

Sigurd Microelectronics Corporation 2024 Annual Meeting of Shareholders

Time: 9: 00 am, 24 May 2024 (Friday)

**Location: No. 85, Zhongshan Rd., Zhudong Township, Hsinchu County Taiwan
(Hsinchu County Aboriginal Culture Education and Industry Promotion Center)**

Convening method: Physical shareholders' meeting

Attendance: The total number of shares represented by the attending shareholders and their proxies was 356,498,216 shares, representing 76.73% of the total number of issued and outstanding shares of 464,578,783 shares of the Company.

Directors in attendance: Chairman Shin-Yang Huang, Director Tsan-Lien Yeh, Director Hsu-Tung Kuo , Director Min-Hung Wu, Director Jui-Jen Feng

Attended Independent Director:

Mr. Min-Kai Lin (Convener of Audit Committee and Remuneration Committee)

Mr. Wen-Bin Wu (Member of Audit Committee and Remuneration Committee)

Mr. Guo-Hwah Tseng (Member of Audit Committee and Remuneration Committee)

Mr. Li-Hsing Lai, (Member of Audit Committee and Remuneration Committee)

PricewaterhouseCoopers, Taiwan: CPAs Hsieh, Chih-Cheng

Far East Law Offices: Huang, Yu-Hsin

Chairman: Shin-Yang Huang

Record: Min-Hung Wu

I. Call the Meeting to Order

II. Chairman Remarks : Omitted.

III. Report Items

Item 1: 2023 Business Report.

Explanation: For further details, please refer to Attachment 1 (Pages 6-12).

Item 2: Audit Committee's Report for 2023.

Explanation: For further details of the Audit Committee's Report, please refer to Attachment 2 (Page 13).

Item 3: 2023 Distribution Report for Employee Compensation and Directors' Remuneration.

Explanation: On February 29, 2024, the Board of Directors of the Company approved to issue Directors' remuneration of \$2,420,000 and employee compensation of \$220,000,000 for 2023.

The total amount will be paid in cash. The amount resolved is identical to the amount recognized in 2023.

Item 4: Report on Surplus Distribution of Cash Dividend for 2023.

Explanation:

- (1) Pursuant to the Articles of Incorporation, Article 24, the Company allocates \$1,222,309,176 for cash dividend payment. As of February 20, 2024, the Company has 456,758,843 shares to participate in the distribution, with a cash distribution of NT\$2.68 per share. The cash allocated to each shareholder shall be calculated to the nearest dollar and rounded down. The cumulative fractional cash dividends less than NT\$1 shall be classified as the Company's other earnings.
- (2) This matter has been approved by the Board of Directors, and approval is also given to the Chairman in determining the record date of ex-dividend, distribution date and other related matters. Subsequently, if the Company buys back its shares, transfers treasury stocks to employees, converts employee stock option certificate subscription into ordinary shares,

converts employee restricted stock awards or corporate bonds into ordinary shares, all of which to the extent that affects the number of shares participating in distribution, and in which the ratio of cash dividends of the allocating shareholders will need to be adjusted, approval is also given to the Chairman to do so.

Item 5: 2023 Distribution Report for Directors' Remuneration.

Explanation: Directors' remuneration policies, procedures, standards and structure, as well as the linkage to responsibilities, risks and time spent:

(1) According to the Company's Articles of Incorporation, shall the Company be profitable for a fiscal year, based on the earnings, no more than 3% as the remunerations to directors.

According to the Company's Remuneration Committee Charter, with respect to the performance assessment and remuneration of directors, supervisors and managerial personnel of the company, it shall refer to the typical pay levels adopted by peer companies, and take into consideration the reasonableness of the correlation between remuneration and individual performance, the company's business performance, and future risk exposure.

(2) For further details of the Directors' Remuneration, please refer to Attachment 3 (Page 14).

Item 6 : Amendment to the Regulations Governing Procedure for Board of Directors Meetings

Explanation : In conjunction with the amendments to the law, the rules of procedure for the Board of Directors will be revised, as detailed in Attachment 4(Page 15~17).

Item 7: Other reporting matters.

Explanation : None.

IV. Proposed Resolutions

Item 1: Adoption of the 2023 Business Report and Financial Statements. (Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2023 Financial Statements have been audited and certified by CPAs Chih-Cheng Hsieh and Tsai-Yen Chiang of PwC Taiwan.
- (2) The aforementioned Financial Statements and Business Report have been audited and certified by the Audit Committee and are to be submitted to the shareholders' meeting for approval. For the details, please refer to Attachment 1 (Pages 6 to 12), Attachment 2 (Page 13), and Attachment 5 (Pages 18 to 43).

Resolution: The voting results of this proposal are as follows:

Total voting rights of attending shareholders at the time of voting: 356,493,228 votes

Voting results	Percentage of voting rights of attending shareholders (%)
Approval votes: 312,275,881 (including 142,223,852 electronic votes)	87.60%
Disapproval votes: 32,981 (including 32,981 electronic votes)	0.01%
Abstention votes or no votes: 44,184,366 votes (including 44,184,366 electronic votes)	12.39%
Invalid votes: 0	0.00%

The proposal was approved as proposed.

Item 2: Adoption of the 2023 Proposal for Surplus Distribution. (Proposed by the Board of Directors)

Explanation:

- (1) The surplus distribution table for 2023 has been approved by the Board of Directors and audited by the Audit Committee, as detailed in Attachment 6 (Page 44).

(2) In accordance with the Company Act and the Articles of Incorporation, the proposal for distribution of cash bonus which was resolved by the Board of Directors has been submitted for report. Other matters of the surplus distribution that shall be adopted by the Shareholders' Meeting are proposed to Annual general shareholders' meeting for adoption.

Resolution: The voting results of this proposal are as follows:

Total voting rights of attending shareholders at the time of voting: 356,493,228 votes

Voting results	Percentage of voting rights of attending shareholders (%)
Approval votes: 314,560,877 (including 144,508,848 electronic votes)	88.24%
Disapproval votes: 68,004 (including 68,004 electronic votes)	0.02%
Abstention votes or no votes: 41,864,347 votes (including 41,864,347 electronic votes)	11.74%
Invalid votes: 0	0.00%

The proposal was approved as proposed.

V. Special Motions: None.

There were no questions raised by shareholders for each proposal in the shareholders' meeting.

VI. Adjournment: 9: 17 AM.

Business Report

1. 2023 Business Results

(I) Operating results of 2023 Business Plan

In 2023, the consolidated operating revenue decreased by 17.20% from 2022, to NT \$15,479,501,000, and the net profit after tax was NT \$2,138,514,000, representing a decrease of 39.14% as compared to 2022.

(II) Budget implementation: The Company did not disclose financial forecast in 2023.

(III) Analysis of Financial Revenue/expenditure and Profitability

The Company has always been conservative and stable, and is committed to the development of niche packaging and testing. As such, the financial structure is quite sound. Analysis and comparison of financial structure, solvency and profitability are as follows:

Items		Parent Company Only Financial Statements		Consolidated Financial Statements	
		2022	2023	2022	2023
Financial structure	Debt asset ratio%	43.93	43.24	48.41	47.23
	Long-term funds to fixed assets%	245.14	258.77	174.51	181.70
Solvency	Current ratio%	228.47	155.15	277.21	210.36
	Quick ratio%	209.32	141.75	261.11	197.48
Profitability	Return on assets%	10.75	6.34	9.93	6.25
	Return on equity%	19.00	10.43	18.89	10.92
	Net profit margin%	28.64	20.51	18.80	13.82
	Earnings per share (EPS) (after adjustment of ordinary shares) (NT \$)	6.68	3.80	6.68	3.80

(IV) Research and development status

1. Review of 2023

- (1) Successfully established an 8-inch WLCSP production line based on the existing 12-inch WLCSP (Wafer Level Chip Scale Package), solder bumping, and Cu-pillar unleaded solder bumping.
- (2) Conducted in-depth research on silicon photonic packaging and testing technology.
- (3) Strengthened the capabilities of wafer-level backend die processing service.
- (4) Enhanced the technology and capability of the back-end integrated services of WLCSP.
- (5) Successfully improved and upgraded the new generation RF IC automatic test machine, which have successfully gone into mass production.
- (6) Developed relevant testing technologies and successfully gone into mass production: High-level 5G AI SoC, ICs related 5G mobile phone , Wi-Fi6/6E/7, and other related ICs.
- (7) Successfully increased the self-manufacturing rate of relevant test

accessories.

- (8) Upgraded and expanded equipment to meet the demand for AI, high-speed computing related ICs, such as AI server accelerator, Bitcoin, graphics chip and server chip, etc.
- (9) Improved 4 nanometer testing technology.
- (10) Successfully completed the mass production of Sigurd's self-made logic and mixed signal testing machines.
- (11) Improved CoWoS (Chip on Wafer on Substrate) testing technology.
- (12) Researched on related testing technologies for next-generation high-speed computing interfaces, such as USB4.0 and Thunderbolt™ 4.

2. Prospects for future (2024 and future trends)

- (1) Improvement of the high-level SoC IC testing technologies for 5G AI mobile phones.
- (2) Improvement of the IC testing technology for 5G related equipment.
- (3) R&D of the 5G millimeter wave (mm Wave) and antenna package AiP testing technology.
- (4) With the increasing popularity and demand for artificial intelligence (AI) applications, the Company collaborates with numerous research institutions and industrial companies to upgrade packaging and testing technologies.
- (5) Improvement of silicon photonic packaging and testing technology.
- (6) Development of the integrated IC testing technologies relevant to AIoT (Artificial Intelligence & Internet of Things).
- (7) Advancement of RF-related packaging and testing technologies such as Wi-Fi 6/6E/7, WLAN SOC IC, RF NFC (Near Field Communication) and Wireless Power (wireless charging).
- (8) Development of related image IC integrated packaging and testing technology: moving towards 8K4K (with a resolution of 7680×4320) audio/video Code decoder IC related testing technologies, based on the existing 4K2K package test.
- (9) Improvement of 3-nanometer test technology and scaling up mass production to improve production yield.
- (10) Deepening the 4nm testing capability and scaling up mass production.
- (11) Expand the integrated backend production capacity of WLCSP and enhance relevant technological capabilities.
- (12) Enhancement of GAN-related testing capacity.
- (13) R&D of SIC-related testing technology.
- (14) Enhancing low-earth-orbit satellite testing capability and scaling up mass production.
- (15) Increase of automotive electronics and vehicle-to-everything-related IC test volume and maximization of the scope of certification.
- (16) Promote of smart factory and the width and depth of equipment automation and maximization of intelligent production.
- (17) Improve the specifications of self-made logic and mixed signal testing machines, and expand the customer base.
- (18) Increase the scale of testing for CoWoS (Chip on Wafer on Substrate) related products.
- (19) Improve Wi-Fi7 related testing technology and increase the scale of mass

production.

- (20) Improve production scale for next-generation high-speed computing interfaces, such as USB 4.0 and Thunderbolt™4.

2. 2023 Operation Plan

(1) 2024 Major Business Direction

In 2023, with the continued expansion of COVID-19 vaccine coverage, the epidemic was further controlled. Most countries have implemented the strategy of coexistence with the virus, gradually easing border control and lockdown measures. This was originally expected to gradually recover the global economy. However, global inflation caused by the Ukrainian-Russian war, the Israeli-Hamas war, and the Suez Canal crisis led to a decline in consumption power. Central banks around the world were forced to raise interest rates to strengthen the fight against inflation. In addition, the U.S. began to implement chip control measures against China. Under the above influences, the revenue and growth rate of the global semiconductor market in 2023 will be affected.

Semiconductor-related organizations will predict a growth rate of semiconductors in 2024 compared to 2023. Sigurd has formulated a prudent operational growth strategy, adopting a stable development policy to maximize the Company profit. In 2024, due to the endeavor the engagement, sufficient cash flow was secure to ensure the liquidity of the Company. Further, the Company is striving to expand its competitive capabilities, strengthening product lines with an advantage in economies of scale, expanding differentiated product lines, and expanding prudently, and maintaining higher overall equipment efficiency. These efforts aim to address global economic shifts and market uncertainties, ensuring the Company maximizes benefits in a highly competitive environment.

(2) Expected sales and its basis

According to the Company's historical data of business revenue, as well as referring to the professional forecasting agencies' prediction for the semiconductor industry and IC packaging industry, and the feedback from customers through the sales unit, it is estimated that in 2024, the Company will show moderate growth driven by a series of new projects, new products and new customers. This forecast is based on past historical performance, industry trends, and analysis by professional institutions, which have a positive impact on the Company's investment in new projects and new products, as well as effective interaction with customers. It is expected that the Company's efforts in these aspects will help drive the revenue performance in 2024.

However, such forecasting takes into consideration global economic changes, market uncertainties and potential risks. Therefore the Company must remain adaptable and adjust its business strategy to cope with the changing environment.

(3) Important production and sales policies

For 2024, our response measures are as follows:

1. Closely monitor geopolitical changes, customer needs and raw material supply to ensure that the Company can respond to market dynamics in a timely manner.
2. Improve employee productivity and factory efficiency. Improve overall operational efficiency.
3. Continuously saving expenses, reducing operating costs.
4. Development of test business for products with high gross profit rate, such as high-level 5G mobile phone IC, Wi-Fi 6/6E/7, high-speed computing,

artificial intelligence (AI), AIoT, RF IC, and automotive electronics in order to make better profits.

5. Increase the number and proportion of foreign customers, expand market share, and mitigate risks in a single region.
6. Promotion of test business for AI, communication, and automotive IC, and seize growth in related markets.
7. Strengthen the relationships with strategic alliance with customers and establish long-term and stable partnership.
8. Review and adjust uncompetitive product lines to ensure effective use of resources.
9. Promotion of smart factory and the width and depth of equipment automation to improve manufacturing efficiency and product quality.
10. Refining the specifications of self-made machines and expand the customer base to increase use.

3. Strategies for the Future

The future development of Sigurd is Reshaping Value, Technological Innovation, and Forming the Blue Sea Strategy with unique competitive advantages. To achieve this goal, Sigurd will continue to develop competitive packaging and testing technologies for niche products.

- (1) Timely adjustment of organization: based on market and product conditions, timely adjust to changes. This includes team and resource allocation to ensure that the Company can flexibly respond to market demand and technological changes.
- (2) Overseas market continue to develop and North America and Japan increased in 2023. At the same time, the development of Mainland China market has also produced good results. In 2024, in addition to the original North American market, the Company will also actively expand the Asia, Mainland Chinese, Europe and Japan markets. This will help expand our customer base, increase our global market share and further consolidate our position in the international market.

These measures will help Sigurd realize the Blue Sea Strategy, and bring long-term competitive advantages to the Company based on continuous innovation and value creation.

- (3) Promotion of the throughput and customer base of Xixing (Suzhou).

- (4) Integration and niche testing

Over the years, Sigurd has acquired the testing technologies and experience of Mixed Signal, Logic, Memory, RF, and Power. With a stronghold of technologies, , as well as aligning with market trends, Sigurd is moving toward integration and niche products.

1. Integrated Testing Technology

IC products are becoming increasingly complex, and can no longer be simply categorized as Mixed Signal, Logic, CIS, Memory, RF, and Power.

The current trend has been moving towards integrated IC. Sigurd has accumulated years of testing experience with confidence in products such as SoC mobile phone AP(3G/4G), Wi-Fi SoC, and has built a solid foundation for 5G-related IC packaging and testing technology.

2. Niche Testing

- (1) High-speed computing-related ICs: such as AI accelerator, Bitcoin,

graphics, and servers.

- (2) Communication-related IC: High-speed silicon photonic chip, 5G communication equipment IC, GPS, Wi-Fi SoC (integrated with Bluetooth and MCU).
- (3) Video/Audio related ICs: 3D, 4K2K and 8K4K video codec ICs, HDMI, HDTV control ICs.
- (4) Mobile phone related ICs: such as 5G-related ICs, AI, AP, Baseband SoC, GPS, Light sensor, Bluetooth, Touch Pad.
- (5) Computer-related IC: such as graphics chip, USB, Type C, WLAN, touch panel IC, etc.
- (6) Vehicle electronics ICs: such as sensors, microprocessors, Internet of Vehicles, etc.

In addition, Sigurd also strengthens the acquiring of foreign customers, in the hope of achieving more results in the international market. These integration and niche development directions will help the Company compete in the future. We have secured a larger market share and competitive edge in the semiconductor testing industry.

3. Niche packaging

Through WLCSP packaging, Sigurd meets market demand for miniaturized electronics effectively. This technology offers benefits such as size reduction, cost savings, efficient power management, and superior heat dissipation. As packaging technology evolves, WLCSP becomes a powerful tool for Sigurd to adapt to miniaturization trends. Through research and application of WLCSP, Sigurd not only align with current market demands but also enhances competitiveness in the high-speed and power management fields. This transformation will help Sigurd to continue to innovate in the packaging field and align with market trends.

(5) Research and Development (R&D)

In addition to continuing recruiting industry talents, the Company also develops technology and communicate intensely with companies, research institutions and universities. This strategy expands the Company's technical knowledge, accelerate innovation, and maintain a competitive edge in the industry.

1. Industry Partnerships: Establish close partnerships with relevant companies to carry out technical cooperation, joint research and development projects, and share knowledge and expertise.
2. Research institutions Collaboration: Establish cooperation with research institutions, participate in research programs to leverage external expertise and laboratory facilities.
3. University Collaborations: Form partnership with universities, participate in industry-academic collaboration programs, support postgraduate programs, and provide internships and hands-on experience to attract potential talents.
4. Forums and seminars: Actively participate in relevant technology forums and seminars, share the Company's experience and achievements, while learning the latest developments.
5. Employee training and continuing education: Offer employees education opportunities and promote industry course participation to ensure employees' advantage..

These measures foster external connections, promote knowledge exchange and technology sharing, driving the Company's advancement in cutting-edge technology and innovation.

(6) Exert the Group's comprehensive efficiency

Integrate the resources and equipment of subsidiary in the Group, provide customers with more complete packaging and testing services, and make the most efficient use.

4. The impact of external competitive environment, regulatory environment, and overall business environment

Most semiconductor research units had originally expected that 2023 will usher in a rebound in the economy. However, after the outbreak of the Ukrainian-Russian war, global inflation, and geopolitical turmoil have led the semiconductor market to decline by more than double digits in 2023. Major semiconductor companies have gradually become conservative in terms of capital cost. In a complex market environment, Sigurd has adopted a prudent management approach, focusing on flexible allocation of capital expenditures according to customer demand and market conditions. The Company has strengthened measures on saving expenses to pass this period of economic adjustment. This prudent and flexible strategy ensures that the Company will maintain its competitiveness against market uncertainties and volatility, maintain stable operation. By adjusting capital expenditures to actual needs, Sigurd can respond to market changes and optimize investment effectiveness. Simultaneously, strengthening cost-saving measures improves the Company's financial resilience, reduce risks, and maintains competitiveness in an uncertain environment.

This not only reflects the Company's prudence and awareness, enabling Sigurd to better cope with uncertain economic conditions and ensure the long-term stability.

(1) Favorable factors:

1. Global wave of semiconductor mergers: The semiconductor merger trend helps Sigurd acquire more orders through mergers of existing customers.
2. AI application breakthrough: AI-related applications achieved significant breakthroughs, driving growth in AI servers, AI smart phones, and PCs, providing Sigurd with new market opportunities.
3. Rising cost in packaging and testing factories in China: The cost of packaging and testing factories in China are increasing, and getting closer to those in Taiwan. customers will be encouraged to switch to Taiwan, becoming a competitive advantage for Sigurd.
4. Packaging and testing capacity of IDM plants decreasing: Due to the financial crisis, overseas IDM plants are reducing their packaging and testing capacity, providing an opportunity for Sigurd to compete for orders.
5. Increasing demand for emerging product applications: Demand for emerging product applications such as metaverse, high-speed computing, deep learning, edge computing, AI, AR/VR, etc. is increasing. The demand for high-end processes will promote international manufacturers to place orders in Taiwan, helping Sigurd expand its market share.
6. Wearable devices and IoT applications: Wearable devices and the Internet of Things will increase the demand for electronic components and bring new market opportunities to Sigurd.

7. Automotive industry development: Stringent automotive emission standards promote energy-efficiency and self-driving, which is conducive to the growth of vehicle electronic-related ICs and provide a stable demand for Sigurd.
 8. 5G AI: Ongoing AI integration of 5G increase demand for related equipment, bringing new market opportunities to Sigurd.
- (2) Unfavorable factors:
1. Ecopolitical factors on the supply chain: geopolitical factors such as the Ukrainian-Russian war, the Israel-Hamas war, and the Suez Canal crisis may affect the supply of raw materials and the supply chain, causing production uncertainty.
 2. Cross-strait relations: Cross-strait relations may cause semiconductor manufacturers in Taiwan and China to consider setting up factories in countries outside of the Taiwan Strait, warranting close attention.
 3. Expansion and economic fluctuations: In the case of semiconductor shortages, companies are actively expanding production capacity, but the economic decline may lead to overcapacity, triggering price competition.
 4. Chip sanctions and international alliances: Following U.S. chip sanctions on China, similar measures with other countries may significantly impact the global semiconductor industry,
 5. Inflation impact on the economy: Inflation could trigger a recession, altering demand and costs in the semiconductor industry, which requires careful evaluation and response.

Considering the above factors, Sigurd will maintain a prudent attitude in 2024, adjusting its company strategy carefully to navigate the volatile business environment. Measures such as enhanced risk management, flexible production plans and tighter cost control are implemented to ensure the Company's strength and adaptability amidst uncertainty.

Chairman: Shin-Yang Huang Manager: Tsan-Lien Yeh Accountant Supervisor: Chi-Chang Chen

**Sigurd Microelectronics Corporation
Audit Committee's Report**

The Board of Directors has prepared and submitted the Company's 2023 Business Report, Financial Statements, and earning distribution proposal, of which, the Company's Financial Statements have been audited and certified by CPAs Hsieh-Chih Cheng and Tsai-Yen Chiang of PwC Taiwan, and an audit report is issued. The Business Report, Financial Statements, and earning distribution proposal have been reviewed by the Audit Committee. We, the Audit Committee, have duly examined the aforementioned reports as correct and accurate. We hereby report to the Annual General Shareholders' Meeting pursuant to Article 14-4 of the Securities and Exchange Act, as well as Article 219 of the Company Act.

To

The Company's 2024 annual general shareholders' meeting

Sigurd Microelectronics Corporation

Convener of the Audit Committee: Min-Kai Lin

February 29, 2024

Attachment 3

Title	Last Name First Name	Director Remuneration								A、B、C、D Total amount and percentage of net profit after tax		Remuneration												A、B、C、D、E、F and G		Claim of remunerations from re-invested businesses other than subsidiaries or the parent company	
		Remuneration (A)		Retiring allowance/severance (B)		Remuneration to Directors (C)		Business execution expenses (D)				Salaries, bonuses and Special expenses (E)		Pension (F)		Employee Compensation (G)				Exercisable Employee Stock Options (H)		Number of New Restricted Employee Shares Acquired (I)					
		The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports	The Company	Financial reports		
Chairman	Shin-Yang Huang	4,800	4,800	-	-	440	440	-	-	5,240.030	5,240.030	20,395	24,395	-	-	14,842	-	14,842	-	-	-	-	40,478.233	44,478.256	None		
Director	Tsan-Lien Yeh	2,400	2,400	-	-	220	220	-	-	2,620.015	2,620.015	15,632	16,632	-	-	10,501	-	10,501	-	-	-	-	28,753.166	29,753.166	None		
Director	Hsu-Tung Kuo	2,400	2,400	-	-	220	220	-	-	2,620.015	2,620.015	11,607	12,607	-	-	7,040	-	7,040	-	-	-	-	21,267.122	22,267.128	None		
Director	Min-Hung Wu	2,400	2,400	-	-	220	220	-	-	2,620.015	2,620.015	8,975	10,375	-	-	5,602	-	5,602	-	-	-	-	17,198.099	18,598.107	None		
Director	Wen-Yuan Lin	1,200	1,200	-	-	-	-	15	15	1,215.007	1,215.007	-	-	-	-	-	-	-	-	-	-	-	1,215.007	1,215.007	None		
Director	Jui-Jen Feng	1,400	1,400	-	-	220	220	-	-	1,620.009	1,620.009	1,160	1,160	822	822	-	-	-	-	-	-	-	3,602.021	3,602.021	None		
Director	Ming-Chun Chiu	2,400	2,400	-	-	220	220	15	15	2,635.015	2,635.015	-	-	-	-	-	-	-	-	-	-	-	2,635.015	2,635.015	None		
Independent Director	Wen-Bin Wu	2,400	2,400	-	-	220	220	35	35	2,655.015	2,655.015	-	-	-	-	-	-	-	-	-	-	-	2,655.015	2,655.015	None		
Independent Director	Chuen-Rong Leu	1,200	1,200	-	-	-	-	30	30	1,230.007	1,230.007	-	-	-	-	-	-	-	-	-	-	-	1,230.007	1,230.007	None		
Independent Director	Min-Kai Lin	2,400	2,400	-	-	220	220	35	35	2,655.015	2,655.015	-	-	-	-	-	-	-	-	-	-	-	2,655.015	2,655.015	None		
Independent Director	Kwok-Wah Tsang	1,400	1,400	-	-	220	220	-	-	1,620.009	1,620.009	-	-	-	-	-	-	-	-	-	-	-	1,620.009	1,620.009	None		
Independent Director	Li-Hsing Lai	1,400	1,400	-	-	220	220	-	-	1,620.009	1,620.009	-	-	-	-	-	-	-	-	-	-	-	1,620.009	1,620.009	None		
1. Please describe the policy, system, standards and structure of independent director Remuneration payment, and describe the relevance to the amount of Remuneration payment based on factors such as responsibilities, risks, and time invested: Independent director Remuneration is reviewed by the Remuneration Committee in accordance with the provisions of Articles of Incorporation. The contribution of independent directors to the Company's operations, the reasonableness of the contribution to the Company's operations, the connection to the remuneration received, and the reference to the usual level of payment in the industry, and submit suggestions to the Board of Directors for discussion. 2. In addition to the disclosure in the above table, Remuneration received by the directors of the Company in the most recent year for providing services (such as serving as consultants to non-employees of the parent company/all companies in the financial report/reinvestment business, etc.): None.																											

Attachment 4

Sigurd Microelectronics Corporation
Regulations Governing Procedure for Board of Directors Meetings
Comparison table of amended clauses

Session	Original Article	Amended Articles	Explanation
Article 8	<p>(Reference materials for the Board of Directors, and meetings between non-voting attendees and the Board of Directors)</p> <p>When the Company's Board of Directors convenes, the designated agenda of the Board should have relevant information for the directors to reference at any time.</p> <p>When a board meeting is convened, relevant personnel from departments or subsidiaries may be notified to attend.. If necessary, accountants, lawyers, or other professionals may also be invited to provide explanations. However, they shall excuse themselves during discussion and voting.</p> <p>The chairman opens a meeting when over half of the directors are present. If less than half attend, the chairman may postponement the meeting twice times. If there's still an insufficient quorum after two postponements, the chairman may reconvene in accordance with the procedures stipulated in paragraph 2 of Article 3.</p> <p>All directors referred to in the preceding clause and subparagraph 2, paragraph 2 of Article 16 refers to those currently in office.</p>	<p>(Reference materials for the Board of Directors, and meetings between non-voting attendees and the Board of Directors)</p> <p>When the Company's Board of Directors convenes, the designated agenda of the Board should have relevant information for the directors to reference at any time.</p> <p>When a board meeting is convened, relevant personnel from departments or subsidiaries may be notified to attend. If necessary, accountants, lawyers or other professionals may also be invited to provide explanations. However, they shall excuse themselves during discussion and voting.</p> <p>The chairman open a meeting when over half of the directors are present. meeting. If less than half attend, the chairman may postponed on the same day, and the postponement shall be limited to two times. If there's still insufficient quorum after two postponements, the chairman may reconvene in accordance with the procedures stipulated in paragraph 2 of Article 3.</p> <p>All directors referred to in the preceding clause and subparagraph 2, paragraph 2 of Article 16 refers to those currently in office.</p>	<p><u>In compliance with the Financial Supervisory Commission's letter Jin-Guan-Zheng-Fa-Zi No. 11203839965 dated January 11, 2024.</u></p> <p>In order to avoid controversy caused by the delay of the meeting time of the Board of Directors, it is clearly stated that if the number of attendance is insufficient, the chairman may announce that the time limit for the postponed meeting is limited to that day.</p>
Article 11	<p>(Motion discussed)</p> <p>The board of directors of the Company shall proceed in accordance with the meeting procedures set out in the meeting notice. However, changes may be</p>	<p>(Motion discussed)</p> <p>The board of directors of the Company shall proceed in accordance with the meeting procedures set out in the notice of meeting notice. However, changes</p>	<p>In compliance with the Financial Supervisory Commission's</p>

Session	Original Article	Amended Articles	Explanation
	made with the consent of more than half of the attending directors. The chairman shall not adjourn the meeting without the consent of more than half of the attending directors. During the proceedings of the board of directors meeting, if the present directors do not reach more than half of the attending directors, upon proposal by the present directors, the chairman shall announce a suspension of the meeting and apply the provisions of Article 8, Paragraph 3 shall apply.	may be made with the consent of more than half of the attending directors. The chairman shall not adjourn the meeting without the consent of more than half of the attending directors. During the proceedings of the board of directors meeting, if the present directors do not reach more than half of the attending directors, upon proposed by the present directors, the chairman shall announce a suspension of the meeting, and apply the provisions of Article 8, Paragraph 3 shall apply. <u>During the proceedings of the board of directors' meeting, if the chairman cannot preside over the meeting or fails to adjourn the meeting according to the second paragraph, the appointment of a proxy shall be governed by the provisions of the third paragraph of Article 7.</u>	letter Jin-Guan-Zheng-Fa-Zi No. 11203839965 dated January 11, 2024. Note1
Regulation 19	(Supplementary Provisions) The Rules of Procedure were adopted by the Board of Directors of the Company on August 10, 2017. The same shall apply upon any amendment. The first amendment was made on March 10, 2020. The second amendment was made on March 7, 2023.	(Supplementary Provisions) The Rules of Procedure were adopted by the Board of Directors of the Company on August 10, 2017. The same shall apply upon any amendment. The first amendment was made on March 10, 2020. The second amendment was made on March 7, 2023. <u>The third amendment was made on February 27, 2024.</u>	Add the date of amendment

Note 1: Article 7 (Chairman and Proxy)

The board of directors of the company is convened by the chairman of the board, who serves as chairman. However, the first meeting of each term shall be convened by the directors with the most voting rights obtained at the shareholders' meeting. The

chairman of the meeting is appointed by the convener. If there are two or more conveners, they should mutually elect one person to serve as chairman..

According to Article 203, paragraph 4, or Article 203-1 of the Company Act, if the board of directors is convened by a majority of the directors, the directors shall mutually elect one person to serve as the chairman.

If the Chairman is on leave or cannot perform his/her duties for any reason, the Vice Chairman shall act on his/her behalf. In the absence of a Vice Chairman or if the Vice Chairman is also on leave or unable to perform his/her duties, the Chairman shall appoint a executive director as proxy. If there is no executive director, a director shall be designated. If the chairman does not appoint a proxy, one shall be appointed by the executive director or by mutual recommendations of the director.

Sigurd Microelectronics Corporation

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sigurd Microelectronics Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Sigurd Microelectronics Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sigurd Microelectronics Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Sigurd Microelectronics Corporation

Shin-Yang Huang, Chairman

February 29, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000389

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated*

financial statements section of our report. We are independent of the Sigurd Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. This matter was addressed in the context of our audit of consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on this matter.

Key audit matter for Sigurd Group's consolidated financial statements of the current period is stated as follows:

Capitalisation of property, plant and equipment

Description

Sigurd Group increased its capital expenditure to meet its operational needs. Please refer to Note 4(15) for accounting policies on property, plant and equipment, and Note 6(7) for details of property, plant and equipment. Considering that capitalisation of property, plant and equipment is significant to Sigurd Group's consolidated financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:
Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

Other matter – Audited by other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements, was based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT\$317,506 thousand and NT\$307,194 thousand, constituting 0.85% and 0.82% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and total operating revenues amounted to NT\$276,681 thousand and NT\$254,340 thousand, constituting 1.79% and 1.36% of the total operating revenues for the years ended December 31, 2023 and 2022, respectively.

Other matter – Parent company only financial statements

We have also expressed an unqualified opinion on the parent company only financial statements of Sigurd Microelectronics Corporation as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal controls as the management determines are 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 Sigurd 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 the management either intends to liquidate the Sigurd Group or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 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 judgement and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 Sigurd Group's internal controls.
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 Sigurd

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 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 report. However, future events or conditions may cause the Sigurd 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 Sigurd Group to express an opinion on 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 controls 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 those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

Hsieh, Chih-Cheng

Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan
February 29, 2024

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

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	9,406,220	25	\$	8,873,912	24
1110	Current financial assets at fair value through profit or loss	6(2)		314,538	1		396,204	1
1136	Current financial assets at amortised cost	6(4) and 8		3,332,000	9		2,002,321	5
1140	Current contract assets	6(18)		127,696	-		152,984	-
1150	Notes receivable, net	6(5)		29	-		5,283	-
1170	Accounts receivable, net	6(5)		3,696,519	10		3,828,076	10
1180	Accounts receivable - related parties, net	6(5) and 7		3,333	-		3,349	-
1200	Other receivables			52,312	-		67,126	-
130X	Inventories	6(6)		426,002	1		351,924	1
1410	Prepayments			681,698	2		595,670	2
1470	Other current assets			49,060	-		37,343	-
11XX	Total current assets			18,089,407	48		16,314,192	43
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		2,158,967	6		1,590,784	4
1535	Non-current financial assets at amortised cost	6(4) and 8		169,887	1		69,886	-
1600	Property, plant and equipment	6(7) and 8		15,915,723	42		18,155,700	48
1755	Right-of-use assets	6(8)		535,919	1		737,727	2
1780	Intangible assets			191,297	1		241,920	1
1840	Deferred tax assets	6(25)		346,786	1		320,597	1
1900	Other non-current assets			109,432	-		138,548	1
15XX	Total non-current assets			19,428,011	52		21,255,162	57
1XXX	Total assets		\$	37,517,418	100	\$	37,569,354	100

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9)	\$ 147,985	1	\$ 135,000	-
2130	Current contract liabilities	6(18)	9,929	-	30,455	-
2150	Notes payable		6,596	-	3,842	-
2170	Accounts payable		378,696	1	289,033	1
2200	Other payables	6(10)	2,394,098	6	2,801,752	7
2230	Current income tax liabilities		594,836	2	537,016	1
2250	Current provisions		1,163	-	11,241	-
2280	Current lease liabilities		88,245	-	240,946	1
2320	Long-term borrowings, current portion	6(11)(12) and 8	4,617,694	12	1,600,579	4
2399	Other current liabilities, others	6(18)	360,064	1	235,255	1
21XX	Total current liabilities		8,599,306	23	5,885,119	15
Non-current liabilities						
2530	Bonds payable	6(11)	2,967,588	8	4,419,632	12
2540	Long-term borrowings	6(12) and 8	5,307,839	14	6,993,078	19
2570	Deferred tax liabilities	6(25)	69,168	-	67,445	-
2580	Non-current lease liabilities		459,081	1	473,893	1
2600	Other non-current liabilities	6(13)	314,850	1	349,708	1
25XX	Total non-current liabilities		9,118,526	24	12,303,756	33
2XXX	Total liabilities		17,717,832	47	18,188,875	48
Equity						
Equity attributable to owners of parent						
	Share capital	6(14)				
3110	Ordinary share		4,567,446	12	4,567,410	12
	Capital surplus	6(15)				
3200	Capital surplus		539,458	2	539,296	1
	Retained earnings	6(16)				
3310	Legal reserve		2,117,155	6	1,810,884	5
3350	Unappropriated retained earnings		8,750,118	23	9,225,323	25
	Other equity interest	6(17)				
3400	Other equity interest		863,984	2	336,307	1
31XX	Equity attributable to owners of parent		16,838,161	45	16,479,220	44
36XX	Non-controlling interests		2,961,425	8	2,901,259	8
3XXX	Total equity		19,799,586	53	19,380,479	52
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		\$ 37,517,418	100	\$ 37,569,354	100

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

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

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

		Year ended December 31					
		2023		2022			
Items	Notes	AMOUNT	%	AMOUNT	%		
4000 Operating revenue	6(18) and 7	\$ 15,479,501	100	\$ 18,694,345	100		
5000 Operating costs	6(6)(23)(24)	(11,900,735)	(77)	(13,165,811)	(70)		
5950 Gross profit from operations		3,578,766	23	5,528,534	30		
Operating expenses	6(23)(24)						
6100 Selling and marketing expenses		(200,729)	(1)	(234,386)	(1)		
6200 General and administrative expenses		(899,098)	(6)	(1,043,021)	(6)		
6300 Research and development expenses		(391,863)	(2)	(423,867)	(2)		
6450 Expected credit loss	12(2)	(8,871)	-	(578)	-		
6000 Total operating expenses		(1,500,561)	(9)	(1,701,852)	(9)		
6900 Operating profit		2,078,205	14	3,826,682	21		
Non-operating income and expenses							
7100 Interest income	6(19)	374,269	2	108,198	-		
7010 Other income	6(20)	148,130	1	170,648	1		
7020 Other gains and losses	6(21)	237,451	2	532,773	3		
7050 Finance costs	6(22)	(263,342)	(2)	(211,842)	(1)		
7000 Total non-operating income and expenses		496,508	3	599,777	3		
7900 Profit before income tax		2,574,713	17	4,426,459	24		
7950 Income tax expense	6(25)	(436,199)	(3)	(912,510)	(5)		
8000 Profit from continuing operations		2,138,514	14	3,513,949	19		
8200 Profit for the year		\$ 2,138,514	14	\$ 3,513,949	19		
Other comprehensive income (loss)							
Components of other comprehensive income (loss) that will not be reclassified to profit or loss							
8311 Gains on remeasurements of defined benefit plans	6(13)	\$ 14,589	-	\$ 37,857	-		
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	568,183	4	(531,384)	(3)		
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(1,818)	-	(373)	-		
8310 Components of other comprehensive income (loss) that will not be reclassified to profit or loss		580,954	4	(493,900)	(3)		
Components of other comprehensive income (loss) that might be reclassified to profit or loss							
8361 Exchange differences on translation of foreign operations	6(17)	(54,571)	(1)	418,270	2		
8360 Components of other comprehensive income (loss) that might be reclassified to profit or loss		(54,571)	(1)	418,270	2		
8300 Other comprehensive income (loss)		\$ 526,383	3	(\$ 75,630)	(1)		
8500 Total comprehensive income		\$ 2,664,897	17	\$ 3,438,319	18		
Profit, attributable to:							
8610 Owners of the parent		\$ 1,737,319	11	\$ 3,033,285	16		
8620 Non-controlling interests		401,195	3	480,664	3		
Total profit		\$ 2,138,514	14	\$ 3,513,949	19		
Comprehensive income attributable to:							
8710 Owners of the parent		\$ 2,277,055	14	\$ 2,767,286	14		
8720 Non-controlling interests		387,842	3	671,033	4		
Total comprehensive income		\$ 2,664,897	17	\$ 3,438,319	18		
Basic earnings per share (in dollars)							
9750 Basic earnings per share	6(26)	\$ 3.80		\$ 6.68			
Diluted earnings per share (in dollars)							
9850 Diluted earnings per share	6(26)	\$ 3.59		\$ 6.21			

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Equity attributable to owners of the parent							Non-controlling interests	Total equity
	Notes	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Other equity interest			
						Exchange differences on translation of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		
2022									
Balance at January 1, 2022		\$ 4,520,782	\$ 942,353	\$ 1,526,636	\$ 7,816,291	(\$ 130,865)	\$ 767,339	\$15,442,536	\$ 2,384,287
Profit for the year		-	-	-	3,033,285	-	-	3,033,285	480,664
Other comprehensive income (loss)	6(3)(17)	-	-	-	33,831	231,554	(531,384)	(265,999)	190,369
Total comprehensive income (loss)		-	-	-	3,067,116	231,554	(531,384)	2,767,286	671,033
Appropriation of 2021 earnings	6(16)	-	-	-	-	-	-	-	-
Legal reserve		-	-	284,248	(284,248)	-	-	(1,369,427)	-
Reversal of special reserve		-	-	-	(1,369,427)	-	-	(502,123)	-
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	145,694	-
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	-	-
Disposal of equity instruments at fair value through other comprehensive income	4(3)	-	-	-	337	-	(337)	-	-
Cash dividends paid to non-controlling interest from subsidiary		-	-	-	-	-	-	-	-
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)	(3,330)
Balance at December 31, 2022		\$ 4,567,410	\$ 539,296	\$ 1,810,884	\$ 9,225,323	\$ 100,689	\$ 235,618	\$16,479,220	\$ 2,901,259
2023									
Balance at January 1, 2023		\$ 4,567,410	\$ 539,296	\$ 1,810,884	\$ 9,225,323	\$ 100,689	\$ 235,618	\$16,479,220	\$ 2,901,259
Profit for the year		-	-	-	1,737,319	-	-	1,737,319	401,195
Other comprehensive income (loss)	6(3)(17)	-	-	-	12,059	(40,506)	568,183	539,736	(13,353)
Total comprehensive income (loss)		-	-	-	1,749,378	(40,506)	568,183	2,277,055	387,842
Appropriation of 2022 earnings	6(16)	-	-	-	-	-	-	-	-
Legal reserve		-	-	306,271	(306,271)	-	-	(1,918,312)	-
Cash dividends		-	-	-	(1,918,312)	-	-	198	-
Conversion of corporate bonds	6(11)(14)(15)	36	162	-	-	-	-	-	-
Cash dividends paid to non-controlling interest from subsidiary	4(3)	-	-	-	-	-	-	-	-
Balance at December 31, 2023		\$ 4,567,446	\$ 539,458	\$ 2,117,155	\$ 8,750,118	\$ 60,183	\$ 803,801	\$16,838,161	\$ 2,961,425
									(327,676)
									\$19,799,586

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 2,574,713	\$ 4,426,459
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation	6(7)(8)(23)	4,375,499	4,479,750
Amortisation	6(23)	85,174	75,248
Expected credit loss	12(2)	8,871	578
Net (profit) loss on financial assets at fair value through profit or loss	6(2)(21)	(27,168)	15,293
Finance costs		263,342	211,842
Interest income	6(19)	(374,092)	(108,198)
Dividends income	6(20)	(27,533)	(20,578)
Gains on disposal of property, plant and equipment	6(21)	(152,826)	(31,055)
Gains arising from lease modifications	6(8)(28)	(32)	-
Impairment loss on property, plant and equipment		-	34,643
Impairment loss on non-financial assets	6(7)(21)	-	213
Government grants	6(12)	(34,564)	(21,705)
Gains on liquidation of a consolidated entity		(31,394)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		108,834	69,785
Contract assets		25,046	41,501
Notes receivable		5,254	(4,563)
Accounts receivable		117,037	94,743
Accounts receivable-related parties		(5)	2,213
Other receivables		32,686	54,983
Inventories		(73,814)	(36,990)
Prepayments		(86,320)	153,373
Other current assets		(11,716)	130,232
Net defined benefit assets		(383)	-
Other non-current assets		200	4,893
Changes in operating liabilities			
Contract liabilities		(20,596)	(75,978)
Notes payable		2,754	(333)
Accounts payable		90,014	(98,863)
Other payables		(280,227)	(415,991)
Provisions		(10,253)	396
Other current liabilities		124,973	(11,497)
Net defined benefit liabilities		(11,245)	(15,048)
Other non-current liabilities		-	59,955
Cash inflow generated from operations		6,672,229	9,015,301
Interest received		355,967	100,333
Interest paid		(232,560)	(169,005)
Dividends received		27,533	20,578
Income tax paid		(397,892)	(760,133)
Net cash flows from operating activities		6,425,277	8,207,074

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Years ended December 31,	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	7	\$ -	(\$ 546,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	337
Acquisition of financial assets at amortised cost		(8,373,132)	(3,651,045)
Proceed from disposal of financial assets at amortised cost		7,036,192	2,604,461
Acquisition of property, plant and equipment	6(27)	(2,300,880)	(4,012,422)
Proceeds from disposal of property, plant and equipment		371,267	117,261
Acquisition of intangible assets		(32,585)	(118,345)
Increase in refundable deposits		(24,495)	(3,968)
Decrease in refundable deposits		26,419	4,752
Increase in other non-current assets		(4,276)	-
Net cash flows used in investing activities		(3,301,490)	(5,604,969)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(28)	142,417	590,888
Repayments of short-term borrowings	6(28)	(133,246)	(703,264)
Repayments of corporate bonds	6(28)	-	(100)
Proceeds from long-term borrowings	6(28)	8,401,592	11,262,420
Repayments of long-term borrowings	6(28)	(8,541,163)	(10,859,070)
Increase in guarantee deposits received	6(28)	1,345	8,267
Decrease in guarantee deposits received	6(28)	(368)	(2,788)
Repayments of lease liabilities	6(28)	(147,199)	(210,071)
Cash dividends paid	6(16)	(1,918,312)	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)
Cash dividends paid to non-controlling interests	4(3)	(327,676)	(150,731)
Net cash flows used in financing activities		(2,522,610)	(1,935,999)
Effect of changes in exchange rate		(68,869)	264,535
Net increase in cash and cash equivalents		532,308	930,641
Cash and cash equivalents at beginning of year	6(1)	8,873,912	7,943,271
Cash and cash equivalents at end of year	6(1)	\$ 9,406,220	\$ 8,873,912

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000390

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

Opinion

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

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

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other independent auditors,

we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of the current period. This matter was addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on this matter.

Key audit matter of the Company's parent company only financial statements of the current period is stated as follows:

Capitalisation of property, plant and equipment

Description

The Company increased the capital expenditure to meet its operational needs. Please refer to Note 4(14) for accounting policies on property, plant and equipment, and Note 6(8) for details of property, plant and equipment. Considering capitalisation of property, plant and equipment is significant to the Company's parent company only financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:
Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase

orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

Other matter — Audited by other independent auditors

We did not audit the 2023 and 2022 financial statements of certain investee companies accounted for using the equity method. Those financial statements were audited by other independent auditors whose reports thereon have been furnished to us, and our opinion expressed herein is based solely on the reports of other independent auditors. Investments accounted for using equity method amounted to NT\$44,125 thousand and NT\$67,043 thousand, constituting 0.15% and 0.23% of total assets, as at December 31, 2023 and 2022, respectively, and their comprehensive income (loss) amounted to NT(\$22,918) thousand and NT(\$24,967) thousand, constituting (1.01%) and (0.90%) of the total comprehensive income (loss) for the years ended December 31, 2023 and 2022, respectively.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal controls as the management determines are 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 the management either intends to liquidate the Company or to cease operations, or have

no realistic alternative but to do so.

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgement and 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 controls.
2. Obtain an understanding of internal controls 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 controls.

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 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 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 controls 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 those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the parent company only financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

Hsieh, Chih-Cheng

Chiang, Tsai-Yen

For and on Behalf of PricewaterhouseCoopers, Taiwan

February 29, 2024

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

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2023		December 31, 2022			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	5,354,661	18	\$	4,210,462	14
1110	Current financial assets at fair value through profit or loss	6(2)		314,538	1		396,204	1
1136	Current financial assets at amortised cost	6(4)		378,480	1		278,480	1
1140	Current contract assets	6(18)		88,012	-		106,898	-
1170	Accounts receivable, net	6(5)		2,010,827	7		2,076,269	7
1180	Accounts receivable - related parties, net	6(5) and 7		225,919	1		183,389	1
1200	Other receivables			23,930	-		38,898	-
1210	Other receivables - related parties	7		121,534	-		167,863	1
130X	Inventories	6(6)		233,568	1		155,899	1
1410	Prepayments			571,360	2		526,703	2
1470	Other current assets			2,964	-		1,578	-
11XX	Total current assets			9,325,793	31		8,142,643	28
Non-current assets								
1517	Non-current financial assets at fair value through other comprehensive income	6(3)		2,053,743	7		1,496,469	5
1535	Non-current financial assets at amortised cost	6(4)		130,000	1		30,000	-
1550	Investments accounted for using equity method	6(7)		8,711,269	29		8,898,109	30
1600	Property, plant and equipment	6(8) and 8		9,140,738	31		10,535,230	36
1755	Right-of-use assets	6(9)		119,132	1		172,044	1
1780	Intangible assets			31,075	-		45,314	-
1840	Deferred tax assets	6(25)		89,102	-		48,179	-
1900	Other non-current assets			63,538	-		21,656	-
15XX	Total non-current assets			20,338,597	69		21,247,001	72
1XXX	Total assets		\$	29,664,390	100	\$	29,389,644	100

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SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(18)	\$ 224	-	\$ 444	-
2150	Notes payable		252	-	252	-
2170	Accounts payable		138,154	-	91,373	-
2200	Other payables	6(10)	1,357,607	5	1,607,757	6
2220	Other payables - related parties	7	14,885	-	4,416	-
2230	Current income tax liabilities		328,018	1	357,020	1
2280	Current lease liabilities		49,899	-	79,392	-
2320	Long-term borrowings, current portion	6(11)(12) and 8	3,796,049	13	1,209,097	4
2399	Other current liabilities, others	6(18)	325,921	1	214,204	1
21XX	Total current liabilities		6,011,009	20	3,563,955	12
Non-current liabilities						
2530	Bonds payable	6(11)	2,967,588	10	4,419,632	15
2540	Long-term borrowings	6(12) and 8	3,599,777	12	4,661,660	16
2570	Deferred tax liabilities	6(25)	40,434	-	40,434	-
2580	Non-current lease liabilities		50,138	-	62,022	-
2600	Other non-current liabilities	6(13)	157,283	1	162,721	1
25XX	Total non-current liabilities		6,815,220	23	9,346,469	32
2XXX	Total liabilities		12,826,229	43	12,910,424	44
Equity						
	Share capital	6(14)				
3110	Ordinary share		4,567,446	15	4,567,410	16
	Capital surplus	6(15)				
3200	Capital surplus		539,458	2	539,296	2
	Retained earnings	6(16)				
3310	Legal reserve		2,117,155	7	1,810,884	6
3350	Unappropriated retained earnings		8,750,118	30	9,225,323	31
	Other equity interest	6(17)				
3400	Other equity interest		863,984	3	336,307	1
3XXX	Total equity		16,838,161	57	16,479,220	56
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		\$ 29,664,390	100	\$ 29,389,644	100

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	Items	Notes	Year ended December 31			
			2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 8,471,038	100	\$ 10,590,172	100
5000	Operating costs	6(6)(23)(24)	(6,373,599)	(75)	(7,090,077)	(67)
5900	Gross profit from operations		<u>2,097,439</u>	<u>25</u>	<u>3,500,095</u>	<u>33</u>
	Operating expenses	6(23)(24) and 7				
6100	Selling and marketing expenses		(99,003)	(1)	(129,261)	(1)
6200	General and administrative expenses		(392,939)	(5)	(517,114)	(5)
6300	Research and development expenses		(362,868)	(4)	(393,385)	(4)
6000	Total operating expenses		(854,810)	(10)	(1,039,760)	(10)
6900	Operating profit		<u>1,242,629</u>	<u>15</u>	<u>2,460,335</u>	<u>23</u>
	Non-operating income (expenses)					
7100	Interest income	6(19)	148,453	2	47,194	-
7010	Other income	6(20) and 7	152,657	2	111,027	1
7020	Other gains and losses	6(21) and 7	159,362	2	520,574	5
7050	Finance costs	6(22)	(149,983)	(2)	(132,552)	(1)
7070	Share of profit of subsidiaries and associates, joint ventures accounted for using equity method	6(7)	<u>381,900</u>	<u>4</u>	<u>639,628</u>	<u>6</u>
7000	Total non-operating income (expenses)		<u>692,389</u>	<u>8</u>	<u>1,185,871</u>	<u>11</u>
7900	Profit before income tax		<u>1,935,018</u>	<u>23</u>	<u>3,646,206</u>	<u>34</u>
7950	Income tax expense	6(25)	(197,699)	(2)	(612,921)	(5)
8200	Profit for the year		<u>\$ 1,737,319</u>	<u>21</u>	<u>\$ 3,033,285</u>	<u>29</u>
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plan	6(13)	\$ 4,426	-	\$ 14,800	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	557,274	7	(503,403)	(5)
8330	Share of other comprehensive income (losses) of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		20,360	-	(8,577)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(1,818)	-	(373)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		<u>580,242</u>	<u>7</u>	<u>(497,553)</u>	<u>(5)</u>
	Components of other comprehensive income (loss) that might be reclassified to profit or loss					
8380	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method, components of other comprehensive (loss) income that might be reclassified to profit or loss	6(17)	(40,506)	(1)	231,554	2
8360	Components of other comprehensive (loss) income that might be reclassified to profit or loss		(40,506)	(1)	231,554	2
8300	Other comprehensive income (loss) for the year, net of tax		<u>\$ 539,736</u>	<u>6</u>	<u>(\$ 265,999)</u>	<u>(3)</u>
8500	Total comprehensive income for the year		<u>\$ 2,277,055</u>	<u>27</u>	<u>\$ 2,767,286</u>	<u>26</u>
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		<u>\$ 3.80</u>		<u>\$ 6.68</u>	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		<u>\$ 3.59</u>		<u>\$ 6.21</u>	

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Ordinary share	Capital surplus, additional paid-in capital	Legal reserve	Unappropriated retained earnings	Other equity interest			Total equity
						Retained earnings	Exchange differences on translation of foreign operation	Unrealised gains (losses) from financial assets at fair value through other comprehensive income	
2022									
Balance at January 1, 2022		\$ 4,520,782	\$ 942,353	\$ 1,526,636	\$ 7,816,291	\$ 130,865	\$ 767,339	\$ 15,442,536	
Profit for the year		-	-	-	3,033,285	-	-	3,033,285	
Other comprehensive income (loss)	6(3)(17)	-	-	-	33,831	231,554	(531,384)	(265,999)	
Total comprehensive income (loss)		-	-	-	3,067,116	231,554	(531,384)	2,767,286	
Appropriation of 2021 earnings:	6(16)	-	-	-	-	-	-	-	
Legal reserve		-	-	284,248	(284,248)	-	-	-	
Cash dividends		-	-	-	(1,369,427)	-	-	(1,369,427)	
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	(502,123)	
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	337	-	(337)	-	
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)	
Balance at December 31, 2022		\$ 4,567,410	\$ 539,296	\$ 1,810,884	\$ 9,225,323	\$ 100,689	\$ 235,618	\$ 16,479,220	
2023									
Balance at January 1, 2023		\$ 4,567,410	\$ 539,296	\$ 1,810,884	\$ 9,225,323	\$ 100,689	\$ 235,618	\$ 16,479,220	
Profit for the year		-	-	-	1,737,319	-	-	1,737,319	
Other comprehensive income (loss)	6(3)(7)	-	-	-	12,059	(40,506)	568,183	539,736	
Total comprehensive income		-	-	-	1,749,378	(40,506)	568,183	2,277,055	
Appropriation of 2022 earnings:	6(16)	-	-	-	-	-	-	-	
Legal reserve		-	-	306,271	(306,271)	-	-	-	
Cash dividends		-	-	-	(1,918,312)	-	-	(1,918,312)	
Conversion of corporate bonds	6(11)(14)(15)	36	162	-	-	-	-	198	
Balance at December 31, 2023		\$ 4,567,446	\$ 539,458	\$ 2,117,155	\$ 8,750,118	\$ 60,183	\$ 803,801	\$ 16,838,161	

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 1,935,018	\$ 3,646,206
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation	6(8)(9)(23)	2,921,350	2,957,998
Amortisation	6(23)	24,495	22,115
Net (profit) loss on financial assets at fair value through profit or loss	6(2)(22)	(27,168)	15,293
Finance costs	6(22)	149,983	132,552
Interest income	6(19)	(148,453)	(47,194)
Dividends income	6(20)	(89,923)	(17,881)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	(381,900)	(639,628)
Gains on disposal of property, plant and equipment	6(21) and 7	(149,851)	(27,705)
Gains arising from lease modification	6(9)	(21)	-
Government grants		(3,196)	(1,188)
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		108,834	69,785
Contract assets		18,886	36,473
Accounts receivable	(	65,440)	154,991
Accounts receivable - related parties	(	42,530)	(70,962)
Other receivables		14,968	(1,957)
Other receivables - related parties		1	(7,988)
Inventories	(	77,669)	(54,191)
Prepayments	(	39,929)	(52,254)
Other current assets	(	1,386)	(89)
Changes in operating liabilities			
Contract liabilities	(	220)	(3,610)
Notes payable		-	(8)
Accounts payable		46,781	(39,695)
Other payables	(	250,149)	(152,518)
Other payables - related parties		166	(6,584)
Other current liabilities		111,717	(11,347)
Net defined benefit liabilities	(	1,957)	(2,374)
Cash inflow generated from operations		4,052,407	5,898,240
Interest received		282,531	50,985
Interest paid	(	184,650)	(131,705)
Dividends received		355,789	178,281
Income tax paid	(267,624)	(637,211)
Net cash flows from operating activities		4,238,453	5,358,590

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SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	7	\$ -	(\$ 546,000)
Acquisition of financial assets at amortised cost		(484,460)	(284,460)
Proceeds from disposal of financial assets at amortised cost		284,460	84,460
Acquisition of investments accounted for using equity method	6(7) and 7	-	(1,500,000)
Proceeds from capital reduction of investments accounted for using equity method	6(7) and 7	280,910	1,435,890
Acquisition of property, plant and equipment	6(27)	(1,565,390)	(2,072,444)
Proceeds from disposal of property, plant and equipment		407,943	60,357
Acquisition of intangible assets		(9,419)	(38,023)
Increase in refundable deposits		(23,391)	(2,074)
Decrease in refundable deposits		4,094	2,374
Acquisition of other non-current assets		(23,422)	-
Net cash flows used in investing activities		(1,128,675)	(2,859,920)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(28)	-	361,888
Repayments of short-term borrowings	6(28)	-	(361,888)
Repayments of corporate bonds	6(11)(28)	-	(100)
Proceeds from long-term borrowings	6(28)	3,357,540	10,536,222
Repayments of long-term borrowings	6(28)	(3,320,237)	(10,673,035)
Increase in guarantee deposits received	6(28)	1,330	2,075
Decrease in guarantee deposits received	6(28)	(385)	(2,310)
Repayments of lease liabilities	6(28)	(85,515)	(82,404)
Cash dividends paid	6(15)	(1,918,312)	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)
Net cash flows used in financing activities		(1,965,579)	(2,091,102)
Net increase in cash and cash equivalents		1,144,199	407,568
Cash and cash equivalents at beginning of year	6(1)	4,210,462	3,802,894
Cash and cash equivalents at end of year	6(1)	\$ 5,354,661	\$ 4,210,462

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

Attachment 6

Sigurd Microelectronics Corporation
Surplus Distribution Proposal
Year 2023

Unit: NT \$

Item	Amount	Note
Undistributed earnings at start of term	7,000,740,809	
Plus: After-tax net profit of the term	1,737,319,173	
Remeasurement of defined benefit plans	13,876,425	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,818,347)	
Basis for appropriation of the legal reserve	1,749,377,251	
Less: Legal reserve	(174,937,725)	
Quantity available for distribution of the year	8,575,180,335	
Distributed item		
Less: Cash bonus for shareholders (approximately NT\$ 2.68 per share)	(1,222,309,176)	
Less: Stock dividend and bonus	0	
Balance of unappropriated retained earnings at the end of period	7,352,871,159	

Chairman: Shin-Yang Huang Manager: Tsan-Lien Yeh Accountant Supervisor: Chi-Chang Chen