

Viking Tech Corporation
2023 Annual Shareholders' Meeting Minutes

Time: 9:00 a.m., Tuesday June 27 2023

Place: No.70 Guangfu N. Rd., Hukou Township, Hsinchu County. Viking's headquarter meeting Room

Total Outstanding Brogent shares: 117,340,842 shares

Total shares represented by shareholders present in person or by proxy : 64,735,653 shares(among them14,691,161 shares voted via electronic transmission.), accounting for 55.16% of the Company's total outstanding shares

Directors present: Tsai Kao-Ming(the Chairman of the Board of Directors) 、

Liang Yao-Ming (Director) 、 Wei Guo-Feng (Director) 、 Zhou Chang-Sean Zhou(Director) 、 Shen Bo-Ting(Independent Director) 、 Li Yi-Wen(Independent Director) 、 Huang Shi-Bing(Independent Director)

Chairman: Tsai Kao-Ming

Recorder: Lo Jui-Peng

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

II. Chairman's Address (omitted)

III. Report Items

Report I: 2022 Business Report. (Please reference Attachment)

Report II: 2022 Audit Committee's Review Report.(Please reference Attachment)

Report III: 2022 Employees' and Directors' Compensation Report.

Explanatory Notes: In accordance with the provisions of Article 24-2 of the Articles of Incorporation, the employees' and directors' compensation is approved by the board of directors of the Company, the distribution of the 2022 profit performance is NTD84,588,044 (10% of the profit) as the employees' compensation and is NTD42,294,022(5% of the profit) as the directors' compensation. The said amounts are to be distributed in cash and be consistence with the estimated amounts recognized as the expense.

Proposed Adoptions

Proposal I: (Proposed by the Board of Directors)

Matters of Deliberation: 2022Business Report and Financial Statements is proposed for adoption.

Explanatory Notes : 1.2022 Business Report and Financial Statements have been prepared, and

the financial statements have been reviewed and verified by the two independent auditors, Zheng Yahui and Chien-Yu Liu of KPMG Taiwan, and unqualified opinions were issued.

2.The aforesaid financial statements and the business report have been reviewed by the Audit Committee (Please reference Attachment)..

3.Be proposed for adoption..

Resolution:

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

Voting Results: Shares present at the time of voting : 64,735,653 (Including 14,691,161 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	63,755,792votes(13,711,300)	98. 48%
Votes against(electronic votes)	18,801 votes(18,801)	0. 02%
Invalid Votes(electronic votes)	0 votes(0)	0%
Votes abstained / Not Voted (electronic votes)	961,060 votes (961,060)	1. 48%

Report II: (Proposed by the Board of Directors)

Matters of Deliberation: 2022 Earnings Distribution Proposal, hereby propose to be adopted.

Explanatory Notes :

1. 2022 Earnings Distribution Table of the Company (Please reference Attachment)..
2. The proposed earnings distribution is allocated from Earnings in 2022 Available for Distribution. The total amount of cash dividends distributed to shareholders is NTD305,086,189.Each common share holder will entitled to receive a cash dividend of NTD2.6 per share. calculated to the dollar (rounded up to the dollar). The decimal following the integer dollar will be rounded off, and the odd sum will also be included in the other income accounts of this Company. And after the approval of the shareholders' meeting, the board of directors is authorized to set the record date of dividend payout. If the shareholder's dividend rate is changed due to the number of shares outstanding that are affected by shares buyback, the transfer of treasury shares or cash capital increase, etc., hereby the proposal is made to the shareholders' meeting to authorize the board of directors to handle the matter with full authority.
3. The earnings distribution proposal reviewed by the Audit Committee is hereby presented for ratification.

Resolution:

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

Voting Results: Shares present at the time of voting : 64,735,653 (Including 14,691,161 shares from electronic voting).

Voting Results		% of the represented share present
Votes in favor (electronic votes)	63,769,662 votes (13,734,302)	98.50%
Votes against (electronic votes)	18,800 votes (18,800)	0.02%
Invalid Votes (electronic votes)	0 votes (0)	0%
Votes abstained / Not Voted (electronic votes)	947,191 votes (938,059)	1.46%

There are no questions from shareholders at this shareholders meeting

Other Business and Special Motion:

None

Meeting Adjourned At 9:15 AM

Viking Tech Corporation

2022 Business Report

I. Business Policy

The pandemic outbreak has people's work patterns and lifestyles changed, and the Russian-Ukraine war, energy crisis, etc. have caused some changes to the market. The increasing demand for 5G, energy, and medical care has driven the electronics market to grow rapidly. The pandemic is gradually under control without much impact on the market. The 5G is gradually maturing nowadays and the demand for electric vehicles and related green energy products is rising which drives the development of energy and green energy to move forward rapidly. The company focuses on resistors with special functions to meet the needs of vehicle specifications, industrial control, and medical field in market, and has successfully obtained the certification and support of global major manufacturers. The company's main products include high-end and automotive thin-film high-precision resistors, MELF resistors, current sensing, high-power, high-voltage, surge-withstanding, anti-sulfurization resistors, etc. The company targets on the resistor application of the current growing electronics industry.

The economy has begun to recover in Europe and the United States since the year of 2022. The demand for the automotive industry is growing stably and outstandingly. The certification of the factory in Southeast Asia was completed and the market demand grew. The 5G application, electric vehicles, and industrial control had grown stably and constantly in Taiwan and China, resulting in substantial growth in the consumption of the company's high-end passive components. Although the market fluctuation remained in various regions, the company's overall performance was superior to the industry in 2022.

The company applies the advantages in precision resistors and passive components with special specifications in market to successfully adjust the structure of customers and products, and to expand the production of automotive resistors, thin film resistors, alloy resistors, etc. that are in high demand in order to meet market demand. The company has focused on consolidating and expanding the market share in automobiles, industrial control, and high-end consumer electronics fields, and taking advantage of the opportunity to solicit more international manufacturers in order to improve the company's market position. The company will continue to plan the deployment of production bases in Wuxi in China and Hsinchu and Kaohsiung in Taiwan, and enhance the construction of infrastructure to lay the foundation for the company's future development; also, provide customers with grouped and integrated products and services.

The company is committed to researching and developing various high-end,

high-reliability, and high-power components to meet the special needs of customers, continuing to develop competitive products for the niche market, improving product yield, and reducing costs to increase competitiveness in order to triumph in the highly competitive business environment.

II. General Condition of Implementation

The 2022 operating income was equivalent to 96% of the plan under the original operating policy, an increase of 2% from the previous period. The 5G, IOT, automotive, and various advanced technology industries were expected to become mature gradually with consumption increased; also, there remained room for growth in the global passive component market. The company was actively investing in expanding the production of high order components with the expectation of increasing operating income in the future, indicating that the company's current operating policy was in line with market demand.

III. Result of Implementation of Business Plan

The revenue under 2022 business plan is NTD3,300,000 thousand and net income before tax is NTD 625,000 thousand, and after actual execution, the revenue is NTD 3,161,885 thousand, and net income before tax is NTD 738,903 thousand.

IV. Execution of the Budget Derivative of Operating Revenue and Expenditure:

Unit: In Thousands of New Taiwan Dollars

Item	BUDGET	FINAL	Achievement Rate%
Operating Revenue	3,300,000	3,161,885	96%
Operating Costs	-2,244,000	-2,083,531	93%
Gross Profit	1,056,000	1,078,354	102%
Operating Expenses	-434,468	-439,514	101%
Income from Operations	621,532	638,840	103%
Non-Operating Income and Expenses	3,468	100,063	2885%
Net Income Before Tax	625,000	738,903	118%

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

V. Profitability Analysis

Item		2022
Financial Structure	Debt Ratio (%)	18.18
	Long-term Fund to Property, Plant and Equipment Ratio (%)	267.96
Solvency	Liquidity Ratio (%)	411.49

	Quick Ratio (%)	276.87
	Interest Coverage Ratio	342.76
Operating Performance	Accounts Receivable Turnover (times)	4.88
	Average Collection Days	75
	Inventory Turnover (times)	2.11
	Accounts Payable Turnover(times)	8.47
	Average Inventory Turnover Days	173
	Property, Plant and Equipment Turnover (Times)	2.62
	Total Assets Turnover (times)	0.78
Profitability	Return on total assets (%)	14.62
	Return on Equity (%)	18.54
	Pre-tax Income to Paid-in Capital Ratio (%)	62.97
	Net Margin (%)	18.60
	Earnings per share (in one of New Taiwan Dollar)	4.99

Note: The aforesaid financial information is in adoption of the consolidated financial statements.

VI. Research and Development

1. Successful mass production of ART..A automotive grade professional thin film resistor (0402-1206)
2. Successful mass production of ARTP..A automotive grade high power thin film resistor (0603/0805)
3. Successful mass production of AR..A automotive grade thin film precision chip resistor tolerance 0.01% and TCR5
4. Successful development of ARF 0201 high frequency 70GHz thin film resistors
5. Successful development of CSM metal foil resistors below 10mR
6. Successful development of ARW..A automotive grade wide terminal thin film resistors (0612)
7. Successful development of CSMW metal foil wide terminal resistor (0612)
8. Successful development of ARHV..A automotive grade high voltage thin film resistor (0805)
9. Successful development of CNF22/42/43 automotive grade flat terminal thick film array resistors
10. Successful development of CSW wide terminal current sensing thick film resistor (0508)
11. Successful development of ASG green anti-sulfur thick film resistors
12. Successful improvement of the CSN current sensing thick film resistor resistance range
13. Successful improvement of the CSW wide terminal current sensing thick film resistor resistance range
14. Successful improvement of the CRG A Autotomotive grade green thick film resistor resistance range

Responsible person:

Tsai Kao-Ming

Managerial Personnel:

Hu Chuan-Bin

Accountant in charge of the

Company

Li Shun-He

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000683

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying consolidated balance sheets of VIKING TECH CORPORATION and its subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

The key audit matters in relation to the consolidated financial statements for the year ended December 31, 2022 are outlined as follows:

Cut-off risk error of revenue recognition

Description

Refer to Note 4(25) for accounting policy on revenue recognition. The Company is primarily engaged in exports and offers different credit terms to their customers. The credit terms for some customers are delivered at place and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the sales recognition accounting policy.
2. Understood and tested the design and effectiveness of relevant internal controls when recognising the sales revenue.
3. Sampled delivery orders and customer confirmation documents during a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(5) for details of allowance for inventory valuation losses. The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
2. Obtained the inventory assessment report prepared by the management and checked the completeness of the information on the inventory aging report.
3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of Viking Tech Corporation, as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

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

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

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

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

Cheng, Ya-Huei

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan
February 17, 2023

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 report of independent accountants 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.

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

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 828,616	20	\$ 777,171	19
1110	Financial assets at fair value through profit or loss - current	409,824	10	21,833	-
1136	Current financial assets at amortised cost, net	-	-	108,600	3
1150	Notes receivable, net	23,421	1	50,768	1
1170	Accounts receivable, net	535,667	13	669,527	17
1180	Accounts receivable - related parties	1,451	-	1,842	-
1200	Other receivables	11,321	-	23,439	1
1210	Other receivables - related parties	1,193	-	468	-
1220	Current income tax assets	-	-	25,264	1
130X	Inventories, net	843,344	21	944,115	24
1410	Prepayments	35,354	1	41,655	1
1479	Other current assets	2,080	-	1,997	-
11XX	Total current assets	<u>2,692,271</u>	<u>66</u>	<u>2,666,679</u>	<u>67</u>
Non-current assets					
1600	Property, plant and equipment	1,272,350	31	1,135,559	28
1755	Right-of-use assets	17,965	-	21,971	1
1780	Intangible assets	3,708	-	3,304	-
1840	Deferred income tax assets	21,989	1	27,505	1
1900	Other non-current assets	73,928	2	130,529	3
15XX	Total non-current assets	<u>1,389,940</u>	<u>34</u>	<u>1,318,868</u>	<u>33</u>
1XXX	Total assets	<u>\$ 4,082,211</u>	<u>100</u>	<u>\$ 3,985,547</u>	<u>100</u>

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 5,000	-	\$ 105,000	3
2150	Notes payable	-	-	3,232	-
2170	Accounts payable	171,111	4	297,743	8
2180	Accounts payable - related parties	9,573	-	8,463	-
2200	Other payables	360,767	9	323,013	8
2230	Current income tax liabilities	74,063	2	93,757	2
2280	Current lease liabilities	4,598	-	5,007	-
2320	Long-term liabilities, current portion	19,195	1	21,383	1
2399	Other current liabilities	9,965	-	15,423	-
21XX	Total current liabilities	<u>654,272</u>	<u>16</u>	<u>873,021</u>	<u>22</u>
Non-current liabilities					
2540	Long-term borrowings	69,708	2	88,859	2
2570	Deferred income tax liabilities	292	-	245	-
2580	Non-current lease liabilities	13,795	-	17,359	1
2600	Other non-current liabilities	4,453	-	4,013	-
25XX	Total non-current liabilities	<u>88,248</u>	<u>2</u>	<u>110,476</u>	<u>3</u>
2XXX	Total Liabilities	<u>742,520</u>	<u>18</u>	<u>983,497</u>	<u>25</u>
Equity attributable to owners of parent					
Share capital					
3110	Ordinary share	1,173,408	29	1,173,408	29
Capital surplus					
3200	Capital surplus	730,121	19	730,121	19
Retained earnings					
3310	Legal reserve	257,314	6	209,862	5
3320	Special reserve	12,514	-	10,371	-
3350	Unappropriated retained earnings	1,156,232	28	878,524	22
Other equity					
3400	Other equity interest	(6,328)	-	(12,514)	-
31XX	Total equity attributable to owners of the parent	<u>3,323,261</u>	<u>82</u>	<u>2,989,772</u>	<u>75</u>
36XX	Non-controlling interest	<u>16,430</u>	<u>-</u>	<u>12,278</u>	<u>-</u>
3XXX	Total equity	<u>3,339,691</u>	<u>82</u>	<u>3,002,050</u>	<u>75</u>
Significant Contingent Liabilities and Contract Commitments					
Significant Events After the Balance Sheet Date					
3X2X	Total liabilities and equity	<u>\$ 4,082,211</u>	<u>100</u>	<u>\$ 3,985,547</u>	<u>100</u>

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 3,161,885	100	\$ 3,106,485	100
5000	Operating costs	(2,083,531)	(65)	(2,095,677)	(67)
5900	Gross profit	<u>1,078,354</u>	<u>35</u>	<u>1,010,808</u>	<u>33</u>
	Operating expenses				
6100	Selling expenses	(153,352)	(5)	(139,596)	(5)
6200	General and administrative expenses	(216,044)	(7)	(194,887)	(6)
6300	Research and development expenses	(69,443)	(2)	(61,064)	(2)
6450	Expected credit loss	(675)	-	(4,139)	-
6000	Total operating expenses	(439,514)	(14)	(399,686)	(13)
6900	Operating profit	<u>638,840</u>	<u>21</u>	<u>611,122</u>	<u>20</u>
	Non-operating income and expenses				
7100	Interest income	6,134	-	3,364	-
7010	Other income	46,622	1	2,125	-
7020	Other gains and losses	49,469	2	(21,342)	(1)
7050	Finance costs	(2,162)	-	(2,371)	-
7000	Total non-operating income and expenses	<u>100,063</u>	<u>3</u>	<u>(18,224)</u>	<u>(1)</u>
7900	Profit before income tax	<u>738,903</u>	<u>24</u>	<u>592,898</u>	<u>19</u>
7950	Income tax expense	(150,726)	(5)	(113,319)	(4)
8200	Profit for the year	<u>\$ 588,177</u>	<u>19</u>	<u>\$ 479,579</u>	<u>15</u>
	Other comprehensive income, net				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Cumulative translation differences of foreign operations	\$ 7,613	-	(\$ 2,413)	-
8300	Total other comprehensive income for the year	<u>\$ 7,613</u>	<u>-</u>	<u>(\$ 2,413)</u>	<u>-</u>
8500	Total comprehensive income for the year	<u>\$ 595,790</u>	<u>19</u>	<u>\$ 477,166</u>	<u>15</u>
	Profit, attributable to:				
8610	Owners of the parent	<u>\$ 585,452</u>	<u>19</u>	<u>\$ 474,517</u>	<u>15</u>
8620	Non-controlling interest	<u>\$ 2,725</u>	<u>-</u>	<u>\$ 5,062</u>	<u>-</u>
	Comprehensive income attributable to:				
8710	Owners of the parent	<u>\$ 591,638</u>	<u>19</u>	<u>\$ 472,374</u>	<u>15</u>
8720	Non-controlling interest	<u>\$ 4,152</u>	<u>-</u>	<u>\$ 4,792</u>	<u>-</u>
	Earnings per share				
9750	Basic earnings per share	<u>\$ 4.99</u>		<u>\$ 4.04</u>	
9850	Diluted earnings per share	<u>\$ 4.89</u>		<u>\$ 4.01</u>	

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent									
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings			Financial statements translation differences of foreign operations	Total	Non-controlling interest	Total equity
				Legal reserve	Special reserve	Total unappropriated retained earnings (accumulated deficit)				
<u>Year ended December 31, 2021</u>										
Balance at January 1, 2021		\$ 1,173,408	\$ 730,121	\$ 192,963	\$ 12,265	\$ 512,885	(\$ 10,371)	\$ 2,611,271	\$ 7,486	\$ 2,618,757
Profit for the year		-	-	-	-	474,517	-	474,517	5,062	479,579
Other comprehensive income (loss) for the year		-	-	-	-	-	(2,143)	(2,143)	(270)	(2,413)
Total comprehensive income (loss)		-	-	-	-	474,517	(2,143)	472,374	4,792	477,166
Distribution of retained earnings of 2020:										
Legal reserve		-	-	16,899	-	(16,899)	-	-	-	-
Special reserve		-	-	-	(1,894)	1,894	-	-	-	-
Cash dividends		-	-	-	-	(93,873)	-	(93,873)	-	(93,873)
Balance at December 31, 2021		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 209,862</u>	<u>\$ 10,371</u>	<u>\$ 878,524</u>	<u>(\$ 12,514)</u>	<u>\$ 2,989,772</u>	<u>\$ 12,278</u>	<u>\$ 3,002,050</u>
<u>Year ended December 31, 2022</u>										
Balance at January 1, 2022		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 209,862</u>	<u>\$ 10,371</u>	<u>\$ 878,524</u>	<u>(\$ 12,514)</u>	<u>\$ 2,989,772</u>	<u>\$ 12,278</u>	<u>\$ 3,002,050</u>
Profit for the year		-	-	-	-	585,452	-	585,452	2,725	588,177
Other comprehensive income (loss) for the year		-	-	-	-	-	6,186	6,186	1,427	7,613
Total comprehensive income (loss)		-	-	-	-	585,452	6,186	591,638	4,152	595,790
Distribution of retained earnings of 2021:										
Legal reserve		-	-	47,452	-	(47,452)	-	-	-	-
Special reserve		-	-	-	2,143	(2,143)	-	-	-	-
Cash dividends		-	-	-	-	(258,149)	-	(258,149)	-	(258,149)
Balance at December 31, 2022		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 257,314</u>	<u>\$ 12,514</u>	<u>\$ 1,156,232</u>	<u>(\$ 6,328)</u>	<u>\$ 3,323,261</u>	<u>\$ 16,430</u>	<u>\$ 3,339,691</u>

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31		
	Notes	2022	2021
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 738,903	\$ 592,898
Adjustments			
Adjustments to reconcile profit (loss)			
(Reversal of) provision for expected credit loss		675	4,139
Depreciation		212,083	201,797
Amortisation of intangible assets		3,720	3,848
Interest income	(	6,134)	(3,364)
Interest expense		2,162	2,371
Net gain on financial assets at fair value through profit or loss		1,997	621
Gain on disposal of property, plant and equipment		467	(607)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets mandatorily measured at fair value through profit or loss	(	389,988)	229,757
Notes receivable		28,110	(27,744)
Accounts receivable		139,597	(182,853)
Accounts receivable - related parties		420	(417)
Other receivables		12,049	(9,061)
Other receivables - related parties	(	725)	3
Inventories		103,766	(347,019)
Prepayments		6,649	(11,472)
Other current assets	(	82)	31
Changes in operating liabilities			
Notes payable	(	3,232)	(964)
Accounts payable	(	128,113)	91,528
Accounts payable- related parties		1,063	1,964
Other payables		21,293	119,859
Other current liabilities	(	5,717)	10,336
Cash inflow generated from operations		738,963	675,651
Interest received		6,335	3,314
Interest paid	(	1,935)	(1,996)
Income tax paid	(	139,628)	(32,869)
Net cash flows from operating activities		<u>603,735</u>	<u>644,100</u>

(Continued)

VIKING TECH CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31		
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at amortized cost	(\$	57,485)	(\$ 125,898)
Proceeds from disposal of financial assets at amortized cost		168,033	17,365
Acquisition of property, plant and equipment	(	269,534)	(233,427)
Proceeds from disposal of property, plant and equipment		200	710
Acquisition of intangible assets	(	4,123)	(1,453)
Decrease in refundable deposits	(	251)	(400)
Net cash flows used in investing activities	(	163,160)	(343,103)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		55,000	215,000
Repayments of short-term borrowings	(	155,000)	(125,000)
Repayments of long-term borrowings	(	21,339)	(28,003)
Repayments of principal portion of lease liabilities	(	6,414)	(6,537)
(Decrease) increase in guarantee deposits received		440	(116)
Cash dividends paid	(	258,149)	(93,873)
Net cash flows used in financing activities	(	385,462)	(38,529)
Effects of changes in foreign exchange rates	(	3,668)	339
Net increase in cash and cash equivalents		51,445	262,807
Cash and cash equivalents at beginning of year		777,171	514,364
Cash and cash equivalents at end of year	\$	828,616	\$ 777,171

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000682

To the Board of Directors and Shareholders of VIKING TECH CORPORATION

Opinion

We have audited the accompanying balance sheets of VIKING TECH CORPORATION (the "Company") as at December 31, 2022 and 2021, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audit of the financial statements as of and for the year ended December 31, 2022 and 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are outlined as follows:

Cut-off risk error of revenue recognition

Description

Refer to Note 4(25) for accounting policy on revenue recognition. The Company is primarily engaged in export and offers different credit terms to their customers. The credit terms for some customers are upon delivery to a specific location and the timing for transferring the control of goods is based on the customer confirmation documents. Given that the revenue recognition process relies on manual processes and the large volume of daily sales transactions which are material to the financial statements, we thus consider sales cut-off as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Assessed the reasonableness of the sales recognition accounting policy.
2. Understood and tested the design and effectiveness of relevant internal controls when recognising the sales revenue.
3. Sampled delivery orders and customer confirmation documents during a certain period before and after the balance sheet date to ensure the accuracy of cut-off of sales revenue.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(12) for accounting policies on inventory, Note 5 for significant accounting estimates and assumptions of inventory, and Note 6(4) for details of allowance for inventory valuation losses.

The Company manufactures and sells thick and thin film passive components products. Due to the competitive market in the industry and the fluctuating prices, there is a higher risk of inventory losing value or becoming obsolete. The inventories are stated at the lower of cost and net realisable value and the possible losses arising from aged and obsolete inventories are also assessed. Given that the evaluation on the aged and obsolete inventories involves subjective judgement which results in estimation uncertainty and the impact of aged inventories and allowance for inventory valuation losses are material to the financial statements, we thus consider assessment of allowance for inventory valuation losses as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Understood and assessed the reasonableness of allowance for inventory valuation losses policy including the historical sources of inventory clearance process.
2. Obtained the inventory assessment report prepared by the management and checked the completeness of the information on the inventory aging report.
3. Verified the accuracy of the intervals and relevant information used on the inventory aging report, ensured that the allowance loss valuation and the provision policy are consistently applied and further assessed the reasonableness of the estimations of allowance for inventory valuation losses.

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

7. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
11. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Cheng, Ya-Huei

Liu, Chien-Yu

For and on behalf of PricewaterhouseCoopers, Taiwan

February 17, 2023

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 report of independent accountants 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.

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

VIKING TECH CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Assets	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current assets					
1100	Cash and cash equivalents	\$ 529,085	13	\$ 614,683	16
1110	Financial assets at fair value through profit or loss - current	409,824	10	21,833	1
1150	Notes receivable, net	1,753	-	4,427	-
1170	Accounts receivable, net	384,097	10	432,494	11
1180	Accounts receivable - related parties	228,821	6	398,032	10
1200	Other receivables	10,017	-	15,560	-
1210	Other receivables - related parties	1,193	-	468	-
1220	Current income tax assets	-	-	25,264	1
130X	Inventories, net	748,128	19	791,430	21
1410	Prepayments	22,655	1	30,672	1
1479	Other current assets	1,994	-	1,912	-
11XX	Total current assets	<u>2,337,567</u>	<u>59</u>	<u>2,336,775</u>	<u>61</u>
Non-current assets					
1550	Investments accounted for under equity method	319,455	8	260,102	7
1600	Property, plant and equipment	1,231,805	31	1,086,411	28
1755	Right-of-use assets	4,478	-	6,104	-
1780	Intangible assets	3,678	-	3,252	-
1840	Deferred income tax assets	21,989	-	27,505	1
1900	Other non-current assets	72,625	2	129,654	3
15XX	Total non-current assets	<u>1,654,030</u>	<u>41</u>	<u>1,513,028</u>	<u>39</u>
1XXX	Total assets	<u>\$ 3,991,597</u>	<u>100</u>	<u>\$ 3,849,803</u>	<u>100</u>

(Continued)

VIKING TECH CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
		AMOUNT	%	AMOUNT	%
Current liabilities					
2100	Short-term borrowings	\$ 5,000	-	\$ 105,000	3
2150	Notes payable	-	-	3,232	-
2170	Accounts payable	148,220	4	225,165	6
2200	Other payables	346,861	9	311,393	8
2230	Current income tax liabilities	67,569	2	90,699	2
2280	Current lease liabilities	1,746	-	2,265	-
2320	Long-term liabilities, current portion	19,195	-	21,383	1
2399	Other current liabilities	2,486	-	3,863	-
21XX	Total current Liabilities	<u>591,077</u>	<u>15</u>	<u>763,000</u>	<u>20</u>
Non-current liabilities					
2540	Long-term borrowings	69,708	2	88,859	2
2570	Deferred income tax liabilities	292	-	245	-
2580	Non-current lease liabilities	2,806	-	3,914	-
2600	Other non-current liabilities	4,453	-	4,013	-
25XX	Total non-current liabilities	<u>77,259</u>	<u>2</u>	<u>97,031</u>	<u>2</u>
2XXX	Total Liabilities	<u>668,336</u>	<u>17</u>	<u>860,031</u>	<u>22</u>
Equity					
Share capital					
3110	Ordinary share	1,173,408	29	1,173,408	31
Capital surplus					
3200	Capital surplus	730,121	19	730,121	19
Retained earnings					
3310	Legal reserve	257,314	6	209,862	5
3320	Special reserve	12,514	-	10,371	-
3350	Unappropriated retained earnings	1,156,232	29	878,524	23
Other equity interest					
3400	Other equity interest	(6,328)	-	(12,514)	-
3XXX	Total equity	<u>3,323,261</u>	<u>83</u>	<u>2,989,772</u>	<u>78</u>
Significant Contingent Liabilities and Unrecognised Contract Commitments					
Significant events after the balance sheet date					
3X2X	Total liabilities and equity	<u>\$ 3,991,597</u>	<u>100</u>	<u>\$ 3,849,803</u>	<u>100</u>

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Notes	Year ended December 31			
		2022		2021	
		AMOUNT	%	AMOUNT	%
4000	Operating revenue	\$ 2,777,475	100	\$ 2,681,223	100
5000	Operating costs	(1,827,677)	(66)	(1,773,106)	(66)
5900	Gross Profit	949,798	34	908,117	34
5910	Unrealized profit from sales	(22,044)	(1)	(34,905)	(1)
5920	Realized profit from sales	34,905	2	9,834	-
5950	Net operating margin	962,659	35	883,046	33
	Operating expenses				
6100	Selling expenses	(108,359)	(4)	(101,480)	(4)
6200	General and administrative expenses	(196,811)	(7)	(174,561)	(6)
6300	Research and development expenses	(69,443)	(3)	(61,064)	(2)
6450	Expected credit loss	(216)	-	(3,754)	-
6000	Total operating expenses	(374,829)	(14)	(340,859)	(12)
6900	Operating profit	587,830	21	542,187	21
	Non-operating income and expenses				
7100	Interest income	1,851	-	410	-
7010	Other income	46,876	2	2,693	-
7020	Other gains and losses	44,083	2	(20,718)	(1)
7050	Finance costs	(1,948)	-	(2,125)	-
7070	Share of profit of associates and joint ventures accounted for using equity method, net	40,306	1	51,987	2
7000	Total non-operating income and expenses	131,168	5	32,247	1
7900	Profit (loss) before income tax	718,998	26	574,434	22
7950	Income tax expense	(133,546)	(5)	(99,917)	(4)
8200	Profit (loss) for the year	\$ 585,452	21	\$ 474,517	18
	Other comprehensive income, net				
	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Other comprehensive income, before tax, exchange differences on translation	\$ 6,186	-	(\$ 2,143)	-
8300	Other comprehensive income for the year	\$ 6,186	-	(\$ 2,143)	-
8500	Total comprehensive income for the year	\$ 591,638	21	\$ 472,374	18
	Earnings per share				
9750	Basic earnings per share	\$ 4.99		\$ 4.04	
9850	Diluted earnings per share from continuing operations	\$ 4.89		\$ 4.01	

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Retained Earnings					Financial statements translation differences of foreign operations	Total equity
		Ordinary share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>Year ended December 31, 2021</u>								
Balance at January 1, 2021		\$ 1,173,408	\$ 730,121	\$ 192,963	\$ 12,265	\$ 512,885	(\$ 10,371)	\$ 2,611,271
Profit		-	-	-	-	474,517	-	474,517
Other comprehensive income		-	-	-	-	-	(2,143)	(2,143)
Total comprehensive income		-	-	-	-	474,517	(2,143)	472,374
Distribution of retained earnings of 2020								
Legal reserve		-	-	16,899	-	(16,899)	-	-
Special reserve		-	-	-	(1,894)	1,894	-	-
Cash dividends		-	-	-	-	(93,873)	-	(93,873)
Balance at December 31, 2021		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 209,862</u>	<u>\$ 10,371</u>	<u>\$ 878,524</u>	<u>(\$ 12,514)</u>	<u>\$ 2,989,772</u>
<u>Year ended December 31, 2022</u>								
Balance at January 1, 2022		\$ 1,173,408	\$ 730,121	\$ 209,862	\$ 10,371	\$ 878,524	(\$ 12,514)	\$ 2,989,772
Profit		-	-	-	-	585,452	-	585,452
Other comprehensive income		-	-	-	-	-	6,186	6,186
Total comprehensive income		-	-	-	-	585,452	6,186	591,638
Distribution of retained earnings of 2021								
Legal reserve		-	-	47,452	-	(47,452)	-	-
Special reserve		-	-	-	2,143	(2,143)	-	-
Cash dividends		-	-	-	-	(258,149)	-	(258,149)
Balance at December 31, 2022		<u>\$ 1,173,408</u>	<u>\$ 730,121</u>	<u>\$ 257,314</u>	<u>\$ 12,514</u>	<u>\$ 1,156,232</u>	<u>(\$ 6,328)</u>	<u>\$ 3,323,261</u>

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31		
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 718,998	\$ 574,434
Adjustments			
Adjustments to reconcile profit (loss)			
(Reversal of) provision for expected credit loss		216	3,754
Depreciation		197,599	189,105
Amortisation of intangible assets		3,698	3,826
Interest income	(	1,851)	(410)
Interest expense		1,948	2,125
Share of profit of associates and joint ventures accounted for under equity method	(	40,306)	(51,987)
Net gain on financial assets at fair value through profit or loss		1,997	621
Gain on disposal of property, plant and equipment		458	(645)
(Realized) Unrealized profit on sale	(	12,861)	25,071
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	(	389,988)	229,757
Notes receivable		2,674	(1,376)
Accounts receivable		48,181	(165,654)
Accounts receivable - related parties		169,211	(140,705)
Other receivables		5,623	(6,996)
Other receivables - related parties	(	725)	3
Inventories		43,302	(286,536)
Prepayments		8,017	(9,738)
Other current assets	(	82)	13
Changes in operating liabilities			
Notes payable	(	3,232)	(964)
Accounts payable	(	76,945)	82,135
Other payables		19,298	113,656
Other current liabilities	(	1,377)	1,111
Cash inflow generated from operations		693,853	560,600
Interest received		1,771	405
Interest paid	(	1,935)	(1,996)
Income tax paid	(	125,849)	(21,763)
Net cash flows from operating activities		<u>567,840</u>	<u>537,246</u>

(Continued)

VIKING TECH CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Year ended December 31		
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of property, plant and equipment	(\$	268,173)	(\$ 211,782)
Proceeds from disposal of property, plant and equipment		200	710
Acquisition of intangible assets	(	4,124)	(1,453)
(Increase) decrease in refundable deposits		160	(400)
Net cash flows used in investing activities	(	271,937)	(212,925)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings		55,000	215,000
Repayments of short-term borrowings	(	155,000)	(125,000)
Repayments of long-term borrowings	(	21,339)	(28,003)
Repayments of principal portion of lease liabilities	(	2,453)	(2,788)
Decrease in guarantee deposits received		440	(116)
Cash dividends paid	(	258,149)	(93,873)
Net cash flows used in financing activities	(	381,501)	(34,780)
Net (decrease) increase in cash and cash equivalents	(	85,598)	289,541
Cash and cash equivalents at beginning of year		614,683	325,142
Cash and cash equivalents at end of year	\$	529,085	\$ 614,683

Audit Committee's Review Report

The Company's 2022 financial statements of the Company that have been reviewed by the independent auditors, Lin Yukuan and Zheng Yahui of KPMG Taiwan, together with the business report and the earnings distribution proposal reviewed by the Audit Committee. The Committee is considered that there is no discrepancy and such reports are prepared in accordance with the provisions of Article 14-4 of Securities and Exchange Act and Article 219 of Company Act. Submitted for review and approval

To
Viking Tech Corporation 2023 Shareholders' Meeting

The convener of the Audit Committee. Shen Bo-Ting

February 17, 2023

Viking Tech Corporation

Earnings Distribution Table

2022

Unit: In One Dollar of New Taiwan Dollar

Beginning undistributed earnings balance	570,779,342
Add: Net Income After Tax	585,451,973
Minus: Appropriated as 10% legal reserve	(58,545,197)
Reversed special reserve	6,186,409
Earnings available for distribution	1,103,872,527
Distribution Items:	
shareholders extra dividend	305,086,189
Ending undistributed Earnings balance	798,786,338

Note 1. The proposed earnings distribution is NTD305,086,189 and each common share holder will be entitled to receive a cash dividend of NTD2.60 per share.

Note 2. The record date of dividend payout is set by Board of Directors.

Note 3. The dividend for individual shareholders will be distributed down to dollar, while the decimals will be rounded down to dollar.

Responsible person:
Tsai Kao-Ming

Managerial Personnel:
Hu Chuan-Bin

Accountant in charge of the
Company: Li Shun-He