

Stock code  
2301

Lite-On Technology Corporation

Annual General Meeting of Shareholders for 2023

# Meeting Minutes

Date: May 17, 2023

# **Lite-On Technology Corporation**

## **2023 Annual General Shareholders' Meeting Minutes**

Date: 9:00 a.m., May 17, 2023

Location: 1F, No. 392, Ruey Kuang Road, Neihu Dist., Taipei City  
(International Convention Center, Lite-On Technology Building)

Meeting format: Shareholders' meeting with video conferencing (held in-person with video conferencing support)

Video conferencing platform: Shareholders' meeting video conferencing platform of Taiwan Depository & Clearing Corporation Limited (TDCC) - Electronic voting platform for shareholders' meetings (website: <https://www.stockvote.com.tw>)

Attending shareholders and proxy representing:

1,960,020,661 shares (among them, 1,569,573,932 shares voted via electronic transmission), which accounts for 85.21% of total 2,299,972,942 outstanding shares (excluding 62,120,090 non-voting shares)

Director attendees:

Tom Soong, Anson Chiu (Representative of Ta-Sung Investment Co., Ltd.), Albert Hsueh (Chairman of Audit Committee) and MK Lu (Independent Director). Four members of the Board of Directors are present, which is over half of the eight seats on the board.

Non-shareholding attendees:

Deloitte Touche Tohmatsu International Taiwan, Chiu, Meng-Chieh, CPA  
HUANG AND PARTNERS ATTORNEYS-AT-LAW, Huang, Yun-Ju, Attorney

Chairman: Tom Soong

Recorder: Yawen Yang

### **I. Chairperson Calls Meeting to Order**

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

### **II. Opening Remarks by the Chairperson (omitted)**

### **III. Report Items**

- i. 2022 Business Report (See Attachment 1)
- ii. Audit Committee's Review Report on 2022 Financial Statements (See Attachment 2~4)
- iii. Audit Committee's Report on communications between audit committees and chief internal auditor. (Please refer to Meeting Agenda)
- iv. Report on 2022 Employees' and Directors' Compensation. (Please refer to

Meeting Agenda)

v. Cash Distribution to Shareholders from 2022 Earnings (Please refer to Meeting Agenda)

Questions raised by the shareholders number 531548 related to the compensation of independent directors, sales volume, product mix, revenue, and accounts receivable and payable.

The independent director replied:

The director's remuneration is allocated within the scope specified in the company's articles. In addition to actively participating in the board of directors, independent directors also serve on four functional committees. In addition to regular work, they also periodically provide important matters related to business operations, internal audits, or future sustainable development to the company's management team.

The general manager replied:

By increasing the value added of the products, the gross profit will also increase.

The accounting manager replied:

The decrease in sales in the last quarter was due to inventory consuming.

#### **IV. Proposals Items**

Proposed by the Board of Directors

##### **i. Proposal: Adoption of 2022 Financial Statements.**

Explanation:

1. 2022 consolidated and standalone financial statements have been audited by Certified Public Accountant Chiu, Meng-Chieh and Certified Public Accountant Cheng, Shih-Ran of Deloitte Touche Tohmatsu International Taiwan and were discussed and resolved in the Board of Directors meeting convened on February 21, 2023.
2. The aforementioned financial statements and business report were reviewed by the Audit Committee.
3. For the 2022 business report, please refer to Attachment 1.
4. For the 2022 financial statements, please refer to Attachments 2 & Attachment 3.
5. Please proceed to adopt.

Questions raised by the shareholders number 531548 related to the time deposit rate of 14.06% and the reason for the provision for losses.

The accounting manager replied:

The time deposit rate of 14.06% is not a rate in Taiwan. The provision for losses is

accrued according to accounting principles and standards.

**Resolution:**

The above proposal was hereby approved as proposed.

Shares represented at the time of voting 1,953,960,518.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,780,104,446 shares, 91.10% of total represented shares present.
Shares voted against the proposal	268,078 shares
Abstained shares	173,587,994 shares
Invalid shares	0 shares

Proposed by the Board of Directors

**ii. Proposal: Adoption of 2022 Earnings Distribution.**

Explanation:

1. In Fiscal Year 2022, the Company made a net profit of NT\$14,151,016,318. By adding unallocated retained earnings of the previous year of NT\$8,746,580,604, less adjustments on the equity method investments recognized in retained earnings of NT\$5,557,795, adding adjustments on re-measurement on define benefit plans recognized in retained earnings of NT\$73,628,800, setting aside 10% of net profit as legal reserve of NT\$ 1,421,908,732 and reversing of special reserve of NT\$3,436,785,863, total distributable earnings for the year amounted to NT\$24,980,545,058, less the cash dividends resolved in the aforementioned Board of Directors meeting of NT\$10,431,886,644, total distributable earnings for the year end amounted to NT\$14,548,658,414. For Earnings distribution table and descriptions, see Attachment 5.
2. Please proceed to adopt.

**Resolution**

No questions raised by the shareholders. The above proposal was hereby approved as proposed.

Shares represented at the time of voting: 1,953,960,518.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,794,158,757 shares, 91.82% of total represented shares present.
Shares voted against the proposal	97,122 shares
Abstained shares	159,704,639 shares
Invalid shares	0 shares

**V. Discussion Items**

Proposed by the Board of Directors

**i. Discussion of the Amendment to “Articles of Incorporation”**

Explanation:

1. Pursuant to the new amendment of Company Act and practical operations, an amendment to “Articles of Incorporation” is proposed.
2. Please refer to Attachment 6 for a comparison of the contents before and after amendment.
3. Please refer to Appendix 2 of Meeting Agenda for the full contents before amendment.
4. Please discuss and resolve.

**Resolution:**

No questions raised by the shareholders. The above proposal was hereby approved as proposed.

Shares represented at the time of voting: 1,953,960,518.

Item	Shares (include shares voted via electronic transmission)
Shares voted for the proposal	1,789,670,319 shares, 91.59% of total represented shares present.
Shares voted against the proposal	109,429 shares
Abstained shares	164,180,770 shares
Invalid shares	0 shares

**VIII. Provisional Motions: None**

**IX. Adjournment: 9:41a.m. at the same day.**

(The minutes of this shareholders' meeting shall state only the main subject of the meeting and the outcome of the motion; the content of the meeting and the shareholders' speech shall still be subject to the audio and video record of the meeting)

Chairman: Tom Soong  
Recorder: Yawen Yang

# LITE-ON Technology Corporation Business Report

Attachment 1

**Dear Shareholders,**

The world started leaving two years of COVID-19 behind in 2022 and getting ready for the new norm. Looking back one year later, we had a year of even more chaos and uncertainties. A war that broke out in February, a series of supply chain disruptions, raw material and energy crises, inflation, and unprecedented market volatility created one challenge after another for LITEON and pushed the company to grow more resilient and more innovative. LITEON held fast to the set targets despite external changes and relied on best judgment to act and advance toward the ultimate goal.

## **New operation, new profit model, new LITEON**

In 2022, LITEON continued to increase both depth and width of digital transformation and implemented digital transition on various levels in various operations. The company embraced new possibilities and worked closely with suppliers, employees, and other partners to achieve targets amid challenges. The result was profitable growth where profit increase exceeded sales increase. In 2022, LITEON's annual sales rose by 5% while the gross profit and the net operating profit rose by 9% and 16%, respectively. New strategies implemented over recent years gave a significant boost to LITEON's high growth and high value core businesses. The gross operating profit margin rose from 13% in 2018 to 19% in 2022, while the net operating profit margin rose from 3.6% to 8.7%. The EPS increased from NT\$3.42 to NT\$6.19. LITEON is now a transformed company in every way from product mix, business model, and operational structure.

LITEON's own cloud power solutions, advanced opto-electronic semiconductors in industrial control and green energy applications, electric vehicle charging, LED automotive lighting and sensors, and 5G AIoT all displayed impressive growth momentum in 2022. In particular, Cloud & AIoT business accounted for 33% of total sales and the Opto-electronics business segment delivered 20% of total sales. The gross profit margins of high-end products of these two business segments exceeded 25% and 30% respectively. LITEON is working actively to shift to an optimized 4/3/3 sales makeup with 40% of sales from Information Technology & Consumer Electronics business, 30% from Cloud & AIoT, and 30% from optoelectronic automotive products.

To provide incentives for executives and to attract and retain key talent while aligning closely with overall business targets, LITEON launched restricted stock awards (RSAs) in 2022. The terms of issuance requires increased annual profitability. Furthermore, for the purpose of focusing more on long term development of core businesses while coordinating corporate resources and improving business performance, competitiveness, and shareholder value, LITEON completed the transfer of the image business segment to LuxVisions by the end of 2022.

## **R&D to accelerate growth in cloud computing and electric vehicle business**

LITEON enhances product mix and overhauls the business model by increasing the size and scope of strategic R&D. In 2022, revenue from system products and solutions accounted for a fast growing percentage, straying from the previously component and

module-centric business model. In 2022, the ratio of R&D expenditure to revenue rose to 4.3%, up by 22% compared to 3.7% in the previous year.

LITEON cloud power systems provide a perfect example. They demonstrated solid power system developed over years of high-end R&D and enabled the company to start designing and offering the latest competitive system products to meet each customer's needs. Efficiency in time-to-market led to technological advantages, which, combined with maneuverability, flexibility, operational resilience, and supply chain management, were transformed into competitive advantages. As a result, LITEON secured a leading market share in new models and projects with major target customers worldwide in 2022. LITEON also started shipping the company's own new integrated high-end power supply and battery backup unit power management systems to large data center customers around the world. Going forward, LITEON will introduce Open Rack 3.0 compatible power solutions and data center power management and cooling systems and provide green and sustainable products and services to meet the demand for green data centers. Faced with the shift to high wattage, high efficiency, and high density cloud power and the growing demand for green energy, we are confident that fast growth in the cloud power business will continue.

Besides increased demand in the electric vehicles (EV) and automotive electronics markets, growth in the automotive electronics was supported mainly by industry-leading time-to-market, highly automated and efficient production, and smooth shipment of various high-end products. Products such as DC fast chargers, integrated cooling modules for high-end LED automotive lighting, and automotive imaging modules for advanced driver assistance systems (ADAS) all delivered excellent results. In particular, revenue from EV chargers more than quadrupled. In addition to continuing growth with existing American EV customers and increased supply to major European and American charging network operators, LITEON won new customers and secured EV orders from traditional North American automakers, thereby entering the high-end commercial EV fleet market.

### **Global expansion and green transformation to strengthen supply chain resilience**

As more and more businesses around the world start shortening their supply chains, LITEON starts expanding globally at a faster pace. In 2022, the company announced the official opening of Vietnam Factory Phase II and groundbreaking for Zhonghe Digital Building. Construction of the building is expected to be completed in 2025. Furthermore, the board of directors passed the budget proposal for Kaohsiung Factory Phase II. The factory will be the production base in Taiwan for cloud computing, high-end power management systems, EV chargers, and 5G network and communications products. The US Dallas Factory will expand capacity in 2023 to support the data center power management system and EV chargers business segments. It will enable the two business segments to produce locally and have a nearby supply for North American customers.

While the transition to zero carbon becomes a global consensus today, LITEON set clear SBTs for carbon reduction in 2019 and started working actively to reduce the impacts of GHG emissions on the environment. The LITEON Corporate Sustainability Committee, led by the chairman, is in charge of carbon management and related governance practices through the Environmental Sustainability Subcommittee and the Sustainable Product Design Subcommittee. The company will continue to reduce environmental impacts every year through product design, process improvement, and supply chain energy conservation projects. Overall carbon emissions have met the targets every year since the

projects were implemented. In addition, an aggressive target has been set to reach net zero emission by 2050.

In 2021, we launched a three-year project, "Sustainable Supply Chain and Green Transition Plan", to perform carbon inventory, set carbon reduction targets, and manage carbon reduction for the supply chain in phases. 2022 was set to be the first year of carbon reduction for the supply chain. LITEON continued to extend the scope of supply chain carbon inventory and set clear carbon reduction targets based on the inventory result. The company accelerated the effort to help suppliers reach net zero and create mutual benefit for LITEON and the supply chain in carbon reduction. Furthermore, we brought together external resources and pushed for energy conservation assistance programs via facilitators. We worked with suppliers to develop the LITEON energy saving system and completed energy saving potential assessment and support. The process moved LITEON's green supply chain further toward sustainability.

### **People instead of numbers**

We redefined LITEON's brand values in 2022. The intention was to revisit the company's origin and vision and to continue to give back to the community in technology and sustainability. A people-oriented approach and a desire for mutual benefit take us out of the conventional framework for employee welfare and implement instead a local sharing program, LITEON Family. A town hall meeting is held semiannually to bring the management team and the employees face to face for indepth discussions. Other benefits include free employee lunches and subsidy for children 0 to 6 years old. In terms of charity and giving back to the community, LITEON takes action by participating in beach cleanups, support for pomelo farmers, and shoe drives. These activities are ways for us to work as a group outside work and spread good in the world. Guided by the learning organization philosophy, we work with digital transformation programs, innovative design courses and good read recommendations, and invite external experts from various fields and successful businessmen to hold internal seminars. These events encourage LITEON employees to make a habit of learning and sharing and follow the mutual benefit spirit in working and growing together.

### **Marching towards our vision**

The global economy remains highly volatile and its future uncertain in 2023. LITEON is going to monitor the global industry closely and respond quickly to political and economic changes as well as developments in the financial markets in order to maintain operational resilience and flexibility. The company will invest in digital transformation on an ongoing basis regardless of favorable or unfavorable conditions. The continuous effort pushes LITEON forward in developing smart technologies and achieving business goals while succeeding in the digital economy amid different challenges and opportunities. The transformation encompasses everything from the global network, organization, culture, talent, and processes, and builds up core competitive advantages over the long term.

Looking forward, the urgency in the global demand for energy efficiency signals a dire need of smarter, more efficient, and more business oriented system solutions. LITEON has utilized world-leading data center and electric car energy management to consistently prove itself in energy management systems and applications. Going forward, the company will focus on cloud computing, automotive electronics, and new energy management to provide efficient energy solutions in the end market. The company will also make plans for medium- and long-term growth and strategies. These key fields will remain center stage in R&D, capital expenditure, and business partnership. Meanwhile,



high-end product design and smart manufacturing capabilities are two more keys for LITEON to open doors to upcoming growth industries such as EV, 5G and AIoT, green data center power management systems, and smart grids. We try to reduce product volume and use less materials to be more environmentally friendly. We also use recycled materials to complete the sustainability cycle and increase energy conversion efficiency to save energy. LITEON will take advantage of core optical and electric technologies and develop effective energy conservation and management systems in order to facilitate optimal utilization of precious energies in the future.

LITEON's transition and transformation is a race to surpass itself. Every change is accomplished by hard work and relies on a lot of trust and teamwork. We would like to give thanks to all of our partners for their support. We would also like to welcome all of our shareholders and partners to be a part of LITEON's rebirth and journey into a brighter future.

Tom Soong  
LITEON Chairman

Anson Chiu  
LITEON President

Michelle Hsiao  
Accounting Manager

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Stockholders  
Lite-On Technology Corporation

### **Opinion**

We have audited the accompanying consolidated financial statements of LITE-ON TECHNOLOGY CORPORATION (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of 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 International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2022 is as follows:

#### Allowance for Impairment Loss of Trade Receivables

The allowance for impairment loss of trade receivables represents management's subjective judgement and determination of the recoverable amount of overdue receivables may give rise to credit risk. The key assumptions and inputs used in the evaluation process involved significant estimates made by management. Hence, we focused on assessing the reasonableness of management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of significant accounting policies. Refer to Note 11 to the consolidated financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the reasonableness and the calculation accuracy of allowance for impairment loss.

### **Other Matter**

We have also audited the parent company only financial statements of LITE-ON TECHNOLOGY CORPORATION as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

### **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 maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, 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 and appropriate audit evidence regarding the financial information of 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 for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Meng-Chieh Chiu and Shih-Ran Cheng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 21, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

**LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(In Thousands of New Taiwan Dollars)

Attachment 2-1

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 91,065,529	46	\$ 68,275,835	37
Financial assets at fair value through profit or loss (Note 7)	2,799,938	1	775,988	-
Financial assets at amortized cost (Note 9)	-	-	3,209	-
Contract assets	484,791	-	654,423	-
Notes receivable, net (Note 11)	609,573	-	458,316	-
Trade receivables, net (Note 11)	38,127,682	19	41,245,921	22
Trade receivables from related parties (Note 31)	-	-	12,139	-
Other receivables (Note 11)	1,562,769	1	817,564	-
Other receivables from related parties (Note 31)	17,710	-	3,265	-
Inventories, net (Note 12)	27,747,465	14	32,299,343	18
Other current assets (Note 19)	2,537,757	1	2,564,888	1
Total current assets	164,953,214	83	147,110,891	80
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Note 7)	1,462,668	1	2,090,852	1
Financial assets at fair value through other comprehensive income (Note 8)	1,985,324	1	2,013,586	1
Financial assets at amortized cost (Note 9)	465,790	-	289,411	-
Investments accounted for using the equity method (Note 14)	1,888,176	1	1,847,579	1
Property, plant and equipment, net (Notes 15 and 31)	19,078,678	10	18,889,587	10
Right-of-use assets, net (Note 16)	1,648,994	1	1,717,650	1
Investment properties, net (Note 17)	1,236,643	1	1,246,465	1
Intangible assets, net (Note 18)	3,692,521	2	3,675,676	2
Deferred tax assets (Note 26)	2,804,527	1	4,244,276	2
Refundable deposits	350,419	-	278,995	-
Net defined benefit assets (Note 22)	107,332	-	37,932	-
Other non-current assets (Note 19)	107,451	-	100,519	-
Total non-current assets	34,828,523	17	36,432,528	20
<b>TOTAL</b>	<b>\$ 199,781,737</b>	<b>100</b>	<b>\$ 183,543,419</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 20)	\$ 32,628,984	16	\$ 28,385,043	15
Financial liabilities at fair value through profit or loss (Note 7)	253,441	-	373,960	-
Contract liabilities	79,782	-	98	-
Notes payable	59	-	44	-
Trade payables	44,883,340	22	46,659,415	25
Trade payables to related parties (Note 31)	15,842	-	38,342	-
Other payables	22,630,490	11	20,683,867	11
Other payables to related parties (Note 31)	19,378	-	1,705	-
Current tax liabilities	5,609,887	3	7,263,027	4
Provisions (Note 21)	1,125,550	1	1,152,812	1
Lease liabilities (Note 16)	359,221	-	400,877	-
Advances received	4,175,135	2	2,955,935	2
Total current liabilities	111,781,109	56	107,915,125	59
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings	3,000,000	2	-	-
Deferred tax liabilities (Note 26)	2,212,812	1	1,878,663	1
Lease liabilities (Note 16)	691,734	-	743,516	-
Guarantee deposits	108,955	-	132,588	-
Total non-current liabilities	6,013,501	3	2,754,767	2
Total liabilities	117,794,610	59	110,669,892	60
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>				
Share capital				
Ordinary shares	23,630,830	12	23,508,670	13
Capital surplus	22,706,153	11	21,836,342	12
Retained earnings				
Legal reserve	16,780,649	8	15,613,679	9
Special reserve	3,214,551	2	5,940,218	3
Unappropriated earnings	21,736,118	11	15,199,955	8
Total retained earnings	41,731,318	21	36,753,852	20
Other equity				
Exchange differences on translating foreign operations	(2,315,737)	(1)	(5,820,080)	(3)
Unrealized loss of financial assets at fair value through other comprehensive income	(304,465)	-	(236,908)	-
Unearned employee compensation	(623,682)	-	-	-
Total other equity	(3,243,884)	(2)	(6,056,988)	(3)
Treasury shares	(3,468,412)	(2)	(3,700,808)	(2)
Total equity attributable to owners of the Company	81,356,005	41	72,341,068	39
<b>NON-CONTROLLING INTERESTS</b>	631,122	-	532,459	-
Total equity	81,987,127	41	72,873,527	40
<b>TOTAL</b>	<b>\$ 199,781,737</b>	<b>100</b>	<b>\$ 183,543,419</b>	<b>100</b>

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

**LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

**Attachment 2-2**

**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	<b>2022</b>		<b>2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>OPERATING REVENUE</b>				
Sales (Notes 24 and 31)	\$ 177,083,524	102	\$ 168,643,418	102
Less: Sales allowance	3,274,121	2	3,111,747	2
Sales returns	353,187	-	703,724	-
Total operating revenue	<u>173,456,216</u>	<u>100</u>	<u>164,827,947</u>	<u>100</u>
<b>COST OF GOODS SOLD (Notes 12, 25 and 31)</b>	<u>(140,193,784)</u>	<u>(81)</u>	<u>(134,330,418)</u>	<u>(81)</u>
<b>GROSS PROFIT</b>	<u>33,262,432</u>	<u>19</u>	<u>30,497,529</u>	<u>19</u>
<b>OPERATING EXPENSES (Notes 16, 25 and 31)</b>				
Selling and marketing expenses	(6,138,249)	(4)	(5,001,775)	(3)
General and administrative expenses	(4,575,685)	(3)	(4,484,541)	(3)
Research and development expenses	(7,440,789)	(4)	(6,113,185)	(4)
Expected credit loss (Notes 11 and 24)	(34,849)	-	(1,855,889)	(1)
Total operating expenses	<u>(18,189,572)</u>	<u>(10)</u>	<u>(17,455,390)</u>	<u>(11)</u>
<b>OPERATING INCOME</b>	<u>15,072,860</u>	<u>9</u>	<u>13,042,139</u>	<u>8</u>
<b>NON-OPERATING INCOME AND EXPENSES</b>				
Share of profit (loss) of associates accounted for using the equity method	(6,109)	-	74,382	-
Interest income	1,221,626	1	729,485	-
Dividend income	6,985	-	5,153	-
Other income (Note 31)	1,698,918	1	831,432	1
Net gain (loss) on disposal of investments (Note 15)	(6,489)	-	58,191	-
Net gain (loss) on foreign currency exchange	(1,895,211)	(1)	377,483	-
Net gain on financial assets at fair value through profit or loss	2,443,992	1	4,034,938	2
Net gain on financial assets at fair value through profit or loss - structured products	357,132	-	310,306	-
Finance costs (Note 25)	(742,744)	-	(222,260)	-
Other expenses	(318,954)	-	(293,524)	-
Net gain (loss) on disposal of property, plant and equipment	15,871	-	(126,480)	-
Net loss on disposal of intangible assets	(84)	-	-	-
Impairment loss (Notes 15 and 18)	(2,004)	-	(1,188,998)	(1)
Total non-operating income and expenses	<u>2,772,929</u>	<u>2</u>	<u>4,590,108</u>	<u>3</u>

(Continued)

## LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
PROFIT BEFORE INCOME TAX	\$ 17,845,789	10	\$ 17,632,247	11
INCOME TAX EXPENSE (Note 26)	<u>(3,658,386)</u>	<u>(2)</u>	<u>(3,702,761)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>14,187,403</u>	<u>8</u>	<u>13,929,486</u>	<u>8</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23 and 26)				
Items not reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	108,835	-	19,738	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(67,434)	-	8,467	-
Share of other comprehensive gain of associates accounted for using the equity method	989	-	952	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(23,458)</u>	<u>-</u>	<u>(3,015)</u>	<u>-</u>
	<u>18,932</u>	<u>-</u>	<u>26,142</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	4,338,757	3	(421,397)	-
Share of other comprehensive income (loss) of associates accounted for using the equity method	68,988	-	(19,948)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(849,696)</u>	<u>-</u>	<u>38,760</u>	<u>-</u>
	<u>3,558,049</u>	<u>2</u>	<u>(402,585)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>3,576,981</u>	<u>2</u>	<u>(376,443)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,764,384</u>	<u>10</u>	<u>\$ 13,553,043</u>	<u>8</u>
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Company	\$ 14,151,016	8	\$ 13,886,552	8
Non-controlling interests	<u>36,387</u>	<u>-</u>	<u>42,934</u>	<u>-</u>
	<u>\$ 14,187,403</u>	<u>8</u>	<u>\$ 13,929,486</u>	<u>8</u>

(Continued)



## LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	2022		2021	
	Amount	%	Amount	%
TOTAL COMPREHENSIVE INCOME (LOSS)				
ATTRIBUTABLE TO:				
Owners of the Company	\$ 17,661,812	10	\$ 13,558,786	8
Non-controlling interests	<u>102,572</u>	<u>-</u>	<u>(5,743)</u>	<u>-</u>
	<u>\$ 17,764,384</u>	<u>10</u>	<u>\$ 13,553,043</u>	<u>8</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 27)				
From continuing operations				
Basic	<u>\$6.19</u>		<u>\$6.01</u>	
Diluted	<u>\$6.10</u>		<u>\$5.92</u>	

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

(Concluded)

**Attachment 2-3**

**LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company							Other Equity (Notes 23 and 28)					Total Equity	
	Issue of Share Capital (Note 23)		Capital Surplus (Note 23)	Retained Earnings (Note 23)			Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets Designated as Fair Value Through Other Comprehensive Income	Unearned Employees' Compensation	Treasury Shares (Note 23)	Non-controlling Interests (Note 23)			
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings						Total		Total
BALANCE AT JANUARY 1, 2021	2,350,867	\$ 23,508,670	\$ 21,613,574	\$ 13,789,553	\$ 4,732,075	\$ 17,026,026	\$ 35,547,654	\$ (5,563,051)	\$ (245,858)	\$ -	\$ (5,808,909)	\$ (1,271,314)	\$ 551,839	\$ 74,141,514
Appropriation of earnings														
Legal reserve	-	-	-	1,824,126	-	(1,824,126)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	1,208,143	(1,208,143)	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(12,692,187)	(12,692,187)	-	-	-	-	-	-	(12,692,187)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(13,637)	(13,637)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	69,958	-	-	69,958	-	-	69,958
Difference between subsidiaries' disposal of consideration and carrying amount	-	-	-	-	-	-	-	25,850	-	-	25,850	-	-	25,850
Changes in percentage of ownership interests in subsidiaries	-	-	(829)	-	-	(1,393)	(1,393)	-	-	-	-	-	-	(2,222)
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	91,950	-	-	(2,895)	(2,895)	-	-	-	-	-	-	89,055
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	131,647	-	-	-	-	-	-	-	-	-	-	131,647
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(400)	(400)	-	400	-	400	-	-	-
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	(2,429,494)	-	(2,429,494)
Net profit for the year ended December 31, 2021	-	-	-	-	-	13,886,552	13,886,552	-	-	-	-	-	42,934	13,929,486
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	16,521	16,521	(352,837)	8,550	-	(344,287)	-	(48,677)	(376,443)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	-	13,903,073	13,903,073	(352,837)	8,550	-	(344,287)	-	(5,743)	13,553,043
BALANCE AT DECEMBER 31, 2021	2,350,867	23,508,670	21,836,342	15,613,679	5,940,218	15,199,955	36,753,852	(5,820,080)	(236,908)	-	(6,056,988)	(3,700,808)	532,459	72,873,527
Appropriation of earnings														
Legal reserve	-	-	-	1,166,970	-	(1,166,970)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,725,667)	2,725,667	-	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,241,620)	(9,241,620)	-	-	-	-	-	-	(9,241,620)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	(3,909)	(3,909)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	6,490	-	-	6,490	-	-	6,490
Difference between consideration and carrying amount of subsidiaries disposed of (Notes 14 and 30)	-	-	30,549	-	-	-	-	-	-	-	-	-	-	30,549
Share-based payment transaction	12,216	122,160	622,447	-	-	-	-	-	-	(623,682)	(623,682)	-	-	120,925
Disposal of treasury stocks	-	-	88,015	-	-	-	-	-	-	-	-	232,396	-	320,411
Changes in percentage of ownership interests in subsidiaries	-	-	50,223	-	-	(12,430)	(12,430)	-	-	-	-	-	-	37,793
Restructuring	-	-	(29,824)	-	-	-	-	-	-	-	-	-	-	(29,824)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	10,843	-	-	-	-	-	-	-	-	-	-	10,843
Changes in capital surplus from cash dividends of Company paid to subsidiaries	-	-	97,517	-	-	-	-	-	-	-	-	-	-	97,517
Other changes in equity	-	-	41	-	-	-	-	-	-	-	-	-	-	41
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	14,151,016	14,151,016	-	-	-	-	-	36,387	14,187,403
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	80,500	80,500	3,497,853	(67,557)	-	3,430,296	-	66,185	3,576,981
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,231,516	14,231,516	3,497,853	(67,557)	-	3,430,296	-	102,572	17,764,384
BALANCE AT DECEMBER 31, 2022	2,363,083	\$ 23,630,830	\$ 22,706,153	\$ 16,780,649	\$ 3,214,551	\$ 21,736,118	\$ 41,731,318	\$ (2,315,737)	\$ (304,465)	\$ (623,682)	\$ (3,243,884)	\$ (3,468,412)	\$ 631,122	\$ 81,987,127

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

## LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 17,845,789	\$ 17,632,247
Adjustments for:		
Depreciation expenses	4,360,303	3,953,907
Amortization expenses	154,063	183,647
Expected credit loss	34,849	1,855,889
Net gain on fair value changes of financial assets as at fair value through profit or loss	(2,801,124)	(4,345,244)
Finance costs	742,744	222,260
Interest income	(1,221,626)	(729,485)
Dividend income	(6,985)	(5,153)
Share of profit of associates accounted for using the equity method	6,109	(74,382)
Net loss (gain) on disposal of property, plant and equipment	(15,871)	126,480
Net loss on disposal of intangible assets	84	-
Net (gain) loss on disposal of investments	6,489	(58,191)
Impairment loss recognized on non-financial assets	697,279	1,538,924
Net unrealized (gain) loss on foreign currency exchange	(13,265)	178,436
Net loss on disposal of subsidiaries	-	26,375
Recognition of provisions	135,787	177,927
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	889,237	1,631,425
Contract assets	452,798	450,533
Notes receivable	(143,808)	(35,171)
Trade receivables	4,528,999	(5,794,611)
Trade receivables from related parties	12,139	26,221
Other receivables	(627,508)	867,964
Other receivables from related parties	(14,445)	4,095
Inventories	5,403,868	(8,166,988)
Other current assets	104,159	(386,128)
Notes payable	15	(12,836)
Trade payables	(4,666,792)	4,486,824
Trade payables to related parties	(22,500)	(256,659)
Other payables	2,015,541	190,018
Other payables to related parties	17,673	783
Contract liabilities	79,684	-
Provisions	(173,364)	(203,794)
Advance receipts	1,137,060	296,305
Net defined benefit assets	39,435	(31,613)
Cash generated from operations	28,956,816	13,750,005
Interest received	1,117,330	756,838
Dividends received	6,985	5,153
Interest paid	(573,894)	(223,406)
Income tax paid	(4,471,274)	(2,128,950)
Net cash generated from operating activities	<u>25,035,963</u>	<u>12,159,640</u>

(Continued)

# LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of financial assets at fair value through other comprehensive income	\$ (195,347)	\$ (417,475)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	26,211
Purchases of financial assets at amortized cost	(234,732)	(65,620)
Proceeds from disposal of financial assets at amortized costs	65,632	197,492
Purchases of financial assets at fair value through profit or loss	(33,897,475)	-
Proceeds from disposal of financial assets at fair value through profit or loss	34,143,161	-
Proceeds from disposal of investments accounted for using the equity method	-	1,020,042
Net cash inflow on disposal of subsidiaries	-	(134)
Acquisition of property, plant and equipment	(4,249,324)	(3,738,147)
Proceeds from disposal of property, plant and equipment	41,685	20,473
Increase in refundable deposits	(61,713)	-
Decrease in refundable deposits	-	5,251
Acquisition of intangible assets	(165,176)	(179,053)
Proceeds from disposal of intangible assets	3,209	55
Dividend from associates	31,865	-
Decrease in other non-current assets	4	27,574
	<u>(4,518,211)</u>	<u>(3,103,331)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	4,038,922	3,552,823
Proceeds from long-term borrowings	3,000,000	-
Proceeds from guarantee deposits received	-	39,965
Decrease in guarantee deposits received	(32,053)	-
Repayments of the principal portion of lease liabilities	(444,974)	(351,906)
Cash dividends paid	(9,144,103)	(12,560,540)
Payments for buy-back of ordinary shares	-	(2,429,494)
Disposal of treasury shares	320,411	-
Proceeds from disposal of partial interests in subsidiaries without a loss of control	54,840	-
Changes in non-controlling interests	(20,275)	(29,613)
	<u>(2,227,232)</u>	<u>(11,778,765)</u>
Net cash used in financing activities	<u>(2,227,232)</u>	<u>(11,778,765)</u>

(Continued)

# LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

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	2022	2021
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	\$ 4,499,174	\$ (509,745)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	22,789,694	(3,232,201)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	<u>68,275,835</u>	<u>71,508,036</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>\$ 91,065,529</u>	<u>\$ 68,275,835</u>

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

(Concluded)

**INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Lite-On Technology Corporation

**Opinion**

We have audited the accompanying financial statements of LITE-ON TECHNOLOGY CORPORATION (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter identified in the audit of the Company's financial statements for the year ended December 31, 2022 is as follows:

**Allowance for Impairment Loss of Trade Receivables**

The allowance for impairment loss of trade receivables represents management's subjective judgement and determination of the recoverable amount of overdue receivables may give rise to credit risk. The key assumptions and inputs used in the evaluation process involved significant estimates made by management. Hence, we focused on assessing the reasonableness of management's estimates of allowance for impairment loss in our audit.

Refer to Note 4 to the consolidated financial statements for the summary of significant accounting policies. Refer to Note 11 to the consolidated financial statements for the carrying amount of trade receivables and impairment loss of trade receivables. In response to management's estimates mentioned above, we assessed the classification of the client's credit rating, the reasonableness of expected credit loss, and the calculation accuracy of allowance for impairment loss.

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

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are

responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Meng-Chieh Chiu and Shih-Ran Cheng.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

February 21, 2023

#### Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*



## LITE-ON TECHNOLOGY CORPORATION

## BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

ASSETS	2022		2021	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Note 6)	\$ 7,418,633	4	\$ 5,074,516	3
Financial assets at fair value through profit or loss (Note 7)	2,653,305	2	594,306	-
Financial assets at amortized cost (Notes 9 and 29)	-	-	3,209	-
Contract assets	102,194	-	115,014	-
Trade receivables, net (Note 11)	22,815,140	14	24,739,559	16
Trade receivables from related parties (Note 28)	8,012,686	5	6,779,064	4
Other receivables	1,126,609	1	521,911	-
Other receivables from related parties (Note 28)	190,320	-	204,911	-
Inventories, net (Note 12)	5,751,382	3	7,051,578	5
Prepayments	1,194,160	1	734,242	1
Total current assets	<u>49,264,429</u>	<u>29</u>	<u>45,818,310</u>	<u>30</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss (Note 7)	507,325	-	154,685	-
Financial assets at fair value through other comprehensive income (Note 8)	727,700	-	879,524	1
Financial assets at amortized cost (Notes 9 and 29)	398,394	-	226,756	-
Investments accounted for using the equity method (Notes 13 and 28)	101,569,154	60	90,305,425	59
Property, plant and equipment, net (Notes 14 and 28)	9,794,480	6	8,986,767	6
Right-of-use assets, net (Note 15)	567,588	-	497,187	-
Intangible assets, net (Note 16)	3,580,319	2	3,556,210	2
Deferred tax assets (Note 23)	2,021,745	1	3,638,738	2
Refundable deposits	154,232	-	74,571	-
Net defined benefit assets (Note 19)	146,607	-	43,130	-
Other non-current assets	6,471	-	6,471	-
Total non-current assets	<u>119,474,015</u>	<u>71</u>	<u>108,369,464</u>	<u>70</u>
<b>TOTAL</b>	<u>\$ 168,738,444</u>	<u>100</u>	<u>\$ 154,187,774</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Note 17)	\$ 26,759,770	16	\$ 24,876,688	16
Financial liabilities at fair value through profit or loss (Note 7)	243,387	-	364,175	-
Contract liabilities	79,782	-	98	-
Notes payable	32	-	2	-
Trade payables	5,034,229	3	4,572,463	3
Trade payables to related parties (Note 28)	27,733,148	16	29,980,063	19
Other payables	14,950,106	9	12,692,899	8
Other payables to related parties (Note 28)	573,248	-	146,314	-
Current tax liabilities	3,002,064	2	4,297,967	3
Provisions (Note 18)	628,867	-	879,600	1
Lease liabilities (Note 15)	189,387	-	165,018	-
Advances received	2,859,275	2	1,798,587	1
Total current liabilities	<u>82,053,295</u>	<u>49</u>	<u>79,773,874</u>	<u>52</u>
<b>NON-CURRENT LIABILITIES</b>				
Long-term borrowings (Note 17)	3,000,000	2	-	-
Deferred tax liabilities (Note 23)	1,919,736	1	1,702,890	1
Lease liabilities (Note 15)	389,911	-	349,106	-
Guarantee deposits	19,497	-	20,836	-
Total non-current liabilities	<u>5,329,144</u>	<u>3</u>	<u>2,072,832</u>	<u>1</u>
Total liabilities	<u>87,382,439</u>	<u>52</u>	<u>81,846,706</u>	<u>53</u>
<b>EQUITY</b>				
Share capital				
Ordinary shares	23,630,830	14	23,508,670	15
Capital surplus	22,706,153	13	21,836,342	14
Retained earnings				
Legal reserve	16,780,649	10	15,613,679	10
Special reserve	3,214,551	2	5,940,218	4
Unappropriated earnings	21,736,118	13	15,199,955	10
Total retained earnings	<u>41,731,318</u>	<u>25</u>	<u>36,753,852</u>	<u>24</u>
Other equity				
Exchange differences on translating the financial statements of foreign operations	(2,315,737)	(1)	(5,820,080)	(4)
Unrealized loss of financial assets at fair value through other comprehensive income	(304,465)	-	(236,908)	-
Unearned employee compensation	(623,682)	-	-	-
Total other equity	<u>(3,243,884)</u>	<u>(2)</u>	<u>(6,056,988)</u>	<u>(4)</u>
Treasury shares	(3,468,412)	(2)	(3,700,808)	(2)
Total equity	<u>81,356,005</u>	<u>48</u>	<u>72,341,068</u>	<u>47</u>
<b>TOTAL</b>	<u>\$ 168,738,444</u>	<u>100</u>	<u>\$ 154,187,774</u>	<u>100</u>

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

# LITE-ON TECHNOLOGY CORPORATION

Attachment 3-2

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Sales (Notes 21 and 28)	\$ 118,231,667	102	\$ 109,019,699	102
Less: Sales returns	184,748	-	367,988	-
Sales allowance	2,477,605	2	2,396,876	2
Total operating revenue	<u>115,569,314</u>	<u>100</u>	<u>106,254,835</u>	<u>100</u>
COST OF GOODS SOLD (Notes 12, 22 and 28)	<u>(98,434,771)</u>	<u>(85)</u>	<u>(93,456,480)</u>	<u>(88)</u>
GROSS PROFIT	17,134,543	15	12,798,355	12
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(49,724)	-	-	-
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	<u>-</u>	<u>-</u>	<u>147,496</u>	<u>-</u>
REALIZED GROSS PROFIT	<u>17,084,819</u>	<u>15</u>	<u>12,945,851</u>	<u>12</u>
OPERATING EXPENSES (Notes 22 and 28)				
Selling and marketing expenses	(2,729,803)	(2)	(1,371,106)	(1)
General and administrative expenses	(3,520,107)	(3)	(3,454,692)	(3)
Research and development expenses	(4,946,621)	(4)	(3,870,268)	(4)
Expected credit (loss) gain (Note 11)	<u>(31,404)</u>	<u>-</u>	<u>38,380</u>	<u>-</u>
Total operating expenses	<u>(11,227,935)</u>	<u>(10)</u>	<u>(8,657,686)</u>	<u>(8)</u>
OPERATING INCOME	<u>5,856,884</u>	<u>5</u>	<u>4,288,165</u>	<u>4</u>
NON-OPERATING INCOME AND EXPENSES				
Share of profit of subsidiaries and associates accounted for using the equity method	6,450,425	6	10,510,200	10
Interest income	30,965	-	15,401	-
Dividend income	3,721	-	3,272	-
Other income (Note 28)	1,902,257	2	919,218	1
Net gain (loss) on disposal of property, plant and equipment	13,847	-	(115,189)	-
Net gain on disposal of investments	-	-	59,300	-
Net gain (loss) on foreign currency exchange	(2,580,725)	(2)	315,895	-
Net gain on financial assets at fair value through profit or loss	3,295,859	3	1,441,618	1
Finance costs (Note 22)	(563,270)	-	(94,518)	-

(Continued)

# LITE-ON TECHNOLOGY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2022		2021	
	Amount	%	Amount	%
Other expenses	\$ (24,104)	-	\$ (6,512)	-
Impairment loss (Note 16)	<u>-</u>	<u>-</u>	<u>(1,180,743)</u>	<u>(1)</u>
Total non-operating income and expenses	<u>8,528,975</u>	<u>7</u>	<u>11,867,942</u>	<u>11</u>
PROFIT BEFORE INCOME TAX	14,385,859	12	16,156,107	15
INCOME TAX EXPENSE (Note 23)	<u>(234,843)</u>	<u>-</u>	<u>(2,269,555)</u>	<u>(2)</u>
NET PROFIT FOR THE YEAR	<u>14,151,016</u>	<u>12</u>	<u>13,886,552</u>	<u>13</u>
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 19, 20 and 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	92,036	-	18,311	-
Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	(68,772)	-	11,572	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	8,086	-	(1,150)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	<u>(18,407)</u>	<u>-</u>	<u>(3,662)</u>	<u>-</u>
	<u>12,943</u>	<u>-</u>	<u>25,071</u>	<u>-</u>
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	4,229,179	4	(300,307)	-
Share of other comprehensive income (loss) of subsidiaries and associates accounted for using the equity method	118,370	-	(91,290)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(849,696)</u>	<u>(1)</u>	<u>38,760</u>	<u>-</u>
	<u>3,497,853</u>	<u>3</u>	<u>(352,837)</u>	<u>-</u>
Other comprehensive income (loss) for the year, net of income tax	<u>3,510,796</u>	<u>3</u>	<u>(327,766)</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 17,661,812</u>	<u>15</u>	<u>\$ 13,558,786</u>	<u>13</u>

(Continued)

# LITE-ON TECHNOLOGY CORPORATION

## STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Except Earnings Per Share)

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	2022		2021	
	Amount	%	Amount	%
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 24)				
From continuing operations				
Basic	<u>\$6.19</u>		<u>\$6.01</u>	
Diluted	<u>\$6.10</u>		<u>\$5.92</u>	

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

(Concluded)

## LITE-ON TECHNOLOGY CORPORATION

## Attachment 3-3

STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021  
(In Thousands of New Taiwan Dollars)

	Issue of Share Capital (Note 20)		Capital Surplus (Note 20)	Retained Earnings (Note 20)				Other Equity (Notes 20 and 25)					Total Equity
	Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employees' Compensation	Total	Treasury Shares (Note 20)	
BALANCE AT JANUARY 1, 2021	2,350,867	\$ 23,508,670	\$ 21,613,574	\$ 13,789,553	\$ 4,732,075	\$ 17,026,026	\$ 35,547,654	\$ (5,563,051)	\$ (245,858)	\$ -	\$ (5,808,909)	\$ (1,271,314)	\$ 73,589,675
Appropriation of earnings													
Legal reserve	-	-	-	1,824,126	-	(1,824,126)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	1,208,143	(1,208,143)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(12,692,187)	(12,692,187)	-	-	-	-	-	(12,692,187)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	69,958	-	-	69,958	-	69,958
Difference between subsidiaries' disposal of consideration and carrying amount	-	-	-	-	-	-	-	25,850	-	-	25,850	-	25,850
Changes in percentage of ownership interest in subsidiaries	-	-	(829)	-	-	(1,393)	(1,393)	-	-	-	-	-	(2,222)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	91,950	-	-	(2,895)	(2,895)	-	-	-	-	-	89,055
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	131,647	-	-	-	-	-	-	-	-	-	131,647
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(400)	(400)	-	400	-	400	-	-
Buy-back of ordinary shares	-	-	-	-	-	-	-	-	-	-	-	(2,429,494)	(2,429,494)
Net profit for the year ended December 31, 2021	-	-	-	-	-	13,886,552	13,886,552	-	-	-	-	-	13,886,552
Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	16,521	16,521	(352,837)	8,550	-	(344,287)	-	(327,766)
Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	13,903,073	13,903,073	(352,837)	8,550	-	(344,287)	-	13,558,786
BALANCE AT DECEMBER 31, 2021	2,350,867	23,508,670	21,836,342	15,613,679	5,940,218	15,199,955	36,753,852	(5,820,080)	(236,908)	-	(6,056,988)	(3,700,808)	72,341,068
Appropriation of earnings													
Legal reserve	-	-	-	1,166,970	-	(1,166,970)	-	-	-	-	-	-	-
Special reserve	-	-	-	-	(2,725,667)	2,725,667	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	-	(9,241,620)	(9,241,620)	-	-	-	-	-	(9,241,620)
Disposal of investments accounted for using the equity method	-	-	-	-	-	-	-	6,490	-	-	6,490	-	6,490
Difference between subsidiaries' disposal of consideration and carrying amount	-	-	30,549	-	-	-	-	-	-	-	-	-	30,549
Share-based payment transaction	12,216	122,160	622,447	-	-	-	-	-	-	(623,682)	(623,682)	-	120,925
Disposal of treasury stocks	-	-	88,015	-	-	-	-	-	-	-	-	232,396	320,411
Changes in percentage of ownership interests in subsidiaries	-	-	50,223	-	-	(12,430)	(12,430)	-	-	-	-	-	37,793
Restructuring	-	-	(29,824)	-	-	-	-	-	-	-	-	-	(29,824)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	-	10,843	-	-	-	-	-	-	-	-	-	10,843
Changes in capital surplus from cash dividends of the Company paid to subsidiaries	-	-	97,517	-	-	-	-	-	-	-	-	-	97,517
Other changes in equity	-	-	41	-	-	-	-	-	-	-	-	-	41
Net profit for the year ended December 31, 2022	-	-	-	-	-	14,151,016	14,151,016	-	-	-	-	-	14,151,016
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	80,500	80,500	3,497,853	(67,557)	-	3,430,296	-	3,510,796
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,231,516	14,231,516	3,497,853	(67,557)	-	3,430,296	-	17,661,812
BALANCE AT DECEMBER 31, 2022	<u>2,363,083</u>	<u>\$ 23,630,830</u>	<u>\$ 22,706,153</u>	<u>\$ 16,780,649</u>	<u>\$ 3,214,551</u>	<u>\$ 21,736,118</u>	<u>\$ 41,731,318</u>	<u>\$ (2,315,737)</u>	<u>\$ (304,465)</u>	<u>\$ (623,682)</u>	<u>\$ (3,243,884)</u>	<u>\$ (3,468,412)</u>	<u>\$ 81,356,005</u>

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

## LITE-ON TECHNOLOGY CORPORATION

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**  
**(In Thousands of New Taiwan Dollars)**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 14,385,859	\$ 16,156,107
Adjustments for:		
Depreciation expenses	1,098,681	750,844
Amortization expenses	119,072	159,277
Expected credit loss (gain)	31,404	(38,380)
Net gain on fair value changes of financial instruments as at fair value through profit or loss	(3,295,859)	(1,441,618)
Finance costs	563,270	94,518
Interest income	(30,965)	(15,401)
Dividend income	(3,721)	(3,272)
Share of profit of subsidiaries and associates accounted for using the equity method	(6,450,425)	(10,510,200)
Net loss (gain) on disposal of property, plant and equipment	(13,847)	115,189
Net gain on disposal of investments	-	(59,300)
Impairment loss recognized on non-financial assets	137,099	1,388,427
Unrealized gain on transactions with subsidiaries and associates	49,724	-
Realized gain on transactions with subsidiaries and associates	-	(147,496)
Unrealized net loss on foreign currency exchange	328,453	270,205
Recognition of provisions	105,271	79,246
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	1,041,832	515,405
Contract assets	11,601	156,381
Trade receivables	1,598,893	(2,757,512)
Trade receivables from related parties	(1,233,622)	1,419,128
Other receivables	(604,975)	620,215
Other receivables from related parties	14,591	(33,121)
Inventories	1,163,097	(1,618,002)
Prepayments	(464,913)	(56,099)
Contract liabilities	79,684	(12,961)
Notes payable	30	2
Trade payables	925,495	380,372
Trade payables to related parties	(2,246,915)	2,188,483
Other payables	2,325,875	80,222
Other payables to related parties	426,934	40,429
Provisions	(140,138)	(195,812)
Advance receipts	1,062,913	441,654
Net defined benefit assets	(11,441)	(11,738)
Cash generated from operations	10,972,957	7,955,192
Interest received	30,580	15,672
Dividends received	3,721	3,272
Interest paid	(415,934)	(92,148)
Income tax paid	(565,010)	(1,209,441)
Net cash generated from operating activities	<u>10,026,314</u>	<u>6,672,547</u>
		(Continued)

# LITE-ON TECHNOLOGY CORPORATION

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

	2022	2021
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of financial assets at fair value through other comprehensive income	\$ (195,347)	\$ (417,475)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	18,059
Purchases of financial assets at amortized costs	(171,642)	(257)
Proceeds from disposal of financial assets at amortized costs	3,213	89,252
Proceeds from disposal of investments accounted for using the equity method	-	1,014,378
Net cash inflow on disposal of subsidiary	48,052	-
Acquisition of property, plant and equipment	(1,595,901)	(1,219,376)
Proceeds from disposal of property, plant and equipment	14,340	43,503
Increase in refundable deposits	(79,661)	(35,229)
Acquisition of intangible assets	(146,584)	(131,216)
Proceeds from disposal of intangible assets	2,969	55
Net cash inflows from business combination	-	24,784
Dividends received from subsidiaries and associates	134,871	99,482
Net cash outflow on Spin-off	<u>(689,587)</u>	<u>-</u>
Net cash used in investing activities	<u>(2,675,277)</u>	<u>(514,040)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,569,407	7,999,787
Proceeds from long-term borrowings	3,000,000	-
Proceeds from guarantee deposits received	(1,339)	1,018
Repayments of the principal portion of lease liabilities	(199,449)	(62,129)
Cash dividends paid	(9,241,620)	(12,692,187)
Payments for buy-back of ordinary shares	-	(2,429,494)
Acquisition of subsidiaries	(188,759)	(2,964)
Proceeds from disposal of partial interests in subsidiary without a loss of control	<u>54,840</u>	<u>-</u>
Net cash used in financing activities	<u>(5,006,920)</u>	<u>(7,185,969)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,344,117	(1,027,462)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>5,074,516</u>	<u>6,101,978</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 7,418,633</u>	<u>\$ 5,074,516</u>

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

(Concluded)

## **AUDIT COMMITTEE REPORT**

To: Shareholders' Annual General Meeting for Year 2023, Lite-On Technology Corporation

The Board of Directors has prepared and submitted to the undersigned, Audit Committee of Lite-On Technology Corporation the 2022 Business Report, Financial Statements (consolidated and standalone) and the proposal of distribution of earnings. The Financial Statements have been duly audited by Certified Public Accountants Meng-Chieh Chiu and Shih-Ran Cheng of Deloitte Touche Tohmatsu International Taiwan. The above Business Report, Financial Statements and the proposal of distribution of earnings have been examined and determined to be correct by the undersigned. This Report is duly submitted in accordance with Article 14-4 of Securities and Exchange Law and Article 219 of the Company Law.

The Audit Committee, Chairman:

Mr. Albert Hsueh  
February 21, 2023



**Lite-On Technology Corporation**  
**Earnings Distribution Table**  
**Year 2022**

**Attachment 5**

	<b>Amount (NT\$)</b>
Unallocated earnings, beginning of this year	<b>\$8,746,580,604</b>
Net profit of this year	<b>\$ 14,151,016,318</b>
Less: adjustments on equity method investments	<b>(5,557,795)</b>
Add: adjustments on re-measurement on define benefit plans recognized in retained earnings	<b><u>73,628,800</u></b>
Unappropriated earnings taken into consideration profit before income tax and items other than profit before income tax.	<b>14,219,087,323</b>
Less: 10% legal reserve (note 1)	<b>(1,421,908,732)</b>
Add: Reverse of special reserve (note 2)	<b><u>3,436,785,863</u></b>
Distributable earnings	<b>24,980,545,058</b>
Distribution:	
(1) Second Quarter Cash dividends: (NT\$1.5/per share)	<b>(3,465,607,548)</b>
(2) Fourth Quarter Cash dividends: (NT\$3.0/per share)	<b><u>(6,966,279,096)</u></b>
Unallocated earnings, end of year	<b><u>\$14,548,658,414</u></b>

**Explanation:**

1. The amount of 2022 second quarter reserve was \$606,378,860, and the amount of 2022 fourth quarter reserve was \$815,529,872.
2. The amount of 2022 second quarter reverse was \$2,842,436,673, and the amount of 2022 fourth quarter reverse was \$594,349,190.
3. When unallocated earnings on which 5% surtax is levied in accordance with Article 66-9 of the Income Tax Act is calculated, earnings of the latest year should be specifically identified and distributed first as required under Tai-Cai-Shui No. 871941343 of the Ministry of Finance dated April 30, 1998.
4. Under Rule No. 10802432410 issued by the Ministry of Economic Affairs, the basis of recognizing 10% legal reserve was modified as unappropriated earnings taken into consideration profit before income tax and items other than profit before income tax.
5. Special reserve is appropriated in accordance with Article 41 paragraph 1 of Securities and Exchange Act and Financial-Supervisory-Securities, No. 1090150022 of the Financial Supervisory Commission dated Mar 31, 2021.

Chairman

President

Accounting Manager

## Lite-On Technology Corporation

### Comparison Table of Amendments to the Articles of Incorporation

Contents after Amendment	Contents before Amendment	Explanation
<p>Article II</p> <p>The Company shall engage in the following business:</p> <ol style="list-style-type: none"> <li>1. C804020 Manufacture of industry-oriented rubber products.</li> <li>2. C805050 Manufacture of industry-oriented plastic products.</li> <li>3. CB01010 Manufacture of machinery &amp; equipment</li> <li>4. CB01020 Business machinery manufacture.</li> <li>5. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing</li> <li>6. CC01030 Manufacture of electrical appliance and audio and visual electronic products.</li> <li>7. CC01040 Lighting Facilities Manufacturing</li> <li>8. CC01060 Manufacture of wire communications machinery &amp; equipment.</li> <li>9. CC01070 Manufacture of wireless communications machinery &amp; equipment.</li> <li>10. CC01080 Manufacture of electronic parts &amp; components.</li> <li>11. CC01090 Batteries Manufacturing</li> <li>12. <u>CC01100</u> Manufacture of telecommunications controlled frequency RF equipment manufacture.</li> <li>13. CC01110 Computers and Computing Peripheral Equipments Manufacturing</li> <li>14. CC01120 Data storage media manufacture and duplication.</li> </ol>	<p>Article II</p> <p>The Company shall engage in the following business:</p> <ol style="list-style-type: none"> <li>1. C804020 Manufacture of industry-oriented rubber products.</li> <li>2. C805050 Manufacture of industry-oriented plastic products.</li> <li>3. CB01010 Manufacture of machinery &amp; equipment</li> <li>4. CB01020 Business machinery manufacture.</li> <li>5. CC01010 Electric Power Supply, Electric Transmission and Power Distribution Machinery Manufacturing</li> <li>6. CC01030 Manufacture of electrical appliance and audio and visual electronic products.</li> <li>7. CC01040 Lighting Facilities Manufacturing</li> <li>8. CC01060 Manufacture of wire communications machinery &amp; equipment.</li> <li>9. CC01070 Manufacture of wireless communications machinery &amp; equipment.</li> <li>10. CC01080 Manufacture of electronic parts &amp; components.</li> <li>11. CC01090 Batteries Manufacturing</li> <li>12. <del>CC01101</del> Manufacture of telecommunications controlled frequency RF equipment manufacture.</li> <li>13. CC01110 Computers and Computing Peripheral Equipments Manufacturing</li> <li>14. CC01120 Data storage media manufacture and duplication.</li> </ol>	<p>The revisions are proposed in accordance with the amendment to “Manufacture of telecommunications controlled frequency RF equipment manufacture” and “Import of controlled telecommunication frequency RF equipment” in Codes of Business Activities.</p>

Contents after Amendment	Contents before Amendment	Explanation
<p>15. CC01990 Electrical Machinery, Supplies Manufacturing</p> <p>16. CD01030 Manufacture of automobile and automobile parts &amp; components.</p> <p>17. CD01040 Motor Vehicles and Parts Manufacturing</p> <p>18. CE01010 Precision Instruments Manufacturing</p> <p>19. CE01030 Manufacture of Optical instrument.</p> <p>20. CF01011 Medical Materials and Equipment Manufacturing</p> <p>21. CH01040 Manufacture of toy.</p> <p>22. CQ01010 Manufacture of mold.</p> <p>23. E601010 Electric Appliance Construction</p> <p>24. E603090 Illumination Equipments Construction</p> <p>25. E801010 Interior decoration services</p> <p>26. F106030 Mold wholesale.</p> <p>27. F108031 Wholesale of Drugs, Medical Goods</p> <p>28. F109070 Cultural, educational, music and recreational article &amp; instrument wholesale.</p> <p>29. F111090 Building material wholesale</p> <p>30. F113010 Machinery wholesale.</p> <p>31. F113020 Electrical appliance wholesale.</p> <p>32. F113030 Precise instrument wholesale.</p> <p>33. F113050 Computer &amp; business machinery &amp; equipment wholesale.</p> <p>34. F113070 Telecommunication equipment wholesale.</p> <p>35. F113110 Wholesale of Batteries</p> <p>36. F114010 Wholesale of</p>	<p>15. CC01990 Electrical Machinery, Supplies Manufacturing</p> <p>16. CD01030 Manufacture of automobile and automobile parts &amp; components.</p> <p>17. CD01040 Motor Vehicles and Parts Manufacturing</p> <p>18. CE01010 Precision Instruments Manufacturing</p> <p>19. CE01030 Manufacture of Optical instrument.</p> <p>20. CF01011 Medical Materials and Equipment Manufacturing</p> <p>21. CH01040 Manufacture of toy.</p> <p>22. CQ01010 Manufacture of mold.</p> <p>23. E601010 Electric Appliance Construction</p> <p>24. E603090 Illumination Equipments Construction</p> <p>25. E801010 Interior decoration services</p> <p>26. F106030 Mold wholesale.</p> <p>27. F108031 Wholesale of Drugs, Medical Goods</p> <p>28. F109070 Cultural, educational, music and recreational article &amp; instrument wholesale.</p> <p>29. F111090 Building material wholesale</p> <p>30. F113010 Machinery wholesale.</p> <p>31. F113020 Electrical appliance wholesale.</p> <p>32. F113030 Precise instrument wholesale.</p> <p>33. F113050 Computer &amp; business machinery &amp; equipment wholesale.</p> <p>34. F113070 Telecommunication equipment wholesale.</p> <p>35. F113110 Wholesale of Batteries</p> <p>36. F114010 Wholesale of</p>	

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<p>Automobiles</p> <p>37. F114020 Wholesale of Motorcycles</p> <p>38. F114030 Automobile, motorcycle parts &amp; accessories wholesale.</p> <p>39. F118010 Information software wholesale.</p> <p>40. F119010 Electronic material wholesale.</p> <p>41. F206030 Mold retail.</p> <p>42. F209060 Cultural, educational, music and recreational article &amp; instrument retail.</p> <p>43. F211010 Building material retail.</p> <p>44. F213010 Electric appliance retail.</p> <p>45. F213030 Computer &amp; business machinery &amp; equipment retail.</p> <p>46. F213040 Precise instrument retail.</p> <p>47. F213060 Telecommunication equipment retail.</p> <p>48. F213080 Machinery &amp; appliance retail.</p> <p>49. F213110 Retail Sale of Batteries</p> <p>50. F214010 Retail Sale of Automobiles</p> <p>51. F214020 Retail Sale of Motorcycles</p> <p>52. F214030 Automobile, motorcycle parts &amp; accessories retail.</p> <p>53. F218010 Information software retail.</p> <p>54. F219010 Electronic material retail.</p> <p>55. F401010 International trade.</p> <p><u>56.</u> G801010 Warehousing services.</p> <p><u>57.</u> H701010 Housing and building development, lease and sales.</p> <p><u>58.</u> I102010 Investment consultancy.</p> <p><u>59.</u> I103060 Management consultancy.</p> <p><u>60.</u> I301010 Information software</p>	<p>Automobiles</p> <p>37. F114020 Wholesale of Motorcycles</p> <p>38. F114030 Automobile, motorcycle parts &amp; accessories wholesale.</p> <p>39. F118010 Information software wholesale.</p> <p>40. F119010 Electronic material wholesale.</p> <p>41. F206030 Mold retail.</p> <p>42. F209060 Cultural, educational, music and recreational article &amp; instrument retail.</p> <p>43. F211010 Building material retail.</p> <p>44. F213010 Electric appliance retail.</p> <p>45. F213030 Computer &amp; business machinery &amp; equipment retail.</p> <p>46. F213040 Precise instrument retail.</p> <p>47. F213060 Telecommunication equipment retail.</p> <p>48. F213080 Machinery &amp; appliance retail.</p> <p>49. F213110 Retail Sale of Batteries</p> <p>50. F214010 Retail Sale of Automobiles</p> <p>51. F214020 Retail Sale of Motorcycles</p> <p>52. F214030 Automobile, motorcycle parts &amp; accessories retail.</p> <p>53. F218010 Information software retail.</p> <p>54. F219010 Electronic material retail.</p> <p>55. F401010 International trade.</p> <p><del>56. F401021 Import of controlled telecommunication frequency RF equipment.</del></p> <p>57. G801010 Warehousing services.</p> <p>58. H701010 Housing and building development, lease and sales.</p>	

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<p>services.</p> <p><u>61.</u> I301020 Data Processing Services</p> <p><u>62.</u> I501010 Product design business</p> <p><u>63.</u> I503010 Landscaping, interior design business.</p> <p><u>64.</u> IC01010 Pharmaceuticals Examining Services</p> <p><u>65.</u> IG03010 Energy Technical Services</p> <p><u>66.</u> ZZ99999 The Company may, other than those businesses subject to special permission (franchise), engage in all businesses except those banned or restricted by laws.</p>	<p>59. I102010 Investment consultancy.</p> <p>60. I103060 Management consultancy.</p> <p>61. I301010 Information software services.</p> <p>62. I301020 Data Processing Services</p> <p>63. I501010 Product design business</p> <p>64. I503010 Landscaping, interior design business.</p> <p>65. IC01010 Pharmaceuticals Examining Services</p> <p>66. IG03010 Energy Technical Services</p> <p>67. ZZ99999 The Company may, other than those businesses subject to special permission (franchise), engage in all businesses except those banned or restricted by laws.</p>	
<p>Article XXIV</p> <p>If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first to offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any), shall be distributed into dividends to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the</p>	<p>Article XXIV</p> <p>If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first to offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any), shall be distributed into dividends to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the</p>	<p>The revisions are proposed in accordance with Article 237 of the Company Act, Article 41 of the Securities and Exchange Act, and in response to the Company's practical operation needs.</p>

Contents after Amendment	Contents before Amendment	Explanation
<p>shareholders' meeting for approval.</p> <p>Where the Company distributes preceding surplus earning, legal reserve and capital reserve in the form of cash, such distribution is authorized to be made 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; if such distribution is in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.</p> <p>In consideration of business development plan, investing environment, demand for funds, global competitiveness and the shareholders' interest, the Dividend Policy of the Company is the distribution to shareholders with the appropriation of the amount which shall be no less than 70% of the <u>balance amount</u> after income tax, <u>contribution of legal reserve and contribution or reveral of special earnings reserve as required by laws</u>, under the circumstance that there is no cumulated loss in prior years. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 90% of the total distributed dividends.</p> <p><u>The dividend distribution ratio in the preceding paragraph could be adjusted taking into consideration finance,</u></p>	<p>shareholders' meeting for approval.</p> <p>Where the Company distributes preceding surplus earning, legal reserve and capital reserve in the form of cash, such distribution is authorized to be made 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; if such distribution is in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.</p> <p>In consideration of business development plan, investing environment, demand for funds, global competitiveness and the shareholders' interest, the Dividend Policy of the Company is the distribution to shareholders with the appropriation of the amount which shall be no less than 70% of the net profit after income tax under the circumstance that there is no cumulated loss in prior years. The distribution may be executed in cash dividend and/or share dividend, and the cash dividend shall be no less than 90% of the total distributed dividends.</p> <p>In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the</p>	

Contents after Amendment	Contents before Amendment	Explanation
<p><u>business and operations, etc..</u></p> <p>In case there are no earnings for distribution in a certain year, or the earnings of a certain year are significantly less than the earnings actually distributed by the Company in the previous year, or considering the financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.</p> <p>The Company may distribute the surplus earnings or off-set losses at the close of each quarter in accordance with the Company Act. While distributing surplus earning, the Company shall estimate and reserve the taxes and duties to be paid, the losses to be covered, the legal reserve to be set aside, and the special surplus reserve to be raised or revolved. Where such legal reserve amounts reach to the total paid-in capital, this provision shall not apply. If the Company distribute surplus earning in the form of cash, it shall be approved by a meeting of the board of directors; if such surplus earning is distributed in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.</p>	<p>financial, business or operational factors of the Company, the Company may allocate a portion or all of its reserves for distribution in accordance with relevant laws or regulations or the orders of the authorities in charge.</p> <p>The Company may distribute the surplus earnings or off-set losses at the close of each quarter in accordance with the Company Act. While distributing surplus earning, the Company shall estimate and reserve the taxes and duties to be paid, the losses to be covered, the legal reserve to be set aside, and the special surplus reserve to be raised or revolved. Where such legal reserve amounts reach to the total paid-in capital, this provision shall not apply. If the Company distribute surplus earning in the form of cash, it shall be approved by a meeting of the board of directors; if such surplus earning is distributed in the form of new shares to be issued, it shall be approved by shareholders meetings according to the regulations.</p>	

Contents after Amendment	Contents before Amendment	Explanation
<p>Article XXIX</p> <p>The Articles were duly stipulated on March 13, 1989.</p> <p>The Articles were duly amended on March 20, 1990 as the 1st amendment.</p> <p>The Articles were duly amended on May 11, 1991 as the 2nd amendment.</p> <p>The Articles were duly amended on May 20, 1992 as the 3rd amendment.</p> <p>The Articles were duly amended on June 27, 1992 as the 4th amendment.</p> <p>The Articles were duly amended on June 21, 1993 as the 5th amendment.</p> <p>The Articles were duly amended on December 18, 1993 as the 6th amendment.</p> <p>The Articles were duly amended on May 30, 1995 as the 7th amendment.</p> <p>The Articles were duly amended on April 2, 1996 as the 8th amendment.</p> <p>The Articles were duly amended on May 6, 1997 as the 9th amendment.</p> <p>The Articles were duly amended on May 19, 1998 as the 10th amendment.</p> <p>The Articles were duly amended on June 21, 1999 as the 11th amendment.</p> <p>The Articles were duly amended on May 31, 2000 as the 12th amendment.</p> <p>The Articles were duly amended on April 19, 2001 as the 13th amendment.</p> <p>The Articles were duly amended on May 21, 2002 as the 14th amendment.</p> <p>The Articles were duly amended on August 5, 2002 as the 15th amendment.</p> <p>The Articles were duly amended on May 13, 2003 as the 16th amendment.</p> <p>The Articles were duly amended on June 15, 2004 as the 17th amendment.</p> <p>The Articles were duly amended on June 14, 2005 as the 18th amendment.</p>	<p>Article XXIX</p> <p>The Articles were duly stipulated on March 13, 1989.</p> <p>The Articles were duly amended on March 20, 1990 as the 1st amendment.</p> <p>The Articles were duly amended on May 11, 1991 as the 2nd amendment.</p> <p>The Articles were duly amended on May 20, 1992 as the 3rd amendment.</p> <p>The Articles were duly amended on June 27, 1992 as the 4th amendment.</p> <p>The Articles were duly amended on June 21, 1993 as the 5th amendment.</p> <p>The Articles were duly amended on December 18, 1993 as the 6th amendment.</p> <p>The Articles were duly amended on May 30, 1995 as the 7th amendment.</p> <p>The Articles were duly amended on April 2, 1996 as the 8th amendment.</p> <p>The Articles were duly amended on May 6, 1997 as the 9th amendment.</p> <p>The Articles were duly amended on May 19, 1998 as the 10th amendment.</p> <p>The Articles were duly amended on June 21, 1999 as the 11th amendment.</p> <p>The Articles were duly amended on May 31, 2000 as the 12th amendment.</p> <p>The Articles were duly amended on April 19, 2001 as the 13th amendment.</p> <p>The Articles were duly amended on May 21, 2002 as the 14th amendment.</p> <p>The Articles were duly amended on August 5, 2002 as the 15th amendment.</p> <p>The Articles were duly amended on May 13, 2003 as the 16th amendment.</p> <p>The Articles were duly amended on June 15, 2004 as the 17th amendment.</p> <p>The Articles were duly amended on June 14, 2005 as the 18th amendment.</p>	<p>Addition of date of amendment.</p>



Contents after Amendment	Contents before Amendment	Explanation
The Articles were duly amended on June 21, 2006 as the 19th amendment.	The Articles were duly amended on June 21, 2006 as the 19th amendment.	
The Articles were duly amended on June 21, 2007 as the 20th amendment.	The Articles were duly amended on June 21, 2007 as the 20th amendment.	
The Articles were duly amended on June 25, 2008 as the 21st amendment.	The Articles were duly amended on June 25, 2008 as the 21st amendment.	
The Articles were duly amended on June 15, 2010 as the 22nd amendment.	The Articles were duly amended on June 15, 2010 as the 22nd amendment.	
The Articles were duly amended on June 19, 2012 as the 23rd amendment.	The Articles were duly amended on June 19, 2012 as the 23rd amendment.	
The Articles were duly amended on June 19, 2013 as the 24rd amendment.	The Articles were duly amended on June 19, 2013 as the 24rd amendment.	
The Articles were duly amended on June 19, 2014 as the 25th amendment.	The Articles were duly amended on June 19, 2014 as the 25th amendment.	
The Articles were duly amended on June 24, 2015 as the 26th amendment.	The Articles were duly amended on June 24, 2015 as the 26th amendment.	
The Articles were duly amended on June 22, 2017 as the 27th amendment	The Articles were duly amended on June 22, 2017 as the 27th amendment	
The Articles were duly amended on June 22, 2018 as the 28th amendment	The Articles were duly amended on June 22, 2018 as the 28th amendment	
The Articles were duly amended on June 21, 2019, as the 29th amendment	The Articles were duly amended on June 21, 2019, as the 29th amendment	
The Articles were duly amended on August 26, 2021, as the 30th amendment.	The Articles were duly amended on August 26, 2021, as the 30th amendment.	
The Articles were duly amended on May 20, 2022, as the 31st amendment.	The Articles were duly amended on May 20, 2022, as the 31st amendment.	
<u>The Articles were duly amended on May 17, 2023, as the 32st amendment.</u>		