

Advanced Optoelectronic Technology Inc.
2024 Annual Shareholders' Meeting Minutes
(Translation)

Time : 9:00a.m., Jun 27, 2024

Place : No.13, Gongye 5th Rd., Hukou Industrial Park, Hsinchu County, Taiwan, ROC
(Advanced Optoelectronic Technology Inc.)

Type of Meeting : Physical meeting

Total outstanding AOT shares (the total issued shares including shares with voting rights): 144,548,000 shares.

Present: The total shares represented by shareholders present in person and proxy are 80,720,781 shares (including 7,250,429 shares with voting rights casted electronically), equivalent to 55.84% of 144,548,000 shares(total issues and outstanding shares).

Directors present: Independent director of Liu, Shi-Heh (Convener of the Audit Committee)
Independent director of Wang, Shu-Lan, Director of Chuang, Hong-Jen

Attendees: Lin, Po-Chuan, Certified Public Accountant of PricewaterhouseCoopers

Chairman: Fang, Jung-His, the Chairman of the Board of Directors

Recorder: Huang, Tsui-Ling

Call to order: The aggregate shareholding of the shareholders presented in person or by proxy constituted a quorum, and the Chairman called the meeting to order.

Chairman's Address : (Omitted)

I. Report Items

Report item 1 :

Subject : 2023 Business Report

Description : (1) 2023 Business Report (see Attachment 1)
(2) 2023 Financial Statements (see Attachment 3)

Report item 2 :

Subject : Audit Committee's review report

Description : Audit Committee's review report (see Attachment 2)

Report item 3 :

Subject : Report on Significant Transactions with Related Parties

Description : (1) In order to 「Rules Governing Financial and Business Matters Between this Corporation and its Related Parties」 article 10 stipulates that significant transactions with related parties should be reported at the most recent shareholders' meeting.

(2) Significant transactions with related parties:

(2.1) The actual transaction amount and conditions are as follows:

Unit: NTD thousand

Sales	Approved by the Board on December 21, 2023			Actual figures for the 2023			Transaction terms
	Estimated Consolidated total property of 12/31	Estimated annual transaction amount	Percentage of revenue	Consolidated total property of 12/31	Annual transaction amount	percentage of revenue	
Consolidated total property/revenue	3,566,635	2,000,000	100.00%	3,356,485	1,972,624	100.00%	-
Foxconn	-	234,530	11.73%	-	206,683	10.48%	120days E O M
Nanjing SHARP	-	116,000	5.80%	-	112,616	5.71%	90days E O M

(2.2) Was the transaction conducted in accordance with the pricing principles approved by the Board of Directors? Yes.

(2.3) Whether it exceeds the annual transaction amount limit approved by the board of directors? : Yes.

II. Approval Items

Proposal 1 : (Proposed by the Board of Directors)

Subject : Adoption of the 2023 Business Report and the Financial Statements.

Description : (1) 2023 Financial Statements were audited by CPA Lin, Po-Chuan and Chang, Shu-Chiung of Pricewaterhousecoopers with unqualified opinions.

(2) Business Report was approved by Audit Committee & the Board of Directors, and Audit Committee has signed the Review Report accordingly. Business Report, Independent Auditor's Report and Financial Statements please refer to attachment I and attachment III.

Resolution : The proposal was hereby approved as proposed. The voting results are as follows:
Shares represented at the time of voting was 80,720,781 (including 7,250,429 rights casted electronically).

Voting Results	Weights/votes	% of the total represented share present
Votes in favor	74,887,238 votes	92.77%
Votes against	49,213 votes	0.06%
Votes invalid	0 votes	0.00%
Votes Abstained/No votes	5,784,330 votes	7.16%

Proposal 2 : (Proposed by the Board of Directors)

Subject : Adoption of the Proposal for 2023 deficit compensation

Description : (1) The proposal for 2023 deficit compensation has been approved by Audit Committee & the Board of Directors, and Audit Committee has signed the Review Report accordingly.
(2) Resolution.

Advanced Optoelectronic Technology Inc.
Statement of Deficit Compensation
Fiscal Year 2023

UNIT : NTD

Items	Amount
Unappropriated retained earnings of previous years	0
Add : Adjustment of 2022 retained earnings	2,302,039
Adjusted retained earnings of previous years	2,302,039
Less : Net loss of 2022	(101,333,481)
Deficit for Compensation of 2022	(99,031,442)
Compensation items:	
Add : Legal Reserve	99,031,442
Deficit for Compensation in the end of the year	0

Chairman : Fang, Jung-Hsi General Manager : Fang, Jung-His Chief Accounting Officer : Cheng, Chen-Hsun

Resolution : The proposal was hereby approved as proposed.

Voting results: Shares represented at the time of voting was 80,720,781 (including 7,250,429 rights casted electronically).

Voting Results	Weights/votes	% of the total represented share present
Votes in favor	74,951,238 votes	92.85%
Votes against	94,663 votes	0.11%
Votes invalid	0 votes	0.00%
Votes Abstained/No votes	5,674,533 votes	7.02%

III. Discussion Items

Proposal 1 : (Proposed by the Board of Directors)

Subject : To revise the Procedures for Acquisition and Disposal of Assets of the
Company

Description :

- (1) In order to align with the practical operations of the company, it is proposed to amend the Procedures for Acquisition and Disposal of Assets of the Company. The Comparison Table for the Procedures for Acquisition or Disposal of Assets Before and After Revision as Attachment 4.
- (2) Resolution.

Resolution : The proposal was hereby approved as proposed.

Voting results: Shares represented at the time of voting was 80,720,781 (including 7,250,429 rights casted electronically).

Voting Results	Weights/votes	% of the total represented share present
Votes in favor	74,441,856 votes	92.22%
Votes against	610,069 votes	0.75%
Votes invalid	0 votes	0.00%
Votes Abstained/No votes	5,668,856 votes	7.02%

IV. Extemporary and Motions:

There being no other special motions, and the Chairman announced the meeting was adjourned.

V. **Adjournment:** The meeting was adjourned at 9:12 am

There will be no questions from shareholders at this Shareholders' meeting.

This English-version is a summary translation of the Chinese version and is not an official document of the shareholders' meeting minutes. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Attachment 1

Advanced Optoelectronic Technology Inc. 2023 Business Report

2023 was a year of twists and turns. The war between Russia and Ukraine has not stopped yet, and the Israel– Hamas conflict broke out. The conflict incurs the tension in the Middle East, volatile oil prices, and a crisis in the Red Sea, which has led to the diversion of merchant ships, the increase of transportation times and costs, and the disruption of global supply chains. In China, the housing market is sluggish, the outflow of supply chain continues, and the foreign capital outflow sustains. The economic recovery has not been as good as expected. To combat inflation, the U.S. Federal Reserve has raised interest rate continuously to the highest level in these 20 years. But the private consumption remains strong. According to the forecast of World Bank, the global growth has declined from 3.5% in 2022 to 3.1% in 2023. Meanwhile, the intensification of competition between the world's top two economies, the U.S. and China, continues and the enhancement or decline in relationship of OPEC and the emerging countries between the two countries will affect the future situation.

Trendforce estimates that TV shipments declined by 2.1% in 2023 due to the impacts from the weak economy. Affected by sharp inflation and high inventory, the demand for notebook was sluggish, and the shipments decreased by 10.8%, but the decline was narrowed down in 2023 compared with 2022. Smartphone shipments declined by 2.1% year-on-year due to weak terminal demand which was incurred from China's slower than expected post-pandemic recovery and global high inflation. Among the wearable devices, the shipments of smart watches increased slightly by 1.7% due to the overall weak economy, and the shipments of low-price smart bracelets, replaced by watches gradually, dropped by 37.7% year-on-year. The shipments of VR/AR device recovered to grow by 4.6% in 2023 compared with the decrease of 7.6% in 2022. According to S&P Global Mobility statistics, the global automotive sales increased by 2.8% in 2023. Due to the weak economy, automakers attempted to increase their sales through price cuts, and the price competition in the auto market has also led to a significant decline in automotive LED prices; In general, the LED backlight industry has declined significantly due to the sluggish consumer market, which has also greatly affected the Company's operations. In 2023, the revenue was reduced to NT\$1.88 billion, the gross profit was NT\$350 million, and the loss per share was NT\$0.7.

2024 will not be a peaceful year, too. Globally, there will be 4.2 billion people to hold over 70 national elections. Especially, the US presidential election in November, the U.S will approach the path of protectionism more, and the geopolitical risks will be higher. At the same time, unresolved shipping risks, disruptions of global supply chain, volatile energy prices, declining but still high-level inflation, and global geopolitical tensions and regional military conflicts have further hampered economic development. The World Bank forecasts that global growth will be 3.1% in 2024, approximately the same as in 2023. The U.S. is expected to grow by 2.1%, China is expected to grow by 4.6% and both numbers are lower than 2023. Eurozone is expected to grow to 0.9% this year from 0.5% in 2023. The growth of advanced economies is projected to 1.5% and the growth of developing economies is 4.1%. The above of two numbers were slightly lower than and the same as in 2023.

As far as the LED industry is concerned, TrendForce predicts that in 2024, due to large-scale events such as the Paris Olympics and the European Cup, global TV shipments are expected to increase by 3.4% and the shipment dimensions are also expected to increase by 8.6% because of the expansion of product size. With the gradual destocking of the world's major notebook manufacturers, the slowdown in inflation, and the withdrawal of Microsoft's operating system Windows 10, the system upgrade of enterprise users is expected to drive the replacement of notebook and commercial displays,

and the notebook market is expected to grow moderately, with an annual growth rate of about 3.6% in shipments. In terms of smartphone, shipments are expected to grow by only 3.0% due to the continuous extension of the replacement cycle by consumers, although the inventory is gradually decreasing. Among wearable devices, smart watches are still expected to have new product launches to drive a slight growth of about 1.2%, and smart bracelets continue to decline but the decline narrows to 19%. The VR/AR devices are expected to grow by only 2.8% due to the limited disposable income and service contents. For automotive, global vehicle sales are expected to grow, with electric vehicles growing by 29.8%. The Company's 2023 operation overview and 2024 business plan are stated as follows:

I. 2023 Operational Implementation Overview

(I) Implementation results of business plan

In 2023, the Company's net revenue was NT\$1.88 billion, gross operating profit was NT\$350 million, operating loss was NT\$70 million, and the current net loss was NT\$100 million, and the net loss per share after tax is NT\$0.7.

Unit: NT\$ Thousand

Item	2023		2022	
	Amount	%	Amount	%
Operating revenues	1,879,310	100%	2,186,918	100.0%
Gross profit	349,726	18.5%	243,055	11.1%
Operating income (loss)	(66,403)	(3.5%)	(162,411)	(7.4%)
Net income (loss)	(101,333)	(5.4%)	(141,204)	(6.5%)

(II) State of operating income and expense

The Company's net cash outflow was NT\$108 million in 2023, and there is NT\$1.11 billion in cash at the end of the period. The funds were considered sufficient.

Unit: NT\$ Thousand

Item	2023	2022	Difference
Net cash inflow (outflow) from operating activities	92,659	262,441	(169,782)
Net cash inflow (outflow) from investing activities	(199,852)	(221,229)	21,377
Net cash inflow (outflow) from financing activities	(1,045)	(118,095)	117,050
Current cash and cash equivalents increase (decrease)	(108,238)	(76,883)	(31,355)

(III) Status of budget implementation

The Company did not disclose financial forecasts in 2023; therefore, it is not necessary to disclose the implementation status.

(IV) Profitability analysis

The entire year's loss per share after tax in 2023 was NT\$0.7.

(V) Research and development status

In 2023, a total of NT\$71,950 thousands were spent in R&D, representing 3.8% of the operating revenue for the year, and increase as previous year. The R&D achievements in 2023 include the development of the following: Small-sized, thin, and high-efficiency backlighting LED components, High- efficiency TV backlighting LED components and modules, LED components for Head-Up Display for automotive applications and Head Mounted Display, Thin, small-sized semiconductor packaging, Mini LED components and modules for automotive backlighting, LED headlight, taillight, sidelight components and modules for automotive applications, LED components and modules for AR glasses projection illumination, digital proximity sensing component for mobile phone, etc.

II. Business plan and management policy in 2024

Looking forward to 2024, despite the uncertain economic prospects, niche markets such as AI applications and electric vehicles are still growing rapidly, and inventories in supply chain are

gradually depleting. The company has invested in Mini LED backlight driver circuit and local dimming algorithm solution, and added LED backlight module product projects, including automotive, e-sports laptops, industrial control, TV and BG dual crystal high discoloration industrial control backlight modules, etc. And the company will continue to expand the market size of automotive Mini LED backlight and sensing components in smart phones, smart watches, and so on to contribute revenue and profit. In terms of new applications, the development of AR, VR, thin, small-sized semiconductor packaging and sensing products will continue, and the focus will be on the dual themes of metaverse and self-driving cars that will be developed and verified together with customers in preparation for future growth.

The management team and all employees of the Company will not only continue to improve the operating efficiency, but also promote the friendly environment and sound corporate governance and the fulfillment of corporate citizenship. The Company would like to thank all the shareholders for their long-term support.

Chairman: Fang, Jung-Hsi

General Manager: Fang, Jung-Hsi

Chief Accounting Officer : Cheng, Chen-Shun

Attachment 2

**Advanced Optoelectronic Technology Inc.
Audit Committee's Review Report**

The Board of Directors has prepared the Company's 2023 business report, financial statements and the proposal for deficit compensation. CPA Lin, Po-Chuan and Chang, Shu-Chiung of Pricewaterhousecoopers have audited the financial statements and expressed unqualified opinions. The business report, financial statements and the proposal for deficit compensation have been reviewed by the Audit Committee and no irregularities are found. We hereby report as above according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please kindly approve.

To

Annual Shareholders' Meeting of the Company in 2024

Advanced Optoelectronic Technology Inc.

Chairman of the Audit Committee:

Liu, Shi-Heh
May 9, 2024

Attachment 3

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004755

To: Advanced Optoelectronic Technology Inc.

Audit opinion

We have audited the accompanying consolidated balance sheet of Advanced Optoelectronic Technology Inc. and its Subsidiaries (“Advanced Optoelectronic Technology Group”) as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, consolidated changes in equity and cash flow for the years then ended, and the notes to the consolidated financial statements, (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Advanced Optoelectronic Technology Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulation Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee (collectively, “IFRSs”) as endorsed by the Financial Supervisory Commission (FSC).

Basis for audit opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are Independent of the Advanced Optoelectronic Technology Group in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the Advanced Optoelectronic Technology Group for the year ending December 31st, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the 2023 consolidated financial statements of Advanced Optoelectronic Technology Group are as below:

Inventory valuation

Description of matters

For descriptions of the accounting policies, accounting estimates, and the uncertainties of accounting estimates for inventory valuation and assumptions, and accounting items, please see Notes IV (XII), V (II) and VI (V) to the consolidated financial statements.

The principal business of the Advanced Optoelectronic Technology Group is the manufacture and sale of light-emitting diodes. Due to a large number of competitors from China manufacturers, the commodity prices may be vulnerable to fluctuations or the product sale may not be as expected, which may affect the estimation result of the net realizable value of inventory valuation.

The Advanced Optoelectronic Technology Group adjusts its inventory requirements in response to the sales market and development strategies. Since LEDs are the main sales commodity, the related inventory amount is significant. The management evaluates the inventory according to the lower cost and net realizable value. Because the above process involves subjective judgments, we believe that the accounting estimate has a significant impact on the assessment of inventory value, so it is listed as one of the most important matters during the audit.

Corresponding audit procedures

The audit procedures we have executed for the key audit matters are as follows:

1. We have evaluated the policy adopted for the allowance for inventory write-down based on our understanding of the nature of the Advanced Optoelectronic Technology Group's operations and industry.
2. We have tested the basis for the net realizable value to see whether it complies with the policy of the Advanced Optoelectronic Technology Group. Calculation is performed by taking the sales and net realizable value of the individual inventory number from random sampling.
3. Obtain obsolete inventory details identified by the management, review related documents, and reconcile the records contained in the accounts.

Other Matters - Parent Company Only Financial Statements

Advanced Optoelectronic Technology Inc. has prepared the parent company only financial statements for 2023 and 2022. We have issued an independent Auditors' Report with an unmodified opinion for reference.

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 Regulation Governing the Preparation of Financial Reports by Securities Issuers, and the IFRS, IAS, IFRIC, and SIC as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management is responsible for assessing Advanced Optoelectronic Technology Group's capability 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 Advanced Optoelectronic Technology 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 Advanced Optoelectronic Technology Group's financial reporting process.

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

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

We exercised professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made by the management.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting based on the audit evidence obtained, and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities 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.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with relevant ethical requirements regarding independence, and we communicated with them all relationships that may be thought to undermine our independence and other matters (including related protective measures).

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the Group's 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
Po-Chuan Lin
Accountant
Shu-Chiung Chang

Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 1100350706
Former Financial Supervisory Commission, Executive Yuan
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 0990042602

March 12, 2024

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 1,388,432	42	\$ 1,383,056	43
1110	Financial assets at fair value through profit or loss (FVTPL) - Current	VI (II)	5,670	-	3,980	-
1140	Contract assets - current		-	-	1,171	-
1150	Notes receivable, net	VI (III)	9,619	-	25,179	1
1170	Accounts receivable, net	VI (III)	439,951	13	330,420	10
1180	Accounts receivable - related parties, net	VI (III) and VII	133,332	4	122,924	4
1200	Other receivables	VI (IV) and VII	24,657	1	54,459	2
1220	Current income tax assets		1,694	-	562	-
130X	Inventory	VI (V)	178,789	5	163,734	5
1410	Prepayments		20,928	1	12,922	-
1479	Other current assets - others		1,182	-	233	-
11XX	Total of current assets		<u>2,204,254</u>	<u>66</u>	<u>2,098,640</u>	<u>65</u>
Non-current assets						
1517	Financial assets at FVTOCI - non-current	VI (VI)	205,954	6	140,932	4
1550	Investment under equity method	VI (VII)	6,222	-	5,554	-
1600	Property, plant, and equipment	VI (VIII)	701,929	21	824,517	26
1755	Right-of-use assets	VI (IX)	41,244	1	34,309	1
1780	Intangible assets	VI (X)	114,793	4	8,987	-
1840	Deferred tax assets	VI (XXIII)	76,617	2	80,825	3
1975	Net defined benefit assets - non-current	VI (XIV)	-	-	20,757	1
1990	Other non-current assets - others	VIII	5,472	-	5,517	-
15XX	Total non-current assets		<u>1,152,231</u>	<u>34</u>	<u>1,121,398</u>	<u>35</u>
1XXX	Total assets		<u>\$ 3,356,485</u>	<u>100</u>	<u>\$ 3,220,038</u>	<u>100</u>

(continued on next page)

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - Current	VI (II)	\$ 1,161	-	\$ 1,714	-
2130	Contract liabilities - current	VI (XVIII)	-	-	112	-
2170	Accounts payable		359,793	11	331,828	10
2180	Accounts payable - related parties	VII	4,239	-	4,256	-
2200	Other payables	VI (XII)	287,695	9	248,566	8
2220	Other payables - related parties	VII	2,865	-	6,913	-
2230	Current income tax liabilities		-	-	979	-
2280	Lease liabilities - current		18,281	1	10,922	-
2399	Other current liabilities - others		15,590	-	46,697	2
21XX	Total of current liabilities		<u>689,624</u>	<u>21</u>	<u>651,987</u>	<u>20</u>
Non-current liabilities						
2570	Deferred income tax liabilities	VI (XXIII)	7,055	-	4,604	-
2580	Lease liabilities - non-current		27,962	1	23,826	1
2610	Long-term notes and payables	VI (XIII)	46,057	1	-	-
25XX	Total of non-current liabilities		<u>81,074</u>	<u>2</u>	<u>28,430</u>	<u>1</u>
2XXX	Total liabilities		<u>770,698</u>	<u>23</u>	<u>680,417</u>	<u>21</u>
Equity						
Share capital						
3110	Common stock share capital	VI (XV)	1,445,480	43	1,445,480	45
Capital Surplus						
3200	Capital Surplus	VI (XVI)	956,609	28	954,265	29
Retained earnings						
3310	Legal reserves	VI (XVII)	168,696	5	195,549	6
3350	Losses to be compensated		(99,031)	(3)	(26,853)	(1)
Other equity						
3400	Other equity		7,739	1	(54,736)	(1)
31XX	Total equity attributable to parent company shareholders		<u>2,479,493</u>	<u>74</u>	<u>2,513,705</u>	<u>78</u>
36XX	Non-controlling equity		<u>106,294</u>	<u>3</u>	<u>25,916</u>	<u>1</u>
3XXX	Total equity		<u>2,585,787</u>	<u>77</u>	<u>2,539,621</u>	<u>79</u>
Significant Contingent Liabilities and Unrecognized Commitments						
3X2X	Total liabilities and equity		<u>\$ 3,356,485</u>	<u>100</u>	<u>\$ 3,220,038</u>	<u>100</u>

The attached notes to the consolidated financial reports are part of this consolidated financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated comprehensive income statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(except for loss per share in NTD)

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVIII) and VII	\$ 1,972,624	100	\$ 2,410,672	100
5000 Operating cost	VI (V) (XXII) and VII	(1,590,023)	(80)	(2,103,304)	(87)
5900 Gross profit		<u>382,601</u>	<u>20</u>	<u>307,368</u>	<u>13</u>
Operating expenses	VI (XXII)				
6100 Sales and marketing expenses		(190,745)	(10)	(189,115)	(8)
6200 Administrative expenses		(226,795)	(12)	(217,378)	(9)
6300 R&D expenses		(127,531)	(6)	(82,078)	(3)
6450 Expected credit impairment gain (loss)	XII (II)	(3,292)	-	8,391	-
6000 Total operating expenses		<u>(548,363)</u>	<u>(28)</u>	<u>(480,180)</u>	<u>(20)</u>
6900 Operating loss		<u>(165,762)</u>	<u>(8)</u>	<u>(172,812)</u>	<u>(7)</u>
Non-operating income and expense					
7100 Interest income		17,941	1	9,805	-
7010 Other income	VI (XIX) and VII	20,987	1	17,411	1
7020 Other gains and losses	VI (XX)	(9,623)	(1)	5,013	-
7050 Financial cost	VI (XXI)	(6,043)	-	(3,550)	-
7060 Share of the profit or loss of the affiliated companies and joint ventures under the equity method	VI (VII)	<u>4,299</u>	<u>-</u>	<u>3,059</u>	<u>-</u>
7000 Total non-operating income and expenses		<u>27,561</u>	<u>1</u>	<u>31,738</u>	<u>1</u>
7900 Net loss before tax		<u>(138,201)</u>	<u>(7)</u>	<u>(141,074)</u>	<u>(6)</u>
7950 Income tax expenses	VI (XXIII)	(9,421)	-	(1,172)	-
8200 Current net loss		<u><u>(\$ 147,622)</u></u>	<u><u>(7)</u></u>	<u><u>(\$ 142,246)</u></u>	<u><u>(6)</u></u>

(continued on next page)

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated comprehensive income statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(except for loss per share in NTD)

Items	Notes	2023		2022		
		Amount	%	Amount	%	
Other comprehensive income (net)						
Items not reclassified to profit or loss						
8311	Remeasurement of defined benefit plans	VI (XIV)	\$ -	-	\$ 5,483	-
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	VI (VI)	64,590	3	(75,607)	(3)
8349	Income tax related to items not reclassified	VI (XXIII)	2,302	-	(1,097)	-
8310	Total of items not reclassified to profit or loss		<u>66,892</u>	<u>3</u>	<u>(71,221)</u>	<u>(3)</u>
Items that may be reclassified subsequently to profit or loss						
8361	Exchange difference in the translation of the financial statement of foreign operations		(2,990)	-	980	-
8370	Share of other comprehensive income of affiliates and joint ventures accounted for under the equity method - items that may be reclassified as income	VI (VII)	(114)	-	238	-
8360	Total of items that may be reclassified subsequently to profit or loss		<u>(3,104)</u>	<u>-</u>	<u>1,218</u>	<u>-</u>
8300	Other comprehensive income (loss) after tax for current period		<u>\$ 63,788</u>	<u>3</u>	<u>(\$ 70,003)</u>	<u>(3)</u>
8500	Total comprehensive loss for current period		<u>(\$ 83,834)</u>	<u>(4)</u>	<u>(\$ 212,249)</u>	<u>(9)</u>
Net profit or loss attributable to:						
8610	Owner of the parent company		(\$ 101,333)	(5)	(\$ 141,204)	(6)
8620	Non-controlling equity		(46,289)	(2)	(1,042)	-
			<u>(\$ 147,622)</u>	<u>(7)</u>	<u>(\$ 142,246)</u>	<u>(6)</u>
Total comprehensive income attributable to:						
8710	Owner of the parent company		(\$ 36,556)	(2)	(\$ 211,207)	(9)
8720	Non-controlling equity		(47,278)	(2)	(1,042)	-
			<u>(\$ 83,834)</u>	<u>(4)</u>	<u>(\$ 212,249)</u>	<u>(9)</u>
Loss per share						
9750	Basic loss per share	VI (XXIV)	<u>(\$ 0.70)</u>		<u>(\$ 0.98)</u>	

The attached notes to the consolidated financial reports are part of this consolidated financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

Notes	Equity attributable to owners of parent company												Non-controlling equity	Total equity
	Capital Surplus				Retained earnings				Other equity					
	Common stock share capital	Shares premium from issuance	Recognition of changes in equity of subsidiaries	Donated assets	Changes in the net equity value of affiliates and joint ventures recognized under the equity method	Expired stock options	Legal reserves	Undistributed earnings (losses to be compensated)	Exchange difference in the translation of the financial statement of foreign operations	Financial assets at FVTOCI - Unrealized gains or losses	Total			
2022														
	\$ 1,445,480	\$ 936,594	\$ -	\$ 5,900	\$ 10,681	\$ 48	\$ 176,103	\$ 194,458	(\$ 5,630)	\$ 25,407	\$ 2,789,041	\$ -	\$ 2,789,041	
	-	-	-	-	-	-	-	(141,204)	-	-	(141,204)	(1,042)	(142,246)	
Other comprehensive income (loss)	VI (VI)	-	-	-	-	-	-	4,386	1,218	(75,607)	(70,003)	-	(70,003)	
Total comprehensive income (loss)		-	-	-	-	-	-	(136,818)	1,218	(75,607)	(211,207)	(1,042)	(212,249)	
Appropriation and distribution of 2021 earnings:														
Provision of legal reserve		-	-	-	-	-	19,446	(19,446)	-	-	-	-	-	
Cash dividends		-	-	-	-	-	-	(65,047)	-	-	(65,047)	-	(65,047)	
Disposal of investment under equity method		-	-	-	-	-	-	-	(124)	-	(124)	-	(124)	
Recognition of changes in equity of subsidiaries	VI (XXV)	-	-	1,042	-	-	-	-	-	-	1,042	26,958	28,000	
Balance at December 31, 2022		\$ 1,445,480	\$ 936,594	\$ 1,042	\$ 5,900	\$ 48	\$ 195,549	(\$ 26,853)	(\$ 4,536)	(\$ 50,200)	\$ 2,513,705	\$ 25,916	\$ 2,539,621	
2023														
	\$ 1,445,480	\$ 936,594	\$ 1,042	\$ 5,900	\$ 10,681	\$ 48	\$ 195,549	(\$ 26,853)	(\$ 4,536)	(\$ 50,200)	\$ 2,513,705	\$ 25,916	\$ 2,539,621	
	-	-	-	-	-	-	-	(101,333)	-	-	(101,333)	(46,289)	(147,622)	
Other comprehensive income (loss)	VI (VI)	-	-	-	-	-	-	2,302	(2,115)	64,590	64,777	(989)	63,788	
Total comprehensive income (loss)		-	-	-	-	-	-	(99,031)	(2,115)	64,590	(36,556)	(47,278)	(83,834)	
Appropriation and distribution of 2022 earnings:														
Legal reserve used to make up losses		-	-	-	-	-	(26,853)	26,853	-	-	-	-	-	
Recognition of changes in equity of subsidiaries	VI (XXV)	-	-	2,344	-	-	-	-	-	-	2,344	127,656	130,000	
Balance on December 31, 2023		\$ 1,445,480	\$ 936,594	\$ 3,386	\$ 5,900	\$ 48	\$ 168,696	(\$ 99,031)	(\$ 6,651)	\$ 14,390	\$ 2,479,493	\$ 106,294	\$ 2,585,787	

The attached notes to the consolidated financial reports are part of this consolidated financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Notes	January 1 - December 31, 2023	January 1 - December 31, 2022
<u>Cash flow from operating activities</u>			
Net loss before tax for current period		(\$ 138,201)	(\$ 141,074)
Adjustment items			
Income/expenses that do not affect cash flow			
Depreciation expenses	VI (XXII)	165,200	191,668
Amortized expenses	VI (X) (XXII)	42,121	26,328
Expected credit impairment loss (gain)	XII (II)	3,292	(8,391)
Losses on financial assets and liabilities at FVTPL	VI (II) (XX)	2,981	16,879
Interest expense	VI (XXI)	6,043	3,550
Interest income		(17,941)	(9,805)
Dividend income	VI (XIX)	(313)	(3,075)
Share of profit on affiliates accounted for using the equity method:	VI (VII)		
Losses from disposal of property, plant, and equipment	VI (XXI)	(4,299)	(3,059)
Gains on disposal of investment accounted for using equity method	VI (XXI)	-	461
Property, plant and equipment recognized as expenses		-	(636)
Impairment losses of property, plant and equipment	VI (VIII) (XI) (XX)	3,427	552
Gains on lease modification	VI (IX) (XX)	9,768	6,197
		(704)	-
Changes in operating activities related assets/liabilities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss (FVTPL) - Current		(1,690)	(1,907)
Contract assets - current		1,171	(1,171)
Notes receivable		15,560	(21,471)
Accounts receivable		(112,954)	624,474
Accounts receivable - related parties		(10,628)	181,228
Other receivables		30,139	(4,490)
Inventory		(15,055)	154,307
Prepayments		(8,006)	4,796
Other current assets - others		(949)	41
Net changes in liabilities related to operating activities			
Financial liabilities at fair value through profit or loss - Current		(3,534)	(19,070)
Contract liabilities - current		(112)	49
Accounts payable		27,965	(659,237)
Accounts payable - related parties		(17)	(16,634)
Other payables		9,339	(79,753)
Other payables - related parties		(4,048)	979
Other current liabilities - others		(31,107)	31,030
Net defined benefit obligation		20,757	(2,947)
Cash inflow (outflow) from operations		(11,795)	269,819
Interest received		17,607	8,937
Dividends received		3,830	7,497
Interest paid		(6,121)	(3,261)
Income tax paid		(2,568)	(12,830)
Net cash inflow from operating activities		953	270,162

(continued on next page)

Advanced Optoelectronic Technology Inc. and its Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Notes	January 1 - December 31, 2023	January 1 - December 31, 2022
<u>Cash flows from investing activities</u>			
Acquisition of financial assets at fair value through other comprehensive income - non-current		(\$ 432)	(\$ 76,914)
Disposal of investment under equity method	VI (VII)	-	5,089
Acquisition of property, plant, and equipment	VI (XXVI)	(45,755)	(112,415)
Disposal of property, plant, and equipment		-	74
Acquisition of intangible assets	VI (XXVI)	(67,839)	(16,608)
Decrease in other non-current assets - others		415	3,459
Net cash outflow from investing activities		(113,611)	(197,315)
<u>Cash flow from financing activities</u>			
Net decrease in short-term borrowings	VI (XXVII)	-	(52,003)
Repayment of lease principal	VI (XXVII)	(9,084)	(4,765)
Distribution of cash dividends	VI (XVII) (XVIII)	-	(65,047)
Increase in non-controlling interests	VI (XXV)	130,000	28,000
Net cash outflow (inflow) from financing activities		120,916	(93,815)
Effect of exchange rate changes on cash and cash equivalents		(2,882)	961
Increase (decrease) in current cash and cash equivalents		5,376	(20,007)
Opening balance of cash and cash equivalents		1,383,056	1,403,063
Closing balance of cash and cash equivalents		\$ 1,388,432	\$ 1,383,056

The attached notes to the consolidated financial reports are part of this consolidated financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No. 23004721

To: Advanced Optoelectronic Technology Inc.

Audit opinion

We have audited the accompanying Parent Company Only balance sheet of Advanced Optoelectronic Technology Inc. as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, parent company only changes in equity and cash flow for the years then ended, and the notes to the Parent Company Only Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying Parent Company Only Financial Statements present fairly, in all material respects, the financial position of the Advanced Optoelectronic Technology Inc. as of 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 Regulation Governing the Preparation of Financial Reports by Securities Issuers.

Basis for audit opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of Advanced Optoelectronic Technology Inc. in accordance with The Norm of Professional Ethics for Certified Public Accountants of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Parent Company Only Financial Statements of Advanced Optoelectronic Technology Inc. for the year ended December 31st, 2023. These matters were addressed in the context of our audit of the Parent Company Only Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters in the Parent Company Only Financial Statements of the Company for the year ended December 31, 2023 are as follows:

Inventory valuation

Description of matters

For descriptions of the accounting policies, accounting estimates, and the uncertainties of accounting estimates for inventory valuation and assumptions, and accounting items, please see Notes IV (XI), V (II) and VI (V) to the Parent Company Only Financial Statements.

The principal business of the Advanced Optoelectronic Technology Inc. is the manufacture and sale of light-emitting diodes. Due to a large number of competitors from China manufacturers, the commodity prices may be vulnerable to fluctuations or the product sale may not be as expected, which may affect the estimation result of the net realizable value of inventory valuation.

The Advanced Optoelectronic Technology Inc. adjusts its inventory requirements in response to the sales market and development strategies. Since LEDs are the main sales commodity, the related inventory amount is significant. The management evaluates the inventory according to the lower cost and net realizable value. Because the above process involves subjective judgments, we believe that the accounting estimate has a significant impact on the assessment of inventory value, so it is listed as one of the most important matters during the audit.

Corresponding audit procedures

This matter covers Advanced Optoelectronic Technology Inc. and its subsidiaries (investment accounted for under the equity method). The main audit procedures that we have implemented are as follows:

1. We have evaluated the policy adopted for the allowance for inventory write-down based on our understanding of the nature of the Advanced Optoelectronic Technology Inc.'s operations and industry.
2. We have tested the basis for the net realizable value to see whether it complies with the policy of the Advanced Optoelectronic Technology Inc.. Calculation is performed by taking the sales and net realizable value of the individual inventory number from

random sampling.

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 Regulation 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, the management is responsible for assessing Advanced Optoelectronic Technology Inc.'s capability 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 Advanced Optoelectronic Technology Inc., 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 Advanced Optoelectronic Technology Inc.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance on whether the Parent Company Only Financial Statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Auditing Standards of the Republic of China will always detect a material misstatement when it exists. Misstatement may result from fraud or error. Misstatements are considered material, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company Only Financial Statements.

We exercised professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

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

- override of internal control.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
 3. Assess the appropriateness of the accounting policies adopted by the management, and the reasonableness of the accounting estimates and related disclosures made by the management.
 4. Conclude on the appropriateness of the management's use of the going concern basis of accounting based on the audit evidence obtained, and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Parent Company Only Financial Statements or, if such disclosures are inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 5. Evaluate the overall presentation, structure, and content of the Parent Company Only Financial Statements (including relevant notes), and whether the Parent Company Only Financial Statements adequately present the relevant transactions and events.
 6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the Advanced Optoelectronic Technology Inc., to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision, and performance of the Company's audit. We remain solely responsible for our audit opinion.

The matters communicated between us and the governing body include the planned scope and time of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with relevant ethical requirements regarding independence, and we communicated with them all relationships that may be thought to undermine our independence and other matters (including related protective measures).

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the Company's 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
Po-Chuan Lin
Accountant
Shu-Chiung Chang

Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 1100350706
Former Financial Supervisory Commission, Executive Yuan
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 0990042602

March 12, 2024

Advanced Optoelectronic Technology Inc.
Parent Company Only Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Assets	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	VI (I)	\$ 1,107,702	35	\$ 1,215,940	40
1110	Financial assets at fair value through profit or loss (FVTPL) - Current	VI (II)	5,670	-	3,980	-
1170	Accounts receivable, net	VI (III)	346,263	11	242,191	8
1180	Accounts receivable - related parties, net	VI (III) and VII	241,945	8	248,489	8
1200	Other receivables	VI (IV) and VII	27,714	1	28,217	1
1220	Current income tax assets		1,624	-	562	-
130X	Inventory	VI (V)	148,500	5	140,865	5
1410	Prepayments		14,191	-	6,961	-
1479	Other current assets - others		283	-	233	-
11XX	Total of current assets		<u>1,893,892</u>	<u>60</u>	<u>1,887,438</u>	<u>62</u>
Non-current assets						
1517	Financial assets at FVTOCI - non-current	VI (VI)	205,954	7	140,932	4
1550	Investment under equity method	VI (VII) and VII	158,598	5	113,458	4
1600	Property, plant, and equipment	VI (VIII) (XI)	688,205	22	807,252	26
1755	Right-of-use assets	VI (IX)	1,405	-	2,458	-
1780	Intangible assets	VI (X)	114,793	4	8,987	-
1840	Deferred tax assets	VI (XXIII)	76,617	2	80,825	3
1975	Net defined benefit assets - non-current	VI (XIV)	-	-	20,757	1
1990	Other non-current assets - others	VIII	1,511	-	1,511	-
15XX	Total non-current assets		<u>1,247,083</u>	<u>40</u>	<u>1,176,180</u>	<u>38</u>
1XXX	Total assets		<u>\$ 3,140,975</u>	<u>100</u>	<u>\$ 3,063,618</u>	<u>100</u>

(continued on next page)

Advanced Optoelectronic Technology Inc.
Parent Company Only Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousand

Liabilities and equity	Notes	December 31, 2023		December 31, 2022		
		Amount	%	Amount	%	
Current liabilities						
2120	Financial liabilities at fair value through profit or loss - Current	VI (II)	\$ 1,161	-	\$ 1,714	-
2130	Contract liabilities - current	VI (XVIII)	-	-	112	-
2170	Accounts payable		306,522	10	248,965	8
2180	Accounts payable - related parties	VII	43,675	1	41,479	1
2200	Other payables	VI (XII)	241,300	8	203,276	7
2220	Other payables - related parties	VII	-	-	1,211	-
2280	Lease liabilities - current		1,070	-	1,045	-
2399	Other current liabilities - others		14,280	-	46,075	2
21XX	Total of current liabilities		<u>608,008</u>	<u>19</u>	<u>543,877</u>	<u>18</u>
Non-current liabilities						
2570	Deferred income tax liabilities	VI (XXIII)	7,055	-	4,604	-
2580	Lease liabilities - non-current		362	-	1,432	-
2610	Long-term notes and payables	VI (XIII)	46,057	2	-	-
25XX	Total of non-current liabilities		<u>53,474</u>	<u>2</u>	<u>6,036</u>	<u>-</u>
2XXX	Total liabilities		<u>661,482</u>	<u>21</u>	<u>549,913</u>	<u>18</u>
Equity						
Share capital						
3110	Common stock share capital	VI (XV)	1,445,480	46	1,445,480	47
Capital Surplus						
3200	Capital Surplus	VI (XVI)	956,609	30	954,265	31
Retained earnings						
3310	Legal reserves	VI (XVII)	168,696	5	195,549	7
3350	Losses to be compensated		(99,031)	(3)	(26,853)	(1)
Other equity						
3400	Other equity		7,739	1	(54,736)	(2)
3XXX	Total equity		<u>2,479,493</u>	<u>79</u>	<u>2,513,705</u>	<u>82</u>
Significant Contingent Liabilities and Unrecognized Commitments						
3X2X	Total liabilities and equity		<u>\$ 3,140,975</u>	<u>100</u>	<u>\$ 3,063,618</u>	<u>100</u>

The attached notes to the parent company only financial reports are part of this parent company only financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Advanced Optoelectronic Technology Inc.
Parent Company Only Comprehensive Income Statement
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand
(except for loss per share in NTD)

Items	Notes	2023		2022	
		Amount	%	Amount	%
4000 Operating revenue	VI (XVIII) and VII	\$ 1,879,310	100	\$ 2,186,918	100
5000 Operating cost	VI (V) (XXII) and VII	(1,532,306)	(82)	(1,948,006)	(89)
5900 Gross profit		347,004	18	238,912	11
5910 Unrealized gains on sales		(1,202)	-	(3,924)	-
5920 Realized gain on sales		3,924	-	8,067	-
5950 Gross operating profit, net		349,726	18	243,055	11
Operating expenses	VI (XXII) and VII				
6100 Sales and marketing expenses		(163,671)	(9)	(156,908)	(7)
6200 Administrative expenses		(176,989)	(9)	(174,273)	(8)
6300 R&D expenses		(71,950)	(4)	(78,879)	(4)
6450 Expected credit impairment gain (loss)	XII (II)	(3,519)	-	4,594	-
6000 Total operating expenses		(416,129)	(22)	(405,466)	(19)
6900 Operating loss		(66,403)	(4)	(162,411)	(8)
Non-operating income and expense					
7100 Interest income		16,445	1	9,487	-
7010 Other income	VI (XIX) and VII	19,876	1	12,091	1
7020 Other gains and losses	VI (XX)	482	-	4,548	-
7050 Financial cost	VI (XXI)	(4,961)	-	(3,233)	-
7070 Share of the profit or loss of the subsidiaries, affiliated companies and joint ventures under the equity method	VI (VII)	(57,811)	(3)	(1,579)	-
7000 Total non-operating income and expenses		(25,969)	(1)	21,314	1
7900 Net loss before tax		(92,372)	(5)	(141,097)	(7)
7950 Income tax expenses	VI (XXIII)	(8,961)	-	(107)	-
8200 Current net loss		(\$ 101,333)	(5)	(\$ 141,204)	(7)
Other comprehensive income (net)					
Items not reclassified to profit or loss					
8311 Remeasurement of defined benefit plans	VI (XIV)	\$ -	-	\$ 5,483	-
8316 Unrealized gains (losses) on investments in equity instruments at FVTOCI	VI (VI)	64,590	3	(75,607)	(3)
8349 Income tax related to items not reclassified	VI (XXIII)	2,302	-	(1,097)	-
8310 Total of items not reclassified to profit or loss		66,892	3	(71,221)	(3)
Items that may be reclassified subsequently to profit or loss					
8361 Exchange difference in the translation of the financial statement of foreign operations		(2,115)	-	1,070	-
8380 Share of other comprehensive income of subsidiaries, affiliates and joint ventures accounted for under the equity method - items that may be reclassified as income	VI (VII)	-	-	148	-
8360 Total of items that may be reclassified subsequently to profit or loss		(2,115)	-	1,218	-
8300 Other comprehensive income (loss) after tax for current period		\$ 64,777	3	(\$ 70,003)	(3)
8500 Total comprehensive loss for current period		(\$ 36,556)	(2)	(\$ 211,207)	(10)
Loss per share	VI (XXIV)				
9750 Basic loss per share		(\$ 0.70)		(\$ 0.98)	

The attached notes to the parent company only financial reports are part of this parent company only financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Advanced Optoelectronic Technology Inc.
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Notes	Capital Surplus					Retained earnings		Other equity			Total equity
		Common stock share capital	Shares premium from issuance	Recognition of changes in equity of subsidiaries	Donated assets	Changes in the net equity value of affiliates and joint ventures recognized under the equity method	Expired stock options	Legal reserves	Undistributed earnings (losses to be compensated)	Exchange difference in the translation of the financial statement of foreign operations	Financial assets at FVTOCI - Unrealized gains or losses	
<u>2022</u>												
Balance on January 1, 2022		\$ 1,445,480	\$ 936,594	\$ -	\$ 5,900	\$ 10,681	\$ 48	\$ 176,103	\$ 194,458	(\$ 5,630)	\$ 25,407	\$ 2,789,041
Current net loss		-	-	-	-	-	-	-	(141,204)	-	-	(141,204)
Other comprehensive income (loss) VI (VI)		-	-	-	-	-	-	-	4,386	1,218	(75,607)	(70,003)
Total comprehensive income (loss)		-	-	-	-	-	-	-	(136,818)	1,218	(75,607)	(211,207)
Appropriation and distribution of 2021 VI (XVII) earnings:												
Provision of legal reserve		-	-	-	-	-	-	19,446	(19,446)	-	-	-
Cash dividends		-	-	-	-	-	-	-	(65,047)	-	-	(65,047)
Disposal of investment under equity method		-	-	-	-	-	-	-	-	(124)	-	(124)
Recognition of changes in equity of subsidiaries VI (VII)		-	-	1,042	-	-	-	-	-	-	-	1,042
Balance at December 31, 2022		\$ 1,445,480	\$ 936,594	\$ 1,042	\$ 5,900	\$ 10,681	\$ 48	\$ 195,549	(\$ 26,853)	(\$ 4,536)	(\$ 50,200)	\$ 2,513,705
<u>2023</u>												
Balance on January 1, 2023		\$ 1,445,480	\$ 936,594	\$ 1,042	\$ 5,900	\$ 10,681	\$ 48	\$ 195,549	(\$ 26,853)	(\$ 4,536)	(\$ 50,200)	\$ 2,513,705
Current net loss		-	-	-	-	-	-	-	(101,333)	-	-	(101,333)
Other comprehensive income (loss) VI (VI)		-	-	-	-	-	-	-	2,302	(2,115)	64,590	64,777
Total comprehensive income (loss)		-	-	-	-	-	-	-	(99,031)	(2,115)	64,590	(36,556)
Appropriation and distribution of 2022 VI (XVII) earnings:												
Legal reserve used to make up losses		-	-	-	-	-	-	(26,853)	26,853	-	-	-
Recognition of changes in equity of subsidiaries VI (VII)		-	-	2,344	-	-	-	-	-	-	-	2,344
Balance on December 31, 2023		\$ 1,445,480	\$ 936,594	\$ 3,386	\$ 5,900	\$ 10,681	\$ 48	\$ 168,696	(\$ 99,031)	(\$ 6,651)	\$ 14,390	\$ 2,479,493

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Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng,
Chen Hsun

Advanced Optoelectronic Technology Inc.
Parent Company Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousand

	Notes	January 1 - December 31, 2023		January 1 - December 31, 2022
<u>Cash flow from operating activities</u>				
Net loss before tax for current period		(\$ 92,372)	(\$	141,097)
Adjustment items				
Income/expenses that do not affect cash flow				
Depreciation expenses	VI (XXII)	143,903		178,370
Amortized expenses	VI (X) (XXII)	42,121		26,328
Expected credit impairment (gain) loss	XII (II)	3,519	(	4,594)
Losses on financial assets and liabilities at FVTPL	VI (II) (XX)	2,981		16,879
Interest expense	VI (XXI)	4,961		3,233
Interest income		(16,445 )	(	9,487)
Dividend income	VI (XIX)	(313 )	(	3,075)
The share of loss on the subsidiaries and affiliated companies under the equity method	VI (VII)	57,811		1,579
Losses from disposal of property, plant, and equipment	VI (XX)	-		461
Gains on disposal of investment accounted for using equity method	VI (XX)	-	(	636)
Property, plant and equipment recognized as expenses	VI (VIII)	3,427		-
Impairment losses of property, plant and equipment	VI (VIII) (XI) (XX)	805		6,197
Unrealized gains on sales		1,202		3,924
Realized gain on sales		(3,924 )	(	8,067)
Changes in operating activities related assets/liabilities				
Net changes in assets related to operating activities				
Financial assets at fair value through profit or loss (FVTPL) - Current		(1,690 )	(	1,907)
Accounts receivable		(107,597)		366,487
Accounts receivable - related parties		6,180		368,464
Other receivables		681		21,848
Inventory		(7,635)		119,073
Prepayments		(7,230 )	(	1,263)
Other current assets		(50)		41
Net changes in liabilities related to operating activities				
Financial liabilities at fair value through profit or loss - Current		(3,534 )	(	19,070)
Contract liabilities - current		(112)		49
Accounts payable		57,557	(	549,431)
Accounts payable - related parties		2,196	(	57,759)
Other payables		7,987	(	72,879)
Other payables - related parties		(1,211 )	(	4,744)
Other current liabilities - others		(31,795)		30,506
Net defined benefit obligation		20,757	(	2,947)
Cash inflow from operations		82,180		266,483
Interest received		16,267		8,620
Dividends received		313		3,075
Interest paid		(5,039 )	(	2,944)
Income tax paid		(1,062 )	(	12,793)
Net cash inflow from operating activities		92,659		262,441

(continued on next page)

Cash flows from investing activities

Acquisition of financial assets at fair value through other comprehensive income - non-current		(\$	432)	(\$	76,914)
Investment under equity method acquired	VI (VII)	(	100,000 )	(	42,000)
Disposal of investment under equity method	VI (VII)		-		5,089
Acquisition of property, plant, and equipment	VI (XXV)	(	31,951 )	(	90,884)
Disposal of property, plant, and equipment			-		74
Acquisition of intangible assets	VI (XXV)	(	67,839 )	(	16,608)
Decrease of other non-current assets - others			<u>370</u>		<u>14</u>
Net cash outflow from investing activities		(	<u>199,852</u>)	(	<u>221,229</u>)
<u>Cash flow from financing activities</u>					
Net decrease in short-term borrowings	VI (XXVI)		-	(	52,003)
Repayment of lease principal	VI (XXVI)	(	1,045 )	(	1,045)
Distribution of cash dividends	VI (XVII)		<u>-</u>	(	<u>65,047</u>)
Net cash outflow from financing activities		(	<u>1,045</u>)	(	<u>118,095</u>)
Decrease in cash and cash equivalents for current period		(	<u>108,238</u>)	(	<u>76,883</u>)
Opening balance of cash and cash equivalents			<u>1,215,940</u>		<u>1,292,823</u>
Closing balance of cash and cash equivalents		\$	<u>1,107,702</u>	\$	<u>1,215,940</u>

The attached notes to the parent company only financial reports are part of this parent company only financial report; please refer to them, too.

Chairman : Fang, Jung Hsi

Manager : Fang, Jung-Hsi

Chief Accounting Officer: Cheng, Chen Hsun

Attachment 4

Advanced Optoelectronic Technology Inc.

Table Comparing the Original and the Amended Articles of
“Procedures for Acquisition or Disposal of Assets”

Article No.	Original Article (or portion thereof)	Amended Article (or Portion thereof)	Explanation
3	<p>Total amounts of real property and right-of-use assets thereof for non-business use or securities acquired by the company and each subsidiary, and limits on individual securities.</p> <p>The restricted amount of the Company:</p> <ol style="list-style-type: none"> 1. The investment of real property and right-of-use assets thereof for non-business use shall not exceed 20% of the Company’s book value. 2. The total amount of investment in securities shall not exceed 40% of the Company’s book value. The total amount of investment in individual security shall not exceed 40% of the Company’s book value. <p>The restricted amount of the Subsidiaries</p> <ol style="list-style-type: none"> 1. The investment of real property and right-of-use assets thereof for non-business use shall not exceed 10% of the book value of the Subsidiary. 2. The total amount of investment in securities shall not exceed 50% of the book value of the Subsidiary. The total amount of investment in individual security shall not exceed 50% of the book value of the Subsidiary. However if the Subsidiary is belong to the holding company or focuses on investing, the total amount of investment in securities shall not exceed 40% of the parent company’s book value and the total amount of investment in individual security shall not exceed 40% of the 	<p>Total amounts of real property and right-of-use assets thereof for non-business use or securities acquired by the company and each subsidiary, and limits on individual securities.</p> <p>The restricted amount of the Company:</p> <ol style="list-style-type: none"> 1. The investment of real property and right-of-use assets thereof for non-business use shall not exceed 20% of the Company’s book value. 2. The total amount of investment in securities shall not exceed 40% of the Company’s book value. The total amount of investment in individual security shall not exceed 40% of the Company’s book value. <p>The restricted amount of the Subsidiaries</p> <ol style="list-style-type: none"> 1. The investment of real property and right-of-use assets thereof for non-business use shall not exceed 10% of the book value of the Subsidiary. 2. The total amount of investment in securities shall not exceed <u>60</u>% of the book value of the Subsidiary. The total amount of investment in individual security shall not exceed <u>60</u>% of the book value of the Subsidiary. However if the Subsidiary is belong to the holding company or focuses on investing, the total amount of investment in securities shall not exceed 40% of the parent company’s book value and the total amount of investment in individual security shall not exceed 40% of the parent 	Comply with the practice of the Company

Article No.	Original Article (or portion thereof)	Amended Article (or Portion thereof)	Explanation
	parent company's book value.	company's book value.	
4	<p>Limits of authorization and Operating Procedures</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures :</p> <p>1. The acquisition or disposal of securities shall be executed after appraisal by the finance unit and approval by the board of directors (the Board). However if the transaction amount is not over NT\$ 250 million, the Board authorize the Chairmen to handle with and report to the Board later. If the Company acquires the repurchase agreement (RP), the reverse repo agreement (RRP) or domestic monetary fund with low risk and short term for short-term funds, the General Manager is authorized to handle the transaction not over NT\$ 100 million; and the Chairman is authorized to handle the transaction above NT\$ 100 million and report to the Board later. Since the maturity date of RP & RRP has been determined at the time of acquisition and the domestic monetary fund is used as short-term funds, the financial officer is authorized to approve the disposal of RP, RRP and domestic monetary fund with unlimited amount.</p>	<p>Limits of authorization and Operating Procedures</p> <p>The acquisition or disposal of the Company's assets shall be handled in accordance with the following limits and procedures :</p> <p>1. The acquisition or disposal of securities shall be executed after appraisal by the finance unit and approval by the board of directors (the Board). However if the transaction amount is not over NT\$ 250 million, the Board authorize the Chairmen to handle with and report to the Board later. If the Company acquires the repurchase agreement (RP), the reverse repo agreement (RRP) or domestic monetary fund with low risk and short term for short-term funds, the General Manager is authorized to handle the transaction not over NT\$ 100 million; and the Chairman is authorized to handle the transaction above NT\$ 100 million and report to the Board later. Since the maturity date of RP & RRP has been determined at the time of acquisition and the domestic monetary fund is used as short-term funds, the financial officer is authorized to approve the disposal of RP, RRP and domestic monetary fund with unlimited amount.</p> <p>2. The acquisition or disposal of real property shall first be appraised by the</p>	Comply with the practice of the Company to amend wording

Article No.	Original Article (or portion thereof)	Amended Article (or Portion thereof)	Explanation
	<p>2. The acquisition or disposal of real property shall first be appraised by the in-charge person or project team indicated by the General Manager and then approved by the Board.</p> <p>3. The acquisition or disposal of right-of-use assets shall be carried out after the approval of General Manager.</p> <p>4. The acquisition or disposal of equipment and right-of-use assets thereof and memberships shall first be appraised and analyzed by the executing unit. The transaction amount below NT\$10 million is approved by the General Manager; the amount below NT\$ 30 million is approved by the Chairmen; the amount over NT\$30 million is approved by the Board. However, if the assets here are for business use and the transaction party is not related party, the transaction shall follow the internal regulations. However, the transaction amount over NT\$300 million shall be reported to the Board.</p> <p>5. The acquisition or disposal of intangible and right-of-use assets thereof shall first be appraised and analyzed by the executing unit. The transaction amount below NT\$10 million is approved by the General Manager; the amount below NT\$ 30</p>	<p>in-charge person or project team indicated by the General Manager and then approved by the Board.</p> <p>3. The acquisition or disposal of right-of-use assets shall be carried out after the approval of General Manager.</p> <p>4. The acquisition or disposal of equipment and right-of-use assets thereof and memberships shall first be appraised and analyzed by the executing unit. The transaction amount <u>shall not exceed</u> NT\$10 million is approved by the General Manager; the amount <u>shall not exceed</u> NT\$ 30 million is approved by the Chairmen; the amount over NT\$30 million is approved by the Board. However, if the assets here are for business use and the transaction party is not related party, the transaction shall follow the internal regulations. However, the transaction amount over NT\$300 million shall be reported to the Board.</p> <p>5. The acquisition or disposal of intangible and right-of-use assets thereof shall first be appraised and analyzed by the executing unit. The transaction amount <u>shall not exceed</u> NT\$10 million is approved by the General Manager; the amount <u>shall not exceed</u> NT\$ 30 million is approved by the Chairmen; the amount over NT\$30 million is approved by the Board.</p> <p>6. The acquisition or disposal of</p>	

Article No.	Original Article (or portion thereof)	Amended Article (or Portion thereof)	Explanation
	<p>million is approved by the Chairmen; the amount over NT\$30 million is approved by the Board.</p> <p>6. The acquisition or disposal of derivatives shall be duly handled in accordance with the procedures set forth in Section Three.</p> <p>7. The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be duly handled in accordance with the procedures set forth in Section Four.</p> <p>When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding Paragraph, the Board shall take into full consideration of each independent director's opinions. If any independent director objects to or expresses reserved opinions about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p>	<p>derivatives shall be duly handled in accordance with the procedures set forth in Section Three.</p> <p>7. The acquisition or disposal of assets through mergers, spin off, acquisitions, or transfer of shares shall be duly handled in accordance with the procedures set forth in Section Four.</p> <p>When a transaction involving the acquisition or disposal of assets is submitted for discussion by the Board of Directors pursuant to the preceding Paragraph, the Board shall take into full consideration of each independent director's opinions. If any independent director objects to or expresses reserved opinions about any matter, it shall be recorded in the minutes of the Board of Directors meeting.</p> <p>Any transaction involving major assets or derivatives shall be approved by more than half of all Audit Committee members and submitted to the Board of Directors for a resolution.</p>	
28	<p>The Company's personnel participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose</p>	<p><u>Every person</u> participating in or privy to the plan for merger, demerger, acquisition, or transfer of shares shall issue a written undertaking of confidentiality and may not disclose the content of the plan prior to</p>	Comply with the practice of the Company

Article No.	Original Article (or portion thereof)	Amended Article (or Portion thereof)	Explanation
	the content of the plan prior to public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.	public disclosure of the information and may not trade, in their own name or under the name of another person, in any stock or other equity security of any company related to the plan for merger, demerger, acquisition, or transfer of shares.	to amend wording
36	<p>These Procedures for Acquisition or Disposal of Assets were resolved on June 27, 2003.</p> <p>The first amendment was made on June 30, 2004.</p> <p>The second amendment was made on June 30, 2005.</p> <p>The third amendment was made on June 29, 2007.</p> <p>The fourth amendment was made on June 26, 2012.</p> <p>The fifth amendment was made on April 23, 2013.</p> <p>The sixth amendment was made on September 25, 2013.</p> <p>The seventh amendment was made on June 12, 2014.</p> <p>The eighth amendment was made on June 22, 2017.</p> <p>The ninth amendment was made on June 22, 2018.</p> <p>The tenth amendment was made on June 25, 2019.</p> <p>The eleventh amendment was made on June 19, 2020.</p> <p>The twelfth amendment was made on June 29, 2022.</p>	<p>These Procedures for Acquisition or Disposal of Assets were resolved on June 27, 2003.</p> <p>The first amendment was made on June 30, 2004.</p> <p>The second amendment was made on June 30, 2005.</p> <p>The third amendment was made on June 29, 2007.</p> <p>The fourth amendment was made on June 26, 2012.</p> <p>The fifth amendment was made on April 23, 2013.</p> <p>The sixth amendment was made on September 25, 2013.</p> <p>The seventh amendment was made on June 12, 2014.</p> <p>The eighth amendment was made on June 22, 2017.</p> <p>The ninth amendment was made on June 22, 2018.</p> <p>The tenth amendment was made on June 25, 2019.</p> <p>The eleventh amendment was made on June 19, 2020.</p> <p>The twelfth amendment was made on June 29, 2022.</p> <p><u>The thirteenth amendment was made on June 27, 2024.</u></p>	Add the amending date