

Professional Computer Technology Ltd

2023 Annual General Shareholders Meeting Minutes

(This document is prepared in accordance with the Chinese Version and is for reference only. In the event of any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.)

Form of Shareholders' Meeting: Physical.

Time and Date: 09:00 a.m. on May 30, 2023 (Tuesday).

Place: Fullon Hotel Taipei East, No. 236, Section 3, Beishen Road, Shenkeng District, New Taipei City

Attendants: Total outstanding shares: 72,145,759 shares, total shares represented by shareholders present in person or by proxy: 39,910,275 shares (votes casted electronically 28,763,505 shares). Percentage of shares held by shareholders present in person or by proxy: 55.31%. The aggregate shareholding of the shareholders present constituted a quorum.

Directors Present: Chairman: Fu, Chiang-Sung

Director: Wang, Chih-Kao

Director: Wang, Chien-Chig

Director: Ming Liang Investment Co., Ltd. Representative: Wang, Yen-Chi

Independent director: Chou, Chin-Piao (Convener of the Audit Committee)

Independent director: Chen, Chao-Sen

6 members of the Board of Directors are present, which is over half of the 9 seats on the board.

Attend: PricewaterhouseCoopers Taiwan CPA Liao, Fu-Ming

Chairman: Fu, Chiang-Sung, the Chairman of Board of Directors

Recorder: Li, Chih-Chiang

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

I. Chairman's Remarks (omitted)

II. Report items:

- (1). 2022 Business Report. (See Attachment 1)
- (2). The Audit Committee's Review Report on the 2022 financial statements. (See Attachment 2)

- (3). The 2022 employee remuneration and directors' remuneration distribution proposal.

Description:

1. As per Article 24 of the Company's Articles of Incorporation, if the Company makes a profit for a year (the profit refers to the pre-tax income before the remuneration to employees and directors and supervisors is deducted), after reserving an amount to make up for a cumulative deficit, if there is still any profit, the Company shall set aside no less than 6% of the balance, if any, as employee remuneration and no more than 3% as remuneration to directors and supervisors.
2. The employee remuneration and directors' and supervisors' remuneration for 2022 in accordance with the Articles of Incorporation as approved by the Remuneration Committee and the Board of Directors are as follows:
 - (1) Employee remuneration: NT \$16,656,647 in cash. (2) Directors' and supervisors' remuneration: NT \$6,246,243 in cash.

- (4). The 2022 report on the payout of cash dividends from earnings.

Description:

1. As per Article 24-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to resolve a decision to distribute all or part of the dividends and bonuses that shall be distributed in cash and report it to the shareholders' meeting.
 2. The Company's 2022 earnings will all be paid out in cash dividends of NT\$151,506,094, with NT\$2.1 per share. The cash dividends distributed to each shareholder will be rounded down to NT\$1 at the percentage for distribution. The amount below NT\$1 will be recognized in the Company's other income.
 3. This proposal was approved by the Board of Directors resolved to approve the schedule for the Company's dividend distribution. In the case of a change in the number of the Company's ordinary shares subsequently, resulting in a change in the payout ratio, the Chairman is also delegated to adjust it.
- (5). Report on amendments to the Rules of Procedure of the Board.
(See Attachment 3)

III. Ratifications:

Proposal 1

Topic: The 2022 Business Report and financial statements are submitted for ratification.
(Proposed by the Board of Directors)

Description:

1. The Company's 2022 Business Report and consolidated and standalone financial statements have been prepared and audited by Liao, Fu-Ming and Chen, Chin-Chang, CPAs at PwC Taiwan. We have submitted the above financial statements along with the business report to the Audit Committee for review, by whom a review report was issued.
2. Please refer to (Attachment 1) and (Attachments 4 and 5) for the 2022 Business Report,

Independent Auditors' Report, and financial statements.

Voting Results:

Shares represented at the time of voting: 39,910,275 Shares

Voting Results*	% of the total represented share present
Votes in favor: 39,469,826 votes (28,536,056 votes)	98.90%
Votes against: 9,334 votes (9,334 votes)	0.02%
Votes invalid: 0 votes (0 votes)	0.00%
Votes abstained: 431,115 votes (218,115 votes)	1.08%

*including votes casted electronically (number in brackets)

**RESOLVED, that the above proposal be and hereby was approved as proposed.
There are no questions from shareholders at this shareholders meeting.**

Proposal 2

Topic: The Company's earnings distribution proposal for 2022 is submitted for ratification.
(Proposed by the Board of Directors)

Description:

1. The Company's earnings distribution proposal for 2022 has been approved by the Board of Directors and send to the Audit Committee for verification.
2. The 2022 statement of earnings distribution is shown below.

Unit: NT\$

Professional Computer Technology Limited The 2022 Statement Of Earnings Distribution		
Undistributed earnings in the beginning of the period	\$	28,502,620
Add (less): Adjustment to retained earnings for 2022 (Note)		2,471,775
Undistributed earnings after adjustment	\$	30,974,395
Add: Special reserve reversed		0
Add: Net income after tax for this period		166,729,470
Less: Legal reserve set aside		(16,920,125)
Distributable earnings		180,783,740
Less: Shareholder dividend - cash		(151,506,094)
Undistributed earnings at the end of the period	\$	29,277,646
Note: The net effect of remeasurement of the 2022 defined benefit plan NT\$(2,471,775).		

Chairman:

Manager:

Chief Accounting Officer:

Voting Results:

Shares represented at the time of voting: 39,910,275 Shares

Voting Results*	% of the total represented share present
Votes in favor: 39,471,126 votes (28,537,356 votes)	98.90%
Votes against: 9,033 votes (9,033 votes)	0.02%
Votes invalid: 0 votes (0 votes)	0.00%
Votes abstained: 430,116 votes (217,116 votes)	1.08%

*including votes casted electronically (number in brackets)

**RESOLVED, that the above proposal be and hereby was approved as proposed.
There are no questions from shareholders at this shareholders meeting.**

IV. Special Motions: None.

V. Meeting Adjourned: May 30, 2023 at 9:12 a.m.

(This 2023 AGM Minutes set forth the main points of the meeting Actual Meeting procedure and contents shall subject to the video recording of the Meeting.)

Professional Computer Technology Limited

The 2022 Business Report

Dear shareholders,

Thank you for taking the time to attend our 2023 general shareholders' meeting. Looking back on 2022, after the global threat of variant virus gradually weakened, countries also gradually lifted lockdowns, moving towards a new life after the epidemic, but the Russia-Ukraine war, high inflation and climate change and other factors challenge the global economic performance, most countries to control high inflation and accelerate the force of interest rate hikes, in the rise inflation, monetary tightening policy and other related shocks caused the global economic outlook to slow.

The company continues to strive to serve upstream and downstream manufacturers in the industrial chain, through efficient supply chain management, to bring customers high-quality products and services. In 2023, the Company's group-wide operating revenue reached NT\$4.607 billion, an increase of NT\$420 million, or 10.03%, from NT\$4.187 billion in 2021. The net income before tax amounted to NT\$201.84 million, the net income after tax was NT\$166.73 million, and the basic net income after tax per share stood at NT\$2.31. The business performance in 2022 and the business plan for the upcoming year are specified below:

1.1 Business performance in 2022

1.1.1 Implementation results of the 2022 business plan

Unit: NT\$ Thousand

Item	Actual amount in 2021	Actual amount in 2022	Increase (decrease) %
Operating revenue	4,186,600	4,606,554	10.03%
Operating cost	3,800,728	4,203,214	10.59%
Gross profit	385,872	403,340	4.53%
Operating expenses	227,565	232,147	2.01%
Non-operating income and expense	33,987	30,642	(9.84%)
Net income before tax	192,294	201,835	4.96%
Net income after tax	170,472	166,729	(2.20%)

Note 1: The above data are consolidated financial figures.

- (1) Gross profit increased as revenue increased.
- (2) Non-operating income and expenditure decreased due to exchange rate losses and higher bank interest expense.
- (3) Increased net profit before tax and decreased net profit after tax, mainly due to increased revenue and increased profit before tax; The decrease in after-tax net profit was mainly due to the epidemic lockdown in the mainland, which caused the mainland subsidiary to lose money in 2022, as it is still a loss state, and the profit of other regions increased, and income tax increase.

1.1.2 Financial income and expense and profitability analysis

Item		2021	2022
Ratio of return on total assets (%)		7.85%	6.83%
Ratio of return on shareholders' equity (%)		11.44%	11.01%
As a percentage of paid-in capital	Operating income	21.94%	23.73%
	Net income before tax	26.65%	27.98%
Profit ratio (%)		4.07%	3.62%
Earnings per share (current period)		2.36	2.31
Earnings per share (after retrospective adjustment)		2.34	2.28

Note 1: The above data are consolidated financial figures.

1.1.3 Research and development (R&D)

The Company has software and hardware development and R&D departments in place to develop, design, and test software and hardware products, assist clients in troubleshooting application problems to enhance product integration, and effectively expand the application of our products.

The R&D expenses in the most recent three years are listed below:

Unit: NT\$ Thousand			
Item	2020	2021	2022
R&D expenses	36,921	33,582	34,246
As a percentage of operating revenue	1%	1%	1%

Note: The above data are consolidated financial figures.

1.2 Estimated sales volume and basis in 2023

This forecast was estimated by the Company's business units as per the demand in the product market, clients' business performance, and orders received. The estimated annual sales volume is 128,582,812 pieces. We will actively expand the markets of industrial computer, image transmission and conversion, computer peripheral, consumer electronic, security surveillance, automotive electronic, and network communications applications this year.

1.3 The Company's development strategies

With the collective efforts of all our employees, we witnessed excellent performance of the products represented by the Company, including the image transmission, industrial computers, automotive electronics, mobile devices, network communications, and security surveillance applications. In the future, facing the challenges of global competition and restructuring of the technology industry, we have the abilities and experience required to take on the challenges to improve our business performance.

In addition, regarding the development of product agency, we will continue to work with new strategic partners, more clients and suppliers in different sectors, and provide integrated resources and services to improve our business performance.

Regarding our future operations strategy, we will continue to increase the breadth and depth of our products and target markets with higher gross margins and products with higher technical thresholds more proactively, while pursuing steady growth in business

profits.

1.4 Impact of the external competition, legal, and overall business environments

Regarding the external competition environment, as most of Taiwan's semiconductor component distributors' revenue used to come from the computer and peripheral industries, distributors often faced risks of shortage of working capital for expansion, original manufacturers' business closure, and excessive product concentration. In response, we have adopted strict control measures for purchase, sale, and inventory to avoid the shortage of working capital, while increasing the Company's cash to cope with the ever-changing situation in the technology industry.

In recent years, we have also been actively devoted to the development of the markets of industrial computer, image transmission and conversion, computer peripheral, network communication, automotive electronics, mobile electronic device, and security surveillance applications, with the aim of achieving better performance. As for product agency, we have the Market Development Department in place, which is responsible for negotiating business opportunities for potential and future products to expand the agency market and diversify our business.

Looking ahead to 2023, Taiwan's manufacturing- and export-oriented technology industry, particularly the semiconductor component distribution sector, will be greatly affected by the fluctuations of the exchange rates of the New Taiwan dollar (NTD) to the US dollar (USD). Therefore, controlling the Company's accounts receivable and payable and avoiding the impact of fluctuations of the exchange rates will be the Company's biggest challenge in respect of the impact of the overall operating environment.

1.5 Business policy and important production and sales policies for 2023

- (1) The Company has worked with the original manufacturers whose products we represent for many years and maintained excellent and stable partnerships; thus, the supply is stable. With a professional management team and marketing and sales personnel, we provide after-sales service and technical support in real time and keep abreast of the marketing channels of semiconductor components, with the aim of introducing the new products we represent to the market quickly and expanding the market share of the products.
- (2) This year, we will continue to develop new markets, adopt product lines with greater potential, and actively expand the markets of network communications, video and audio transmission, automotive electronic, portable electronic device, computer peripheral, and security surveillance applications and products.
- (3) We will strengthen the field application engineering (FAE) technical support and design, and development and work more closely with clients to develop new products and product solutions, thereby reinforcing our product agency line and relations with clients.

Finally, I would like to thank all our shareholders for your long-term support for and encouragement to the Company, and, hopefully, you will continue to support and guide the Company in the upcoming year. I wish you good health and all the best.

Sincerely,

Chairman:

Manager:

Chief Accounting Officer:

Professional Computer Technology Limited
Audit Committee's Review Report

The Board of Directors has prepared the 2022 Business Report, 2022 financial statements, and the earnings distribution proposal, among which the financial statements were audited by PwC Taiwan, by whom an audit report was issued. We have reviewed the above Business Report, financial statements, and the earnings distribution proposal, to which we have found no misstatement, and we hereby issue a review report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please proceed to review it.

To

The 2023 General Shareholders' Meeting, Professional Computer Technology Limited

Chou, Chin-Piao, Convener of the Audit Committee

March 8, 2023

Rules of procedure of the Board of Directors
Partial amendments to the comparative table

Amendments	Current provisions	illustrate
<p>Article 3 The Board of Directors shall convene at least once a quarter, and shall be specified in the rules of procedure.</p> <p>The reasons for the convocation shall be specified and notified to the Directors and supervisors seven days in advance. However, in the event of an emergency, it may be summoned at any time.</p> <p>The notice of convocation in the preceding paragraph may be made electronically with the consent of the counterparty.</p> <p>The matters of paragraph 1 of Article 7 shall be enumerated in the grounds for convening and shall not be raised by provisional motion.</p>	<p>Article 3 The Board of Directors shall convene at least once a quarter, and shall be specified in the rules of procedure.</p> <p>The reasons for the convocation shall be specified and notified to the Directors and supervisors seven days in advance. However, in the event of an emergency, it may be summoned at any time.</p> <p>The notice of convocation in the preceding paragraph may be made electronically with the consent of the counterparty.</p> <p>The matters in paragraph 1 of Article 7 shall be enumerated among the reasons for convening <u>unless there is a sudden emergency or justifiable cause</u>, and may not be raised by provisional motion.</p>	<p>1. Items 1 to 3 remain unchanged.</p> <p>2. In view of the fact that the matters in paragraph 1 of Article 7 are important matters relating to the operation of the company, they shall be specified in the reasons for convening so that the directors have sufficient information and time to evaluate their motions before making decisions, and the provision of paragraph 4 shall be deleted, and it shall be specified that the matters in paragraph 1 of Article 7 shall be listed in the reasons for convening and shall not be submitted by ad hoc motion. In addition, if the company urgently needs to raise the board of directors for discussion, it may convene at any time in accordance with the provisions of Paragraph 2, and shall not affect the normal operation of the company's business or operations. The convening of the Board of Directors shall be convened at such place and time as is convenient for the directors in accordance with Article 4, and the contents of the board</p>

Amendments	Current provisions	illustrate
		meeting, the meeting materials and the notice of the convocation shall be delivered to the members of the board of directors in accordance with Article 5.
<p>Article 7 The company shall refer the following matters to the board of directors for discussion:</p> <ol style="list-style-type: none"> 1. The company's business plan. 2. Annual financial report and semi-annual financial report. However, this is not the case if the semi-annual financial report does not require an accountant to check the visa in accordance with the provisions of the law. 3. Formulate or amend the internal control system in accordance with the provisions of Article 14-1 of this Law, and evaluate the effectiveness of the internal control system. 4. Procedures for major financial business acts such as acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, endorsing or providing guarantees for others in accordance with the provisions of Article 36-1 of this Law. 5. Offering, issuance or private placement of securities with the nature of equity. 6. <u>If the board of directors does not have a standing director, the election or dismissal of the chairman.</u> 7. Appointment and removal of finance, accounting or internal audit supervisors. 8. <u>Donations to related persons</u> or major donations to non-related persons. However, public welfare donations for emergency relief due to major 	<p>Article 7 The company shall refer the following matters to the board of directors for discussion:</p> <ol style="list-style-type: none"> 1. The company's business plan. 2. Annual financial report and semi-annual financial report. However, this is not the case if the semi-annual financial report does not require an accountant to check the visa in accordance with the provisions of the law. 3. Formulate or amend the internal control system in accordance with the provisions of Article 14-1 of this Law, and evaluate the effectiveness of the internal control system. 4. Procedures for major financial business acts such as acquiring or disposing of assets, engaging in derivatives trading, lending funds to others, endorsing or providing guarantees for others in accordance with the provisions of Article 36-1 of this Law. 5. Offering, issuance or private placement of securities with the nature of equity. 6. Appointment and removal of the head of finance, accounting or internal audit. 7. Donations to related persons or major donations to non-related persons. However, public welfare donations for emergency relief due to major 	<ol style="list-style-type: none"> 1. According to Items 1 and 2 of Article 208 of the Company Law, the election of the chairman of the board of directors belongs to the functions and powers of the board of directors or the standing board of directors, and although the procedure for the dismissal of the chairman of the board of directors is not expressly stated in the Company Law, referring to the interpretation of Letter No. O 94O21O5 99 O dated August 2, 94, the method of dismissal of the chairman of the board of directors is not expressly stated in the Company Law, and unless otherwise provided in the articles of association, it is more reasonable to still be based on the resolution of the originally elected board of directors or executive board of directors. 2. Referring to the provisions of the Shanghai Development Company Law and the Ministry of Economic

Amendments	Current provisions	illustrate
<p>natural disasters must be submitted to the next board of directors for recognition.</p> <p>9. Pursuant to Article 14-3 of this Law, other major matters that shall be resolved by the shareholders' meeting or the board of directors or prescribed by the competent authority in accordance with the provisions of laws and regulations or the articles of association.</p> <p>"Related persons" as used in paragraph 8 of the preceding paragraph refers to related persons regulated by the standards for the preparation of financial reports of securities issuers; The term "major donation to non-related persons" refers to each donation amount or the cumulative amount of donations to the same target within one year reaches NT\$100 million, or reaches 1% of the net financial reported business income or more than 5% of the paid-in capital in the latest year with an accountant's visa.</p> <p>The one-year period referred to in the preceding paragraph shall be based on the date of the meeting of the Board of Directors and retroactively calculated one year forward, and the part that has been submitted to the resolution of the Board of Directors shall be exempted from recounting.</p> <p>If the shares of a foreign company have no par value or the denomination per share is not NT\$10, the amount of 5% of the paid-up capital in item 2 shall be calculated as 2.5% of the shareholders' equity.</p> <p>If the company has independent directors, at least one independent director shall attend the board in person; For the first item requiring the resolution of the board of directors, all independent directors shall attend the board of</p>	<p>natural disasters must be submitted to the next board of directors for recognition</p> <p>8. Pursuant to Article 14-3 of this Law, other major matters that shall be resolved by the shareholders' meeting or the resolution of the board of directors or stipulated by the competent authority in accordance with the provisions of laws and regulations or the articles of association.</p> <p>"Related persons" as used in paragraph 7 of the preceding paragraph refers to related persons regulated by the standards for the preparation of financial reports of securities issuers; The term "major donation to non-related persons" refers to each donation amount or the cumulative amount of donations to the same target within one year reaches NT\$100 million, or reaches 1% of the net financial reported business income or more than 5% of the paid-in capital in the latest year with an accountant's visa.</p> <p>The one-year period referred to in the preceding paragraph shall be based on the date of the meeting of the Board of Directors and retroactively calculated one year forward, and the part that has been submitted to the resolution of the Board of Directors shall be exempted from recounting.</p> <p>If the shares of a foreign company have no par value or the denomination per share is not NT\$10, the amount of 5% of the paid-up capital in item 2 shall be calculated as 2.5% of the shareholders' equity.</p> <p>If the company has independent directors, at least one independent director shall attend the board in person; For the first item requiring the resolution of the board of directors, all independent</p>	<p>Affairs, on the basis that the dismissal and election of the chairman of the board of directors are both important matters of the company, a new paragraph is added, and if the board of directors does not have a standing director, the election or dismissal of the chairman of the board of directors shall be submitted to the board of directors for discussion, and the current paragraphs 6 to 8 shall be transferred to paragraphs 7 to 9. In addition, according to Paragraph 2 of Article 208 of the Company Law, the chairman of the board of directors elected by the executive board of directors shall be consistent with the procedures and deliberative provisions of the board of directors for the selection and removal of the chairman of the board, and the provisions applicable to Article 19 shall be amended together.</p> <p>3. Items 2 are amended in conjunction with the paragraphs referred to in paragraph 1, while items 3 to 5 are not amended.</p>

Amendments	Current provisions	illustrate
directors, and if the independent directors are unable to attend in person, they shall appoint other independent directors to attend by their own behalf. If an independent director has any objections or reservations, they shall be set out in the minutes of the Board meeting; If an independent director is unable to attend the Board of Directors in person to express an objection or reservation, he or she shall issue a written opinion in advance and set out in the minutes of the Board of Directors meeting, unless justifiably justified.	directors shall attend the board of directors, and if the independent directors are unable to attend in person, they shall appoint other independent directors to attend by their own behalf. If an independent director has any objections or reservations, they shall be set out in the minutes of the Board meeting; If an independent director is unable to attend the Board of Directors in person to express an objection or reservation, he or she shall issue a written opinion in advance and set out in the minutes of the Board of Directors meeting, unless justifiably justified.	
<u>Article 19 Where the board of directors has a standing director, the provisions of Article 2, Article 3, Paragraph 2, Article 4 to 6, Article 9 and Article 11 to Article 1 shall apply to the meetings of the executive directors; The selection or dismissal of the chairman of the board of directors shall be subject to the provisions of Article 3, Paragraph 4. However, the Executive Board is a regular convener within 7 days and may notify the Managing Directors 2 days in advance.</u>	Article 19 (Supplementary Provisions). The enactment and amendment of these Rules of Procedure shall be subject to the approval of the Board of Directors of the Company and a report to the shareholders' meeting.	If the board of directors has a managing director, the provisions on the approval of the election or dismissal of the chairman of the board of directors are revised for the same reasons as those explained in Article 7.
Article 20 (Supplementary Provisions). The enactment and amendment of these Rules of Procedure shall be subject to the approval of the Board of Directors of the Company and a report to the shareholders' meeting.	Article 20 These Rules were enacted on 6/15/2004 . The first revision was made on 6/14/2007 . The second revision was made on 6/27/2008. The third revision was made on 6/20/2013. The fourth revision was made on 6/5, 2018. The fifth revision was made on 5/25/2021.	Bar number adjustment

Amendments	Current provisions	illustrate
<p><u>Article 21</u> These Rules were enacted on 6/15/2004 . The first revision was made on 6/14/2007 . The second revision was made on 6/27/2008. The third revision was made on 6/20/2013. The fourth revision was made on 6/5, 2018. The fifth revision was made on 5/25/2021. <u>The sixth revision was made on 3/8/2023.</u></p>	This article is new	Bar number adjustment

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Professional Computer Technology Limited

Opinion

We have audited the accompanying consolidated balance sheets of Professional Computer Technology Limited and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, 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, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis 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 Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Evaluation of allowance for inventory valuation lossesDescription

Refer to Note 4(12) for accounting policies on inventories, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(5) for details of inventories. As at December 31, 2022, the Group's total inventories and allowances for inventory valuation losses amounted to NT\$807,005 thousand and NT\$42,657 thousand, respectively.

The Group is primarily engaged in sales of various semiconductor components. Due to the rapid innovation in certain electronic products, there is a higher risk of incurring inventory valuation losses or obsolescence. The Group measures inventory which has been sold in the ordinary course of business at the lower of cost and net realisable value. The estimation on the net realisable value in inventory valuation may be affected due to the fluctuations of the prices are not as expected as the net realisable value.

The Group uses judgements to determine the net realisable value resulting in a high degree of estimation uncertainty and calculation complexity. Considering the Group's inventory and the allowance for inventory valuation losses are material to its financial statements, therefore, we consider the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtained an understanding on the operations and industry of the Group in order to assess the reasonableness of policies and procedures on allowance for inventory valuation losses.
2. Obtained an understanding on the internal control over valuation of inventory, and participated in physical inventory count at the end of year in order to assess the effectiveness of the controls over

obsolete and damaged inventories.

3. Verified the appropriateness of the system logic in the reports and confirmed the information in the reports is consistent with the relevant policies in order to assess the reasonableness of allowance for inventory valuation losses.

Existence of sales revenue

Description

The Group is primarily engaged in sales of various semiconductor components. Terminal products are mainly used in Bluetooth audio-visual equipment, image processing equipment and USB hubs. The Group's trading counterparties are mostly whom has a long-term business partnership with the Group, throughout Taiwan, Japan and Mainland China. As the sales of products are subject to the terminal market demand and the transaction amount and volume are huge, we consider the existence of sales revenues to be significant to the financial statements. Therefore, we consider the existence of sales revenue of the Group a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Assessed and tested the revenue cycle and performed tests to determine the Group direct revenue process is followed by the internal control procedures.
2. Verified the related industry background information in respect of the significant customers.
3. Sampled transactions of operating revenue, validated orders, sales invoice and receipts from customers, and examined the customers are consistent with the consignees.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Professional Computer Technology Limited as at and for the years ended December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect 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.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk

of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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



Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023



Chen, Ching Chang

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 572,657	22	\$ 494,965	21
1136	Current financial assets at amortised cost	6(2)	40,104	2	37,518	2
1150	Notes receivable, net	6(4)	5,701	-	12,931	1
1170	Accounts receivable, net	6(4)	731,824	28	790,078	34
1180	Accounts receivable - related parties, net	7(3)	13,249	-	12,502	-
130X	Inventories	6(5)	764,348	29	478,219	20
1470	Other current assets	7(3)	6,154	-	22,160	1
11XX	Total current assets		2,134,037	81	1,848,373	79
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	407,385	16	408,369	18
1600	Property, plant and equipment	6(6) and 8	52,793	2	54,155	2
1755	Right-of-use assets	6(7)	4,128	-	6,528	-
1760	Investment property, net	6(8)	18,892	1	19,291	1
1840	Deferred tax assets	6(21)	5,792	-	3,240	-
1900	Other non-current assets	6(10) and 8	10,403	-	9,022	-
15XX	Total non-current assets		499,393	19	500,605	21
1XXX	Total assets		\$ 2,633,430	100	\$ 2,348,978	100

(Continued)

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 475,000	18	\$ 235,529	10
2130	Contract liabilities - current	6(14)	7,099	-	11,603	-
2150	Notes payable		7,356	-	1,975	-
2170	Accounts payable		463,497	18	365,743	16
2180	Accounts payable - related parties	7(3)	-	-	160,758	7
2200	Other payables		63,458	2	64,849	3
2230	Current income tax liabilities		15,088	1	14,846	1
2280	Current lease liabilities		2,765	-	4,245	-
2300	Other current liabilities		6,365	-	3,950	-
21XX	Total current liabilities		1,040,628	39	863,498	37
Non-current liabilities						
2570	Deferred tax liabilities	6(21)	-	-	579	-
2580	Non-current lease liabilities		1,178	-	2,447	-
2600	Other non-current liabilities	6(10)	20,940	1	25,400	1
25XX	Total non-current liabilities		22,118	1	28,426	1
2XXX	Total liabilities		1,062,746	40	891,924	38
Equity						
Share capital		6(11)				
3110	Ordinary share		721,458	27	721,458	31
Capital surplus		6(12)				
3200	Capital surplus		361,381	14	361,381	16
Retained earnings		6(13)				
3310	Legal reserve		98,317	4	81,552	3
3350	Unappropriated earnings		197,705	8	189,560	8
Other equity interest						
3400	Other equity interest		191,823	7	103,103	4
3XXX	Total equity		1,570,684	60	1,457,054	62
Significant contingent liabilities and unrecognised contract commitments		9				
Significant events after the balance sheet date		11				
3X2X	Total liabilities and equity		\$ 2,633,430	100	\$ 2,348,978	100

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

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)

			Year ended December 31			
			2022		2021	
Items	Notes		Amount	%	Amount	%
4000 Operating revenue	6(14) and 7(3)		\$ 4,606,554	100	\$ 4,186,600	100
5000 Operating costs	6(5) and 7(3)		(4,203,214)	(91)	(3,800,728)	(91)
5950 Gross profit			<u>403,340</u>	<u>9</u>	<u>385,872</u>	<u>9</u>
Operating expenses	6(19)(20)					
6100 Selling expenses			(113,429)	(2)	(108,818)	(2)
6200 General and administrative expenses			(87,911)	(2)	(85,070)	(2)
6300 Research and development expenses			(34,246)	(1)	(33,582)	(1)
6450 Expected credit impairment gain (loss)	12(2)		<u>3,439</u>	<u>-</u>	<u>(95)</u>	<u>-</u>
6000 Total operating expenses			<u>(232,147)</u>	<u>(5)</u>	<u>(227,565)</u>	<u>(5)</u>
6900 Operating profit			<u>171,193</u>	<u>4</u>	<u>158,307</u>	<u>4</u>
Non-operating income and expenses						
7100 Interest income	6(15)		6,753	-	786	-
7010 Other income	6(16) and 7(3)		32,462	1	37,077	1
7020 Other gains and losses	6(17)		(4,442)	-	(1,278)	-
7050 Finance costs	6(18)		(4,131)	-	(2,598)	-
7000 Total non-operating income and expenses			<u>30,642</u>	<u>1</u>	<u>33,987</u>	<u>1</u>
7900 Profit before income tax			<u>201,835</u>	<u>5</u>	<u>192,294</u>	<u>5</u>
7950 Income tax expense	6(21)		(35,106)	(1)	(21,822)	(1)
8200 Profit for the year			<u>\$ 166,729</u>	<u>4</u>	<u>\$ 170,472</u>	<u>4</u>
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311 Gains on remeasurements of defined benefit plans	6(10)		\$ 3,090	-	\$ 2,102	-
8316 Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)		(984)	-	(130,211)	(3)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)		(618)	-	(421)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361 Exchange differences on translation			<u>89,704</u>	<u>2</u>	<u>(21,179)</u>	<u>-</u>
8300 Other comprehensive income (loss)			<u>\$ 91,192</u>	<u>2</u>	<u>(\$ 149,709)</u>	<u>(3)</u>
8500 Total comprehensive income for the year			<u>\$ 257,921</u>	<u>6</u>	<u>\$ 20,763</u>	<u>1</u>
Profit attributable to:						
8610 Owners of the parent			<u>\$ 166,729</u>	<u>4</u>	<u>\$ 170,472</u>	<u>4</u>
Comprehensive income attributable to:						
8710 Owners of the parent			<u>\$ 257,921</u>	<u>6</u>	<u>\$ 20,763</u>	<u>1</u>
Earnings per share (in dollars)	6(22)					
9750 Basic earnings per share			<u>\$ 2.31</u>		<u>\$ 2.36</u>	
9850 Diluted earnings per share			<u>\$ 2.28</u>		<u>\$ 2.34</u>	

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

Equity attributable to owners of the parent

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

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		\$ 201,835	\$ 192,294
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(8)(19)	6,946	6,912
Amortisation	6(19)	1,942	1,594
Expected credit impairment (gain) loss	12(2)	(3,439)	95
(Gain) loss on lease modification	6(7)(17)	(701)	425
Interest expense	6(18)	4,131	2,598
Interest income	6(15)	(6,753)	(786)
Dividend income	6(16)	(25,585)	(17,220)
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable, net		7,953	(11,725)
Accounts receivable, net		74,944	290
Accounts receivable - related parties, net	(	742)	7,047
Other receivables - related parties		6,646	(6,067)
Inventories	(	271,833)	(197,587)
Other current assets		9,718	(6,794)
Changes in liabilities relating to operating activities			
Contract liabilities	(	4,504)	1,735
Notes payable		5,381	686
Accounts payable		82,367	78,541
Accounts payable - related parties	(	173,100)	46,814
Other payables	(	1,239)	18,256
Other current liabilities		2,414	(1,814)
Accrued pension liabilities	(	722)	(2,688)
Cash (outflow) inflow generated from operations	(	84,341)	112,606
Interest received		6,395	791
Dividends received		25,585	17,220
Interest paid	(	4,283)	(2,235)
Income tax paid	(	26,897)	(14,637)
Net cash (used in) provided by operating activities	(	83,541)	113,745
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income		-	172
Increase in current financial assets at amortised cost	(	43,281)	(37,518)
Decrease in current financial assets at amortised cost		40,695	15,949
Acquisition of property, plant and equipment	6(6)	(1,006)	(1,388)
(Increase) decrease in guarantee deposits paid	(	88)	231
Increase in other non-current financial assets	(	351)	(332)
Increase in other non-current assets	(	2,885)	(833)
Net cash used in investing activities	(	6,916)	(23,719)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings		1,029,474	235,529
Decrease in short-term borrowings	(	790,003)	(10,000)
(Decrease) increase in guarantee deposits received	(	648)	816
Return of principal of lease liabilities	6(23)	(4,044)	(4,882)
Distribution of cash dividends	6(13)	(144,291)	(86,575)
Net cash provided by financing activities		90,488	134,888
Effect of exchange rate changes on cash and cash equivalents		77,661	(22,448)
Net increase in cash and cash equivalents		77,692	202,466
Cash and cash equivalents at beginning of year		494,965	292,499
Cash and cash equivalents at end of year		\$ 572,657	\$ 494,965

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Professional Computer Technology Limited

Opinion

We have audited the accompanying parent company only balance sheets of Professional Computer Technology Limited (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the 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 parent company only financial position of the Company as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

Evaluation of allowance for inventory valuation lossesDescription

Refer to Note 4(11) for accounting policies on inventories, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventories. As at December 31, 2022, the Company's total inventories and allowances for inventory valuation losses amounted to NT\$530,711 thousand and NT\$38,101 thousand, respectively.

The Company is primarily engaged in sales of various semiconductor components. Due to the rapid innovation in certain electronic products, there is a higher risk of incurring inventory valuation losses or obsolescence. The Company measures inventory which has been sold in the ordinary course of business at the lower of cost and net realisable value. The estimation on the net realisable value in inventory valuation may be affected due to the fluctuations of the prices are not as expected as the net realisable value.

The Company uses judgements to determine the net realisable value resulting in a high degree of estimation uncertainty and calculation complexity. Considering the Company's inventory and the allowance for inventory valuation losses are material to its financial statements, therefore, we consider the allowance for inventory valuation losses a key audit matter.

How our audit addressed the matter

Our audit procedures in relation to the above key audit matter included:

1. Obtained an understanding on the operations and industry of the Company in order to assess the reasonableness of policies and procedures on allowance for inventory valuation losses.

2. Obtained an understanding on the internal control over valuation of inventory, and participated in physical inventory count at the end of period in order to assess the effectiveness of the controls over obsolete and damaged inventories.
3. Verified the appropriateness of the system logic in the reports and confirmed the information in the reports is consistent with the relevant policies in order to assess the reasonableness of allowance for inventory valuation losses.

Existence of sales revenue

Description

The Company is primarily engaged in sales of various semiconductor components. Terminal products are mainly used in Bluetooth audio-visual equipment, image processing equipment and USB hubs. The Company's trading counterparties are mostly whom has a long-term business partnership with the Company, throughout Taiwan, Japan and Mainland China. As the sales of products are subject to the terminal market demand and the transaction amount and volume are huge, we consider the existence of sales revenues to be significant to the financial statements. Therefore, we consider the existence of sales revenue of the Company a key audit matter.

How our audit addressed the matter

1. Our audit procedures in relation to the above key audit matter included:
2. Assessed and tested the revenue cycle and performed tests to determine the Company direct revenue process is followed by the internal control procedures.
3. Verified the related industry background information in respect of the significant customers.
4. Sampled transactions of operating revenue, validated orders, sales invoice and receipts from

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 accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the

preparation of 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 the audit committee, are responsible for overseeing the Company's financial reporting process.

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

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

1. Identify and assess the risks of material misstatement of the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the 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 auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.


Liao, Fu-Ming

For and on behalf of PricewaterhouseCoopers, Taiwan

March 8, 2023


Chen, Ching Chang

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets			December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 379,192	13	\$ 133,202	5
1150	Notes receivable, net	6(3)	5,701	-	3,223	-
1170	Accounts receivable, net	6(3)	556,302	19	667,984	28
1180	Accounts receivable - related parties, net	7(2)	126,609	5	38,001	2
1210	Other receivables - related parties	7(2)	1,089	-	1,381	-
130X	Inventories	6(4)	492,670	17	390,492	16
1470	Other current assets		5,127	-	14,352	1
11XX	Total current assets		1,566,690	54	1,248,635	52
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	407,385	14	408,369	17
1550	Investments accounted for using equity method	6(5)	832,010	29	673,338	28
1600	Property, plant and equipment	6(6) and 8	52,442	2	53,610	2
1760	Investment property, net	6(8)	18,892	1	19,291	1
1840	Deferred tax assets	6(22)	5,792	-	3,240	-
1900	Other non-current assets	6(11) and 8	9,064	-	7,771	-
15XX	Total non-current assets		1,325,585	46	1,165,619	48
1XXX	Total assets		\$ 2,892,275	100	\$ 2,414,254	100

(Continued)

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 475,000	16	\$ 235,529	10
2130	Contract liabilities - current	6(15)	3,966	-	7,545	1
2150	Notes payable		2,881	-	1,975	-
2170	Accounts payable		158,521	6	281,703	12
2180	Accounts payable - related parties	7(2)	375,985	13	314,424	13
2200	Other payables		53,639	2	54,807	2
2220	Other payables - related parties	7(2)	210,855	7	25,782	1
2230	Current income tax liabilities		14,259	1	6,202	-
2300	Other current liabilities		5,836	-	3,520	-
21XX	Total current liabilities		1,300,942	45	931,487	39
Non-current liabilities						
2570	Deferred tax liabilities	6(22)	-	-	579	-
2600	Other non-current liabilities	6(10)(11)	20,649	1	25,134	1
25XX	Total non-current liabilities		20,649	1	25,713	1
2XXX	Total liabilities		1,321,591	46	957,200	40
Equity						
	Share capital	6(12)				
3110	Ordinary share		721,458	25	721,458	30
	Capital surplus	6(13)				
3200	Capital surplus		361,381	12	361,381	15
	Retained earnings	6(14)				
3310	Legal reserve		98,317	3	81,552	3
3350	Unappropriated earnings		197,705	7	189,560	8
	Other equity interest					
3400	Other equity interest		191,823	7	103,103	4
3XXX	Total equity		1,570,684	54	1,457,054	60
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 2,892,275	100	\$ 2,414,254	100

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

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE DATA)

			Year ended December 31			
			2022		2021	
Items	Notes		Amount	%	Amount	%
4000	Operating revenue	6(15) and 7(2)	\$ 3,410,100	100	\$ 3,252,918	100
5000	Operating costs	6(4) and 7(2)	(3,170,117)	(93)	(3,040,376)	(94)
5900	Gross profit		239,983	7	212,542	6
	Operating expenses	6(20)(21) and 7(2)				
6100	Selling expenses		(79,000)	(2)	(73,434)	(2)
6200	General and administrative expenses		(73,599)	(2)	(69,789)	(2)
6300	Research and development expenses		(21,163)	(1)	(19,871)	(1)
6450	Expected credit impairment gain (loss)	12(2)	3,284	-	(20)	-
6000	Total operating expenses		(170,478)	(5)	(163,114)	(5)
6900	Operating profit		69,505	2	49,428	1
	Non-operating income and expenses					
7100	Interest income	6(16)	3,606	-	119	-
7010	Other income	6(17) and 7(2)	31,135	1	22,420	1
7020	Other gains and losses	6(18)	(4,100)	-	(442)	-
7050	Finance costs	6(19)	(3,805)	-	(2,140)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	88,964	2	109,147	3
7000	Total non-operating income and expenses		115,800	3	129,104	4
7900	Profit before income tax		185,305	5	178,532	5
7950	Income tax expense	6(22)	(18,576)	-	(8,060)	-
8200	Profit for the year		<u>\$ 166,729</u>	<u>5</u>	<u>\$ 170,472</u>	<u>5</u>
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8311	Gains on remeasurements of defined benefit plans	6(11)	\$ 3,090	-	\$ 2,102	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(984)	-	(130,211)	(4)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(22)	(618)	-	(421)	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361	Exchange differences on translation		89,704	3	(21,179)	-
8300	Other comprehensive income (loss)		<u>\$ 91,192</u>	<u>3</u>	<u>(\$ 149,709)</u>	<u>(4)</u>
8500	Total comprehensive income for the year		<u>\$ 257,921</u>	<u>8</u>	<u>\$ 20,763</u>	<u>1</u>
Earnings per share (in dollars)						
9750	Basic earnings per share	6(23)	<u>\$ 2.31</u>		<u>\$ 2.36</u>	
9850	Diluted earnings per share		<u>\$ 2.28</u>		<u>\$ 2.34</u>	

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

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Capital Reserves			Retained Earnings		Other Equity Interest			
	Share capital - common stock	Additional paid-in capital	Treasury stock transactions	Gain on sale of assets	Legal reserve	Unappropriated retained earnings	Exchange differences of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year ended December 31, 2021									
Balance at January 1, 2021	\$ 721,458	\$ 349,624	\$ 11,704	\$ 53	\$ 72,391	\$ 117,645	(\$ 141,315)	\$ 391,306	\$ 1,522,866
Net income	-	-	-	-	-	170,472	-	-	170,472
Other comprehensive income (loss) for the year	-	-	-	-	-	1,681	(21,179)	(130,211)	(149,709)
Total comprehensive income (loss)	-	-	-	-	-	172,153	(21,179)	(130,211)	20,763
Appropriations and distribution of 2020 retained earnings: 6(14)									
Legal reserve	-	-	-	-	9,161	(9,161)	-	-	-
Cash dividends	-	-	-	-	-	(86,575)	-	-	(86,575)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	(4,502)	-	4,502	-
Balance at December 31, 2021	\$ 721,458	\$ 349,624	\$ 11,704	\$ 53	\$ 81,552	\$ 189,560	(\$ 162,494)	\$ 265,597	\$ 1,457,054
Year ended December 31, 2022									
Balance at January 1, 2022	\$ 721,458	\$ 349,624	\$ 11,704	\$ 53	\$ 81,552	\$ 189,560	(\$ 162,494)	\$ 265,597	\$ 1,457,054
Net income	-	-	-	-	-	166,729	-	-	166,729
Other comprehensive income (loss) for the year	-	-	-	-	-	2,472	89,704	(984)	91,192
Total comprehensive income (loss)	-	-	-	-	-	169,201	89,704	(984)	257,921
Appropriations and distribution of 2021 retained earnings: 6(14)									
Legal reserve	-	-	-	-	16,765	(16,765)	-	-	-
Cash dividends	-	-	-	-	-	(144,291)	-	-	(144,291)
Balance at December 31, 2022	\$ 721,458	\$ 349,624	\$ 11,704	\$ 53	\$ 98,317	\$ 197,705	(\$ 72,790)	\$ 264,613	\$ 1,570,684

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

PROFESSIONAL COMPUTER TECHNOLOGY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Income before income tax		\$ 185,305	\$ 178,532
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(7)(8)(20)	2,531	2,290
Amortisation	6(20)	1,942	1,594
Expected credit impairment (gain) loss	12(2)	(3,284)	20
Interest expense	6(19)	3,805	2,140
Interest income	6(16)	(3,606)	(119)
Dividend income	6(17)	(25,585)	(17,220)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(88,964)	(109,147)
Changes in assets/liabilities relating to operating activities			
Changes in assets relating to operating activities			
Notes receivable, net	(	2,500)	(2,890)
Accounts receivable, net		114,742	(20,312)
Accounts receivable - related parties, net	(	88,608)	3,133
Other receivables - related parties		292	105
Inventories	(	102,178)	(180,735)
Other current assets		9,477	(7,778)
Changes in liabilities relating to operating activities			
Contract liabilities	(	3,578)	-
Notes payable		906	686
Accounts payable	(	123,182)	151,037
Accounts payable - related parties		61,561	(87,976)
Other payables	(	1,015)	17,287
Other payables - related parties		185,073	(17,863)
Other current liabilities		2,316	(1,252)
Accrued pension liabilities	(	3,836)	(2,681)
Cash inflow (outflow) generated from operations		121,614	(91,149)
Interest received		3,354	127
Dividends received		25,585	17,220
Interest paid	(	3,957)	(1,776)
Income tax paid	(	10,699)	(6,700)
Net cash provided by (used in) operating activities		135,897	(82,278)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	6(6)	(964)	(1,374)
Decrease in guarantee deposits paid	(	1)	(8)
Increase in other non-current financial assets	(	351)	(332)
Increase in other non-current assets	(	2,885)	(833)
Net cash used in investing activities	(	4,201)	(2,547)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		1,029,474	235,529
Decrease in short-term borrowings	(	790,003)	(10,000)
(Decrease) increase in guarantee deposits received	(	648)	816
Distribution of cash dividends	6(14)	(144,291)	(86,575)
Net cash provided by financing activities		94,532	139,770
Effect of exchange rate changes on cash and cash equivalents		19,762	(1,382)
Net increase in cash and cash equivalents		245,990	53,563
Cash and cash equivalents at beginning of year		133,202	79,639
Cash and cash equivalents at end of year		\$ 379,192	\$ 133,202

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