



## **2024 Annual Shareholders' Meeting**

# **Meeting Handbook**

### **SDI Corporation**

**Time: 9:30 a.m., May 30, 2024**

**Venue: No.260, Sec.2, Zhangnan Road, Changhua City  
(SDI Meeting Room)**

**Shareholders' meeting will be held by means of:physical  
shareholders' meeting**

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## Chapter 2. Meeting Agenda for 2024 Annual Shareholders' Meeting of SDI Corporation

Time: 9:30 a.m., May 30, 2024 (Thursday)

Venue: No. 260, Sec. 2, Zhangnan Rd., Changhua City (SDI Meeting Room)

Shareholders' meeting will be held by means of: physical shareholders' meeting.

I. Call Meeting to Order

II. Chairman's remarks

III. Report Items

(I) 2023 Operation Results.

(II) Audit Committee's Review Report on Annual Final Accounting Books and Statements for 2023.

(III) Distribution of Remuneration to Employees and Directors for 2023.

(IV) Collection of 2023 remuneration to the directors.

IV. Proposals

(I) Business Report and Financial Statements for 2023

(II) Earnings Distribution Plan for 2023

V. Discussions

(I) Amendment to the "Articles of Incorporation"

(II) Amendment to the "Rules of Procedure for the Shareholders' Meeting".

VI. Election matters: Re-election of directors

VII. Other Matters

Proposal to release the prohibition on directors from participation in competition businesses.

VIII. Special Motions

IX. Adjournment

## Chapter 3. Report Items

I. Please see the 2023 Operation Results.

### **SDI Corporation** **2023 Operation Results**

Dear Sir/Madam:

SDI has successfully completed operation of 2023 under joint efforts of all colleagues. SDI Group is dedicated to improving production technology and developing new products in order to expand into electronics and stationery among other related businesses. Additionally, through diversified procurement and collaboration with subcontractors, we meet the orders of customers in related industries and the demand for new energy applications.

The 2023 global economy was severely affected by high inflation and high interest rates. Moreover, the China-US conflicts, the Russia-Ukraine and Middle East war, and unceasing geopolitical risks lead to a slowdown in overall economic growth and a decline in livelihood and consumption demand. However, this also encouraged the industry to strive for risk management, cost control, net zero and reduction of energy consumption, driving the development of relevant cross-border investments, equipment upgrading, and carbon reduction and energy conservation. The increasing demand and investments in energy management, smart industrial control, and green energy transportation had led to significant growth and innovative investments in the semiconductor industry. SDI primarily supplies products to IDM customers around the world, and the demand in mid-to-high end product application from industrial control applications and automotive electronics and the increasing orders for new modules have helped offset the impact of declining consumer electronics demand. Additionally, the electronics business collaborates with customers in developing and mass producing mid-to-high power product application, and continuously expands production capacity and improves process to meet the strict quality specifications and needs of industrial control and automotive products. To cope with the adverse effects of increasing materials, labor, manufacturing and other production costs caused by inflation, the electronics business enhances efficiency and yield through project management. Faced with inflationary pressure and decreasing demand, the stationery industry is employing strategies such as developing value-added new products and implementing active marketing to enhance value and mitigate the impact of declining revenue. In addition, affiliate company TEC Brite Technology is still being affected by the decline of mid-to-high-end mobile phones, and will maintain revenue and profit by increasing brand share and attracting new customers. Chao Shin Metal continued to experience a decline in revenue and profit due to diminishing demand in steel, inventory clearance, and a fall in prices. Despite unfavorable factors such as China's economic slowdown, deflation in people's livelihood, and weak consumer demand, the reinvested Jiangsu Plant is still dedicated to expanding its new energy application portfolio and transforming niche products, leading to a slight growth in profit.

In total, SDI's revenue in 2023 was NT\$8.410 billion, a decrease of nearly 8%. The

consolidated revenue of the Group was NT\$10.856 billion, down by nearly 7.4%. The net profit for the current period is NT\$743 million, while the basic earnings per share is NT\$4.08.

The World Semiconductor Trade Statistics (WSTS) indicated that due to better-than-expected performance in semiconductor revenue in the second and third quarters, as well as improvements in some end markets, the estimated semiconductor revenue for 2023 has been revised upwards to approximately US\$520.1 billion, an annual decrease of 9.4%. WSTS also expects a recovery in the global semiconductor market in 2024, with revenue reaching US\$588.3 billion, a growth of over 13%. Revenue of discrete semiconductors, optoelectronics, and sensors will grow by single digits, while revenue for memory is projected to increase by over 40%, all of which are the main momentum of semiconductor revenue growth. Besides catering to the needs of the above industries, SDI also collaborates with customers to develop application products of power modules and power management solutions such as SiC and IGBT. Furthermore, SDI reduces costs through process improvement and diversified procurement, adapting to the net zero trend and aligning with the industry's evolution and growth. As for the hardware and stationery business aspect, SDI will continue to develop our own brands and patented products and utilize its technology into medical tool-related application fields to medical tools to boost revenue and profit.

Looking ahead to 2024, the global economy is faced with challenges of geopolitics issues, regional conflicts, and energy development, and the US-China competition has caused globalization to fragment. As national security issues arise, there is a rising demand for semiconductor technologies in new energy application and efficiency improvement. As SDI celebrates its 70th anniversary, the group's businesses will attach importance to labor rights, human capital accumulation, management and control of environmental safety and energy conservation, and implementation of risk governance in accordance with the sustainable development stipulated by ESG, and continue to contribute to industrial demand and innovate business value. We hope for the continued assistance and support from our shareholders to enable SDI's business to be more steady and successful.

Chair of the Board: J.S. Chen    Manager: Weite Chen    Accounting Manager: Ray Huang

II. Please see below the Audit Committee's Review Report on Annual Final Accounting Books and Statements for 2023

**SDI Corporation**  
**Audit Committee's Review Report**

We hereby approve the Board of Directors to prepare and submit the Company's financial statements (including consolidated financial statements), business report and earnings distribution plan for 2023, among which the financial statements are audited by CPAs of Crowe (TW) and an audit report was issued. All foregoing books prepared and submitted by Board of Directors are audited by the Audit Committee. We Audit Committee consider there is no inconsistency and prepare the report in accordance with Article 14-4 of Securities and Exchange Act, and Article 219 of the Company Act. Please review the same.

To

2024 Annual Shareholders' Meeting of SDI Corporation

Convener of the Audit Committee:  
Wen-Cheng Cheng

February 23, 2024

### III. Please see the report on distribution of remuneration to employees and directors for 2023.

[Description]

1. In accordance with Article 32 of the Articles of Incorporation, SDI's 2023 profits before tax and before deducting employees' compensation and Directors' remuneration allocation is NT\$ 961,815,450 We set aside 1.5% as employees' compensation of NT\$14,427,232 and 1.2% as remuneration to directors of NT\$11,541,785 Both will be distributed in the form of cash.
2. The Company's directors and managers are appraised respectively pursuant to the "Measures on Performance Appraisal of the Board of Directors and the Functional Committee" and the "Appraisal Administration Regulations", and are in line with the appraisal standards.
3. Relevance and Reasonableness between the Contents and Amounts of the Compensation of the Directors and Managers and the Performance Appraisal Results:  
SDI pays fair remuneration to the directors and managers by taking into account the Company's operating results and their contributions to SDI's performance. SDI's performance appraisal measures will become the basis for appraisal of the directors, while managers will be appraised the same as all employees based on the Appraisal Administration Regulations twice a year.

### IV. Please see the report on remuneration paid to directors for 2023.

[Description]

1. The remunerations of the Company's directors and independent directors will be determined taking into account the appraisal results of directors' performance. Furthermore, in accordance with the provisions of the Company's Articles of Incorporation, the Board of Directors is authorized to determine the remunerations of directors according to their participation in and contribution to the Company's operation and with reference to the common remuneration level of counterparts in the industry. The Board of Directors is authorized to determine and distribute the remunerations for independent directors according to the Company's business.
2. The remuneration paid to each director is shown in the attachment.

## (Attachment)

Title	Name	Remuneration of Directors								Ratio of total remuneration (A+B+C+D) to net income after tax				Relevant remuneration received by directors who are also employees								Ratio of total remuneration (A+B+C+D+E+F+G) to net income after tax				Remuneration received from an invested company other than the Company's subsidiaries or parent company
		Base remuneration (A)		Severance pay and pension (B)		Bonus to Directors (C) (Note 1)		Allowances (D)		The Company		All companies in the consolidated financial statements		Salary, bonus and allowances (E) (Note 2)		Severance pay and pension (F) (Note 3)		Employee bonus (G) (Note 1)				The Company		All companies in the consolidated financial statements		
		The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements	
Chairman	J.S.Chen	11,431	11,465	0	0	5,482	5,728	0	0	16,913	2.28%	17,193	2.31%	0	0	0	0	0	0	0	0	16,913	2.28%	17,193	2.31%	-
Director	Jerome Chen	0	0	0	0	2,593	2,637	0	0	2,593	0.35%	2,637	0.36%	6,161	7,446	150	150	1,357	0	1,357	0	10,262	1.38%	11,590	1.56%	-
Director	Weite Chen	0	0	0	0	2,374	2,374	0	0	2,374	0.32%	2,374	0.32%	7,328	7,328	185	185	1,836	0	1,836	0	11,724	1.58%	11,724	1.58%	-
Director	Wilson Investment Co., Ltd Representative Wei-Shun Chen	0	0	0	0	792	792	0	0	792	0.11%	792	0.11%	0	0	0	0	0	0	0	0	792	0.11%	792	0.11%	-
Director	Chieh-hsuan Chen	0	0	0	0	300	300	30	30	330	0.04%	330	0.04%	0	0	0	0	0	0	0	0	330	0.04%	330	0.04%	-
Independent Director	Wen-i Chiang	540	540	0	0	0	0	25	25	565	0.08%	565	0.08%	0	0	0	0	0	0	0	0	565	0.08%	565	0.08%	
Independent Director	Tsung-ting Chung	640	640	0	0	0	0	30	30	670	0.09%	670	0.09%	0	0	0	0	0	0	0	0	670	0.09%	670	0.09%	
Independent Director	Kuo-tsao Tseng	540	540	0	0	0	0	30	30	570	0.08%	570	0.08%	0	0	0	0	0	0	0	0	570	0.08%	570	0.08%	
Independent Director	Wen-cheng Cheng	520	520	0	0	0	0	30	30	550	0.07%	550	0.07%	0	0	0	0	0	0	0	0	550	0.07%	550	0.07%	-

Note 1: The shareholders' meeting has not approved the Company's earnings distribution in 2023, and this is the estimated number to be distributed.

Note 2: It includes the total cost of the company car of NT\$ 563 thousand, excluding the relevant remuneration paid to the driver of NT\$ 608 thousand.

Note 3: It is the contribution of severance pay and pension expenses.

## Chapter 4. Proposals

### Item 1: Proposed by the Board of Directors

Subject: Subject: Please ratify Business Report and Financial Statements for 2023.

Description: 2023 individual financial statements and consolidated financial statements are prepared and approved by the Board of Directors on February 23, 2024.

We respectfully submit the same with the business report reviewed by the Audit Committee for approval.

[Please refer to #Page 3-4# and #Page 11-31# of this Handbook.]

Resolution:



**Item 2: Proposed by the Board of Directors**

Subject: Please ratify Earnings Distribution Plan for 2023.

Description:

1. SDI's Earnings Distribution Plan for 2023 is as attached.

SDI Corporation  
Earnings Distribution

(Attachment)	Year of 2023	Unit: NT\$
Item	Amount	
Undistributed earnings at the beginning of the period	2, 657, 281, 632	
Add: Other comprehensive income (remeasurements of defined benefit plans)	1, 064, 954	
Add: Profit after tax of this year	742, 758, 401	
Less: Legal reserve set aside	(74, 382, 336)	
Less: Special surplus reserve set aside	(21, 553, 712)	
Distributable earnings	3, 305, 168, 939	
Less: Dividends (2.6 dollars per share, distributed in cash)	(473, 564, 647)	
Undistributed earnings at the end of the period	2, 831, 604, 292	

Chair of the Board: J.S. Chen    Manager: Weite Chen    Accounting Manager: Ray Huang

2. We plan to set aside NT\$473, 564, 647 from distributable earnings to distribute cash dividends being NT\$2. 6 per share. Based on the outstanding shares at the time of the Board of Directors' resolution being 182,140,249 shares, and leaving the amount below dollar. The changes will be consolidated to the Company's other income. After the shareholders' meeting approves the cash dividends distribution, we intend to authorize the Chair of the Board to separately determine the ex-dividend date, payable date and other relevant matters. The distributed amount per share will be adjusted based on actual outstanding shares.
3. In the event the earning distribution under the preceding section is adjusted or changed by the competent authority, the Board of Directors is authorized to cooperate and handle the same.

Resolution:

**Chapter 5. Discussions****Item 1: Proposed by the Board of Directors**

Subject: Please discuss the amendments to the "Articles of Incorporation".

Description: To comply with relevant laws and regulations, we intend to amend some provisions of the "Articles of Incorporation". We respectfully submit the same for discussion.[Please refer to #Page32# of this Handbook.]

Resolution:

**Item 2: Proposed by the Board of Directors**

Subject: Please discuss the amendments to the "Rules of Procedure for Shareholders' meeting".

Description: To comply with relevant laws and regulations, we intend to amend some provisions of the "Rules of Procedure for Shareholders' meeting". We respectfully submit the same for discussion. [Please refer to #Page 33-44# of this Handbook.]

Resolution:

## Chapter 6. Elections

Subject: Proposal on re-election of directors. **(Proposed by the Board of Directors)**

- Description:
1. The term of office of the Company's current directors expires on Aug. 25, 2024. It is proposed to hold the election for new directors at the Company's Annual Shareholders' Meeting this year.
  2. Pursuant to the Articles of Incorporation, it is proposed to elect 9 directors (including 4 independent directors) in the form of candidate nomination, with a term of office of 3 years from May. 30, 2024 to May. 29, 2027. The original directors will be dismissed upon the conclusion of this shareholders' meeting.
  3. The Company has convened a Board meeting on Feb. 23, 2024 to review the qualification of the candidates for directors. We hereby provide the relevant information as follows:

Category of Candidate	Name of Candidate	Education	Experience	Current Post	Number of shares held	Reasons for nomination of the candidates as independent director for more than three terms
Director	J.S.Chen	National Chang-Hua Senior School of Commerce	Chairman of SDI Corporation	Chairman of SDI Corporation	6,944,794	N/A
Director	Weite Chen	MBA, Rotterdam School of Management	President of SDI Corporation	President of SDI Corporation	6,196,614	N/A
Director	Jerome Chen	Master of Accounting, National Changhua University of Education	Vice President of SDI Corporation	Vice President of SDI Corporation	3,058,707	N/A
Director	Wei-shun Chen	Master of Business Administration, Tunghai University	President of Chao Shin Metal Industrial Corp.	President of Chao Shin Metal Industrial Corp.	400,000	N/A
Director	Chieh-hsuan Chen	Ph.D. of Sociology, Tunghai University	Professor of the Department of Sociology, Tunghai University and Director of the Institute of East Asian Societies and Economies, Tunghai University	Professor of the Department of Sociology, Tunghai University and Director of the Institute of East Asian Societies and Economies, Tunghai University	Nil	N/A
Independent Director	Tsung-ting Chung	PhD in International Relations from Denver University, USA	Professor in Business Management Department, National Yunlin Technology University	Adjunct Professor in Business Management Department, National Yunlin Technology University	Nil	Not more than three terms
Independent Director	Kuo-tsao Tseng	Master of Management Sciences, Baker University	CPA of Kuo-tsao Tseng Co., CPAs	CPA of Kuo-tsao Tseng Co., CPAs	Nil	Not more than three terms
Independent Director	Wen-cheng Cheng	Master of Business Administration, Feng Chia University	Senior Vice President of E.SUN Bank	Independent Director of SDI Corporation	Nil	Not more than three terms
Independent Director	Lan-ying Huang	Ph.D. in Business Administration, Nova Southeastern University	Professor in Department of Business Administration, National Changhua University of Education	Professor in Department of Business Administration, National Changhua University of Education	Nil	Not more than three terms

4. Please elect.

Election results:

## Chapter 7. Other Proposals

Subject: please discuss the proposal on release the prohibition on directors from participation in competition businesses. **(Proposed by the Board of Directors)**

Description: 1. In accordance with Article 209 of the Company Act: "A director who engages in transactions within the business scope of the company for himself or for others shall explain to the shareholders' meeting the essential consents of such transactions and secure approval from the shareholders' meeting". Without prejudice to the Company's interest, the director candidates newly elected at this shareholders' meeting shall submit a request to the shareholders' meeting for approval to release them from participation in competition businesses from the date when they take office.

2. Data on the director candidates' concurrent positions in other companies is as follows:

Name	Company Name and Concurrent Position
S.J. Chen	1.Chairman of Chao Shin Metal Industrial Corp. 2.Chairman of TEC Brite Technology Co., Ltd. 3.Chairman of SHUEN DER(B.V.I.)CORPORATION
Jerome Chen	1.Chairman of SDI (Jiangsu) Co., Ltd. 2.Director of TEC Brite Technology Co., Ltd. 3.Director of SDI JAPAN Co., Ltd.
Weite Chen	1.Wei Chia Investment Co., Ltd. Director 2.Director of SDI Electronics JAPAN Co., Ltd.
Wei-Shun Chen	1.General Manager of Chao Shin Metal Industrial Corp. 2.Wilson Investment Co., Ltd. Director

Resolution:

## Chapter 8. Special Motions



國富浩華聯合會計師事務所

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### INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
SDI Corporation

#### Opinion

We have audited the accompanying parent company only financial statements of SDI Corporation ("the Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity, and cash flows 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 accompanying parent company only financial position of the Company 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers.

#### Basis for Opinion

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



## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 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 for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

### 1. Valuation of Inventory Impairment

#### Description

As of December 31, 2023, inventory accounted for 24% of the Company's total assets. The value of inventory is affected by the volatility of market demand and ever-changing technology, which could make inventory sluggish and obsolete and impair the value of inventory. The allocation of inventory cost elements and estimations of the net realizable value of inventory are subject to management's subjective judgment. Consequently, the valuation of inventories has been identified as a key audit matter.

#### How our audit addressed the matter

Our main audit procedures include testing of details, verifying the cost of raw materials, labor and manufacturing costs of inventory and comparing the most recent selling prices to the carrying amounts to ensure that the inventory is measured at the lower of cost and net realizable value; obtaining and validating the Company's details of declines in the inventory valuation and inventory aging report and analyzing the changes in inventory aging; assessing the reasonableness of policies relating to the provision of allowance for inventory valuation losses; obtaining data on the quantities of inventory recorded at the end of the year and the data of annual inventory physical count to verify the existence and completeness of the inventory; inspecting the condition of the inventory to assess the appropriateness of the loss allowance for recognized inventory obsolete and spoiled through observing the year-end inventory counts.

### 2. Revenue Recognition

#### Description

Revenue is used by investors and the Company's management as a key indicator for evaluating the Company's financial or operational performance. As the Company sells its goods to Taiwan, Mainland China, Malaysia, United States and other areas, overseas warehouses are set up in response to the needs of certain international customers. The Company recognizes revenue per the various sales terms in each individual contract with customers. Accordingly, significant judgement is required in determining the timing of control of a good transfer to the customer. Therefore, revenue recognition has been identified as a key audit matter.

#### How our audit addressed the matter

Our main audit procedures include assessing the appropriateness of accounting policies for revenue recognition, testing the effectiveness of the internal controls relevant to revenue recognition, including sampling and testing the validity of sales revenue; evaluating whether any irregularity exists in the transactions with the top ten sales customers and analyzing the reasonableness of the turnover days of accounts receivable; selecting sample transactions after a few days or before the inventory cutoff date and examining the related documents to ensure that revenue is recognized in the appropriate period, and reviewing if there were significant sales return in the subsequent period.

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

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

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

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

## Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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



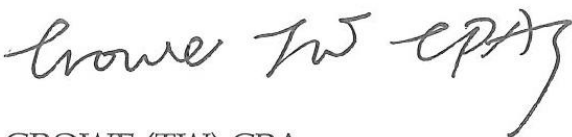
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Shao, Chao Pin and Lin, Ming Shou.



CROWE (TW) CPAs

Taichung, Taiwan (Republic of China)

February 23, 2024



Notice to Readers

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

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

# SDI Corporation

## PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6(1)	\$ 450,372	4	\$ 713,457	6
Notes receivable, net	6(2)	35,065	-	25,641	-
Accounts receivable, net	6(3)	1,111,008	11	1,264,590	11
Accounts receivable - related parties	7	175,516	2	250,466	2
Other receivables		11,998	-	12,755	-
Other receivables - related parties	7	9,653	-	8,910	-
Inventories, net	6(4)	2,509,164	24	2,685,228	26
Prepayments	6(5)	67,232	1	44,734	-
Other financial assets - current	6(6)	6,600	-	6,600	-
Other current assets		509	-	193	-
Total current assets		<u>4,377,117</u>	<u>42</u>	<u>5,012,574</u>	<u>45</u>
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through other comprehensive income - noncurrent	6(7)	23,938	-	21,023	-
Investments accounted for using equity method	6(8)	2,372,859	23	2,374,739	21
Property, plant and equipment	6(9)	3,397,620	33	3,245,892	30
Right-of-use assets	6(10)	152,253	1	166,792	2
Investment properties	6(11)	34,342	-	37,137	-
Intangible assets	6(12)	51,472	-	55,007	-
Deferred income tax assets	6(28)	82,778	1	101,675	1
Other noncurrent assets	6(13)	46,800	-	55,395	1
Total noncurrent assets		<u>6,162,062</u>	<u>58</u>	<u>6,057,660</u>	<u>55</u>
<b>TOTAL</b>		<u>\$ 10,539,179</u>	<u>100</u>	<u>\$ 11,070,234</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Contract liabilities	6(23)	101,368	1	95,076	1
Notes payable	6(14)	5,093	-	3,320	-
Accounts payable		638,281	6	653,417	6
Accounts payable - related parties	7	122,724	1	155,900	1
Other payables	6(15)	494,713	5	580,061	5
Other payables - related parties	7	2,020	-	4,765	-
Current income tax liabilities	6(28)	200,603	2	266,713	3
Lease liabilities - current	6(10)	11,123	-	12,537	-
Long-term liabilities - current portion	6(16)	421,323	4	311,103	3
Other current liabilities	6(17)	19,630	-	23,404	-
Total current liabilities		<u>2,016,878</u>	<u>19</u>	<u>2,106,296</u>	<u>19</u>
<b>NONCURRENT LIABILITIES</b>					
Long term loans	6(16)	1,280,490	12	1,834,864	16
Deferred income tax liabilities	6(28)	284,469	3	286,865	3
Lease liabilities - noncurrent	6(10)	104,256	1	115,660	1
Net defined benefit liability - noncurrent	6(18)	80,192	1	90,832	1
Other noncurrent liabilities	6(17)	5,665	-	8,072	-
Total noncurrent liabilities		<u>1,755,072</u>	<u>17</u>	<u>2,336,293</u>	<u>21</u>
Total liabilities		<u>3,771,950</u>	<u>36</u>	<u>4,442,589</u>	<u>40</u>
<b>EQUITIES</b>					
Common stocks	6(19)	1,821,403	17	1,821,403	16
Capital surplus	6(20)	485,960	5	485,797	4
Retained earnings	6(21)				
Legal capital reserve		1,080,316	10	983,960	9
Special capital reserve		116,256	1	139,763	1
Unappropriated earnings		3,401,104	32	3,312,978	31
Others	6(22)	(137,810)	(1)	(116,256)	(1)
Total equity		<u>6,767,229</u>	<u>64</u>	<u>6,627,645</u>	<u>60</u>
<b>TOTAL</b>		<u>\$ 10,539,179</u>	<u>100</u>	<u>\$ 11,070,234</u>	<u>100</u>

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

# SDI Corporation

## PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earning Per Share)

	NOTES	2023		2022	
		Amount	%	Amount	%
NET REVENUE	6(23) 、 7	\$ 8,409,808	100	\$ 9,142,725	100
COST OF REVENUE	6(24)	(7,017,011)	(83)	(7,537,227)	(82)
GROSS PROFIT BEFORE UNREALIZED GROSS PROFIT		1,392,797	17	1,605,498	18
Unrealized gross profit on sales		(37,632)	-	(37,638)	-
Realized gross profit on sales		37,638	-	34,044	-
GROSS PROFIT		1,392,803	17	1,601,904	18
OPERATING EXPENSES	6(24)				
Marketing		(196,109)	(3)	(220,604)	(2)
General and administrative		(232,608)	(3)	(228,949)	(3)
Research and development		(178,272)	(2)	(199,319)	(2)
Total operating expenses		(606,989)	(8)	(648,872)	(7)
OPERATING PROFIT		785,814	9	953,032	11
NONOPERATING INCOME AND EXPENSES					
Interest income		9,606	-	1,027	-
Other income	6(17) 、 6(25)	44,319	1	48,776	-
Other gains and losses, net	6(26)	29,753	-	137,577	1
Finance costs	6(27)	(26,163)	-	(27,642)	-
Share of profits of subsidiaries and associates		92,517	1	59,474	1
Total nonoperating income and expenses		150,032	2	219,212	2
INCOME BEFORE INCOME TAX		935,846	11	1,172,244	13
INCOME TAX EXPENSE	6(28)	(193,088)	(2)	(231,725)	(3)
NET INCOME		742,758	9	940,519	10
OTHER COMPREHENSIVE INCOME (LOSS)	6(29)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurement of defined benefit obligation		2,013	-	26,820	1
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		2,915	-	813	-
Share of other comprehensive income (loss) of subsidiaries and associates		(546)	-	1,577	-
Income tax benefit (expense) related to items that will not be reclassified subsequently	6(28)	(972)	-	(5,274)	-
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation of foreign operations		(29,874)	-	28,255	-
Income tax benefit (expense) related to items that may be reclassified subsequently	6(28)	5,975	-	(5,651)	-
Other comprehensive income (loss) for the year, net of income tax		(20,489)	-	46,540	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 722,269	9	\$ 987,059	11
EARNINGS PER SHARE(IN DOLLARS)					
Basic earnings per share	6(30)	\$ 4.08		\$ 5.16	
Diluted earnings per share		\$ 4.07		\$ 5.16	

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

SDI Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Capital Stocks		Retained Earnings			Others			Total	Total Equity
	Common Stocks	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
BALANCE, JANUARY 1, 2022	\$ 1,821,403	485,598	899,980	134,642	2,984,948	(155,689)	15,926	\$ (139,763)	\$ 6,186,808	
Appropriations of prior year's earnings										
Special capital reserve	-	-	-	5,121	(5,121)	-	-	-	-	
Legal capital reserve	-	-	83,980	-	(83,980)	-	-	-	-	
Cash dividends to shareholders - NT\$3 per share	-	-	-	-	(546,421)	-	-	-	(546,421)	
Deemed donation from shareholders-dividends give up	-	199	-	-	-	-	-	-	199	
Net income in 2022	-	-	-	-	940,519	-	-	-	940,519	
Other comprehensive income (loss) in 2022	-	-	-	-	23,033	22,604	903	23,507	46,540	
BALANCE, DECEMBER 31, 2022	1,821,403	485,797	983,960	139,763	3,312,978	(133,085)	16,829	(116,256)	6,627,645	
Appropriations of prior year's earnings										
Special capital reserve	-	-	-	(23,507)	23,507	-	-	-	-	
Legal capital reserve	-	-	96,356	-	(96,356)	-	-	-	-	
Cash dividends to shareholders - NT\$ 3.2 per share	-	-	-	-	(582,848)	-	-	-	(582,848)	
Donation from shareholders	-	163	-	-	-	-	-	-	163	
Net income in 2023	-	-	-	-	742,758	-	-	-	742,758	
Other comprehensive income (loss) in 2023	-	-	-	-	1,065	(23,899)	2,345	(21,554)	(20,489)	
BALANCE, DECEMBER 31, 2023	\$ 1,821,403	\$ 485,960	\$ 1,080,316	\$ 116,256	\$ 3,401,104	\$ (156,984)	\$ 19,174	\$ (137,810)	\$ 6,767,229	

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

# SDI Corporation

## PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before income tax	\$ 935,846	\$ 1,172,244
Adjustments to reconcile profit (loss)		
Depreciation	391,764	389,076
Amortization	13,201	14,618
Unrealized (realized) gross profit on subsidiaries	(822)	2,764
Interest expense	26,163	27,642
Interest income	(9,606)	(1,027)
Dividend income	(1,269)	(1,316)
Share of profits of subsidiaries accounted for under equity method	(92,517)	(59,474)
Gain on disposal of property, plant and equipment	(3,664)	(1,361)
Reversal of impairment loss on non-financial assets	(7,000)	-
Losses on lease modification	57	-
Net changes in operating assets and liabilities		
Notes receivable	(9,424)	(1,591)
Accounts receivable	264,166	231,432
Accounts receivable - related parties	(35,634)	3,751
Other receivables	(970)	9,584
Other receivables - related parties	(863)	691
Inventories	176,064	149,700
Prepayments	(22,498)	28,599
Other current assets	1,543	966
Contract liabilities	6,292	1,564
Notes payable	1,163	(2,968)
Accounts payable	(14,874)	(372,392)
Accounts payable - related parties	(33,176)	(5,706)
Other payables	(52,163)	36,654
Other payables - related parties	(718)	75
Other current liabilities	(3,039)	1,660
Net defined benefit liability	(8,627)	(15,083)
Other operating liabilities	(2,442)	(13,145)
Cash provided from operations	<u>1,516,953</u>	<u>1,596,957</u>
Interest received	9,595	1,010
Dividends received	66,069	75,002
Interest paid	(27,109)	(26,674)
Income taxes paid	<u>(237,695)</u>	<u>(159,379)</u>
Net cash provided by operating activities	<u>1,327,813</u>	<u>1,486,916</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refund fund of financial assets at fair value through other comprehensive income	-	12
Acquisition of property, plant and equipment	(542,897)	(525,484)
Proceeds from disposal of Property, plant and equipment	3,708	1,521
Decrease in refundable deposits	485	417
Acquisition of intangible assets	<u>(9,666)</u>	<u>(10,220)</u>
Net cash used in investing activities	<u>(548,370)</u>	<u>(533,754)</u>

(Continued)

## SDI Corporation

### PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	\$ 1,871,000	\$ 2,446,000
Repayment of long-term debt	(2,315,855)	(2,540,834)
Repayments of the principal portion of lease liabilities	(14,825)	(12,892)
Decrease in other noncurrent liabilities	-	(60)
Cash dividends paid	(582,848)	(546,421)
Net cash provided by financing activities	<u>(1,042,528)</u>	<u>(654,207)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(263,085)	298,955
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	713,457	414,502
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 450,372</u>	<u>\$ 713,457</u>

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

(Concluded)

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
SDI Corporation

### Opinion

We have audited the accompanying consolidated financial statements of SDI Corporation and subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity, and cash flows 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 consolidated financial position of the 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China (ROC).

### Basis for Opinion

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

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 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 for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows :

### 1. Valuation of Inventory Impairment

#### Description

As of December 31, 2023, inventory accounted for 29% of the Group's total assets. The value of inventory is affected by the volatility of market demand and ever-changing technology, which could make inventory sluggish and obsolete and impair the value of inventory. The allocation of inventory cost elements and estimations of the net realizable value of inventory are subject to management's subjective judgment. Consequently, the valuation of inventories has been identified as a key audit matter.

#### How our audit addressed the matter

Our main audit procedures include testing of details, verifying the cost of raw materials, labor and manufacturing costs of inventory and comparing the most recent selling prices to the carrying amounts to ensure that the inventory is measured at the lower of cost and net realizable value; obtaining and validating the Group's details of declines in the inventory valuation and inventory aging report and analyzing the changes in inventory aging; assessing the reasonableness of policies relating to the provision of allowance for inventory valuation losses; obtaining data on the quantities of inventory recorded at the end of the year and the data of annual inventory physical count to verify the existence and completeness of the inventory; inspecting the condition of the inventory to assess the appropriateness of the loss allowance for recognized inventory obsolete and spoiled through observing the year-end inventory counts.

### 2. Revenue Recognition

#### Description

Revenue is used by investors and the Group's management as a key indicator for evaluating the Group's financial or operational performance. As the Group sells its goods to Taiwan, Mainland China, Malaysia, United States and other areas, overseas warehouses are set up in response to the needs of certain international customers. The Group recognizes revenue per the various sales terms in each individual contract with customers. Accordingly, significant judgement is required in determining the timing of control of a good transfer to the customer. Therefore, revenue recognition has been identified as a key audit matter.



#### How our audit addressed the matter

Our main audit procedures include assessing the appropriateness of accounting policies for revenue recognition, testing the effectiveness of the internal controls relevant to revenue recognition, including sampling and testing the validity of sales revenue; evaluating whether any irregularity exists in the transactions with the top ten sales customers and analyzing the reasonableness of the turnover days of accounts receivable; selecting sample transactions after a few days or before the inventory cutoff date and examining the related documents to ensure that revenue is recognized in the appropriate period, and reviewing if there were significant sales return in the subsequent period.

#### **Other Matter**

We have also audited the parent company only financial statements of SDI Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

Those charged with governance including members of the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

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

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

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

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

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



From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Shao, Chao Pin and Lin, Ming Shou.

A handwritten signature in black ink that reads "Crowe TW CPAs".

CROWE (TW) CPAs  
Taichung, Taiwan (Republic of China)

February 23, 2024

#### Notice to Readers

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

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

# SDI Corporation and Subsidiaries

## CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	6(1)	\$ 836,957	7	\$ 1,058,687	8
Financial assets at fair value through profit or loss - current	6(2)	18,999	-	57,751	-
Notes receivable, net	6(3)	121,144	1	123,141	1
Accounts receivable, net	6(4)	1,662,222	14	1,868,841	15
Accounts receivable - related parties	7	133,368	1	132,730	-
Other receivables	7	16,368	-	15,606	-
Inventories, net	6(5)	3,577,589	29	3,865,821	30
Prepayments	6(6)	88,171	1	67,339	1
Other financial assets - current	6(7)	78,185	1	69,667	1
Other current assets		510	-	193	-
Total current assets		6,533,513	54	7,259,776	56
<b>NONCURRENT ASSETS</b>					
Financial assets at fair value through other comprehensive income - noncurrent	6(8)	23,938	-	21,023	-
Property, plant and equipment	6(9)	5,178,142	43	5,190,999	40
Right-of-use assets	6(10)	186,207	2	201,146	2
Intangible assets	6(11)	52,276	-	56,856	-
Deferred income tax assets	6(29)	114,538	1	132,465	1
Other noncurrent assets	6(12) 、(18)	56,801	-	63,734	1
Total noncurrent assets		5,611,902	46	5,666,223	44
<b>TOTAL</b>		<b>\$ 12,145,415</b>	<b>100</b>	<b>\$ 12,925,999</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Short-term loans	6(13)	\$ 663,889	5	\$ 738,126	6
Contract liabilities	6(24)	101,454	1	96,448	1
Notes payable	6(14)	65,846	1	153,769	1
Accounts payable		836,272	7	852,721	6
Accounts payable - related parties	7	1,732	-	1,045	-
Other payables	6(15)	631,285	5	742,932	6
Other payables - related parties	7	359	-	2,027	-
Current income tax liabilities	6(29)	238,898	2	300,317	2
Lease liabilities - current	6(10)	8,490	-	10,078	-
Long-term liabilities - current portion	6(16)	524,662	4	463,363	4
Other current liabilities	6(17)	21,029	-	24,837	-
Total current liabilities		3,093,916	25	3,385,663	26
<b>NONCURRENT LIABILITIES</b>					
Long term loans	6(16)	1,380,758	10	1,997,776	16
Deferred income tax liabilities	6(29)	322,800	3	319,072	2
Lease liabilities - noncurrent	6(10)	74,769	1	82,860	1
Net defined benefit liability - noncurrent	6(18)	90,194	1	100,030	1
Other noncurrent liabilities	6(17)	66,055	1	54,535	-
Total noncurrent liabilities		1,934,576	16	2,554,273	20
Total liabilities		5,028,492	41	5,939,936	46
<b>EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT</b>					
Common stocks	6(19)	1,821,403	15	1,821,403	14
Capital surplus	6(20)	485,960	4	485,797	4
Retained earnings	6(21)				
Legal capital reserve		1,080,316	9	983,960	8
Special capital reserve		116,256	1	139,763	1
Unappropriated earnings		3,401,104	28	3,312,978	25
Others	6(22)	(137,810)	(1)	(116,256)	(1)
Equity attributable to shareholders of the parent		6,767,229	56	6,627,645	51
<b>NON-CONTROLLING INTERESTS</b>					
Total equity	6(23)	349,694	3	358,418	3
<b>TOTAL</b>		<b>\$ 12,145,415</b>	<b>100</b>	<b>\$ 12,925,999</b>	<b>100</b>

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

## SDI Corporation and Subsidiaries

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	NOTES	2023		2022	
		Amount	%	Amount	%
NET REVENUE	6(24) ∙ 7	\$ 10,856,531	100	\$ 11,724,279	100
COST OF REVENUE	6(25) ∙ 7	(9,002,214)	(83)	(9,645,688)	(82)
GROSS PROFIT		1,854,317	17	2,078,591	18
OPERATING EXPENSES	6(25) ∙ 7				
Marketing		(298,480)	(3)	(319,506)	(3)
General and administrative		(335,715)	(3)	(333,385)	(3)
Research and development		(242,101)	(2)	(254,486)	(2)
Expected credit (losses) gains		1,193	-	(1,716)	-
Total operating expenses		(875,103)	(8)	(909,093)	(8)
OPERATING PROFIT		979,214	9	1,169,498	10
NONOPERATING INCOME AND EXPENSES					
Interest income		13,493	-	2,601	-
Other income	6(26)	29,057	-	38,608	-
Other gains and losses	6(27)	42,808	-	133,057	2
Finance costs	6(17) ∙ 6(28)	(63,694)	-	(73,839)	(1)
Total nonoperating income and expenses		21,664	-	100,427	1
INCOME BEFORE INCOME TAX		1,000,878	9	1,269,925	11
INCOME TAX EXPENSE	6(29)	(220,058)	(2)	(270,276)	(2)
NET INCOME		780,820	7	999,649	9
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss :	6(30)				
Remeasurement of defined benefit obligation		912	-	30,000	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		2,915	-	813	-
Income tax benefit (expenses) related to items that will not be reclassified subsequently	6(29)	(752)	-	(5,910)	-
Items that may be reclassified subsequently to profit or loss :					
Exchange differences arising on translation of foreign operations		(29,874)	-	28,255	-
Income tax benefit (expenses) related to items that may be reclassified subsequently	6(29)	5,975	-	(5,651)	-
Other comprehensive income (loss) for the year, net of income tax		(20,824)	-	47,507	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 759,996	7	\$ 1,047,156	9
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 742,758	7	\$ 940,519	8
Non-controlling interests		38,062	-	59,130	1
		\$ 780,820	7	\$ 999,649	9
TOTAL COMPREHENSIVE INCOME :					
Shareholders of the parent		\$ 722,269	7	\$ 987,059	8
Non-controlling interests		37,727	-	60,097	1
		\$ 759,996	7	\$ 1,047,156	9
EARNINGS PER SHARE (IN DOLLARS)	6(31)				
Basic earnings per share		\$ 4.08		\$ 5.16	
Diluted earnings per share		\$ 4.07		\$ 5.16	

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

## SDI Corporation and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Shareholders of the Parent										
	Capital Stocks		Retained Earnings				Others				
	Common Stocks	Capital Surplus	Legal Capital Reserve	Special Capital Reserve	Unappropriated Earnings	Foreign Currency Translation Reserve	Unrealized Gain (loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total Attributable to Shareholders of the Parent	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	\$ 1,821,403	485,598	899,980	134,642	2,984,948	(155,689)	15,926	(139,763)	6,186,808	346,386	6,533,194
Appropriations of prior year's earnings											
Special capital reserve	-	-	-	5,121	(5,121)	-	-	-	-	-	-
Legal capital reserve	-	-	83,980	-	(83,980)	-	-	-	-	-	-
Cash dividends to shareholders - NT\$3 per share	-	-	-	-	(546,421)	-	-	-	(546,421)	-	(546,421)
Deemed donation from shareholders - dividends give up	-	199	-	-	-	-	-	-	199	-	199
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(48,065)	(48,065)
Net income in 2022	-	-	-	-	940,519	-	-	-	940,519	59,130	999,649
Other comprehensive income (loss) in 2022	-	-	-	-	23,033	22,604	903	23,507	46,540	967	47,507
BALANCE, DECEMBER 31, 2022	1,821,403	485,797	983,960	139,763	3,312,978	(133,085)	16,829	(116,256)	6,627,645	358,418	6,986,063
Appropriations of prior year's earnings											
Special capital reserve	-	-	-	(23,507)	23,507	-	-	-	-	-	-
Legal capital reserve	-	-	96,356	-	(96,356)	-	-	-	-	-	-
Cash dividends to shareholders - NT\$3.2 per share	-	-	-	-	(582,848)	-	-	-	(582,848)	-	(582,848)
Donation from shareholders	-	163	-	-	-	-	-	-	163	-	163
Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	(46,451)	(46,451)
Net income in 2023	-	-	-	-	742,758	-	-	-	742,758	38,062	780,820
Other comprehensive income (loss) in 2023	-	-	-	-	1,065	(23,899)	2,345	(21,554)	(20,489)	(335)	(20,824)
BALANCE, DECEMBER 31, 2023	\$ 1,821,403	\$ 485,960	\$ 1,080,316	\$ 116,256	\$ 3,401,104	\$ (156,984)	\$ 19,174	\$ (137,810)	\$ 6,767,229	\$ 349,694	\$ 7,116,923

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

# SDI Corporation and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income before income tax	\$ 1,000,878	\$ 1,269,925
Depreciation	656,948	644,118
Amortization	14,858	16,611
Expected credit losses (reversal)	(1,193)	1,716
Loss (gain) on financial assets and liability at fair value through profit or loss	363	(317)
Interest expense	63,694	73,839
Interest income	(13,493)	(2,601)
Dividend income	(1,269)	(1,316)
Gain on disposal of property, plant and equipment	(8,454)	(849)
Reversal of impairment loss on non-financial assets	(7,000)	-
Losses on lease modification	57	-
Net changes in operating assets and liabilities		
Decrease on financial assets at fair value through profit or loss	38,389	-
Notes receivable	722	20,665
Accounts receivable	200,457	406,710
Inventories	274,902	238,256
Prepayments	(21,109)	43,601
Other financial assets	(1,711)	270
Other current assets	609	4,195
Contract liabilities	5,002	(8,283)
Notes payable	(87,820)	(8,452)
Accounts payable	(13,174)	(469,005)
Other payables	(68,878)	27,419
Other current liabilities	(3,066)	1,703
Net defined benefit liability	(8,666)	(15,121)
Other operating liabilities	10,473	18,813
Cash provided from operations	2,031,519	2,261,897
Interest received	13,221	2,570
Dividends received	1,269	1,316
Interest paid	(65,443)	(72,993)
Income taxes paid	(254,410)	(196,291)
Net cash provided by operating activities	1,726,156	1,996,499
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Refund fund of financial assets at fair value through other comprehensive income	-	12
Acquisition of property, plant and equipment	(694,939)	(814,532)
Proceeds from disposal of Property, plant and equipment	22,963	2,352
Decrease in refundable deposits	1,581	417
Acquisition of intangible assets	(10,283)	(12,754)
Increase in other financial assets	(8,725)	(13,920)
Net cash used in investing activities	(689,403)	(838,425)

(Continued)

# SDI Corporation and Subsidiaries

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term loans	\$ (64,010)	\$ (143,813)
Proceeds from long-term debt	1,915,200	2,585,709
Repayment of long-term debt	(2,468,529)	(2,645,759)
Repayment of the principal portion of lease liabilities	(12,503)	(10,865)
Increase in other noncurrent liabilities	2,051	6,637
Cash dividends paid	(582,848)	(546,421)
Decrease in non-controlling interests	(46,451)	(48,065)
Net cash provided by financing activities	<u>(1,257,090)</u>	<u>(802,577)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(1,393)</u>	<u>876</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(221,730)	356,373
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,058,687</u>	<u>702,314</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 836,957</u>	<u>\$ 1,058,687</u>

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

(Concluded)



## Comparison Table of Amendments in Articles of Incorporation

After the Amendment	Current Provision	Explanation
<p>Article 20 (Omitted)</p> <p>Among the directors under the preceding section, independent directors shall not be less than <b>three</b> in number and not less than one-<b>third</b> of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority in charge of securities. (Omitted)</p>	<p>Article 20 (Omitted)</p> <p>Among the directors under the preceding section, independent directors shall not be less than two in number and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority in charge of securities. (Omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p>Article 26-1</p> <p>The Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act. <b><u>The Board of Directors of the Company may establish other functional committees.</u></b></p>	<p>Article 26-1</p> <p>The Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act.</p>	<p>Amend to strengthen the functions of the Board of Directors</p>
<p>Article 31</p> <p>At the end of each fiscal year, the Board of Directors shall make the following books and submit the same to the Audit Committee for audit. The Audit Committee shall issue a report and submit it with the books to the shareholders' meeting for recognition.</p> <p>I. Business report II. Financial statements III. Earnings distribution or loss make-up proposals</p>	<p>Article 31</p> <p>At the end of each fiscal year, the Board of Directors shall make the following books and submit the same to the Audit Committee for audit <b><u>30 days prior to the shareholders' meeting.</u></b> The Audit Committee shall issue a report and submit it with the books to the shareholders' meeting for recognition.</p> <p>I. Business report II. Financial statements III. Earnings distribution or loss make-up proposals</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p>Article 35</p> <p>These Articles were stipulated on August 7, 1967. The first amendment was on August 30, 1969..... <b><u>The thirty-seventh amendment is on May 30, 2024.</u></b></p>	<p>Article 35</p> <p>These Articles were stipulated on August 7, 1967. The first amendment was on August 30, 1969.....</p>	<p>Addition of amendment date</p>

## Comparison Table of Amendments to the Rules of Procedure for Shareholders' meeting

After the Amendment	Current Provision	Explanation
<p>Article 3</p> <p>Unless otherwise stated by regulations, the shareholders' meeting are convened by the Board of Directors.</p> <p><b><u>Unless otherwise provided in Regulations Governing the Administration of Shareholder Services of Public Companies, the Company convening a shareholders' meeting with video conferencing shall expressly provide for such meetings in its Articles of Incorporation and obtain a resolution of its board of directors. Furthermore, convening of a virtual-only shareholders' meeting shall require a resolution adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors.</u></b></p> <p><b><u>Changes to how the Company convenes its shareholders' meeting shall be resolved by the Board of Directors, and shall be made no later than mailing of the shareholders' meeting's notice.</u></b></p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. 15 days before the date of shareholders' meeting, the shareholders' meeting agenda handbook and supplementary</p>	<p>Article 3</p> <p>Unless otherwise stated by regulations, the shareholders' meeting are convened by the Board of Directors.</p> <p>The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. 15 days before the date of shareholders' meeting, the shareholders' meeting agenda handbook and supplementary information shall be prepared for shareholders' perusal at any time, displayed at the company and the company's professional shareholder services agency, <b><u>and distributed on-site during the shareholders' meeting.</u></b></p> <p>The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>

<p>information shall be prepared for shareholders' perusal at any time, displayed at the company and the company's professional shareholder services agency.</p> <p><b><u>The shareholders' meeting agenda handbook and supplementary information under the preceding paragraph shall be provided by the Company for review by the shareholders by the following means on the date the shareholders' meeting is convened:</u></b></p> <p><b><u>I. When convening physical shareholders' meeting, those shall be distributed on-site at the shareholder's meeting.</u></b></p> <p><b><u>II. When convening a hybrid shareholders' meeting, those shall be distributed on-site at the shareholder's meeting and the electronic files shall be uploaded to the video conferencing platform.</u></b></p> <p><b><u>III. When convening a virtual-only shareholders' meeting, the electronic files shall be uploaded to the video conferencing platform.</u></b></p> <p>The following (omitted)</p>		
<p>Article 4</p> <p>Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. (Omitted).</p> <p><b><u>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting by video conference, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</u></b></p>	<p>Article 4</p> <p>Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy.</p> <p>The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p>Article 5</p> <p>The place for convening a shareholders' meeting shall be held inside the Company's location, or any other place convenient for the shareholders and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9 a.m. or</p>	<p>Article 5</p> <p>The place for convening a shareholders' meeting shall be held inside the Company's location, or any other place convenient for the shareholders and suitable for holding of the said meeting. The time for commencing the said meeting shall not be</p>	<p>Amend in compliance with the competent authority's regulations</p>

<p>later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p> <p><b><u>The restrictions on the place of the meeting of the preceding paragraph shall not apply when the Company convenes a virtual-only shareholders' meeting.</u></b></p>	<p>earlier than 9 a.m. or later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.</p>	
<p>Article 6</p> <p>The Company shall state the check-in time, location for shareholders, <b><u>solicitors and proxies (collectively "shareholders")</u></b> and other notes in the shareholders' meeting's notice.</p> <p>Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk. <b><u>For virtual shareholder's meetings, shareholders shall register on the video conferencing platform thirty minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.</u></b></p> <p>Shareholders attending the meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The Company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy solicitor shall provide ID documents for verification.</p> <p>(Omitted)</p> <p><b><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting by video conference shall register with the Company two days before the meeting date.</u></b></p> <p><b><u>In the event of a virtual shareholders' meeting, the Company shall upload the meeting agenda handbook, annual report and other relevant materials to the video conferencing platform at least 30 minutes before the meeting starts, and keep the information disclosed until the end of the meeting.</u></b></p>	<p>Article 6</p> <p>The Company shall state the check-in time, location and other notes in the shareholders' meeting's notice.</p> <p>Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk. Shareholders <b><u>or the power of attorney of a proxy (the shareholder)</u></b> attending the meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The Company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy solicitor shall provide ID documents for verification.</p> <p>The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p><b><u>Article 6-1</u></b></p> <p><b><u>To convene a virtual shareholders' meeting,</u></b></p>	<p>Newly-added article</p>	<p>Add in compliance with the</p>

the Company shall include the follow particulars in the shareholders' meeting's notice:

I. How shareholders attend the virtual meeting and exercise their rights.

II. Actions to be taken if the video conferencing platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:

(I) To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.

(II) Shareholders not having registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.

(III) In case of a hybrid shareholders' meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video conference, meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue. The shares represented by shareholders attending by video conference shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the shareholders' meeting by video conference shall be deemed abstaining from voting on all proposals of that shareholders' meeting.

(IV) Actions to be taken if the results of all proposals have been announced

competent authority's regulations

<p><b><u>and special motions have not been carried out.</u></b></p> <p><b><u>III. To convene a virtual shareholders' meeting, and appropriate alternative measures available to shareholders with difficulties in attending a shareholders' meeting by video conference shall be specified. Except for the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.</u></b></p>		
<p>Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. (Omitted) <b><u>When convening a shareholders' meeting by video conference, the Company shall keep and preserve records of information on matters including shareholder registration, registration for participation in virtual meeting, check-in, raising of questions, voting, and the results of the votes counted by the Company, and make an uninterrupted audio and video recording of the proceedings of the video conference. The information and audio and video recording under the preceding paragraph shall be properly kept by the Company during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the entity engaged to handle virtual meeting matters. In the event of a virtual shareholders' meeting, the Company is advised to make an audio and video recording of the back-end operation interface of the video conferencing platform.</u></b></p>	<p>Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures. The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p>Article 9 Attendance at shareholders' meeting shall be</p>	<p>Article 9 Attendance at shareholders' meeting shall</p>	<p>Amend in compliance</p>

<p>calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, <b><u>and the shares checked in on the virtual meeting platform, plus</u></b> the number of shares of voting rights which are exercised in writing or electronically.</p> <p>When it is the meeting time, and information related to number of non-voting power and number of attending shares is published, the chairperson shall announce that the meeting starts immediately. However, when less than half of all issued shares are represented in the meeting by then, the chairperson may announce the meeting postponed; the postponement may be called for two times at most. The total number of postponed times shall not exceed 1 hour. If the quorum is still not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned. <b><u>In the event of a virtual shareholders' meeting, the Company shall also declare the meeting adjourned at the video conferencing platform.</u></b></p> <p>If the aforementioned two postponements still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each shareholder will be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month. <b><u>In the event of a virtual shareholders' meeting, shareholders wishing to attend the meeting by video conference shall re-register with the Company in accordance with Article 6.</u></b></p> <p>The following (omitted)</p>	<p>be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in and the number of shares of voting rights which are exercised in writing or electronically.</p> <p>When it is the meeting time, and information related to number of non-voting power and number of attending shares is published, the chairperson shall announce that the meeting starts immediately. However, when less than half of all issued shares are represented in the meeting by then, the chairperson may announce the meeting postponed; the postponement may be called for two times at most. The total number of postponed times shall not exceed 1 hour. If the quorum is still not met after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairperson shall declare the meeting adjourned.</p> <p>If the aforementioned two postponements still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each shareholder will be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.</p> <p>The following (omitted)</p>	<p>with the competent authority's regulations</p>
<p>Article 11 Above (omitted) After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond. <b><u>In the event of a virtual shareholders' meeting, shareholders attending the meeting</u></b></p>	<p>Article 11 Above (omitted) After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.</p>	<p>Amend in compliance with the competent authority's regulations</p>

<p><b><u>by video conference may raise questions in writing at the video conferencing platform from the chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1 to 5 do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the video conferencing platform.</u></b></p>		
<p>Article 13 Above (omitted) In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person <b><u>or by video conference</u></b>, he or she shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his or her voting power, serve a separate declaration of intention to rescind his or her previous declaration of intention made in exercising the voting power under the preceding section. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his or her voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his or her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail. (Omitted) <b><u>When the Company convenes a virtual shareholders' meeting, after the chairperson declares the meeting open, shareholders attending the meeting by video conference shall cast votes on proposals and elections on the video conferencing platform before the chairperson announces the voting session ends, or will be deemed abstained from</u></b></p>	<p>Article 13 Above (omitted) In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he or she shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his or her voting power, serve a separate declaration of intention to rescind his or her previous declaration of intention made in exercising the voting power under the preceding section. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his or her voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his or her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail. The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>



<p><u>voting.</u>  <u>In the event of a virtual shareholders' meeting, votes shall be counted at once after the chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.</u>  <u>When the Company convenes a hybrid shareholders' meeting, if shareholders who have registered to attend the meeting by video conference in accordance with Article 6 decide to attend the physical shareholders' meeting in person, they shall revoke their registration two days before the shareholders' meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders' meeting by video conference.</u>  <u>When shareholders exercise voting rights in writing or electronically, unless they have withdrawn the declaration of intent and attended the shareholders' meeting by video conference, except for special motions, they will not exercise voting rights on the original proposals or make any amendments to the original proposals or exercise voting rights on amendments to the original proposal.</u></p>		
<p>Article 15  Above (omitted)  The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. When a director is election, the number of votes cast to each candidate shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.  <u>In the event of a virtual shareholders' meeting, in addition to the particulars to be included in the meeting minutes as described in the preceding paragraph, the start time and end time of the shareholders' meeting, how the meeting is convened, the chairperson's and secretary's name, and actions to be taken if the video conferencing platform or participation in the virtual</u></p>	<p>Article 15  Above (omitted)  The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. When a director is election, the number of votes cast to each candidate shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.</p>	<p>Amend in compliance with the competent authority's regulations</p>

<p><u>meeting is obstructed due to natural disasters, accidents or other force majeure events, and how issues are dealt with shall also be included in the meeting minutes.</u></p> <p><u>To convene a virtual shareholders' meeting, other than compliance with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes alternative measures available to shareholders with difficulties in attending a shareholders' meeting by video conference.</u></p>		
<p>Article 16</p> <p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies <b><u>and the number of shares represented by shareholders attending the meeting in writing or electronically</u></b>, and shall make an express disclosure of the same at the place of the shareholders' meeting. <b><u>In the event of a virtual shareholders' meeting, the Company shall upload the above materials to the video conferencing platform at least 30 minutes before the meeting starts, and keep the information disclosed until the end of the meeting.</u></b></p> <p><b><u>During the Company's virtual shareholders' meeting, when the meeting is called to order, the total number of shares represented at the meeting shall be disclosed on the video conferencing platform. The same shall apply whenever the total number of shares represented at the meeting and a new tally of votes is released during the meeting.</u></b></p> <p>The following (omitted)</p>	<p>Article 16</p> <p>On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation <b><u>and</u></b> the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.</p> <p>The following (omitted)</p>	<p>Amend in compliance with the competent authority's regulations</p>
<p><b><u>Article 19</u></b></p> <p><b><u>In the event of a virtual shareholders' meeting, the Company shall disclose real-time results of votes on proposals and elections immediately after the end of the voting session on the video conferencing platform according to the regulations, and the disclosure shall continue at least 15 minutes after the chairperson has announced the meeting adjourned.</u></b></p>	<p>Newly-added article</p>	<p>Add in compliance with the competent authority's regulations</p>
<p><b><u>Article 20</u></b></p>	<p>Newly-added article</p>	<p>Add in compliance</p>

<p><b><u>When the Company convenes a virtual-only shareholders' meeting, both the chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.</u></b></p>		<p>with the competent authority's regulations</p>
<p><b><u>Article 21</u></b>  <b><u>In the event of a virtual shareholders' meeting, the Company may offer a simple connection test to shareholders prior to the meeting, and provide relevant real-time services before and during the meeting to help resolve communication technical issues.</u></b>  <b><u>In the event of a virtual shareholders' meeting, when declaring the meeting open, the chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20, Paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the video conferencing platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chairperson has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case Article 182 of the Company Act shall not apply.</u></b>  <b><u>For a meeting to be postponed or resumed as described in the preceding paragraph, shareholders who have not registered to attend the affected virtual shareholders' meeting shall not attend the postponed or resumed session.</u></b>  <b><u>For a meeting to be postponed or resumed under the Paragraph 2, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to attend the affected virtual shareholders' meeting and have successfully signed in the meeting but do not attend the postponed or resumed session, at the affected shareholders' meeting, shall be counted towards the total number of shares,</u></b></p>	<p>Newly-added article</p>	<p>Add in compliance with the competent authority's regulations</p>

number of voting rights and number of election rights represented at the postponed or resumed session.

During a postponed or resumed session of a shareholders' meeting held under Paragraph 2, no further discussion or resolution is required for proposals for which votes have been cast and counted and results have been announced, or list of elected directors and supervisors.

When the Company convenes a hybrid shareholders' meeting, and the virtual meeting cannot be continued as described in Paragraph 2, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting by video conference, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under the Paragraph 2 is required.

Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending by video conference shall be counted towards the total number of shares represented by shareholders present at the meeting, provided the shareholders attending the shareholders' meeting by video conference shall be deemed abstaining from voting on all proposals of that shareholders' meeting.

When postponing or resuming a meeting according to Paragraph 2, the Company shall handle the preparatory work based on the date of the original shareholders' meeting in accordance with the requirements listed under Article 44-20, Paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies.

For dates or period set forth under Article 12, second half, and Article 13, Paragraph 3 of the Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article

<p><b><u>44-5, Paragraph 2, Article 44-15, and Article 44-17, Paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall handle the matter based on the date of the shareholders' meeting that is postponed or resumed under the Paragraph 2.</u></b></p>		
<p><b><u>Article 22</u></b>  <b><u>When convening a virtual shareholders' meeting, the Company shall provide appropriate alternative measures available to shareholders with difficulties in attending a shareholders' meeting by video conference. Except for the circumstances set out in Article 44-9, Paragraph 6 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall at least provide the shareholders with connection facilities and necessary assistance, and specify the period during which shareholders may apply to the Company and other related matters requiring attention.</u></b></p>	<p>Newly-added article</p>	<p>Add in compliance with the competent authority's regulations</p>
<p>Article <b><u>23</u></b>  The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meeting.</p>	<p>Article 19  The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meeting.</p>	<p>Adjust the sequence number of the articles in accordance with the addition of Articles 19 to 22</p>

## Chapter 10. Appendixes

### SDI Corporation Articles of Incorporation (Before Amendment)

- Chapter 1. General Provisions
- Article 1 The Company is incorporated in accordance with the provisions relating to companies limited by shares of the Company Act. The Company is named SDI Corporation. (English Name: SDI CORPORATION)
- Article 2 The Company's business is as follows:
- I. CA02010 Metal Architectural Components Manufacturing
  - II. CA02030 Screw, Nut and Rivet Manufacturing
  - III. CA02040 Metal Spring Manufacturing
  - IV. CA02090 Metal Line Products Manufacturing
  - V. CA02990 Other Fabricated Metal Products Manufacturing Not Elsewhere Classified
  - VI. CA03010 Metal Heat Treating
  - VII. CC01080 Electronic Parts and Components Manufacturing.
  - VIII. CC01110 Computers and Computing Peripheral Equipment Manufacturing
  - IX. CH01030 Stationery Articles Manufacturing
  - X. CQ01010 Die Manufacturing
  - XI. F401010 International Trade
  - XII. I301030 Digital Information Supply Services
  - XIII. J399010 Software Publication
  - XIV. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Company's investment in other entities shall be passed by the Board of Directors, but the total amount of investment shall not be limited by the amount limit under Article 13 of the Company Act.
- Article 4 The Company may act as a guarantor for its business needs.
- Article 5 The Company is incorporated in Changhua County. Where necessary, the Board of Directors may resolve to set up branches or factories both at home or abroad. The same applies to setting up or moving factories.
- Article 6 Deleted
- Chapter 2. Shares
- Article 7 The total capital of the Company is set at NT\$2.7 billion, divided into 270 million shares. Each share is worth NT\$10. The Board of Directors is authorized to issue them in installments.
- Article 8 The Company's share certificate is registered, which is issued after being signed or sealed by a director representing the Company and attested in accordance with laws. The Corporation may be exempted from printing any stock certificate for the shares issued. However, the Corporation shall appoint a centralized securities custody enterprise/institution to make registration of such shares.
- Article 9 Deleted
- Article 10 Deleted
- Article 11 The shares shall not be transferred within sixty days prior to the convening date of a regular Shareholders' Meeting, or within thirty days prior to the convening date of a special Shareholders' Meeting, or within five days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits. The transfer registration of shares is stopped thereof.
- Article 12 Deleted
- Chapter 3. Shareholders' Meeting
- Article 13 Shareholders' meeting shall be of regular meeting and special meeting. The regular meeting of shareholders referred to in the preceding Paragraph shall be convened within six months after close of each fiscal year, unless otherwise approved by the competent authority for

- good cause shown. Special meetings shall be convened according to the law when necessary. A shareholders meeting shall, unless otherwise provided for in the Company Act, be convened by the Board of Directors.
- Article 14 A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than thirty days prior to the scheduled meeting date. A notice to convene a special meeting of shareholders shall be given to each shareholder no later than fifteen days prior to the scheduled meeting date. The date, venue, cause(s) or subject(s) of a meeting of shareholders to be convened shall be indicated in the individual notice to be given to shareholders and the announcement.
- Article 14-1 The Company's shareholders' meeting may be held by means of video conference or other methods promulgated by the central competent authority. The requirements, procedures, and other rules to be complied with when holding a shareholders' meeting via video conference shall be subject to the provisions set forth by the competent authority in charge.
- Article 15 In the event a shareholder cannot attend shareholders' meeting, he or she may, in accordance with Article 177 of the Company Act, execute a proxy form printed and issued by the Company stating therein the scope of authorization and appoint a proxy to attend on his or her behalf. Save and except for Article 177 of the Company Act, methods for shareholders to appoint proxy for attendance shall be handled in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies stipulated by the competent authority.
- Article 16 The Chair of the Board shall serve as the chairperson when a shareholders' meeting is convened by the Board of Directors. If the Chair of the Board is absent or cannot perform his duty for any reason, the delegation process shall be carried out in accordance with Article 208 of the Company Act.  
For a shareholders meeting convened by any other person having the convening right, he or she shall act as the chairperson of that meeting. However, if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among them.
- Article 17 Unless otherwise stipulated for in the Company Act, resolutions at a shareholders' meeting shall be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares.
- Article 18 The shareholders of the Company shall have one voting right for each share, unless otherwise regulated under Article 179 of the Company Act or other laws and regulations.
- Article 19 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall include: the date and place of the meeting, number of shareholders attended, number of shares represented, number of voting shares, the name of the chairperson, adopting items and the method of adopting resolutions. The minutes of the shareholders' meeting shall be affixed with the signature or seal of the chairperson of the meeting, and then be kept in the Company with shareholders' sign-in book and proxy forms in accordance with Article 183 of the Company Act. The minutes of the meeting shall be distributed to each shareholder within twenty days after the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission, and may be effected by entering the same to the Market Observation Post System for announcement.
- Chapter 4. Directors and Audit Committee
- Article 20 The Company has seven to eleven directors with adoption of a candidate nomination system. The directors shall be elected by the shareholders' meeting from the list of the candidates. The term of office of a director is 3 years, but he or she may be eligible for re-elections. In case no election of new directors is affected after expiration of the term of office of existing directors, it will be handled in accordance with Article 195 of the Company Act.  
Among the directors under the preceding section, independent directors shall not be less

	<p>than two in number and not less than one-fifth of the total number of directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, method of nomination, and other matters for compliance with respect to independent directors shall be prescribed by the competent authority in charge of securities.</p> <p>After being elected, liability insurance shall be purchased for Directors according to its scope of business during their tenure upon a resolution at the Board meeting.</p> <p>The percentage of shareholdings of all directors shall be in accordance with regulations prescribed by the competent authority in charge of securities.</p>
Article 21	<p>The directors shall elect from among themselves a Chair of the Board by a majority in a meeting attended by over two-thirds of the directors. The directors may elect a Vice Chair of the Board. The Chair of the Board shall have the authority to represent the Company. The Company's Board of Directors' meeting shall be convened by the Chair of the Board, who shall act as chairperson of the meeting, provided the first Board of Directors' meeting of each term after an election of directors shall be convened in accordance with Article 203 of the Company Act. Reasons for convening a Board of Directors' meeting shall be notified to the directors no later than 7 days before the meeting. In the event of an emergency, a meeting may be convened at any time. The notice of convening the Board of Directors' meeting shall be delivered in written, fax, or electronic form.</p>
Article 22	<p>When the vacancies on the Board of Directors exceed one-third of the total number of the directors, the Board of Directors shall convene a special shareholders' meeting within sixty days for by-election. The newly elected directors shall serve the remaining terms.</p>
Article 23	<p>Directors form the Board of Directors, which has the following functions and powers:</p> <ol style="list-style-type: none"> <li>I. Formulation of various articles of association.</li> <li>II. Decision of business policies.</li> <li>III. Review of budgets.</li> <li>IV. Decision of important personnel placement.</li> <li>V. Formulation of earnings distribution or loss make-up.</li> <li>VI. Planning and approval of important property and real property acquisition and disposal.</li> <li>VII. Proposals of capital increase or decrease.</li> <li>VIII. Planning and approval of investments in other businesses.</li> <li>IX. Other functions and powers conferred by the shareholders' meeting.</li> </ol>
Article 24	<p>Unless otherwise provided by the Company Act, a resolution of the Board of Directors shall be adopted by the consent of a half of the directors in attendance at the meeting where a half of the total number of Directors presents. If a director is unable to personally attend the Board of Directors' meeting for cause, he or she may authorize another director to attend on his or her behalf in accordance with the laws. No director may act as a proxy for more than one other director.</p> <p>The Board of Directors' meeting is convened by video conference. Attendance via video conference is deemed to be attendance in person.</p>
Article 25	Deleted
Article 26	Deleted
Article 26-1	The Company establishes an Audit Committee in accordance with Article 14-4 of the Securities and Exchange Act.
Article 27	Deleted
Article 28	<p>The Board of Directors is authorized to determine the remunerations of directors according to their participation in and contribution to the Company's operation and with reference to the common remuneration level of counterparts in the industry.</p> <p>The Board of Directors is authorized to determine and distribute the remunerations for independent directors according to the Company's business.</p>
Chapter 5.	Managers



- Article 29 The Company may have managerial officers. Appointment, dismissal and compensation of the managerial officers shall be decided in accordance with Article 29 of the Company Act.
- Chapter 6. Accounting
- Article 30 The Company's fiscal year starts from January 1 to December 31 each year. At the end of each fiscal year, the Company shall prepare final accounts.
- Article 31 At the end of each fiscal year, the Board of Directors shall make the following books and submit the same to the Audit Committee for audit 30 days prior to the shareholders' meeting. The Audit Committee shall issue a report and submit it with the books to the shareholders' meeting for recognition.
- I. Business report
  - II. Financial statements
  - III. Earnings distribution or loss make-up proposals
- Article 32 In the event the Company's final accounts of the year have earnings, the Company shall set aside 1.5% as employee's remuneration and no more than 1.5% as directors' remuneration. After the Board of Directors resolves for distribution, taxes shall be filed in accordance with laws. Then, 10% will be set aside as legal reserve. However, when the legal reserve amounts to the Company's paid-up capital, this may not apply. After setting aside or reversing the capital reserve, together with the accumulated undistributed earnings, the Board of Directors shall propose earnings distribution in accordance with the Company's dividends policy under Article 32-1 and submit the same to the shareholders' meeting for resolution.
- In the event the Company accumulated loss from the previous years and the Company has distributable earnings in the current year, the loss shall be covered before setting aside employees' compensation and directors' remuneration. Reservation per ratio set forth in the preceding paragraph shall be applied to the remaining balance. Where employees' compensation is paid in shares or cash, it shall be distributed to employees of subsidiaries meeting certain requirements.
- For earnings distribution, in the event the number of outstanding shares is affected by repurchase of the Company's shares or transfer, conversion, cancellation of treasury shares, and the allotment ratio of shareholders is thus changed, the Board of Directors is authorized to handle the change of registration.
- Article 32-1 The Company's dividends policy is stipulated by the Board of Directors based on business plans, investment plans, capital budgeting and changes in internal and external circumstances. The Company is now in a stage of stable business growth. The earnings distribution shall primarily be made in cash dividends, but stock dividends is allowed. However, in principle, the ratio of stock dividends shall not be higher than fifty percent of the total amount of dividends.
- Chapter 7. Supplementary Provisions
- Article 33 The Company's organizational rules and regulations shall be stipulated separately by the Board of Directors.
- Article 34 Matters not stipulated in these Articles shall be handled in accordance with the Company Act and other laws and regulations.
- Article 35 These Articles were stipulated on August 7, 1967. The first amendment was on August 30, 1969. The second amendment was on November 11, 1973. The third amendment was on February 9, 1976. The fourth amendment was on December 1, 1978. The fifth amendment was on June 19, 1982. The sixth amendment was on January 12, 1983. The seventh amendment was on March 25, 1983. The eighth amendment was on February 15, 1986. The ninth amendment was on December 15, 1989. The tenth amendment was on November 1, 1991. The eleventh amendment was on August 26, 1992. The twelfth amendment was on September 23, 1992. The thirteenth amendment was on April 27, 1993. The fourteenth amendment was on July 20, 1993. The fifteenth amendment was on February 19, 1994. The sixteenth amendment was on June 10, 1994. The seventeenth amendment was on May

16,1995. The eighteenth amendment was on March 21, 1996. The nineteenth amendment was on May 16, 1997. The twentieth amendment was on April 23, 1998. The twenty-first amendment was on May 12, 1999. The twenty-second amendment was on May 24, 2000. The twenty-third amendment was on June 12, 2001. The twenty-fourth amendment was on June 21, 2002. The twenty-fifth amendment was on June 25, 2003. The twenty-sixth amendment was on March 23, 2005. The twenty-seventh amendment was on June 23, 2005. The twenty-eighth amendment was on June 23, 2006. The twenty-ninth amendment was on June 25, 2009. The thirtieth amendment was on June 25, 2010. The thirty-first amendment was on June 28, 2012. The thirty-second amendment was on June 24, 2014. The thirty-third amendment was on June 22, 2016. The thirty-fourth amendment is made on June 23, 2020. The thirty-fifth amendment was made on August 26, 2021. The thirty-sixth amendment was on May 27, 2022.

SDI Corporation

Responsible Person: S.J. Chen

## SDI Corporation's Rules of Procedure for Shareholders' meeting(Before Amendment)

- Article 1 To establish a strong governance system of the Shareholders' Meeting, a sound supervisory capabilities, and to strengthen its management mechanism for the Company, the Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
- Article 2 The procedures rules for the Company's shareholders' meeting shall be in accordance with these Rules unless otherwise stated by law, regulation, or the Articles of Incorporation.
- Article 3 Unless otherwise stated by regulations, the shareholders' meeting are convened by the Board of Directors.

This Corporation shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors or supervisors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. Twenty-one days before the Company is to convene an ordinary shareholders' meeting, or 15 days before it convenes an extraordinary shareholders' meeting, it shall prepare an electronic file of the shareholders' meeting agenda handbook and the supplemental materials referred to in the preceding paragraph, and upload it to the Market Observation Post System. 15 days before the date of shareholders' meeting, the shareholders' meeting agenda handbook and supplementary information shall be prepared for shareholders' perusal at any time, displayed at the company and the company's professional shareholder services agency, and distributed on-site during the shareholders' meeting.

The notice and public announcement shall indicate the reasons for convening the meeting. The notice, if agreed by counterparties, may be delivered by electronic means.

Election or discharge of directors, alteration of the Articles of Incorporation, reduction of capital, application for stopping public offering, director's competition permission, capitalization of earnings and reserves, dissolution, merger, spin-off, or any matters as set forth in Paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be itemized in the causes or subjects to be described, and shall not be brought up as extempore motions.

Where the reasons for convening the shareholders' meeting already specifies the election of all Directors and the date elected Directors take office, once the election is completed in the shareholders' meeting, the date the elected Directors take office may not be changed by extempore motions or other methods in the same meeting.

Shareholders holding 1% or more of the total number of outstanding shares of the Company may submit a written proposal to the Company for discussion at an annual general meeting. Such proposals, however, are limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. When any of the circumstances provided in Paragraph 4, Article 172-1 of the Company Act applies to a proposal put forward by a shareholder, the Board of Directors may exclude it from the agenda. Shareholders may submit proposals to urge the Company to promote public interests or fulfill its social responsibilities. Only one matter shall be allowed in each proposal pursuant to Article 172-1 of the Company Act. Where a proposal contains more than one matter, such proposal would not be included in the agenda.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing acceptance of proposal in writing or by way of electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than 10 days.

The number of words of a proposal to be submitted by a shareholder shall be limited to not more than 300 words, and any proposal containing more than three hundred words shall not be included in the agenda of the shareholders' meeting. The shareholder who has submitted a proposal shall attend, in person or by a proxy, the regular shareholders' meeting whereat his proposal is to be discussed and shall take part in the discussion of such proposal.

The Company shall, prior to preparing and delivering the shareholders' meeting notice, inform, by a notice, all the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders' meeting notice the proposals conforming to the requirements set out in this Article. With regard to the proposals submitted by shareholders but not included in the agenda of the meeting, the cause of exclusion of such proposals and explanation shall be made by the Board of Directors at the shareholders' meeting to be convened.

Article 4 Shareholders may appoint a proxy to attend the shareholders' meeting through a letter of appointment printed by the Company, stating the scope of authorization to the proxy. A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the meeting date of the shareholders' meeting. In case two or more written proxies are received from one shareholder, the first one received by the company shall prevail. However, the foregoing does not apply to where an explicit statement to revoke the previous written proxy is made in the proxy which comes later. After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person or to exercise his/her/its voting power in writing or by way of electronic transmission, a proxy rescission notice shall be filed with the Company two days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Article 5 The place for convening a shareholders' meeting shall be held inside the Company's location, or any other place convenient for the shareholders and suitable for holding of the said meeting. The time for commencing the said meeting shall not be earlier than 9 a.m. or later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6 The Company shall state the check-in time, location and other notes in the shareholders' meeting's notice. Registration for shareholders referred to in the preceding paragraph shall begin at least thirty minutes before the meeting. There shall be clear signs and sufficient and adequate staff at the registration desk. Shareholders or the power of attorney of a proxy (the shareholder) attending the Meeting shall have attendance card, sign-in card or other certificate of attendance issued by the Company. The company shall not arbitrarily add other supporting documents for the attendance of the meeting. The proxy Solicitor shall provide ID documents for verification. The Company shall provide an attendance register for shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register. The Company shall deliver the meeting agendas, annual reports, attendance cards, speaker's slip, votes and other meeting materials to the shareholders attending the shareholders' meeting. If there are Directors to be elected, the ballots shall also be provided. When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders' meeting. When a juristic person has been delegated to attend the shareholders' meeting, only one person should be delegated as proxy.

Article 7 For a shareholders' meeting convened by the board of directors, the chairperson of the meeting shall be the Chair of the Board. In case the Chair of the Board is on leave or absent or can not exercise his or her power and authority for any cause, the Vice Chair shall act on his or her behalf. In case there is no Vice Chair, or the Vice Chair is also on leave or absent or unable to exercise his or her power and authority for any cause, the Chair of the Board shall designate one of the managing directors, or where there is no managing directors, one of the directors to act on his or her behalf. In the absence of such a designation, the managing directors or the directors shall elect

from among themselves an acting Chair of the Board.

When a Managing Director or a director serves as the chairperson as referred to in the preceding paragraph, the Managing Director or the director shall be one who understands the financial and business conditions of the Company. The same shall be true for a representative of a juristic person director that serves as chair.

A shareholders' meeting convened by the Board of Directors shall be chaired by the Chairman of the Board in person. It is advisable that the shareholders' meeting to be attended by a majority of the Directors, and at least one member from each of the functional committees. The attendance record of the meeting shall be recorded in the shareholders' meeting minutes.

For a shareholders meeting convened by any other person having the convening right, he or she shall act as the chairperson of that meeting. However, if there are two or more persons having the convening right, the chairperson of the meeting shall be elected from among them.

The Company may appoint its attorneys, certified public accountants, or related persons to attend a shareholders' meeting in a non-voting capacity.

Article 8 The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the shareholders' meeting, and the voting and vote counting procedures.

The aforementioned recordings shall be kept for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 9 Attendance at shareholders' meeting shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed and the number of shares of voting rights are exercised in writing or electronically.

When it is the meeting time, and information related to number of non-voting power and number of attending shares is published, the chairperson shall announce that the meeting starts immediately. However, when less than half of all issued shares are represented in the meeting by then, the chairperson may announce the meeting postponed; the postponement may be called for two times at most. The total number of postponed times shall not exceed 1 hour. If the quorum is still not met after two postponements are still not met, the chairperson shall declare the meeting adjourned.

If the aforementioned two postponements still fail to meet the quorum, but the number of shares that represent more than one-third of the total number of issued shares are present, tentative resolutions may be resolved pursuant to Article 175-1 of the Company Act, and each shareholder will be notified of the tentative resolutions, and another shareholders' meeting will be convened within one month.

If, prior to conclusion of the meeting, the attending shareholders represent more than half of the total number of issued shares, the chairperson may resubmit the tentative resolutions for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 10 If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the Board of Directors. The relevant proposals (including extempore motions and amendments to the original proposals) shall be voted one by one. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the Board of Directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda set out in the preceding two paragraphs (including extempore motions), except upon a resolution adopted by the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, other members of the Board of Directors shall promptly assist the shareholders present in electing a new chairperson in accordance with the statutory procedures. The meeting shall continue after a chairperson is elected with the approval of more than half the voting rights represented by the shareholders present.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.

Article 11 A shareholder wishing to speak in a shareholders meeting shall first fill out a speaker's slip, specifying therein the essentials of his speech, his or her shareholder account number (or attendance card number) and the account name, and the chairperson shall determine his or her order of giving a speech.

A shareholder who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed five minutes. If the shareholder's speech violates the rules or exceeds the scope of the issue under discussion, the chairperson may terminate the speech.

When a shareholder attends the shareholders' meeting, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor. The chairperson shall stop any violation.

When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives may speak on the same proposal.

After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12 Voting at a shareholders' meeting shall be calculated based the number of shares.

For the resolutions of the shareholders' meeting, the number of shares of the non-voting shareholders is not included in the total number of issued shares.

A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the Company, shall not vote nor exercise the voting right on behalf of another shareholder.

The number of shares with voting rights that cannot be exercised in the preceding Paragraph shall not be counted as part of the voting rights represented by attending shareholders.

Except for trust enterprises or stock agencies approved by the competent authority, when a person who acts as the proxy for two or more shareholders, the number of voting power represented by him/her shall not exceed three percent of the total number of voting shares of the company, otherwise, the portion of excessive voting power shall not be counted.

Article 13 A shareholder shall be entitled to one vote for each share held, except when the shares are restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act. When the Company convenes a shareholders' meeting, shareholders may exercise their voting power in writing or by way of electronic transmission; the method of exercising their voting power shall be describes in the shareholders' meeting notice. A shareholder who exercises his/her/its voting power at a shareholders meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person. However, he or she shall be deemed to have waived his or her voting power in respective of any extempore motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Therefore, it is advisable that the Company avoids proposing any extempore motion(s) and amendment(s) to the contents of the original proposal(s).

In case a shareholder elects to exercise his/her/its voting power in writing or by way of electronic transmission, his or her declaration of intention shall be served to the company two days prior to the scheduled meeting date of the shareholders' meeting, whereas if two or more declarations of the same intention are served to the company, the first declaration of such intention received shall prevail. However, the foregoing does not apply where an explicit statement to revoke the previous declaration is made in the declaration which comes later.

In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he or she shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his or her voting power, serve a separate declaration of intention to rescind his or her previous declaration of intention made in exercising the voting power under the preceding section. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail. In case a shareholder has exercised his or her voting power in writing or by way of electronic transmission, and has also authorized a proxy to attend the shareholders' meeting in his or her behalf, then the voting power exercised by the authorized proxy for the said shareholder shall prevail.

Resolutions at a shareholders' meeting shall, unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, be adopted by a majority vote of the shareholders present, who represent more than one-half of the total number of voting shares. At the time of voting, the shareholders shall vote on the proposals one by one after the chairperson or its designee announces the total number of voting power of the present shareholders, and the shareholders' consent, objection and waiver shall be entered into the Market Observation Post System on the same day after the shareholders' meeting is convened.

When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.

Scrutineers and vote counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all scrutineers shall be shareholders of the Company.

The recording procedure of issues of shareholder meetings shall be processing publicly in shareholder meetings and the results including statistical weights shall be reported on the spot and shall be recorded into the minutes of the meeting.

Article 14 The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules of the Company, and the election results shall be announced on-site immediately, including the names of those elected as directors and the numbers of voting rights with which they were elected.

The ballots for the election under the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 15 Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the company within twenty days after the close of the meeting. The preparation and distribution of the minutes of shareholders' meeting may be effected by means of electronic transmission.

The Company may distribute the meeting minutes as described in the preceding paragraph by entering the same to the Market Observation Post System for public announcement.

The minutes of shareholders' meeting shall record the date and place of the meeting, the name of the chairperson, the method of adopting resolutions, and a summary of the essential points of the proceedings and the results of the meeting. When a director is election, the number of votes casted to each candidate shall be disclosed. The meeting minutes shall be retained for as long as the Company is in existence.

Article 16 On the day of a shareholders' meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders' meeting.

If matters put to a resolution at a shareholders' meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the

Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17 Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.

The chairperson may direct the inspectors or security personnel to help maintain order at the meeting place. The pickets or security personnel shall wear armbands with the word "Picket" when maintaining order.

At the place of a shareholders' meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may stop the shareholder from so doing.

If the shareholder violates the rules of procedures and defies the chairperson's instruction, and obstructs the proceedings and refuses to stop, the chairperson may direct the pickets or security personnel to escort the shareholder out of the venue.

Article 18 When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed. Before the completion of agendas (including extraordinary motions) of the shareholders' meeting, if the meeting venue is not available for continued use, the shareholders' meeting may decide to seek a new venue to resume the meeting.

The shareholders' meeting may, in accordance with the provisions of Article 182 of the Company Act, decide to postpone or resume the assembly within five days.

Article 19 The Rules, along with any amendments hereto, shall be implemented after adoption by shareholders' meeting.



## SDI Corporation's Rules for Director Elections

- Article 1 To ensure a just, fair, and open election of directors, the Procedure is formulated pursuant to Articles 21 and 41 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2 Except otherwise prescribed by the laws and regulations or the Articles of Incorporation, election of the Company's directors shall be subject to these Rules.
- Article 3 The overall composition of the Board of Directors shall be taken into consideration in the selection of this Company's directors. The Company shall diversify Board composition and develop guidelines on diversity based on the operations, nature of business activities and development needs of the Company, including but not limited to the following two aspects:
- I. Basic requirements and values: Gender, age, nationality, and culture.
  - II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.
- All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. The entire BOD shall possess the following abilities:
- I. Business judgment ability.
  - II. Accounting and financial analysis ability.
  - III. Business management ability.
  - IV. Crisis management ability.
  - V. Knowledge of the industry.
  - VI. International market perspective.
  - VII. Leadership.
  - VIII. Decision-making ability.
- Over a majority of the total number of Director seats shall not be served by the ones in the relationship of a spouse or a relative within the second degree of kinship.
- The Company's Board of Directors shall consider adjusting its composition based on the results of performance evaluation.
- Article 4 The qualifications of the Independent Directors of the Company shall be in accordance with the provisions of Articles 2, 3 and 4 of the Measures for the Establishment and Compliance of Independent Directors of Public Offering Companies.
- The selection of independent directors of the Company shall be in accordance with Articles 5, 6, 7, 8 and 9 of the Measures for the Establishment and Compliance of Independent Directors of Public Offering Companies, and shall be based on the listing. Article 24 of the Code of Practice for Corporate Governance of Cabinets shall be handled.
- Article 5 The Company's election of Directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act.
- If the number of the directors is less than five due to dismissal of the directors for whatever reasons, the Company shall fill the vacancy at the most recent shareholders' meeting. In the event that vacancy of the directors reach one third of the director seats under the Articles of Incorporation, the Company shall convene an extraordinary shareholders' meeting to fill the vacancy within 60 days from the date of occurrence of the event.
- Where the number of Independent Directors falls short of the number stipulated in Paragraph 1, Article 14-2 of the Securities and Exchange Act, the Company shall hold a by-election at the next shareholders' meeting. Where all Independent Directors are dismissed, the Company shall convene an extraordinary shareholders' meeting within 60 days of the event to hold a by-election.
- Article 6 The cumulative voting method shall be used for the Company's election of the directors. Each share will have voting rights in number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates.
- Article 7 The board of directors shall prepare ballots for directors in a number corresponding to the directors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to the attending shareholders at the shareholders' meeting. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 8 The number of Directors will be as specified in the Company's Articles of Association, with

voting rights separately calculated for Independent and Non-Independent Director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes received. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the Chairman drawing lots on behalf of any person not in attendance.

Article 9 When the election begins, the chairperson shall designate scrutineers who have the identity of shareholder and vote counting personnel to conduct oversight and vote counting. Ballot boxes are prepared by the Board of Directors and will be opened for examination by scrutineers before voting.

Article 10 Ballots are deemed void in any of the following circumstances:

- I. The ballot was not prepared by parties entitled to convene the meeting.
- II. A blank ballot is placed in the ballot box.
- III. The writing is ambiguous and cannot be identified.
- IV. The name of the nominated candidates is inconsistent with the list of the director candidates.
- V. A ballot with other words or marks are entered in addition to the number of voting rights allocated.

Article 11 The votes shall be calculated onsite immediately after voting completes, and the results of the calculation shall be announced by the chairperson, including the name of the elected director and the number of the votes.

The ballots for the election under the preceding paragraph shall be sealed with the signatures of the scrutineers and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit based on Article 189 of the Company Act, the recordings shall be retained until the conclusion of the litigation.

Article 12 The Company's Board of Directors shall send notice for being elected to the directors elected by voting.

Article 13 The Rules and any amendments thereto shall be implemented after being approval at the shareholders' meeting.

## ❖ Shareholding Status of Directors:

Upon the date share transfer is stopped for this shareholders' meeting (April 1, 2024), the shareholding held by all directors:

Title	Name	Shares held as of the book closure date	
		Shares	Shareholding ratio
Chair of the Board	S.J. Chen	6,944,794	3.81%
Director	Jerome Chen	3,058,707	1.68%
Director	Weite Chen	6,196,614	3.40%
Director	Wilson Investment Co., Ltd. Representative: Wei-Shun Chen	1,805,000	0.99%
Director	Chieh-hsuan Chen	0	0.00%
Independent Director	Wen-i Chiang	0	0.00%
Independent Director	Tsung-ting Chung	0	0.00%
Independent Director	Kuo-tsao Tseng	0	0.00%
Independent Director	Wen-Cheng Cheng	0	0.00%

Note 1: The Company has more than 2 independent directors. According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies", the share ownership requirement shall be decreased to 80%.

Note 2: The statutory minimum number of shares held by all directors is 10,928,414. As of April 1, 2024, the number of shares held by all directors is 18,005,115.

Note 3: The Company has established an Audit Committee, and therefore the shareholding requirement prescribed by laws for supervisors is not applicable.