22%	1,597 0.22%	0	0	0	0	0	0	0	0	1,597 0.22%	1,597 0.22%	None

1. The policies, systems, standards, and structure of Independent Directors' remuneration, and describe the correlation with the amount of remuneration according to the responsibilities, risks, and investment time:
The Company mainly distributes the remuneration of Directors in accordance with the "Operating Procedures for Performance Evaluation of Board of Directors" and "Directors' Remuneration Distribution Method". According to the Articles of Incorporation, if the Company is profitable in the current year (means the Pre-tax Income before deduction of the employees' and Directors' compensation) in the current year. Directors' payout should be no more than 2%. The remuneration of Directors in the preceding paragraphs only can receive the profit in the form of cash. The proportion and amount of Directors' remuneration allocation each year are proposed by the Remuneration Committee based on the Company's operating performance, business risks, development trends and reference to industry standards, and by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of Directors. The distribution of remuneration for Directors and Independent Directors is first based on the Directors' attendance at the Shareholders' Meeting, the degree of participation in the Company's operations, and the evaluation of the value of their contribution. The distribution of reasonable remuneration is given priority, and the weighted calculation is based on the content of positions and functional committee members. In general, Directors' remuneration is evaluated according to the performance of the responsibilities, risks, and time invested, and the rationality of the remuneration has been evaluated by the Nomination Committee, reviewed by the Remuneration Committee, and passed by the Board of Directors. Relevant laws and regulations review the remuneration system in a timely manner to implement corporate governance and expect to make the distribution of remuneration for Directors transparent, rational and institutionalized.
2. Except as disclosed in the above table, the remuneration received by the Directors of the Company for providing services to all the companies in the financial report in the most recent year (such as serving as a non-employee consultant for the parent company, all companies and investment enterprises in the consolidated financial statements): TWD\$0
3. Retirement pay and pension is the contribution of labor pension funds paid on a monthly basis according to the law.

Note 1: The names of Directors shall be listed separately (the institutional shareholder and its representative should be illustrated separately), and Directors and Independent Directors shall be listed separately, and the various payment amounts shall be disclosed in a collective manner.

Note 2: Refers to remuneration in the past year for the Directors (including Director's salaries, additional fees, severance pay, various bonuses, incentive payouts, etc.)

Note 3: Director's remuneration for the past year, approved by the Board.

Note 4: Director's operating expenses in the past year (includes transportation, special fees, various allowances, lodging, allotted vehicles, other amenities, etc.) In the case of the provision of housing, cars and other means of transport or exclusive payments, the nature and cost of the assets provided, rental at actual or at a fair market price, fuel and other payments should be disclosed. Where a driver is assigned, including the payment made by the Company that is not already included in the remuneration.

Note 5: Remuneration for Directors who are also employees (includes Presidents, Vice Presidents, other managerial officers, and employees) including salaries, job add-on, severance pay, various bonuses, incentive payouts, transportation expenses, special skills fees, various allowances, lodging, allotted vehicles and other amenities. In the case of the provision of housing, cars and other means of transport or exclusive payments, the nature and cost of the assets provided, rental at actual or at a fair market price, fuel and other payments should be disclosed. Where a driver is assigned, including the payment made by the Company that is not already included in the remuneration. Per IFRS 2 the salary expenses recognized in the "Share-based payment", including the acquisition of employee stock option certificates, restricted shares, and participation in cash increase subscription shares, shall also be included in the remuneration.

Note 6: Past year's remuneration (including stock and cash) approved by the Board of Directors to Directors also serving as employees (includes the President, Vice Presidents, other managerial officers, and employees). If an estimate is not available, compute using the previous year's actual payouts and complete Table 1-3.

Note 7: All categories of remuneration paid to the Directors by the companies (including this Company) listed in the consolidated report, must be disclosed.

Note 8: Total remuneration paid to each Director must be disclosed in the appropriate range against the Name of Director.

Note 9: All categories of remuneration paid to the Directors by the companies (including this Company) listed in the consolidated report, must be disclosed in the appropriate range against the Name of Director.

Note 10: Net profit after tax refers to the past year's net profit after tax. Per international financial reporting standards, net profit after tax refers to the net profit after tax of the parent company or individual companies in the past year.

Note 11: a. State clearly the remuneration amount paid to the Director by reinvested businesses other than subsidiary or parent company (Fill in "None" if not in the case).

b. If the Director has received remuneration from reinvested businesses other than subsidiary or parent company, please specify the amount received in the relevant ranges tabled and denote these as "Parent company and all reinvested businesses".

c. Remuneration here refers to any fees, compensation (including the remuneration for employees, Directors, and supervisors) and reimbursement for expenses incurred while executing their duties in the appointments held by Directors, supervisors or Presidents in reinvested businesses other than subsidiary or parent company.

* The remuneration disclosed in the table differs from the concept of income defined according to Income Tax Law, therefore, the table is for the purpose of information disclosure instead of tax levy.

(ATTACHMENT V)

2023 Independent Auditors' Report

(Parent Company Only Financial Statements)

To the Board of Directors and Shareholders of
AXIOMTEK CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of AXIOMTEK CO., LTD. (hereinafter referred to as "Axiomtek" or "the Company") as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in order to comply with the Regulations Governing the Preparations 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 generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Individual Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in order to comply with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Existence and Occurrence of Sales of Goods

Description

Please refer to Note 4(31) for accounting policy on revenue recognition and Note 6(20) for details of operating revenue.

The Company is primarily engaged in the manufacturing, sales and post-sales service of industrial computer and embedded board products. Apart from long-term partner companies, due to global technological changes, industrial computer orders are susceptible to project cycles. Additionally, The Company is committed to developing new markets and undertaking new projects, resulting in some customers entering the top ten sales targets list, significantly impacting revenue. We believed that the list of the top ten new sales clients with a greater increase in the proportion to the Company's revenue had a material impact on the financial statements. We considered the existence and occurrence of sales of goods from these clients as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Evaluated the Company's internal control procedures for recognition of sales of goods and tested the effectiveness of internal control related to sales of goods.
2. Inspected relevant background information on the top ten sales clients.
3. Obtained and randomly checked relevant receipts or invoices of the top ten new sales clients and the top ten sales clients with a greater increase in the proportion to the Company's revenue this year and confirmed the appropriateness of revenue recognition.

Allowance for Inventory Valuation Losses

Description

Please refer to Note 4(12) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and Note 6(4) for details of inventories. As at December 31, 2023, the Company's inventories and allowance for inventory valuation losses amounted to NT\$1,169,566 thousand and NT\$75,000 thousand, respectively.

The Company is primarily engaged in the research and development, manufacturing and sales of industrial computer products. Due to rapid technological innovation and fluctuations in market prices, the Company recognizes inventories at the lower of cost and net realizable value, and the net realizable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value for individually obsolete or damaged inventories is subject to management's judgment, we considered the allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Ensured consistent application of Company's accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, validated the appropriateness of system logic of inventory aging report utilized by management to ensure proper classification of inventories aged over a certain period of time and reperformed the calculation.
3. Discussed with management the net realizable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents, and agreed to information obtained from physical inventory.

Other Matter- Audit by the Other Independent Accountants

We did not audit the financial statements of certain investments accounted for under the equity method. These investments accounted for under the equity method amounted to NT \$231,507 thousand constituting 4.15% of total assets as of December 31, 2022, respectively, and other comprehensive income (loss) of subsidiaries, associates, and joint ventures accounted for under equity method amounted to NT\$22,384 thousand constituting 3.26% of total comprehensive income for the years ended December 31, 2022, respectively. The financial statements of these investments accounted for under the equity method were audited by other independent auditors whose reports thereon have been furnished to us and our opinion expressed herein, insofar as it relates to the amounts included in the separate financial statements and information disclosed relative to these investments, is based solely on the reports of other independent auditors.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in order to comply with the "Regulations Governing the Preparations of Financial Reports by Securities Issuers", and for such internal control 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.

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

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 ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 disclosures, 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 Company audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the current period 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.

Lin, Po-Chuan

Wu, Han-Chi

for and on behalf of PricewaterhouseCoopers, Taiwan February 22, 2024

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in Thousands of New Taiwan Dollars)

	Assets	Notes	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 1,084,067	17	\$ 774,147	14
1110	Financial assets at fair value through profit or loss - current	6(2)	720	-	-	-
1136	Financial assets at amortized cost – current	6(1) and 8	10,000	-	3,000	-
1150	Notes receivable	6(3)	2,961	-	5,583	-
1170	Accounts receivable	6(3)	114,084	2	185,940	3
1180	Accounts receivable – related parties	6(3) and 7	249,168	4	449,061	8
1200	Other receivables		25,985	1	25,551	1
1210	Other receivables – related parties	7	-	-	104	-
1220	Current income tax assets		541	-	541	-
130X	Inventories	6(4)	1,094,566	17	1,123,561	20
1410	Prepayments		14,001	-	16,800	-
1470	Other current assets		244	-	434	-
11XX	Total current assets		<u>2,596,337</u>	<u>41</u>	<u>2,584,722</u>	<u>46</u>
Non-current assets						
1550	Investments accounted for under equity method	6(5)	1,451,326	23	1,220,085	22
1600	Property, plant and equipment	6(6)	2,141,516	34	1,639,967	29
1755	Use rights assets	6(7)	4,882	-	7,936	-
1760	Investment property	6(9)	37,488	1	37,983	1
1780	Intangible assets	6(10)	30,381	-	33,560	1
1840	Deferred income tax assets	6(27)	67,495	1	52,675	1
1920	Refundable deposits		1,973	-	8,072	-
15XX	Total non-current assets		<u>3,735,061</u>	<u>59</u>	<u>3,000,278</u>	<u>54</u>
1XXX	Total Assets		<u>\$ 6,331,398</u>	<u>100</u>	<u>\$ 5,585,000</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6(11)	\$ -	-	\$ 635,300	11
2130	Contract liabilities - current	6(20)	58,460	1	66,657	1
2150	Notes payables		-	-	1,350	-
2170	Accounts payable		410,116	7	596,615	11
2180	Accounts payable – related parties	7	9,634	-	17,495	-
2200	Other payables	6(12)	439,967	7	308,537	6
2230	Current income tax liabilities		172,590	3	170,401	3
2250	Provisions for liabilities - current		1,361	-	1,539	-
2280	Lease liabilities-current portion		2,178	-	7,302	-
2399	Other current liabilities		2,851	-	3,198	-
21XX	Total current liabilities		<u>1,097,157</u>	<u>18</u>	<u>1,808,394</u>	<u>32</u>
Non-current liabilities						
2530	Corporate bonds payable	6(13)	760,924	12	-	-
2560	Income tax liabilities- non current		-	-	8,913	-
2570	Deferred income tax liabilities	6(27)	232,571	4	180,464	3
2580	Lease liabilities-non current		2,869	-	229	-
2640	Accrued pension liabilities	6(14)	33,740	-	32,385	1
2645	Guarantee deposit received		603	-	763	-
25XX	Total non-current liabilities		<u>1,030,707</u>	<u>16</u>	<u>222,754</u>	<u>4</u>
2XXX	Total liabilities		<u>2,127,864</u>	<u>34</u>	<u>2,031,148</u>	<u>36</u>
Equity attributable to shareholders of the parent						
Share capital						
3110	Ordinary shares	6(16)	1,015,374	16	910,235	16
3140	Advance receipts for share capital		3,370	-	13,079	-
Capital surplus						
3200	Capital surplus	6(17)	685,203	10	633,715	12
Retained earnings						
3310	Legal reserve	6(18)	676,932	11	615,504	11
3320	Special reserve		4,280	-	76,627	1
3350	Unappropriated retained earnings		1,816,483	29	1,308,972	24
Other equity						
3400	Other equity	6(19)	(1,892)	-	(4,280)	-
3XXX	Total equity		<u>4,203,534</u>	<u>66</u>	<u>3,553,852</u>	<u>64</u>
Significant commitment and contingent item						
	Significant events after the balance sheet date	9				
3X2X	Total Liabilities and Equity		<u>\$ 6,331,398</u>	<u>100</u>	<u>\$ 5,585,000</u>	<u>100</u>

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

AXIOMTEK 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 per Share)

Items	Notes	Year ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(20) and 7	\$ 4,608,852	100	\$ 5,082,224	100
5000 Operating costs	6(4), (25), (26) and 7	(3,062,447)	(67)	(3,586,613)	(71)
5900 Gross profit		1,546,405	33	1,495,611	29
5910 Unrealized gain from sale	6(5)	(154,885)	(3)	(121,217)	(2)
5920 Realized gain from sale		121,217	3	81,600	2
5950 Net gross profit		1,512,737	33	1,455,994	29
Operating expenses	6(25) and (26)				
6100 Selling expenses		(130,478)	(3)	(123,108)	(3)
6200 General and administrative expenses		(189,365)	(4)	(193,426)	(4)
6300 Research and development expenses		(577,856)	(13)	(567,638)	(11)
6450 Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	51	-	(75)	-
6000 Total operating expenses		(897,648)	(20)	(884,247)	(18)
6900 Operating profit		615,089	13	571,747	11
Non-operating income and expenses					
7100 Interest income	6(21)	29,131	1	5,442	-
7010 Other income	6(22)	24,441	1	33,571	1
7020 Other gains and losses	6(23)	4,084	-	24,680	1
7050 Finance costs	6(24)	(11,908)	-	(5,637)	-
7070 Share of profit of associates and joint ventures accounted for under equity method	6(5)	254,265	5	119,112	2
7000 Total non-operating income and expenses		300,013	7	177,168	4
7900 Profit before income tax		915,102	20	748,915	15
7950 Income tax expenses	6(27)	(187,478)	(4)	(146,278)	(3)
8200 Net Income		\$ 727,624	16	\$ 602,637	12
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plan	6(14)	(\$ 2,352)	-	\$ 12,778	-
8330 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(5)	(76)	-	1,425	-
8349 Income tax relating to components of other comprehensive income	6(27)	470	-	(2,556)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		7,715	-	90,434	2
8399 Income tax relating to the components of other comprehensive income	6(27)	(1,543)	-	(18,087)	-
8300 Other comprehensive income (loss) for the year		\$ 4,214	-	\$ 83,994	2
8500 Total Comprehensive Income		\$ 731,838	16	\$ 686,631	14
9750 Basic earnings per share	6(28)	\$ 7.19		\$ 6.06	
9850 Diluted earnings per share	6(28)	\$ 6.86		\$ 5.93	

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

AXIOMTEK 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)

	Notes	Share capital			Retained earnings			Other equity	Total equity
		Ordinary share	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	
<u>Year 2022</u>									
Balance at January 1, 2022		\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627)	\$ 3,078,273
Profit for the year		-	-	-	-	-	602,637	-	602,637
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	-	11,647	72,347	83,994
Total comprehensive income		-	-	-	-	-	614,284	72,347	686,631
Appropriations of 2021 earnings									
Legal reserve	6(18)	-	-	-	38,658	-	(38,658)	-	-
Reversal of special reserve	6(18)	-	-	-	-	37,653	(37,653)	-	-
Cash dividends	6(18)	-	-	-	-	-	(275,117)	-	(275,117)
Share-based payments		8,910	13,079	30,191	-	-	-	-	52,180
Compensation cost of share-based payments		-	-	11,829	-	-	-	-	11,829
Conversion of convertible bonds		16,496	(75,094)	58,598	-	-	-	-	-
Change in Capital Surplus-others		-	-	56	-	-	-	-	56
Balance at December 31, 2022		\$ 910,235	\$ 13,079	\$ 633,715	\$ 615,504	\$ 76,627	\$ 1,308,972	(\$ 4,280)	\$ 3,553,852
<u>Year 2023</u>									
Balance at January 1, 2023		\$ 910,235	\$ 13,079	\$ 633,715	\$ 615,504	\$ 76,627	\$ 1,308,972	(\$ 4,280)	\$ 3,553,852
Profit for the year		-	-	-	-	-	727,624	-	727,624
Other comprehensive income (loss) for the year	6(19)	-	-	-	-	-	(1,958)	6,172	4,214
Total comprehensive income		-	-	-	-	-	725,666	6,172	731,838
Appropriations of 2022 earnings									
Legal reserve	6(18)	-	-	-	61,428	-	(61,428)	-	-
Special reserve	6(18)	-	-	-	-	(72,347)	72,347	-	-
Cash dividends	6(18)	-	-	-	-	-	(229,074)	-	(229,074)
Stock dividends from capital surplus	6(18)	91,629	-	(91,629)	-	-	-	-	-
Share-based payments		13,510	(9,815)	46,638	-	-	-	-	50,333
Compensation cost of share-based payments		-	-	5,338	-	-	-	-	5,338
Issue of convertible bonds	6(13)	-	-	87,971	-	-	-	-	87,971
Conversion of convertible bonds		-	106	(11)	-	-	-	-	95
Capital surplus, changes in equity of investment accounted for using equity method		-	-	3,006	-	-	-	-	3,006
Change in Capital Surplus-others		-	-	175	-	-	-	-	175
Balance at December 31, 2023		\$ 1,015,374	\$ 3,370	\$ 685,203	\$ 676,932	\$ 4,280	\$ 1,816,483	\$ 1,892	\$ 4,203,534

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

AXIOMTEK 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)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 915,102	\$ 748,915
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6), (7) and (25)	53,442	61,666
Depreciation from investment Property	6(9) and (23)	495	496
Amortization	6(10) and (25)	16,894	15,067
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	(51)	75
Gain on financial assets at fair value through profit or loss	6(23)	(320)	-
Interest expense	6(24)	11,908	5,637
Interest income	6(21)	(29,131)	(5,442)
Compensation cost of share-based payments	6(15) and (26)	4,215	9,380
Share of profit of associates and joint ventures accounted for under equity method	6(5)	(254,265)	(119,112)
Gain on disposal of property, plant and equipment	6(23)	(273)	-
Gain on disposal of investments	6(23)	(493)	(11)
Gain on lease modification	6(23)	(2)	-
Impairment loss on other assets	6(23)	-	2,000
Unrealized profit from sales		33,668	39,617
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		493	11
Notes receivable		2,622	(17)
Accounts receivable (including related parties)		271,800	(124,730)
Other receivables (including related parties)		4,821	8,351
Inventories		28,995	(181,178)
Prepayments		2,799	(2,905)
Other current assets		190	162
Changes in liabilities relating to operating activities			
Contract liabilities		(8,197)	(9,505)
Notes payables		(1,350)	675
Accounts payable (including related parties)		(194,360)	(78,718)
Other payables		(27,032)	12,124
Other current assets		(347)	906
Accrued pension liabilities		(997)	(1,295)
Cash inflow (outflow) generated from operations		830,626	382,169
Receipt of interest		25,103	3,660
Payment of interest		(7,416)	(5,468)
Payment of income tax		(156,950)	(79,444)
Net cash flows from operating activities		<u>691,363</u>	<u>300,917</u>

(Continued)

AXIOMTEK 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)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in Financial assets at amortized cost		(\$ 7,000)	(\$ 3,000)
Acquisition of property, plant and equipment	6(29)	(391,316)	(132,650)
Proceeds from disposal of equipment		401	34
Acquisition of intangible assets	6(10)	(12,293)	(20,736)
Increase in refundable deposits		3,071	(40)
Net cash flows used in investing activities		(407,137)	(156,392)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short -term borrowings		3,383,200	4,505,600
Redemption of short -term borrowings		(4,018,500)	(4,244,300)
Issue of convertible bonds		848,003	-
Payment of cash dividends	6(13) (30)	(229,074)	(275,117)
Proceeds from exercise of employee stock options	6(18)	50,333	52,180
Decrease in refundable deposits		(160)	-
Payment of lease liabilities	6 (30)	(8,283)	(16,029)
Proceeds from disposal of employee stock ownership trust		175	56
Net cash flows provided by financing activities		25,694	22,390
Increase in cash and cash equivalents		309,920	166,915
Cash and cash equivalents at beginning of year		774,147	607,232
Cash and cash equivalents at end of year		\$ 1,084,067	\$ 774,147

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

(ATTACHMENT VI)

2023 Independent Auditors' Report

(Consolidated Financial Statements)

Opinion

We have audited the accompanying consolidated balance sheets of AXIOMTEK CO., LTD. and its subsidiaries (hereinafter referred to as “the Group”) as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended. In order to comply with the Regulations Governing the Preparations of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (“ROC GAAS”). Our responsibilities under those standards are further described in the Independent Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China (hereinafter referred to as the “Code”), and we have fulfilled our other ethical responsibilities in order to comply with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters on the Consolidated Financial Statements for the year ended December 31, 2023 are stated as follows:

Existence and Occurrence of Operating Revenue

Description

Please refer to Note 4(32) for accounting policy on revenue recognition and Note 6(22) for details of operating revenue.

The Group's primarily engaged in the manufacturing, sales and post-sales service of industrial computer and embedded board products. Apart from long-term partner companies, due to global technological changes, industrial computer orders are susceptible to project cycles. Additionally, the Group's committed to developing new markets and undertaking new projects, resulting in some customers entering the top ten sales targets list, significantly impacting revenue. We believed that the list of the top ten new sales clients with a greater increase in the proportion to the Group's revenue had a material impact on the financial statements. We considered the existence and occurrence of sales of goods from these clients as a key audit matter.

How our audit addressed the matter

We have performed primary audit procedures for the above matter as follows:

1. Evaluated the Group's internal control procedures for recognition of sales of goods and tested the effectiveness of internal control related to sales of goods.
2. Inspected relevant background information on the top ten sales clients.
3. Obtained and randomly checked relevant receipts or invoices of the top ten new sales clients and the top ten sales clients with a greater increase in the proportion to the Group's revenue this year and confirmed the appropriateness of revenue recognition.

Allowance for Inventory Valuation Losses

Description

Please refer to Note 4(13) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation losses and Note 6(4) for details of inventories. As at December 31, 2023, the Group's inventories and allowance for inventory valuation losses amounted to NT\$1,760,388 thousand and NT\$87,262 thousand, respectively.

The Group is primarily engaged in the research and development, manufacturing and sales of industrial computers products. Due to rapid technological innovation and fluctuations in market prices, the Group recognizes inventories at the lower of cost and net realizable value, and the net realizable value is estimated based on historical experience. An allowance for inventory valuation losses is provided for those inventories aged over a certain period of time and individually identified as obsolete or damaged.

As the amounts of inventories are material, the types of inventories vary, and the estimation of net realizable value for individually obsolete or damaged inventories is subject to management's judgment, we consider allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

(I) We have performed primary audit procedures for the above matter as follows:

1. Ensured consistent application of Group's accounting policies in relation to allowance for inventory valuation losses and assessed the reasonableness of these policies.
2. Evaluated the reasonableness of inventories individually identified as obsolete or damaged with supporting documents, validated the appropriateness of system logic of inventory aging report utilized by management to ensure proper classification of inventories aged over a certain period of time and reperformed the calculation.
3. Discussed with management the net realizable value of inventories aged over a certain period of time and individually identified as obsolete or damaged, validated respective supporting documents, and agreed to information obtained from physical inventory.

Other Matter – Audits of Other Independent Accountants

We did not audit the financial statements of certain consolidated subsidiaries, which statements reflect total assets of NT\$321,826 thousand constituting 5.31% of consolidated total assets as of December 31, 2022, respectively, and operating revenue of NT\$563,959 constituting 8.52% of consolidated total operating revenue for the years ended December 31, 2022, respectively. Those financial statements were audited by other independent accountants whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the accounts included in the financial statements relative to these subsidiaries, is based solely on the audit reports of the other independent accountants.

Other Matter – Parent Company Only Financial Reports

We have audited and expressed an unqualified opinion on the Parent Company Only Financial Statements of AXIOMTEK CO., LTD. as of and for the years ended December 31, 2023 and 2022.

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 order to comply with the “Regulations Governing the Preparations of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ROC GAAS 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 ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We are also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the Consolidated Financial Statements including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our 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.

Lin, Po-Chuan

Wu, Han-Chi

for and on behalf of PricewaterhouseCoopers, Taiwan February 22, 2024.

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023		(After Adjustment) December 31, 2022		(After Adjustment) January 1, 2022		
		Amount	%	Amount	%	Amount	%	
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 1,501,089	22	\$ 1,031,621	17	\$ 943,871	18
1110	Financial assets at fair value through profit or loss - current	6(2)	720	-	-	-	-	-
1136	Financial assets at amortized cost - current	6(1) and 8	10,000	-	3,000	-	-	-
1150	Notes receivable	6(3)	20,924	-	17,620	-	19,898	-
1170	Accounts receivable	6(3)	809,758	12	745,252	12	745,599	14
1200	Other receivables		26,112	-	25,554	-	29,785	1
1220	Current income tax assets		22,715	-	1,922	-	401	-
130X	Inventories	6(4)	1,673,126	25	1,927,008	32	1,511,484	28
1410	Prepayments		28,578	1	31,815	1	23,221	-
1470	Other current assets		701	-	1,042	-	834	-
11XX	Total current assets		<u>4,093,723</u>	<u>60</u>	<u>3,784,834</u>	<u>62</u>	<u>3,275,093</u>	<u>61</u>
Non-current assets								
1550	Investments accounted for under equity method	6(5)	16,617	-	17,023	1	20,982	1
1600	Property, plant and equipment	6(6)	2,280,458	33	1,775,555	29	1,670,465	31
1755	Right-of-use assets	6(7)	159,612	2	190,296	3	127,737	2
1760	Investment property	6(9)	37,488	1	37,983	1	38,479	1
1780	Intangible assets	6(10)(11)	111,228	2	117,218	2	114,769	2
1840	Deferred income tax assets	6(29)	149,952	2	126,654	2	107,067	2
1990	Other non-current assets		8,912	-	15,558	-	9,228	-
15XX	Total non-current assets		<u>2,764,267</u>	<u>40</u>	<u>2,280,287</u>	<u>38</u>	<u>2,088,727</u>	<u>39</u>
1XXX	Total Assets		<u>\$ 6,857,990</u>	<u>100</u>	<u>\$ 6,065,121</u>	<u>100</u>	<u>\$ 5,363,820</u>	<u>100</u>

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		(After Adjustment) December 31, 2022		(After Adjustment) January 1, 2022	
			Amount	%	Amount	%	Amount	%
Current liabilities								
2100	Short-term borrowings	6(12)	\$ -	-	\$ 635,300	11	\$ 374,000	7
2130	Contract liabilities - current	6(22)	93,610	1	76,941	1	92,336	2
2150	Notes payables		-	-	1,350	-	675	-
2170	Accounts payable	6(13)	497,063	7	685,682	11	828,310	15
2180	Accounts payable – related parties	7	4,757	-	7,384	-	6,813	-
2200	Other payables	6(14)	578,811	9	429,955	7	419,448	8
2230	Current income tax liabilities		216,732	3	171,000	3	94,855	2
2250	Provisions for liabilities - current		1,361	-	1,539	-	1,152	-
2280	Current lease liabilities		48,573	1	47,916	1	37,570	1
2320	Current portion of long-term borrowings		-	-	-	-	1,411	-
2399	Other current liabilities		6,543	-	17,152	-	6,963	-
21XX	Total current liabilities		<u>1,447,450</u>	<u>21</u>	<u>2,074,219</u>	<u>34</u>	<u>1,863,533</u>	<u>35</u>
Non-current liabilities								
2530	Corporate bonds payable	6(15)	760,924	11	-	-	-	-
2540	Long-term borrowings		-	-	-	-	53,606	1
2560	Non-current income tax liabilities		-	-	8,913	-	30,677	1
2570	Deferred income tax liabilities	6(29)	280,783	4	238,278	4	188,539	3
2580	Non-current lease liabilities		120,711	2	147,583	2	92,880	2
2640	Accrued pension liabilities	6(16)	43,985	1	41,513	1	55,549	1
2645	Guarantee deposit received		603	-	763	-	763	-
25XX	Total non-current liabilities		<u>1,207,006</u>	<u>18</u>	<u>437,050</u>	<u>7</u>	<u>422,014</u>	<u>8</u>
2XXX	Total liabilities		<u>2,654,456</u>	<u>39</u>	<u>2,511,269</u>	<u>41</u>	<u>2,285,547</u>	<u>43</u>
Equity attributable to shareholders of the parent								
Share capital								
3110	Ordinary shares	6(18)	1,015,374	15	910,235	15	884,829	16
3140	Advance receipts for share capital		3,370	-	13,079	-	75,094	1
Capital surplus								
3200	Capital surplus	6(19)	685,203	10	633,715	11	533,041	10
Retained earnings								
3310	Legal reserve	6(20)	676,932	10	615,504	10	576,846	11
3320	Special reserve		4,280	-	76,627	1	38,974	1
3350	Unappropriated retained earnings		1,816,483	26	1,308,972	22	1,046,116	19
Other equity								
3400	Other equity	6(21)	(1,892)	-	(4,280)	-	(76,627)	(1)
31XX	Total equity attributable to shareholders of the parent		<u>4,203,534</u>	<u>61</u>	<u>3,553,852</u>	<u>59</u>	<u>3,078,273</u>	<u>57</u>
3XXX	Total equity		<u>4,203,534</u>	<u>61</u>	<u>3,553,852</u>	<u>59</u>	<u>3,078,273</u>	<u>57</u>
Significant contingent liabilities and unrecognized contract commitments								
Significant after the balance sheet date								
3X2X	Total Liabilities and Equity		<u>\$ 6,857,990</u>	<u>100</u>	<u>\$ 6,065,121</u>	<u>100</u>	<u>\$ 5,363,820</u>	<u>100</u>

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	6(22)	\$ 6,700,479	100	\$ 6,618,827	100
5000 Operating costs	6(4)(27)	(4,297,582)	(64)	(4,388,015)	(66)
5900 Gross profit	(28) and 7	2,402,897	36	2,230,812	34
5910 Unrealized gain from sale	6(5)	(58)	-	(234)	-
5920 Realized gain from sale		234	-	20	-
5950 Net operating margin		2,403,073	36	2,230,598	34
Operating expenses	6(27)(28)				
6100 Selling expenses		(520,598)	(8)	(568,942)	(9)
6200 General and administrative expenses		(355,656)	(5)	(363,357)	(5)
6300 Research and development expenses		(581,329)	(9)	(570,785)	(9)
6450 Impairment loss (impairment gain and reversal of impairment loss)	12(2)	(1,352)	-	(1,206)	-
6000 Total operating expenses		(1,458,935)	(22)	(1,501,878)	(23)
6900 Operating profit		944,138	14	728,720	11
Non-operating income and expenses					
7100 Interest income	6(23)	29,298	1	5,952	-
7010 Other income	6(24)	28,384	-	41,740	1
7020 Other gains and losses	6(25)	2,057	-	30,547	-
7050 Finance costs	6(26)	(18,732)	-	(10,432)	-
7060 Share of profit of associates and joint ventures accounted for under equity method	6(5)	(3,588)	-	(3,745)	-
7000 Total non-operating income and expenses		37,419	1	64,062	1
7900 Profit before income tax		981,557	15	792,782	12
7950 Income tax expenses	6(29)	(253,933)	(4)	(190,145)	(3)
8200 Net Income		\$ 727,624	11	\$ 602,637	9
Other comprehensive income					
Components of other comprehensive income that will not be reclassified to profit or loss					
8311 Remeasurements of defined benefit plan	6(16)	(\$ 2,428)	-	\$ 14,203	-
8349 Income tax relating to components of other comprehensive income	6(29)	470	-	(2,556)	-
Components of other comprehensive income that will be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		7,715	-	90,434	1
8399 Income tax relating to the components of other comprehensive income	6(29)	(1,543)	-	(18,087)	-
8300 Other comprehensive income (loss) for the year		\$ 4,214	-	\$ 83,994	1
8500 Total Comprehensive Income		\$ 731,838	11	\$ 686,631	10
Profit attributable to:					
8610 Shareholders of the parent		\$ 727,624	11	\$ 602,637	9
Total comprehensive income (loss) attributable to:					
8710 Shareholders of the parent		\$ 731,838	11	\$ 686,631	10
9750 Basic earnings per share	6(30)	\$ 7.19		\$ 6.06	
9850 Diluted earnings per share	6(30)	\$ 6.86		\$ 5.93	

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Equity attributable to shareholders of the parent							
	Share capital	Retained Earnings					Financial statements translation differences of foreign operations	Total
Notes	Ordinary shares	Advance receipts for share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
Year 2022								
Balance at January 1, 2022	\$ 884,829	\$ 75,094	\$ 533,041	\$ 576,846	\$ 38,974	\$ 1,046,116	(\$ 76,627)	\$ 3,078,273
Profit for the year	-	-	-	-	-	602,637	-	602,637
Other comprehensive income (loss) for the year 6(21)	-	-	-	-	-	11,647	72,347	83,994
Total comprehensive income	-	-	-	-	-	614,284	72,347	686,631
Appropriations of 2021 earnings								
Legal reserve 6(20)	-	-	-	38,658	-	(38,658)	-	-
Special reserve 6(20)	-	-	-	-	37,653	(37,653)	-	-
Cash dividends 6(20)	-	-	-	-	-	(275,117)	-	(275,117)
Share-based payments	8,910	13,079	30,191	-	-	-	-	52,180
Compensation cost of share-based payments	-	-	11,829	-	-	-	-	11,829
Conversion of convertible bonds	16,496	(75,094)	58,598	-	-	-	-	-
Change in Capital Surplus-others	-	-	56	-	-	-	-	56
Balance at December 31, 2022	\$ 910,235	\$ 13,079	\$ 633,715	\$ 615,504	\$ 76,627	\$ 1,308,972	(\$ 4,280)	\$ 3,553,852
Year 2023								
Balance at January 1, 2023	\$ 910,235	\$ 13,079	\$ 633,715	\$ 615,504	\$ 76,627	\$ 1,308,972	(\$ 4,280)	\$ 3,553,852
Profit for the year	-	-	-	-	-	727,624	-	727,624
Other comprehensive income (loss) for the year 6(21)	-	-	-	-	-	(1,958)	6,172	4,214
Total comprehensive income	-	-	-	-	-	725,666	6,172	731,838
Appropriations of 2022 earnings								
Legal reserve 6(20)	-	-	-	61,428	-	(61,428)	-	-
Special reserve 6(20)	-	-	-	-	(72,347)	72,347	-	-
Cash dividends 6(20)	-	-	-	-	-	(229,074)	-	(229,074)
Stock dividends from capital surplus 6(20)	91,629	-	(91,629)	-	-	-	-	-
Share-based payments	13,510	(9,815)	46,638	-	-	-	-	50,333
Compensation cost of share-based payments	-	-	5,338	-	-	-	-	5,338
Issue of convertible bonds 6(15)	-	-	87,971	-	-	-	-	87,971
Conversion of convertible bonds	-	106	(11)	-	-	-	-	95
Capital surplus, changes in equity of investment accounted for using equity method	-	-	3,006	-	-	-	-	3,006
Change in Capital Surplus-others	-	-	175	-	-	-	-	175
Balance at December 31, 2023	\$ 1,015,374	\$ 3,370	\$ 685,203	\$ 676,932	\$ 4,280	\$ 1,816,483	\$ 1,892	\$ 4,203,534

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

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 981,557	\$ 792,782
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(27)	110,356	98,567
Depreciation from investment Property	6(9)(25)	495	496
Amortization	6(10)(27)	23,331	20,799
Expected credit impairment losses/ Reversal of allowance for doubtful accounts	12(2)	1,352	(1,206)
Gain on financial assets at fair value through profit or loss	6(2)(25)	(320)	-
Interest expense	6(26)	18,732	10,432
Interest income	6(23)	(29,298)	(5,952)
Compensation cost of share-based payments	6(17)(28)	5,338	11,829
Share of profit of associates and joint ventures accounted for under equity method	6(5)	3,588	3,745
(Gain) loss on disposal of property, plant and equipment	6(25)	(273)	25
Gain on disposal of investments	6(25)	(493)	(11)
Gain on lease modification	6(25)	(36)	-
Impairment loss on other assets	6(25)	-	2,000
Unrealized profit from sales		(176)	214
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Financial assets at fair value through profit or loss		493	11
Notes receivable		(3,304)	2,278
Accounts receivable (including related parties)		(65,824)	1,332
Other receivables		3,469	6,012
Inventories		253,980	(416,358)
Prepayments		3,237	(8,594)
Other current assets		341	(208)
Changes in liabilities relating to operating activities			
Contract liabilities		16,669	(15,395)
Notes payables		(1,350)	675
Accounts payable (including related parties)		(191,246)	(142,057)
Other payables		(9,607)	1,149
Other current liabilities		(10,609)	10,189
Other non-current assets		44	167
Cash inflow generated from operations		1,110,446	372,921
Receipt of interest		25,270	4,170
Payment of interest		(14,240)	(10,262)
Payment of income tax		(219,637)	(126,150)
Net cash flows from operating activities		<u>901,839</u>	<u>240,679</u>

(Continued)

AXIOMTEK CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Years ended December 31	
		2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in Financial assets at amortized cost		(\$ 7,000)	(\$ 3,000)
Acquisition of property, plant and equipment	6(31)	(403,790)	(141,556)
Proceeds from disposal of property, plant and equipment		409	55
Acquisition of intangible assets	6(10)	(15,921)	(21,406)
Decrease (Increase) in other non-current assets		3,618	(3,872)
Net cash flows used in investing activities		(422,684)	(169,779)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short -term borrowings		3,383,200	4,505,600
Redemption of short -term borrowings		(4,018,500)	(4,244,300)
Issue of convertible bonds	6(15) (32)	848,003	-
Redemption of long-term borrowings		-	(59,408)
Payment of cash dividends	6(20)	(229,074)	(275,117)
Proceeds from exercise of employee stock options		50,333	52,180
Payment of lease liabilities	6(32)	(51,905)	(42,377)
Decrease in refundable deposits		(160)	-
Proceeds from disposal of employee stock ownership trust		175	56
Net cash flows used in financing activities		(17,928)	(63,366)
Effects due to changes in exchange rate		8,241	80,216
Increase in cash and cash equivalents		469,468	87,750
Cash and cash equivalents at beginning of year		1,031,621	943,871
Cash and cash equivalents at end of year		\$ 1,501,089	\$ 1,031,621

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

(ATTACHMENT VII)

AXIOMTEK CO., LTD.

2023 Profit Distribution Table

Unit : TWD

Item	Amount	
	Sub-total	Total
Unappropriated retained earnings at the beginning of the term		1,090,816,543
Remeasurement of defined benefit plans recognized in retained earnings	(1,957,780)	
Adjusted unappropriated retained earnings		1,088,858,763
2023 Net income	727,623,554	
10% set aside as legal reserve	(72,566,577)	
Reversal of special reserves	4,279,749	
Total unappropriated retained earnings		1,748,195,489
Distributable item:		
Shareholders' dividend – cash (\$4.3 per share)		(438,232,180)
Unappropriated retained earnings at the end of the term		1,309,963,309

Note: The 2023 net income shall be distributed with higher priority this time.

Chairman : Yang, Yu-Te

President : Huang, Jui-Nan

Principal Accounting Officer : Hsu, Chin-Chuan