

INNOLUX CORPORATION

2024 Annual Shareholders' Meeting Minutes

Method for Convening the Meeting: Hybrid Shareholders' Meeting

Time: 09:00 am, May 31, 2024

Venue: 3F, No.36, Keyan Rd., Zhunan Township, Miaoli County

(Assembly hall of the Administrative Service Center of Zhunan Site, Hsinchu Science Park)

Video conferencing Platform: "eMeeting" by Taiwan Depository & Clearing Corporation

(<https://stockservices.tdcc.com.tw>)

Countermeasures for postponing or reconvening the meeting if the Platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events: Please refer to the meeting notice for details; NA.

Total shares represented by shareholders present in person or by proxy: 5,607,197,858 shares (including 3,554,809,038 shares casted electronically and 0 shares casted by virtual meeting), accounting for 61.79% of total number of outstanding shares with voting right 9,074,005,838 shares.

Directors present: Chairman Jin-Yang Hung, Director Chu-Hsiang Yang, Director Jyh-Chau Wang, Director Chin-Lung Ting, Independent Director Chi-Chia Hsieh (Convener of the Audit Committee and Remuneration Committee), Independent Director Chih-Wei Wu (Member of the Audit Committee and Remuneration Committee), Independent Director Chi-Mo Huang (Member of the Audit Committee and Remuneration Committee), Independent Director Chih-I Wu (Member of the Audit Committee), Independent Director Hsin-Bei Shen (Member of the Audit Committee)

Non-voting delegates: Chih-Huang Chang, Head of Legal Affairs

Yung-Chih Lin, Certified Public Accountant of PwC Taiwan

Chairman: Jin-Yang Hung

Recorder: Joyce Chen

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

Chairman Remarks: (Ommitted)

Reporting Items:

1. 2023 Business Report (ommitted)
2. Audit Committee Review Report (ommitted)

Adopting Items:

(Proposed by the Board of Directors)

Proposal 1: Recognition of 2023 Business Report and Financial Statements

Explanatory note:

- A. 2023 Financial Statements of the Company had been duly audited by CPA, Hsu, Sheng-Chung and CPA, Liang, Hua-Ling of PricewaterhouseCoopers Taiwan.

B. 2023 Business Report and Financial Statements are attached hereto as Attachment 1 & 3.

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

Voting Results: 5,607,197,858 shares were represented at the time of voting (including 3,554,809,038 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in Favor	4,701,404,321	83.84%
Votes against	22,949,542	0.40%
Invalid Votes	0	0.00%
Votes abstained / Not Voted	882,843,995	15.74%

(Proposed by the Board of Directors)

Proposal 2: Recognition of 2023 Profit and Loss Appropriation

Explanatory note:

A. The beginning balance of unappropriated retained earnings was NT\$ 40,389,401,260, after deduction in net loss after tax of 2023, NT\$ 18,642,538,651, and adding remeasurements of defined benefit plans, NT\$ 7,265,293 and set aside special reserve, NT\$ 1,633,546,210, the unappropriated retained earnings is NT\$ 20,120,581,692.

B. Not to distribute cash dividends for FY 2023. Please refer to Attachment 4 for 2023 Profit and Loss Appropriation Table.

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

Voting Results: 5,607,197,858 shares were represented at the time of voting (including 3,554,809,038 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in Favor	4,712,544,003	84.04%
Votes against	24,049,706	0.42%
Invalid Votes	0	0.00%
Votes abstained / Not Voted	870,604,149	15.52%

Discussion Items:

(Proposed by the Board of Directors)

Proposal 1: Proposal to proceed with cash capital reduction

Explanatory note:

A. To improve the return on shareholders' equity and adjust the capital structure, the Company proposes to proceed with capital reduction by returning share capital to

shareholders in cash.

- B. The Company proposes to reduce NT\$10,894,360,010, and cancel 1,089,436,001 shares correspondingly. The total of 9,078,633,338 common shares has been issued. According to the aforesaid amount, the capital is estimated to be reduced by 12% to NT\$79,891,973,370 and 7,989,197,337 shares total shall be issued. The cash refund per share will be approximately NT\$1.2 (rounded up to the nearest integer). However, the paid-in capital after the capital reduction and the capital reduction ratio shall be calculated based on the total issued shares on the record date for capital reduction and stock conversion.
- C. According to the total issued shares in the preceding paragraph, it is estimated that 120 shares are reduced per thousand shares (that is, 880 shares are converted per thousand shares). After capital reduction, shareholders may combine shares of common stock less than 1 share with the Company's stock transfer agency within 5 days prior to the book closure date of the capital reduction and stock conversion. For fractional shares of common stock that are still less than 1 share after combination, cash will be distributed at the closing price (rounded up to the nearest integer) on the last trading date at the stock exchange market before the record date for capital reduction and stock conversion. Chairman is authorized to appoint a specific party to subscribe to such fractional shares at the closing price.
- D. The new shares to be issued in exchange for capital reduction in cash will be issued without any entity, and the rights and obligations thereof shall be the same as those of the original shares. Upon approval by the shareholders' meeting, and effective registration with the Competent Authority, the Chairman is authorized to set the record date for capital reduction and stock conversion.
- E. Prior the record date of capital reduction, if the capital reduction ratio and the cash return amount per share have to be adjusted due to changes in the share capital of the Company, which affect the number of outstanding shares, or if this capital reduction plan has to be amended due to amendments to laws and regulations, approval by the Competent Authority, or other changes in the objective environment, it is proposed that the shareholders' meeting authorize the Chairman to handle it at his sole discretion.

The Summary of Shareholder Speech from Shareholder Account No.25263: Please illustrate the following matters related to the proposal and recorded it in the minutes.

- (1) To illustrate the purpose, necessity and rationale to process the capital reduction in cash.
- (2) To illustrate the sources of funds to support the proceeding capital reduction plan, and if any, the approval of the proposal would bring about the influence on financial, business operation and capital structure.
- (3) To illustrate, if any, the Company's plan for this and the coming annual shareholders' meeting

subject to the financing activities or issuance of new shares as stock dividends. And illustrate the necessity and rationale of the plan as well.

- (4) The Company's 2023 parent company only statements of cash flow was net cash outflow. Please illustrate the sources of funds supporting the proceeding capital reduction plan, and decision-making concerns and reasons for adjusting the business strategy.

The Chairman designated Financial Officer replied and explained as followed:

- (1) In order to take into account the interests of investors and adjust the capital structure of the Company, the Company has reviewed the macroeconomics and the industry trends, which are conducive to maintaining a stable operation and financial structure of the Company. The intelligent transformation and stepping into non-display fields will also help improve the efficiency of capital utilization and ease the intensive capital needs of the display domain group business. The capital of the Company is planned to be reduced by 12% and return NT\$10,894,360 thousand to shareholders.
- (2) The source of the capital reduction is equity fund of the Company. Based on the 2023 consolidated financial statements, the consolidated cash and cash equivalents was NT\$ 50,512,584 thousand, and cash inflow generated from consolidated operations was NT\$11,690,414 thousand, which was enough to cover the capital reduction and return share capital by cash. Moreover, the Company's consolidated net-debt-to-equity ratio is only -5% and the financial structure was stable and steady; therefore, it is expected that the capital reduction would not have a serious impact on the financial, business operation and capital structure of the Company and will help increase the net worth per share and investors' flexibility in the utilization of funds.
- (3) There will be no plans subject to the financing activities or issuance of new shares as stock dividends for this and the coming year shareholders' meeting.
- (4) The result in net cash outflow in 2023 parent company only statements of cash flow was mainly due to the acquisitions of non-current equipment for making money in NT\$16,366,151 thousand, returning share capital by cash in NT\$4,755,603 thousand and others, which were mostly beneficial to the Company's long-term development and balance the investors' interests and flexibility in the utilization of funds; in addition, even though the loss attributable to owners of the parent in 2023 was NT\$18,642,539 thousand, the cash inflow generated from the consolidated operations still amounted to NT\$8,961,869 thousand, up 28% compared with 2022. The Company's review of the macroeconomics and the industry trends and efforts in cross-field integration of displays, smart healthcare and semiconductor packaging and other diversified applications markets will help the Company maintain stable cash flow and financial structure. The total amount of cash and cash equivalent, and financial assets at amortized cost - current in fourth quarter of 2023 parent company only financial statement was NT\$45,666,666 thousand, which is sufficient to cover the cash capital reduction, so it is planned to proceed with capital reduction by returning share capital to shareholders by cash.

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

Voting Results: 5,607,197,858 shares were represented at the time of voting (including 3,554,809,038 shares casted electronically and 0 shares casted by virtual meeting)

Voting Results		% of the Represented Share Present
Votes in Favor	4,596,126,579	81.96%
Votes against	45,807,445	0.81%
Invalid Votes	0	0.00%
Votes abstained / Not Voted	965,263,834	17.21%

Extemporary Motions: None.

Adjournment: The meeting was adjourned at 09:18 am

<The video recording of this annual shareholder's meeting shall prevail in the event of any discrepancy between this meeting minutes and the video recording.>

Attachment 1

InnoLux Corporation

2023 Business Report

Report on the Company's operating results for 2023 as follows.

I. Report on Operating Results for 2023

Under the dual impacts of the global financial market adjustment and geopolitical events, there is a dramatic fluctuation in both the interest rate and the exchange rate, and the economic recovery process shows a slow and uneven trend of development. In such a situation full of challenges, our management team still achieved positive results, and showed excellent resilience in the turbulent environment. Following the core concept of “More than Panel”, it promoted cross-domain transformation, and in September 2023, it reorganized its business organization into two domain groups: display and non-display. The display domain group was mainly engaged in the panel module, aiming to continuously improve the cost yield, gross interest rate and stable market; the non-display domain group, including the listed subsidiary INCX and the subsidiary CarUX, as well as emerging application domains, was mainly engaged in providing complete solutions for customers. By making active adjustment of the operation strategy, the Company has successfully coped with the challenges of increased raw material price and interrupted supply chain, which has not only guaranteed smooth production and delivery, but also improved the operation performance, showing that the Company has good competitiveness.

Despite of positive achievements, the Company shall also be alert to uncertainties in the economic environment. Instability in emerging market and developing economies, geopolitical volatility, and inflationary pressures, are all risks that need to be carefully managed, so as to ensure sound operation.

Looking into the future, the Company will continue to make transformation to innovation and upgrading of science and technology, to improve its overall competitiveness. The Company will also pay close attention to market changes, and strengthen risk management, so as to guarantee that the operation can cope with external variables flexibly. In addition, the Company will explore new business field synchronously, and continue to expand market share, so as to create greater value for our shareholders.

II. Results of Business Plan Implementation and Budget Execution

For 2023, the Company's consolidated sales revenue was NT\$ 211,740,557 thousand, down NT\$ 11,975,201 thousand, or 5.4%, compared with 2022 (consolidated net sales revenue for 2022 was NT\$ 223,715,758 thousand). For 2023, the loss attributable to owners of the parent was NT\$ 18,642,539 thousand, and the loss per share was NT\$ 2.01.

No financial forecast has been disclosed for 2023, therefore there is no need to disclose budget execution.

III. Analysis of financial income and expenditure and profitability

Items		2022	2023
Financial Structure (%)	Debts to assets ratio	34.07	35.98
	Long-term capital to property, plant, and equipment ratio	179.28	176.06
Solvency	Current ratio (%)	178.27	152.64
	Quick ratio (%)	137.64	108.70
	Interest coverage multiplier (times)	(27.64)	(8.60)
Profitability	Return on assets (%)	(6.39)	(4.65)
	Return on equity (%)	(10.01)	(7.72)
	Operating profits as a percentage of paid-in capital (%)	(33.13)	(20.61)
	Net profits before tax as a percentage of paid-in capital (%)	(27.44)	(18.02)
	Net profit margin (%)	(12.48)	(8.78)
	Earnings per share (NT\$)	(2.76)	(2.01)

IV. Status of research and development

The Company has always been following the concept of technological innovation, especially in the field of thin film transistor (TFT), we continuously improve our efficiency at global-leading level, and extends to application in multiple fields such as miniLED, microLED, and panel level package (PLP), etc. In addition to improving market competitiveness, the Company also expanded our business layout, and has become a leader within the industry.

Display technology has penetrated into everyone's life, from wearable devices such as watches and mobile phones, to personal computers, home TV sets, public displays and devices at various levels. In the meantime, with the rapid development of AI, 5G, Internet of things (IOT) and electrification and other sciences and technologies, new display technology experiences and business models such as smart entertainment, e-sports and vehicle-mounted applications are booming. The Company has not only made excellent achievements in the field of display technology, but also opened a new pattern in multiple application fields. The Company constantly challenges itself and continues to drive innovation, so as to provide better display solutions.

In this situation, the Company led the trend, and by virtue of its unique PolarBlack technology, which is equipped with excellent characteristics such as ultra-high contrast, wide color gamut, high brightness, low power consumption and low blue light for eye protection, it has won competitive advantages in market, making its products have an excellent performance in all application areas.

The Company has not only made successful transformation, but also achieved significant progress in multiple fields, making excellent development and achievement. Outstanding achievements in various fields are as follows:

1. Application of miniLED innovative technology

The Company has successfully led innovation of miniLED technology, and broken through limitations of traditional back-light technology. By using small and efficient LED lattice, it can make real-time dynamic partition modulation precisely based on the image, thus having the advantages of high brightness, high contrast, wide color gamut, vibrant and bright color, outdoor sunlight readable, and extremely low power consumption. Such technological innovation brought an extreme vision effect, and has currently been applied in the whole product line, covering all kinds of dimensions. In terms of product layout strategy, the Company focused on expanding application in entertainment, including hand-held game consoles, notebook computers and in-flight entertainment systems, expecting to create outstanding visual experiences in the entertainment field. In the meantime, it paid attention to development in special outdoor application fields, including drones, digital camcorders and digital cameras, electronic information board, charging piles, etc., with display panels that can provide excellent visibility and functions in sunny environment. In addition to having realized mass production of some products, it is aimed to expand its influence in different markets, so as to constantly improve high quality of its products.

2. Major breakthrough in microLED technology

The Company took the lead to develop the third-generation display technology AM microLED, and has made significant achievements in technological research and development, investment layout, as well as market application and expansion. This technology has not only been applied in large space HD immersive experience, but also successfully developed color conversion microLED seamless free splicing display module, with high conversion efficiency materials and independently developed optical structure, reducing the display power consumption by 50%. In the meantime, the color transmission technology has also reduced carbon emissions of the massive transfer process by up to 67%, being characterized by high brightness, low power consumption and environmentally friendly. This innovative technology works particularly well in automotive display applications, it creates a virtual-real cabin experience for both the drivers and the passengers, and provides excellent visibility and functions.

3. Advanced panel level package (PLP) technology

By importing the leading TFT process technology into fan-out panel level package (FO-PLP), the Company was involved in the semiconductor chip packaging field. This technology could not only reduce the packaging thickness, increase the conductor density, improve electrical property of the products, but also effectively fill the wire layer technology gap between the wafer factory and the printed circuit board factory, FO-PLP will become the market mainstream of heterogeneous integrated packaging for sure. The Company transformed from small-generation TFT factory into the largest FO-PLP factory in the globe, to develop RDL-first and Chip-first packaging process. Compared with FO-WLP, the FO-PLP process can accommodate about 7 pieces of 12-inch wafer, which can effectively save the process time and improve the production capacity. The panel level package (PLP) technology

connects the chips via redistributed layer (RDL), in addition to being able to satisfy the requirement of high-power IC for low impedance values of lines, but also is equipped with the packaging structure of electromagnetic compatibility (EMC) (6), which can even strengthen mechanical strength of the structure, improve reliability of the chip, and strengthen resistance of the chip to external environment, thus making it pass the moisture sensitivity level 1 (MSL1) condition, and produce packaging products that can satisfy low-orbit satellites, automotive and charging chips requiring for high reliability, high power output and high quality. It has won packaging process and reliability certification from internationally first-line customers, and its yield rate performance also showed great improvement, winning recognition from customers. It has started preparation before mass production, and is estimated to come into formal mass production this year.

4. Unique N3D technology in the globe

With intuitive 3D images that won't make people dizzy over long periods of time as the core, it has developed unique "Consumption-type Multi-user Naked Eye N3D Display", which will be available for being applied in smart retail. By using this technology in combination of AI science and technology to develop "N3D Smart Photo Frame", it even won the special honor of Taiwan Excellent Award 2023. In combination with AI cloud server system, this product can convert 2D flat photos into three-dimensional immersive 3D images in a short time, being the first choice for creating a new generation of immersive experience. In addition, its "Medical Naked Eye 3D Display" developed for medical scenarios has once won the special honor of Gold Medal of Taiwan Excellent Award. It also actively cooperated with medical centers in performing human clinical trial and field demonstration, and now, in combination with AI technology, it even cooperates with the physicians in developing automated organ 3D reconstruction technology, which can complete lung imaging segmentation in 30 minutes, construct three-dimensional organs, and show relative positions of arteriovenous and focal areas, thus helping the thoracic surgeons to plan more efficiently before surgery. The technology comes into application in smart medical field, and provides more intuitive experience in medical teaching and surgical assistance.

5. Innovation in satellite communications

In response to the Ministry of Digital Affairs' promotion of "Digital Resilience Validation Program for Enhanced Communications Networks using emerging technologies in Response or Wartime", ChungHwa Telecom cooperates with the International low-orbit satellite operator OneWeb and medium-orbit satellite operator SES, respectively, planning to open services in Taiwan in 2024. The Company's LC Meta-Surface Antenna product in mass production, has passed OneWeb satellite communication verification successfully, and is equipped with the function of communication with satellites from different orbits. In order to match the high-speed moving characteristics of low-orbit satellites and achieve fast switching between satellites in different orbits to ensure the need for continuous information, in combination with flat-panel display manufacturing process and panel-level package technology, it took initiative in developing Glass Phased Array Antenna with glass as the

carrier plate, and such breakthrough technology will bring revolutionary innovations in fields of satellite communications and other wireless communications. Compared with traditional disc satellite antenna, this LC Meta-Surface Antenna no longer requires motors to track satellites, but still has the same broadband, high-pointing, wide-angle scanning performances with even lower power consumption. Its application in low-orbit satellite communication in the future will no longer be limited by fixed or mobile vehicles, and the application of such technology will bring more innovations in the field of communications in the future.

6. Development of AR augmented reality products

The launch of Apple Vision Pro by Apple Inc. has set off a new wave of high-resolution virtual reality in the field of virtual reality. This new 4K MR application not only expanded the application scenarios of virtual reality, but also made high-resolution VR a focus, and the Company has successfully developed 4K VR LC display technology, and applied advanced technologies such as LTPO and COA to make 4K VR more power-efficient. In the meantime, the Company takes a leading status in the industry, and also works with the customers to make research and development of new forms of dynamic LC light modulator, to improve the penetration and greatly reduce power of AR glasses, bringing more excellent visual experience and energy efficiency performance in the field of virtual reality.

7. High-pixel density display of wearable watch

The high-pixel-density “1.1-inch 338 PPI microLED Wearable Display Watch” is equipped with excellent functions such as ultra-high 338PPI pixel density, high resolution, and low power consumption, etc. It will bring the users a brand-new high-definition and delicate visual experience, and is estimated to come into mass production in 2025.

8. Innovation of vehicle-mounted products

As for development of vehicle-mounted products, with the trend of integrating the center console and co-pilot entertainment display in the A-pillar to A-pillar integrated strip display, in order to give consideration to traffic safety, it has successfully developed the co-pilot display with smart anti-snooping switch function, which can guarantee that the driver can't be distracted by the co-pilot entertainment display. This innovation has been successfully introduced in mass production for vehicle customers. Its subsidiary CarUX is currently Tier 1 supplier in vehicle display industry, and with the target of providing extremely excellent in-car user experience, it integrates the cockpit display system, and by taking high-tier display technology as the core, and in combination with microLED and miniLED BL, it provides a visual enjoyment of high contrast, high color saturation and high definition, and together with integrated immersive interior design, it provides large-size, curved-surface and Free Shape, making the passengers can't feel existence of the display; in the meantime, it also enables the passengers to have an optimal visual enjoyment.

9. Revolution of notebook market

The Company was devoted to leading the trend in notebook market, and with technological innovations of PolarBlack technology, low power consumption, and electronic-sports notebook, etc., it has enabled its products to take an advantageous position in market.

The Company also makes continuous research and development of variable refresh rate technology, so as to satisfy the market demand for low power consumption, thin design, high definition and high refresh rate. It has outstanding excellent performance in gaming, advanced business and other notebook computers, creating a new visual standard for users and gamer players, and providing a more extreme immersive experience for them.

10. Diversified market layout of display and TV industry

In terms of products from complete-machine original equipment manufacturer/original design manufacturer (OEM/ODM), it has successfully struggled to obtain TV orders from new TV brand customers in North America, and even expanded the complete-machine OEM/ODM to design and production of desktop screen, e-sports display, mobile display, intelligent display and other complete machines. It has received orders from major brand customers all over the globe, and is estimated to make mass production in 2024. In terms of TV panel specification, it continued to challenge development of High Frame Rate products, promoted to Pure 165Hz and supports the function of rapidest speed at VRR330Hz, which has provided a clearer and smoother picture quality for viewing all kinds of high-speed moving images.

11. High-level game level screen

It launched the technology with quarter high definition (QHD) and highest refresh rate at 480Hz, which, together with the fastest reaction speed liquid crystal (LC) technology, achieved an electronic sports screen entertainment with very smooth picture and the most vivid colors.

12. Screen of display specification for medical use

In terms of medical application, it continued to develop medical panel with ultra-high contract and ultra-wide color gamut, and in combination with light-field 3D technology and eye-tracking technology, it provided comprehensive solutions for medical imaging. It has been deeply trusted and used by international manufacturers no matter in the field of preoperative planning, lesion interpretation, minimally invasive surgery, or medical teaching, etc. Recently, it has been making input in development of microLED more actively. So as to make layout for high-order advanced panels in the future.

13. Public information display (PID)

The Company worked with convenience stores and e-commerce shopping channels, to create AI intelligent technology supermarket, providing automatic sensing, checkout “Smart shopping cart”. The Company made 100% independent development of shopping cart firmware, hardware and APP, and made docking with field checkout system, which can help control the labor costs accurately, and was suitable for complex shopping malls in combination of supermarket-style convenience stores and food streets. The Company worked with its partners to develop self-service checkout Kiosk, generative AI AM miniLED transparent wine cabinets, precision advertising on face recognition curved advertising screen, and effectively converted crowds into money by means of cost control and AI shopping guide.

14.LC Window solution

By virtue of its efforts in environment-friendly and energy-saving technology, the Company has successfully developed liquid crystal dimming intelligent glass series product (LCW), which provides real-time optimal outdoor lighting effect due to its characteristic of second-rate reaction, and in the meantime, through its complete thermal insulation structure, the product can completely eliminate the radiant heat and ultraviolet rays of the sun, ensure the safety and comfort of indoor environmental activities, reduce the energy consumption of air conditioning, and replace the traditional curtains to provide good indoor air quality without dust mites; in addition to being applied in building products, it is also expanded to the field of vehicle-mounted products, to solve the single transmittance defect of traditional curtains and thermal insulation paper, and meet requirements of long-term products for both the comfort and environmental protection.

In the future, the Company will continue to follow the principle of technological innovation and quality first, constantly expand the business fields, and strengthen cooperation with the customers, so as to provide products and services of higher quality. The Company will be deeply engaged in existing market, and in the meantime, it will actively expand emerging market, to satisfy constantly upgraded demands of the customers.

V. The Company's digital transformation

The Company attached importance to efficiency of promoting digital transformation, and in 2023, by means of multiple customer visits, industry-government-academic exchanges, forum sharing and other activities, it has successfully demonstrated its outstanding achievements in the field of digital transformation, and has effectively deepened the customers' value to digital transformation and application of the Company. The customers highly praised the Company's strength in digital transformation and intelligent solutions, and expressed their wishes for strengthening cooperation. The Company was good at using digital science and technology, to improve the system efficiency and business activity. It has not only improved its capacity for data processing and analysis, but also strengthened its rapid response to customers' demands, thus satisfying the customers' demands. In the meantime, the Company also actively participated in the government's "Taiwan Display Technology and Application Action Plan", and made combination of the official research and development resources, to further promote scientific and technological innovation and business expansion with the goal of strengthening business layout. By means of smart integration of new retail displays in cooperation with convenience stores, it provided smart shelves, digital electronic display board, electronic labels, automatic sensing, checkout "smart shopping cart" and other services, and was expected to have a rapid growth in the field of commercial display in the future.

In addition to the excellent performance of winning "Taiwan Excellence Award" for 18 consecutive years, it also stood out among 469 enterprises in 2023, and won 7 special awards including "Taiwan Excellence Award", where, by virtue of "AI + digital art display" product, it won "Silver Medal of Taiwan Excellent Award", which further demonstrated the efficiency of the

Company's digital transformation in product development; where, the "AI + Digital Art Display" makes combination of contextualized design and advanced AI Generated Content (AIGC) technology, creating a new form of user experience. The innovation brought by such digital transformation not only displayed the Company's exquisite display technology, but also demonstrated the Company's profound understanding of the consumers' demands; it was the sole display science and technology product with integration of AI at the Touch Taiwan Wisdom Display Exhibition that year, attracting large amount of visitors, and demonstrating the Company's excellent strength in research & development, design, quality and marketing, etc. It got wide response, creating new business opportunities for application of display science and technology.

The Company continued to apply advanced industry 4.0 technology in digital transformation, and created smart factory via precision design and intelligent production, to achieve the outstanding results of improving quality, increasing efficiency, lowering cost and reducing inventory, etc. By data-driven manufacturing process improvement plan, it has successfully improved the overall operation efficiency, and focused on integrating resources of all departments, promoted training and interdisciplinary learning of AI/BI/CI to strengthen skills of the engineers, and expanded the energy for promoting digital transformation, thus creating more value. By virtue of digital and intelligent application in key processes, such as the optimization and risk management control of the material management process, it can assist with the Company in coping with market change and customer demand in a more agile and efficient way. It has not only improved the Company's overall operation efficiency and decision-making quality, but also strengthened the Company's market competitiveness.

In addition, in combination with the Company's vision of sustainable development, and to demonstrate the Company's commitment to ESG, during the product development process, the Company made use of AI technology for analysis and application of data materials, which has not only guaranteed that the Company should always comply with the latest laws and regulations, but also provided a comprehensive basis of laws and regulations for the R&D team. The Company emphasized optimization of product design life-cycle and product delivery life-cycle, covered end-to-end value chain comprehensively, and realized green design, low-carbon production and low-carbon logistics. It completed building of ESG digital management platform, found the optimal solution for net zero from its own advantages, and guaranteed that its direction of sustainability complies with the trend, and guided key suppliers of the supply chain to reduce carbon emissions jointly, thus improving the comprehensive benefits by combining ESG strategy with business operation.

Looking into 2024, the Company will continue to focus on the dual-track transformation, drive operational upgrading and align with the objective of the transformation strategy. With its existing core technology and accumulated strength in digital transformation as the foundation, the Company assists with development of its new ventures including its subsidiaries INCX and CarUX, as well as emerging application fields. Digital transformation will enable the Company

to be more stable, and enable it to deepen its understanding of future business trend and adapt to market change rapidly, and guarantee that it maintains a leading status in the constantly changing environment, so as to lay a more stable foundation for the Company, and improve its operation energy and enterprise transformation value.

Chairman:

Managerial Officer:

Chief Accountant:

Attachment 2

Audit Committee Review Report

The Board of Directors has duly submitted the 2023 business report, financial statements, and the proposal of profit and loss appropriation. The financial statements has been duly reviewed and approved by CPAs of PwC Taiwan with the issuance of Independent Auditor's Report.

The Audit Committee of the Company, have completed the audit and review, and had found nothing inconsistent with any of the above business report, financial statements, and the proposal of profit and loss appropriation. Therefore, I issue this audit report for acknowledgment in accordance with the Securities and Exchange Act and the Company Act.

To

Annual Shareholders' Meeting of the Company in 2024

Convener of the Audit Committee
Hsieh, Chi-Chia
Date: February 22, 2024

Independent Auditors' Report and Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Innolux Corporation:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors (please refer to the Other matter section), we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2023 consolidated financial statements. These matters

were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

Inventory valuation

Description

The industry is characterized in its significant fluctuations closely in connection with the economic environment. As the technology evolves rapidly, the launch of new products may cause major changes in consumer demand or due to the update of production approach, the existing products may become obsolete or no longer meet market needs. The Group has evaluated the inventory by taking into account of allowance, obsolescence or trivial sales amount and the cost has been written down to the net realizable value. The abovementioned allowance for inventory valuation losses mainly arose from the excess of the cost of inventory over the net realizable value of inventory. For details of inventory, please refer to Note 6(6). There is a risk of the excess of the cost of inventory over the net realizable value of inventory as a result of that the amounts of inventories are material and the sales prices of related products may have significant fluctuations because of market demand, we consider inventory valuation a key audit matter.

How our audit addressed the matter

We compared financial statements to ascertain the provision policy on allowance for inventory valuation losses has been consistently applied, obtained the net realizable value report of inventory used by management for evaluation and obtained an understanding of sales price basis adopted by management for abovementioned inventory along with the related supporting documents; sampled individual inventory item numbers and checked them against historical data on inventory clearance and discount to assess the reasonableness of net realizable value and the appropriateness of valuation basis.

Valuation and impairment of property, plant and equipment and goodwill

Description

For details of the impairment valuation of property, plant and equipment and goodwill, please refer to Notes 6(8) and 6(11).

The Group measures the recoverable amount of the cash generating unit to determine whether goodwill and property, plant and equipment may be impaired based on future cash flows with appropriate discount rates, and future cash flows are estimated based on how assets are utilized, duration years of assets and projected income and expenses in the future. As these estimates, which are uncertain and dependent upon significant judgement from management, involve several assumptions such as determination of discount rates, expected growth rate and

future financial projections, we consider management's assessment of impairment of property, plant and equipment and goodwill a key audit matter.

How our audit addressed the matter

We assessed the key assumptions used by management in estimating expected future cash flows, including the reasonableness of expected operating revenue, gross profit, changes in expenses, and the basic assumptions applied in expected future cash flows. We also examined the parameters of discount rates, including the risk-free rate of return on equity capital, the risk factor of the industry and the rate of return on similar investments in the market.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for under the equity method of the Company, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts and Note 13 included in respect of these subsidiaries and investments accounted for under the equity method, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for under the equity method included in the Group's consolidated financial statements amounted to NT\$29,713,386 thousand and NT\$24,559,041 thousand, constituting 8.3% and 6.4% of the consolidated total assets of the Group as at December 31, 2023 and 2022, respectively, and sales revenue of these subsidiaries included in the Group's consolidated financial statements amounted to NT\$50,202,785 thousand and NT\$35,019,337 thousand, constituting 23.7% and 15.7% of the consolidated total sales revenue of the Group for the years ended December 31, 2023 and 2022, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of Innolux Corporation as at and for the years ended December 31, 2023 and 2022.

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

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

control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- A. 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.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. 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.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 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

PricewaterhouseCoopers, Taiwan

February 22, 2024

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023	December 31, 2022
Current Assets			
1100	Cash and cash equivalents	6(1) \$ 50,512,584	\$ 68,490,588
1110	Financial assets at fair value through profit or loss - current	6(2) 460,767	385,503
1136	Financial assets at amortized cost - current	6(4) 12,112,991	22,238,541
1170	Accounts receivable, net	6(5) 29,584,510	32,877,767
1180	Accounts receivable, net - related parties	7 430,861	714,522
1200	Other receivables	1,958,858	1,995,830
130X	Inventory	6(6) 37,150,576	35,917,279
1410	Prepayments	1,319,982	1,757,532
1479	Other current assets	8 119,010	924,103
11XX	Total current assets	133,650,139	165,301,665
Non-current assets			
1510	Financial assets at fair value through profit or loss - non-current	6(2) 5,300,152	4,841,428
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) 6,665,014	5,331,006
1535	Financial assets at amortized cost - non-current	6(4) 18,813,183	2,871,573
1550	Investments accounted for under equity method	6(7) 703,591	1,536,817
1600	Property, plant and equipment	6(8), 7 and 8 149,253,011	157,533,518
1755	Right-of-use assets	6(9) 4,091,841	4,789,753
1760	Investment property, net	6(10) 416,077	443,866
1780	Intangible assets	6(11) 17,542,372	17,511,360
1840	Deferred income tax assets	6(29) 2,845,935	3,547,360
1990	Other non-current assets	6(8), 6(15), 8 and 9 18,249,127	20,033,150
15XX	Total non-current assets	223,880,303	218,439,831
1XXX	Total assets	\$ 357,530,442	\$ 383,741,496

(Continued)

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023	December 31, 2022
Current Liabilities			
2100	Short-term borrowings	6(12) \$ 170,000	\$ 425,000
2120	Financial liabilities at fair value through profit or loss - current	6(2) 44,596	329,181
2170	Accounts payable	39,178,762	35,612,347
2180	Accounts payable - related parties	7 1,205,003	1,161,824
2200	Other payables	6(13) and 7 28,336,062	31,947,840
2230	Current income tax liabilities	1,907,319	2,453,028
2250	Provisions - current	6(17) and 9 3,372,767	5,668,367
2280	Lease liabilities - current	593,127	662,818
2320	Long-term liabilities, current portion	6(14) 7,575,503	8,774,740
2399	Other current liabilities	5,175,611	5,687,868
21XX	Total current liabilities	<u>87,558,750</u>	<u>92,723,013</u>
Non-current liabilities			
2540	Long-term borrowings	6(14) 31,977,559	26,838,109
2570	Deferred income tax liabilities	6(29) 1,738,759	1,570,091
2580	Lease liabilities - non-current	3,125,352	3,882,389
2600	Other non-current liabilities	4,244,761	5,733,174
25XX	Total non-current liabilities	<u>41,086,431</u>	<u>38,023,763</u>
2XXX	Total liabilities	<u>128,645,181</u>	<u>130,746,776</u>
Equity attributable to owners of the parent			
Share capital			
3110	Common stock	6(18) 90,786,334	95,564,562
3200	Capital surplus	6(19) 103,468,658	103,312,414
Retained earnings			
3310	Legal reserve	6(20) 13,811,763	13,811,763
3320	Special reserve	5,565,152	3,204,136
3350	Unappropriated retained earnings	21,754,128	42,750,417
3400	Other equity interest	6(21) (7,198,699)	(5,565,152)
3500	Treasury shares	6(18) (62,467)	(602,916)
31XX	Equity attributable to owners of the parent	<u>228,124,869</u>	<u>252,475,224</u>
36XX	Non-controlling interests	<u>760,392</u>	<u>519,496</u>
3XXX	Total equity	<u>228,885,261</u>	<u>252,994,720</u>
3X2X	Total liabilities and equity	<u>\$ 357,530,442</u>	<u>\$ 383,741,496</u>

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

Items	Notes	2023	2022
4000 Sales revenue	6(22) and 7	\$ 211,740,557	\$ 223,715,758
5000 Operating costs	6(6)(27) and 7	(208,631,513)	(230,621,530)
5900 Net operating margin (loss)		<u>3,109,044</u>	<u>(6,905,772)</u>
Operating expenses	6(27)		
6100 Selling expenses		(2,519,314)	(3,565,393)
6200 General and administrative expenses		(7,287,108)	(8,148,430)
6300 Research and development expenses		(12,011,556)	(13,045,403)
6000 Total operating expenses		<u>(21,817,978)</u>	<u>(24,759,226)</u>
6900 Operating loss		<u>(18,708,934)</u>	<u>(31,664,998)</u>
Non-operating income and expenses			
7100 Interest income	6(23)	2,507,561	1,589,283
7010 Other income	6(24)	2,189,040	5,940,109
7020 Other gains and losses	6(25)	(679,985)	(1,161,232)
7050 Finance costs	6(26)	(1,704,725)	(915,668)
7060 Share of profit (loss) of associates and joint ventures accounted for under equity method	6(7)	33,912	(9,947)
7000 Total non-operating income and expenses		<u>2,345,803</u>	<u>5,442,545</u>
7900 Loss before income tax		<u>(16,363,131)</u>	<u>(26,222,453)</u>
7950 Income tax expense	6(29)	(2,235,599)	(1,692,323)
8200 Loss for the year		<u>\$ (18,598,730)</u>	<u>\$ (27,914,776)</u>

(Continued)

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings (loss) per share amounts)

Items	Notes	2023	2022
Other comprehensive income (net)			
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8311	Remeasurement of defined benefit plans	\$ 8,928	\$ 220,400
8316	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	15,786	(4,581,277)
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	—	13,499
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	(16,589)	474,360
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss	8,125	(3,873,018)
Components of other comprehensive (loss) income that will be reclassified to profit or loss			
8361	Financial statements translation differences of foreign operations	(1,608,183)	1,589,007
8370	Share of other comprehensive (loss) income of associates and joint ventures accounted for under equity method	(32,278)	101,069
8360	Other comprehensive (loss) income that will be reclassified to profit or loss	(1,640,461)	1,690,076
8300	Other comprehensive loss for the year, net of tax	<u>\$ (1,632,336)</u>	<u>\$ (2,182,942)</u>
8500	Total comprehensive loss for the year	<u>\$ (20,231,066)</u>	<u>\$ (30,097,718)</u>
Loss attributable to:			
8610	Owners of the parent	<u>\$ (18,642,539)</u>	<u>\$ (27,990,256)</u>
8620	Non-controlling interest	<u>\$ 43,809</u>	<u>\$ 75,480</u>
Other comprehensive (loss) income attributable to:			
8710	Owners of the parent	<u>\$ (20,268,820)</u>	<u>\$ (30,174,952)</u>
8720	Non-controlling interest	<u>\$ 37,754</u>	<u>\$ 77,234</u>
Loss per share (in dollars)			
9750	Basic loss per share	<u>\$ (2.01)</u>	<u>\$ (2.76)</u>

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent												
	Notes	Share Capital		Retained Earnings			Other Equity Interest			Total	Non-controlling interests	Total
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares			
2022												
Balance at January 1		\$ 105,596,201	\$103,287,482	\$ 8,062,551	\$ 6,059,671	\$ 84,545,631	\$ (9,862,144)	\$ 6,658,008	\$ —	\$304,347,400	\$ 449,531	\$304,796,931
(Loss) profit for the year		—	—	—	—	(27,990,256)	—	—	—	(27,990,256)	75,480	(27,914,776)
Other comprehensive income (loss) for the year	6(21)	—	—	—	—	176,320	1,688,322	(4,049,338)	—	(2,184,696)	1,754	(2,182,942)
Total comprehensive income (loss)		—	—	—	—	(27,813,936)	1,688,322	(4,049,338)	—	(30,174,952)	77,234	(30,097,718)
Appropriations of 2021 earnings:	6(20)	—	—	—	—	—	—	—	—	—	—	—
Legal reserve		—	—	5,749,212	—	(5,749,212)	—	—	—	—	—	—
Special reserve		—	—	—	(2,855,535)	2,855,535	—	—	—	—	—	—
Cash dividends		—	—	—	—	(11,087,601)	—	—	—	(11,087,601)	—	(11,087,601)
Capital reduction by cash	6(18)	(10,031,639)	—	—	—	—	—	—	47,500	(9,984,139)	—	(9,984,139)
Recognition of change in equity of associates in proportion to the Group's ownership	6(19)	—	247	—	—	—	—	—	—	247	—	247
Recognition of changes in ownership interests in subsidiaries	6(19)	—	10,169	—	—	—	—	—	—	10,169	8,664	18,833
Purchase of treasury shares	6(18)	—	—	—	—	—	—	—	(650,416)	(650,416)	—	(650,416)
Decrease in non-controlling interests		—	—	—	—	—	—	—	—	—	(15,933)	(15,933)
Others	6(19)	—	14,516	—	—	—	—	—	—	14,516	—	14,516
Balance at December 31		\$ 95,564,562	\$103,312,414	\$13,811,763	\$ 3,204,136	\$ 42,750,417	\$ (8,173,822)	\$ 2,608,670	\$ (602,916)	\$252,475,224	\$ 519,496	\$252,994,720
2023												
Balance at January 1		\$ 95,564,562	\$103,312,414	\$13,811,763	\$ 3,204,136	\$ 42,750,417	\$ (8,173,822)	\$ 2,608,670	\$ (602,916)	\$252,475,224	\$ 519,496	\$252,994,720
(Loss) profit for the year		—	—	—	—	(18,642,539)	—	—	—	(18,642,539)	43,809	(18,598,730)
Other comprehensive income (loss) for the year	6(21)	—	—	—	—	7,266	(1,635,525)	1,978	—	(1,626,281)	(6,055)	(1,632,336)
Total comprehensive income (loss)		—	—	—	—	(18,635,273)	(1,635,525)	1,978	—	(20,268,820)	37,754	(20,231,066)
Appropriation of 2022 earnings:	6(20)	—	—	—	—	—	—	—	—	—	—	—
Special reserve		—	—	—	2,361,016	(2,361,016)	—	—	—	—	—	—
Capital reduction by cash	6(18)	(4,778,228)	—	—	—	—	—	—	22,625	(4,755,603)	—	(4,755,603)
Recognition of change in equity of associates in proportion to the Group's ownership	6(19)	—	6,556	—	—	—	—	—	—	6,556	—	6,556
Recognition of changes in ownership interests in subsidiaries	6(19)	—	155,910	—	—	—	—	—	—	155,910	256,655	412,565
Difference between consideration and carrying amount of subsidiaries disposed	6(19)	—	11,475	—	—	—	—	—	—	11,475	9,462	20,937
Treasury shares transferred to employees	6(18)(19)	—	(55,038)	—	—	—	—	—	517,824	462,786	—	462,786
Decrease in non-controlling interests		—	—	—	—	—	—	—	—	—	(62,975)	(62,975)
Others	6(19)	—	37,341	—	—	—	—	—	—	37,341	—	37,341
Balance at December 31		\$ 90,786,334	\$103,468,658	\$13,811,763	\$ 5,565,152	\$ 21,754,128	\$ (9,809,347)	\$ 2,610,648	\$ (62,467)	\$228,124,869	\$ 760,392	\$228,885,261

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

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		\$ (16,363,131)	\$ (26,222,453)
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation and amortization	6(27)	30,773,369	32,457,777
Net gain on financial assets or liabilities at fair value through profit or loss		(710,218)	(235,831)
Compensation cost of share-based payments	6(27)	233,954	7,226
Expected credit loss	12(2)	5,331	16,158
Share of (profit) loss of associates and joint ventures accounted for under equity method	6(7)	(33,912)	9,947
Loss on disposal of investments	6(25)	—	3,709
Loss on disposal of property, plant and equipment	6(25)	113,895	134,544
Loss on lease modification		202	—
Gain on disposal of intangible assets		(60)	—
Non-financial asset impairment loss	6(8)	1,535,225	—
Interest expense	6(26)	1,704,725	915,668
Interest income	6(23)	(2,507,561)	(1,589,283)
Dividend income	6(24)	(190,326)	(1,907,153)
Foreign exchange loss (gain)		31,085	(2,426,277)
Others		—	197
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets /liabilities at fair value through profit or loss		(359,849)	(69,969)
Accounts receivable		3,124,395	27,633,753
Accounts receivable - related parties		283,661	636,853
Other receivables		148,217	460,552
Inventories		(1,233,297)	2,360,942
Prepayments		(637,607)	(8,884,814)
Other current assets		(59,989)	224,446
Others non-current assets		(369,595)	—
Changes in operating liabilities			
Accounts payable		3,729,707	(16,709,131)
Accounts payable - related parties		43,179	(1,028,484)
Other payables		(3,491,283)	(5,933,554)
Provisions		(1,979,501)	(1,090,895)
Other current liabilities		(2,328,225)	61,386
Other non-current liabilities		228,023	711,153
Cash inflow (outflow) generated from operations		11,690,414	(463,533)
Cash paid for income tax		(2,134,533)	(1,519,560)
Net cash flows from (used in) operating activities		9,555,881	(1,983,093)

(Continued)

INNOLUX CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through profit or loss		\$ (7,278,730)	\$ (428,786)
Proceeds from disposal of financial assets at fair value through profit or loss		7,477,994	17,330,195
Acquisition of investments in financial assets measured at fair value through other comprehensive income		(1,349,789)	—
(Increase) decrease in financial assets at amortized cost - current		(5,576,817)	8,240,038
Acquisitions of financial assets at amortized cost - non-current		(19,196,684)	—
Proceeds from disposal of financial assets at amortized cost		7,028,289	61,712,578
Proceeds from repayments of financial assets at amortized cost		11,511,327	4,928,494
Decrease (increase) in refundable deposits		272,006	(1,088,493)
Proceeds from capital reduction of investments accounted for under equity method		873,619	—
Increase in investment accounted for under equity method		(70,000)	(86,829)
Acquisition of property, plant and equipment	6(31)	(21,351,840)	(21,048,162)
Proceeds from disposal of property, plant and equipment		135,876	96,739
Acquisition of intangible assets	6(11)	(103)	(6,006)
Proceeds from disposal of intangible assets		201	—
Interest received		2,884,629	1,671,092
Dividends received		228,775	1,980,909
Others		33,848	—
Net cash flows (used in) from investing activities		<u>(24,377,399)</u>	<u>73,301,769</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in short-term borrowings		(255,000)	173,328
Proceeds from long-term borrowings		39,058,412	—
Repayments of long-term borrowings		(35,049,959)	(8,786,833)
Interest paid		(1,628,492)	(878,578)
Repayment of the principal portion of lease liabilities		(671,936)	(657,345)
Cash dividends paid	6(20)	—	(11,087,601)
Proceeds from disposal of shares of subsidiaries		20,937	—
Net change of non-controlling interests		(62,969)	(18,001)
Share-based payments		98,352	11,607
Payments to acquire treasury shares	6(18)	—	(602,916)
Treasury shares transferred to employees	6(18)	248,975	—
Cash capital reduction	6(18)	(4,755,603)	(10,031,639)
Others	6(19)	37,341	14,516
Net cash flows used in financing activities		<u>(2,959,942)</u>	<u>(31,863,462)</u>
Effect of changes in foreign currency exchange		(196,544)	367,628
Net (decrease) increase in cash and cash equivalents		(17,978,004)	39,822,842
Cash and cash equivalents at beginning of year		68,490,588	28,667,746
Cash and cash equivalents at end of year		<u>\$ 50,512,584</u>	<u>\$ 68,490,588</u>

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

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Innolux Corporation:

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the Other matter section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Inventory valuation

Description

The industry is characterized in its significant fluctuations closely in connection with the economic environment. As the technology evolves rapidly, the launch of new products may cause major changes in consumer demand or due to the update of production approach, the existing products may become obsolete or no longer meet market needs. The Company has evaluated the inventory by taking into account of allowance, obsolescence or trivial sales amount and the cost has been written down to the net realizable value. The abovementioned allowance for inventory valuation losses mainly arose from the excess of the cost of inventory over the net realizable value of inventory. For details of inventory, please refer to Note 6(6). There is a risk of the excess of the cost of inventory over the net realizable value of inventory as a result of that the amounts of inventories are material and the sales prices of related products may have significant fluctuations because of market demand, we consider inventory valuation a key audit matter.

How our audit addressed the matter

We compared financial statements to ascertain the provision policy on allowance for inventory valuation losses has been consistently applied, obtained the net realizable value report of inventory used by management for evaluation and obtained an understanding of sales price basis adopted by management for abovementioned inventory along with the related supporting documents; sampled individual inventory item numbers and checked them against historical data on inventory clearance and discount to assess the reasonableness of net realizable value and the appropriateness of valuation basis.

Valuation and impairment of property, plant and equipment and goodwill

Description

For details of the impairment valuation of property, plant and equipment and goodwill, please refer to Notes 6(8) and 6(11).

Innolux Corporation measures the recoverable amount of the cash generating unit to determine whether goodwill and property, plant and equipment may be impaired based on future cash flows with appropriate discount rates, and future cash flows are estimated based on how assets are utilized, duration years of assets and projected income and expenses in the future. As these estimates, which are uncertain and dependent upon significant judgement from management, involve several assumptions such as determination of discount rates, expected growth rate and future financial projections, we consider management's assessment of impairment of goodwill and property, plant and equipment a key audit matter.

How our audit addressed the matter

We assessed the key assumptions used by management in estimating expected future cash flows, including the reasonableness of expected operating revenue, gross profit, changes in expenses, and the basic assumptions applied in expected future cash flows. We also examined the parameters of discount rates, including the risk-free rate of return on equity capital, the risk factor of the industry and the rate of return on similar investments in the market.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method of the Company, which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts and Note 13 included in respect of these investments accounted for under the equity method, is based solely on the reports of the other auditors. The balances of these investments accounted for under the equity method included in the Company's financial statements amounted to NT\$5,178,107 thousand and NT\$ 2,388,523 thousand, constituting 1.5% and 0.6% of the total assets of the Company as at December 31, 2023 and 2022, respectively, and other comprehensive income (loss) of these investments accounted for under the equity method and associates included in the Company's financial statements amounted to NT\$2,510,409 thousand and (NT\$1,499,789) thousand, constituting (12.4%) and 5.0% of the total other comprehensive income loss of the Company for the years ended December 31, 2023 and 2022, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only financial statements.

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

- A. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- B. 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.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- D. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- E. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 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.

PricewaterhouseCoopers, Taiwan

February 22, 2024

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

INNOLUX CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2023	December 31, 2022
Current Assets			
1100	Cash and cash equivalents	6(1) \$ 34,290,630	\$ 42,742,345
1110	Financial assets at fair value through profit or loss - current	6(2) 460,767	385,503
1136	Financial assets at amortized cost - current	6(4) 11,376,036	10,892,226
1170	Accounts receivable, net	6(5) 18,885,236	24,468,596
1180	Accounts receivable, net - related parties	7 12,216,032	12,243,100
1200	Other receivables	1,224,024	852,123
1210	Other receivables - related parties	7 629,730	688,721
130X	Inventory	6(6) 21,955,057	22,427,356
1410	Prepayments	533,787	803,956
1479	Other current assets	8 18,716	859,275
11XX	Total current assets	<u>101,590,015</u>	<u>116,363,201</u>
Non-current assets			
1510	Financial assets at fair value through profit or loss - non-current	6(2) 1,937,420	2,011,821
1517	Financial assets at fair value through other comprehensive income - non-current	6(3) 2,432,115	2,100,977
1535	Financial assets at amortized cost - non-current	6(4) —	887,093
1550	Investments accounted for under equity method	6(7) 98,340,870	93,254,285
1600	Property, plant and equipment	6(8), 7 and 8 118,890,795	125,578,587
1755	Right-of-use assets	6(9) 3,304,834	4,033,355
1760	Investment property, net	6(10) 416,077	443,866
1780	Intangible assets	6(11) 17,344,919	17,342,393
1840	Deferred income tax assets	6(28) 2,797,335	3,513,457
1990	Other non-current assets	6(8),(14)and 9 6,667,345	8,556,486
15XX	Total non-current assets	<u>252,131,710</u>	<u>257,722,320</u>
1XXX	Total assets	<u>\$ 353,721,725</u>	<u>\$ 374,085,521</u>

(Continued)

INNOLUX CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2023	December 31, 2022
Current Liabilities			
2120	Financial liabilities at fair value through profit or loss - current	\$ 44,596	\$ 329,181
2170	Accounts payable	19,868,799	18,139,842
2180	Accounts payable - related parties	22,515,767	15,069,365
2200	Other payables	22,119,418	25,091,705
2230	Current income tax liabilities	—	142,765
2250	Provisions - current	3,344,901	5,634,974
2280	Lease liabilities - current	539,873	622,990
2320	Long-term liabilities, current portion	7,531,427	8,741,407
2399	Other current liabilities	4,249,204	5,133,343
21XX	Total current liabilities	80,213,985	78,905,572
Non-current liabilities			
2540	Long-term borrowings	30,452,097	26,813,109
2570	Deferred income tax liabilities	1,736,640	1,568,321
2580	Lease liabilities - non-current	3,029,595	3,829,647
2670	Other non-current liabilities	10,164,539	10,493,648
25XX	Total non-current liabilities	45,382,871	42,704,725
2XXX	Total liabilities	125,596,856	121,610,297
Equity			
Share capital			
3110	Common stock	90,786,334	95,564,562
3200	Capital surplus	103,468,658	103,312,414
Retained earnings			
3310	Legal reserve	13,811,763	13,811,763
3320	Special reserve	5,565,152	3,204,136
3350	Unappropriated retained earnings	21,754,128	42,750,417
3400	Other equity interest	(7,198,699)	(5,565,152)
3500	Treasury shares	(62,467)	(602,916)
3XXX	Total equity	228,124,869	252,475,224
3X2X	Total liabilities and equity	\$ 353,721,725	\$ 374,085,521

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

INNOLUX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

Items	Notes	2023	2022
4000 Sales revenue	6(21) and 7	\$ 178,996,596	\$ 199,721,875
5000 Operating costs	6(6)(26) and 7	(189,009,988)	(216,731,878)
5900 Net operating loss		<u>(10,013,392)</u>	<u>(17,010,003)</u>
Operating expenses	6(26) and 7		
6100 Selling expenses		(801,603)	(1,007,569)
6200 General and administrative expenses		(3,789,096)	(3,949,817)
6300 Research and development expenses		(9,785,992)	(10,759,959)
6000 Total operating expenses		<u>(14,376,691)</u>	<u>(15,717,345)</u>
6900 Operating loss		<u>(24,390,083)</u>	<u>(32,727,348)</u>
Non-operating income and expenses			
7100 Interest income	6(22)	1,423,725	660,432
7010 Other income	6(23) and 7	1,751,375	2,290,247
7020 Other gains and losses	6(24)	(1,477,596)	(1,460,558)
7050 Finance costs	6(25)	(1,687,857)	(892,380)
7070 Share of profit of subsidiaries, associates and joint ventures accounted for under equity method		6,528,550	4,274,750
7000 Total non-operating income and expenses		<u>6,538,197</u>	<u>4,872,491</u>
7900 Loss before income tax		<u>(17,851,886)</u>	<u>(27,854,857)</u>
7950 Income tax expense	6(28)	(790,653)	(135,399)
8200 Loss for the year		<u>\$ (18,642,539)</u>	<u>\$ (27,990,256)</u>
Other comprehensive income (net)			
Components of other comprehensive income (loss) that will not be reclassified to profit or loss			
8311 Remeasurement of defined benefit plans	6(14)	\$ 9,237	\$ 220,400
8316 Unrealized gains (losses) on financial assets at fair value through other comprehensive income	6(20)	79,109	(2,605,279)
8330 Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for under equity method	6(20)	(62,452)	(1,962,499)
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(16,650)	474,360
8310 Other comprehensive income (loss) that will not be reclassified to profit or loss		<u>9,244</u>	<u>(3,873,018)</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss			
8361 Financial statements translation differences of foreign operations	6(20)	(1,603,247)	1,587,253
8380 Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for under equity method	6(7)(20)	(32,278)	101,069
8360 Other comprehensive income (loss) that will be reclassified to profit or loss		<u>(1,635,525)</u>	<u>1,688,322</u>
8300 Other comprehensive loss for the year, net of tax		<u>\$ (1,626,281)</u>	<u>\$ (2,184,696)</u>
8500 Total comprehensive loss for the year		<u>\$ (20,268,820)</u>	<u>\$ (30,174,952)</u>
Loss per share (in dollars)	6(29)		
9750 Basic loss per share		<u>\$ (2.01)</u>	<u>\$ (2.76)</u>

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

INNOLUX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share Capital		Retained Earnings			Other Equity Interest			Total
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury shares	
2022										
Balance at January 1		\$ 105,596,201	\$ 103,287,482	\$ 8,062,551	\$ 6,059,671	\$ 84,545,631	\$ (9,862,144)	\$ 6,658,008	\$ —	\$ 304,347,400
Loss for the year		—	—	—	—	(27,990,256)	—	—	—	(27,990,256)
Other comprehensive income (loss) for the year	6(20)	—	—	—	—	176,320	1,688,322	(4,049,338)	—	(2,184,696)
Total comprehensive income (loss)		—	—	—	—	(27,813,936)	1,688,322	(4,049,338)	—	(30,174,952)
Appropriations of 2021 earnings:	6(19)									
Legal reserve		—	—	5,749,212	—	(5,749,212)	—	—	—	—
Special reserve		—	—	—	(2,855,535)	2,855,535	—	—	—	—
Cash dividends		—	—	—	—	(11,087,601)	—	—	—	(11,087,601)
Capital reduction by cash	6(17)	(10,031,639)	—	—	—	—	—	—	47,500	(9,984,139)
Recognition of change in equity of associates in proportion to the Company's ownership	6(18)	—	247	—	—	—	—	—	—	247
Recognition of changes in ownership interests in subsidiaries	6(18)	—	10,169	—	—	—	—	—	—	10,169
Purchase of treasury shares	6(17)	—	—	—	—	—	—	—	(650,416)	(650,416)
Others	6(18)	—	14,516	—	—	—	—	—	—	14,516
Balance at December 31		\$ 95,564,562	\$ 103,312,414	\$ 13,811,763	\$ 3,204,136	\$ 42,750,417	\$ (8,173,822)	\$ 2,608,670	\$ (602,916)	\$ 252,475,224
2023										
Balance at January 1		\$ 95,564,562	\$ 103,312,414	\$ 13,811,763	\$ 3,204,136	\$ 42,750,417	\$ (8,173,822)	\$ 2,608,670	\$ (602,916)	\$ 252,475,224
Loss for the year		—	—	—	—	(18,642,539)	—	—	—	(18,642,539)
Other comprehensive income (loss) for the year	6(20)	—	—	—	—	7,266	(1,635,525)	1,978	—	(1,626,281)
Total comprehensive income (loss)		—	—	—	—	(18,635,273)	(1,635,525)	1,978	—	(20,268,820)
Appropriation of 2022 earnings:	6(19)									
Special reserve		—	—	—	2,361,016	(2,361,016)	—	—	—	—
Capital reduction by cash	6(17)	(4,778,228)	—	—	—	—	—	—	22,625	(4,755,603)
Recognition of change in equity of associates in proportion to the Company's ownership	6(18)	—	6,556	—	—	—	—	—	—	6,556
Recognition of changes in ownership interests in subsidiaries	6(18)	—	155,910	—	—	—	—	—	—	155,910
Difference between consideration and carrying amount of subsidiaries disposed	6(18)	—	11,475	—	—	—	—	—	—	11,475
Treasury shares transferred to employees	6(17)(18)	—	(55,038)	—	—	—	—	—	517,824	462,786
Others	6(18)	—	37,341	—	—	—	—	—	—	37,341
Balance at December 31		\$ 90,786,334	\$ 103,468,658	\$ 13,811,763	\$ 5,565,152	\$ 21,754,128	\$ (9,809,347)	\$ 2,610,648	\$ (62,467)	\$ 228,124,869

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

INNOLUX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		\$ (17,851,886)	\$ (27,854,857)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(26)	25,073,738	26,864,122
Net (gain) loss on financial assets or liabilities at fair value through profit or loss		(185,502)	378,875
Compensation cost of share-based payments	6(26)	187,242	2,435
Share of profit of subsidiaries and associates accounted for under equity method		(6,528,550)	(4,274,750)
(Gain) loss on disposal of property, plant and equipment		(33,237)	12,908
Gain on disposal of intangible assets		(60)	—
Non-financial asset impairment loss	6(8)	1,535,225	—
Interest income	6(22)	(1,423,725)	(660,432)
Dividend income	6(23)	(30,097)	(44,895)
Interest expense	6(25)	1,687,857	892,380
Foreign exchange gain		(131,868)	(2,310,657)
Unrealized profit from sale		394,143	251,937
Others		—	—
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets /liabilities at fair value through profit or loss		(359,849)	(69,970)
Accounts receivable		5,419,829	27,987,737
Accounts receivable - related parties		27,068	(2,111,324)
Other receivables		(108,918)	323,060
Other receivables - related parties		29,859	1,285,810
Inventories		472,299	4,644,794
Prepayments		(1,033,062)	1,748,372
Other current assets		936	(753)
Changes in operating liabilities			
Accounts payable		1,892,249	(5,987,080)
Accounts payable - related parties		7,446,402	(7,528,266)
Other payables		(3,025,057)	(5,324,980)
Provisions - current		(1,974,117)	(1,095,267)
Other current liabilities		(2,647,416)	(73,152)
Other non-current liabilities		128,366	(49,809)
Cash inflow generated from operations		8,961,869	7,006,238
Cash paid for income tax		(178,510)	(64,641)
Net cash flows from operating activities		8,783,359	6,941,597

(Continued)

INNOLUX CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through profit or loss		\$ (7,203,079)	\$ (142,505)
Proceeds from disposal of financial assets at fair value through profit or loss		7,462,982	13,948,744
Acquisition of investments in equity instruments measured at fair value through other comprehensive income		(252,029)	—
(Increase) decrease in financial assets at amortized cost - current		(5,316,350)	3,330,220
Proceeds from disposal of financial assets at amortized cost		—	47,284,750
Proceeds from repayments of financial assets at amortized cost		5,655,818	2,010,343
Increase in investment accounted for under equity method		(1,426,050)	—
Proceeds from capital reduction of investments accounted for under equity method		898,981	—
Proceeds from disposal of investments accounted for under equity method		20,937	—
Decrease (increase) in refundable deposits		216,789	(666,798)
Acquisition of property, plant and equipment	6(30)	(16,366,151)	(15,532,404)
Proceeds from disposal of property, plant and equipment		201,740	318,936
Proceeds from disposal of intangible assets		60	23,013
Interest received		1,549,213	796,163
Dividends received		86,580	147,945
Net cash flows (used in) from investing activities		<u>(14,470,559)</u>	<u>51,518,407</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long-term borrowings		37,500,000	—
Repayments of long-term borrowings		(35,002,778)	(8,750,000)
Increase in other non-current liabilities	7	1,426,050	—
Cash dividends paid	6(19)	—	(11,087,601)
Interest paid		(1,613,495)	(855,012)
Repayment of the principal portion of lease liabilities		(605,005)	(614,669)
Treasury shares transferred to employees		248,975	—
Payments to acquire treasury shares	6(17)	—	(602,916)
Cash capital reduction	6(17)	(4,755,603)	(10,031,639)
Others	6(18)	37,341	14,516
Net cash flows used in financing activities		<u>(2,764,515)</u>	<u>(31,927,321)</u>
Net (decrease) increase in cash and cash equivalents		(8,451,715)	26,532,683
Cash and cash equivalents at beginning of year		42,742,345	16,209,662
Cash and cash equivalents at end of year		<u>\$ 34,290,630</u>	<u>\$ 42,742,345</u>

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

Attachment 4

**InnoLux Corporation
2023 Profit and Loss Appropriation Table**

Unit: NT\$

Item	Amount
Unappropriated Retained Earnings, Beginning Balance	40,389,401,260
Less: Net Loss after Tax of 2023	(18,642,538,651)
Add: Remeasurements of defined benefit plans	7,265,293
Less: Special Reserve (Note)	(1,633,546,210)
Unappropriated Retained Earnings	20,120,581,692

Note: The Company shall set aside a special reserve from the net deductions from shareholders' equity (including Financial statements translation differences of foreign operations, Unrealized gains or loss on financial assets measured at fair value through other comprehensive income) for the current fiscal year.

Chairman:

Managerial Officer:

Chief Accountant: