

矽格股份有限公司



MICROELECTRONICS CORP.

Stock Code: 6257

2024 Annual General Shareholders' Meeting Handbook

May 24, 2024

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Sigurd Microelectronics Corporation

2024 Annual General Shareholders' Meeting Procedure

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

IV. Proposed Resolutions

V. Special Motions

VI. Adjournment

The chair may decide to vote for one single proposal or vote for all or some proposals before the extempore motions.

Sigurd Microelectronics Corporation 2024 Annual General Shareholders' Meeting Agenda

Time: 09.00 am, May 24, 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

- I. Call the Meeting to Order
- II. Chairman Remarks
- III. Report Items
 - Item 1: 2023 Business Report.
 - Item 2: Audit Committee's Review Report for 2023.
 - Item 3: 2023 Distribution Report for Employee compensation and Directors' remuneration.
 - Item 4: Report on surplus Distribution of Cash Dividends from earnings for 2023.
 - Item 5: 2023 Distribution Report for Directors Remuneration.
 - Item 6: Amendment to the Regulations Governing Procedure for Board of Directors Meetings
 - Item 7: Other reporting matters.
- IV. Proposed Resolutions
 - Item 1: Adoption of the 2023 Business Report and Financial Statements
 - Item 2: Adoption of the 2023 Proposal for Surplus Distribution.
- V. Special Motions
- VI. Adjournment

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.

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:

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:

Special Motions

Adjournment

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 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

Attachment 2

**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		Chain 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
																		Amount in cash	Amount in shares	Amount in cash	Amount in shares									
Chairman	Shin-Yang Huang	4,800	4,800	-	-	440	440	-	-	5,240.30	5,240.30	20,395	24,395	-	-	14,842	-	14,842	-	-	-	-	-	-	40,478.23	44,478.56	None			
Director	Tsan-Lien Yeh	2,400	2,400	-	-	220	220	-	-	2,620.15	2,620.15	15,632	16,632	-	-	10,501	-	10,501	-	-	-	-	-	-	28,753.66	29,753.66	None			
Director	Hsu-Tung Kuo	2,400	2,400	-	-	220	220	-	-	2,620.15	2,620.15	11,607	12,607	-	-	7,040	-	7,040	-	-	-	-	-	-	21,267.12	22,267.12	None			
Director	Min-Hung Wu	2,400	2,400	-	-	220	220	-	-	2,620.15	2,620.15	8,975	10,375	-	-	5,602	-	5,602	-	-	-	-	-	-	17,198.99	18,598.10	None			
Director	Wen-Yuan Lin	1,200	1,200	-	-	-	-	15	15	1,215.07	1,215.07	-	-	-	-	-	-	-	-	-	-	-	-	-	1,215.07	1,215.07	None			
Director	Jui-Jen Feng	1,400	1,400	-	-	220	220	-	-	1,620.09	1,620.09	1,160	1,160	822	822	-	-	-	-	-	-	-	-	-	3,602.21	3,602.21	None			
Director	Ming-Chun Chiu	2,400	2,400	-	-	220	220	15	15	2,635.15	2,635.15	-	-	-	-	-	-	-	-	-	-	-	-	-	2,635.15	2,635.15	None			
Independent Director	Wen-Bin Wu	2,400	2,400	-	-	220	220	35	35	2,655.15	2,655.15	-	-	-	-	-	-	-	-	-	-	-	-	-	2,655.15	2,655.15	None			
Independent Director	Chuen-Rong Leu	1,200	1,200	-	-	-	-	30	30	1,230.07	1,230.07	-	-	-	-	-	-	-	-	-	-	-	-	-	1,230.07	1,230.07	None			
Independent Director	Min-Kai Lin	2,400	2,400	-	-	220	220	35	35	2,655.15	2,655.15	-	-	-	-	-	-	-	-	-	-	-	-	-	2,655.15	2,655.15	None			
Independent Director	Kwok-Wah Tsang	1,400	1,400	-	-	220	220	-	-	1,620.09	1,620.09	-	-	-	-	-	-	-	-	-	-	-	-	-	1,620.09	1,620.09	None			
Independent Director	Li-Hsing Lai	1,400	1,400	-	-	220	220	-	-	1,620.09	1,620.09	-	-	-	-	-	-	-	-	-	-	-	-	-	1,620.09	1,620.09	None			

- 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.
- 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. 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>In compliance with the <u>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 <u>Financial Supervisory Commission's</u></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		<u>18,089,407</u>	<u>48</u>	<u>16,314,192</u>	<u>43</u>
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		<u>19,428,011</u>	<u>52</u>	<u>21,255,162</u>	<u>57</u>
1XXX	Total assets		<u>\$ 37,517,418</u>	<u>100</u>	<u>\$ 37,569,354</u>	<u>100</u>

(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		<u>8,599,306</u>	<u>23</u>	<u>5,885,119</u>	<u>15</u>
	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		<u>9,118,526</u>	<u>24</u>	<u>12,303,756</u>	<u>33</u>
2XXX	Total liabilities		<u>17,717,832</u>	<u>47</u>	<u>18,188,875</u>	<u>48</u>
	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		<u>16,838,161</u>	<u>45</u>	<u>16,479,220</u>	<u>44</u>
36XX	Non-controlling interests		<u>2,961,425</u>	<u>8</u>	<u>2,901,259</u>	<u>8</u>
3XXX	Total equity		<u>19,799,586</u>	<u>53</u>	<u>19,380,479</u>	<u>52</u>
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		<u>\$ 37,517,418</u>	<u>100</u>	<u>\$ 37,569,354</u>	<u>100</u>

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)

	Items	Notes	Year ended December 31			
			2023		2022	
			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		<u>3,578,766</u>	<u>23</u>	<u>5,528,534</u>	<u>30</u>
	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		<u>(1,500,561)</u>	<u>(9)</u>	<u>(1,701,852)</u>	<u>(9)</u>
6900	Operating profit		<u>2,078,205</u>	<u>14</u>	<u>3,826,682</u>	<u>21</u>
	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		<u>496,508</u>	<u>3</u>	<u>599,777</u>	<u>3</u>
7900	Profit before income tax		<u>2,574,713</u>	<u>17</u>	<u>4,426,459</u>	<u>24</u>
7950	Income tax expense	6(25)	(436,199)	(3)	(912,510)	(5)
8000	Profit from continuing operations		<u>2,138,514</u>	<u>14</u>	<u>3,513,949</u>	<u>19</u>
8200	Profit for the year		<u>\$ 2,138,514</u>	<u>14</u>	<u>\$ 3,513,949</u>	<u>19</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 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		<u>580,954</u>	<u>4</u>	<u>(493,900)</u>	<u>(3)</u>
	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		<u>(54,571)</u>	<u>(1)</u>	<u>418,270</u>	<u>2</u>
8300	Other comprehensive income (loss)		<u>\$ 526,383</u>	<u>3</u>	<u>(\$ 75,630)</u>	<u>(1)</u>
8500	Total comprehensive income		<u>\$ 2,664,897</u>	<u>17</u>	<u>\$ 3,438,319</u>	<u>18</u>
	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		<u>\$ 2,138,514</u>	<u>14</u>	<u>\$ 3,513,949</u>	<u>19</u>
	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		<u>\$ 2,664,897</u>	<u>17</u>	<u>\$ 3,438,319</u>	<u>18</u>
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		\$ 3.80		\$ 6.68	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		\$ 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)

	Notes	Equity attributable to owners of the parent						Total	Non-controlling interests	Total equity
		Retained earnings			Other equity interest					
		Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	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	\$17,826,823
Profit for the year		-	-	-	3,033,285	-	-	3,033,285	480,664	3,513,949
Other comprehensive income (loss)	6(3)(17)	-	-	-	33,881	231,554	(531,384)	(265,999)	190,369	(75,630)
Total comprehensive income (loss)		-	-	-	3,067,116	231,554	(531,384)	2,767,286	671,033	3,438,319
Appropriation of 2021 earnings	6(16)	-	-	-	(284,248)	-	-	(284,248)	-	-
Legal reserve		-	-	284,248	(284,248)	-	-	-	-	-
Reversal of special reserve		-	-	-	(1,369,427)	-	-	(1,369,427)	-	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	(502,123)	-	(502,123)
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	145,694	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	4(3)	-	-	-	337	-	(337)	-	-	-
Cash dividends paid to non-controlling interest from subsidiary		-	-	-	-	-	-	-	(150,731)	(150,731)
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)	(3,330)	(8,076)
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	\$19,380,479
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	\$19,380,479
Profit for the year		-	-	-	1,737,319	-	-	1,737,319	401,195	2,138,514
Other comprehensive income (loss)	6(3)(17)	-	-	-	12,059	(40,506)	568,183	539,736	(13,353)	526,383
Total comprehensive income (loss)		-	-	-	1,749,378	(40,506)	568,183	2,277,055	387,842	2,664,897
Appropriation of 2022 earnings	6(16)	-	-	-	(306,271)	-	-	(306,271)	-	-
Legal reserve		-	-	306,271	(306,271)	-	-	-	-	-
Cash dividends		-	-	-	(1,918,312)	-	-	(1,918,312)	-	(1,918,312)
Conversion of corporate bonds	6(11)(14)(15)	36	162	-	-	-	-	198	-	198
Cash dividends paid to non-controlling interest from subsidiary	4(3)	-	-	-	-	-	-	-	(327,676)	(327,676)
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	\$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)

	Notes	Years ended December 31,	
		2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
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)

	Notes	Years ended December 31,	
		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)	<u>\$ 9,406,220</u>	<u>\$ 8,873,912</u>

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		<u>9,325,793</u>	<u>31</u>	<u>8,142,643</u>	<u>28</u>
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		<u>20,338,597</u>	<u>69</u>	<u>21,247,001</u>	<u>72</u>
1XXX	Total assets		<u>\$ 29,664,390</u>	<u>100</u>	<u>\$ 29,389,644</u>	<u>100</u>

(Continued)

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		<u>6,011,009</u>	<u>20</u>	<u>3,563,955</u>	<u>12</u>
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		<u>6,815,220</u>	<u>23</u>	<u>9,346,469</u>	<u>32</u>
2XXX	Total liabilities		<u>12,826,229</u>	<u>43</u>	<u>12,910,424</u>	<u>44</u>
Equity						
Share capital						
3110	Ordinary share	6(14)	4,567,446	15	4,567,410	16
Capital surplus						
3200	Capital surplus	6(15)	539,458	2	539,296	2
Retained earnings						
3310	Legal reserve	6(16)	2,117,155	7	1,810,884	6
3350	Unappropriated retained earnings		8,750,118	30	9,225,323	31
Other equity interest						
3400	Other equity interest	6(17)	863,984	3	336,307	1
3XXX	Total equity		<u>16,838,161</u>	<u>57</u>	<u>16,479,220</u>	<u>56</u>
Significant contingent liabilities and unrecognised contract commitments						
Significant events after the reporting period						
3X2X	Total liabilities and equity		<u>\$ 29,664,390</u>	<u>100</u>	<u>\$ 29,389,644</u>	<u>100</u>

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		2,097,439	25	3,500,095	33		
	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		1,242,629	15	2,460,335	23		
	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)	381,900	4	639,628	6		
7000	Total non-operating income (expenses)		692,389	8	1,185,871	11		
7900	Profit before income tax		1,935,018	23	3,646,206	34		
7950	Income tax expense	6(25)	(197,699)	(2)	(612,921)	(5)		
8200	Profit for the year		\$ 1,737,319	21	\$ 3,033,285	29		
	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		580,242	7	(497,553)	(5)		
	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		\$ 539,736	6	(\$ 265,999)	(3)		
8500	Total comprehensive income for the year		\$ 2,277,055	27	\$ 2,767,286	26		
	Basic earnings per share (in dollars)	6(26)						
9750	Basic earnings per share		\$ 3.80		\$ 6.68			
	Diluted earnings per share (in dollars)	6(26)						
9850	Diluted earnings per share		\$ 3.59		\$ 6.21			

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	Retained earnings			Other equity interest		Total equity
		Capital surplus, additional paid-in capital	Legal reserve	Unappropriated 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)	-	-	-	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:							
Legal reserve	-	-	284,248	(284,248)	-	-	-
Cash dividends	-	-	-	(1,369,427)	-	-	(1,369,427)
Cash distribution from capital surplus	-	(502,123)	-	-	-	-	(502,123)
Conversion of corporate bonds	46,628	99,066	-	-	-	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	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)	-	-	-	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:							
Legal reserve	-	-	306,271	(306,271)	-	-	-
Cash dividends	-	-	-	(1,918,312)	-	-	(1,918,312)
Conversion of corporate bonds	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)

	Notes	Year ended December 31	
		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		<u>4,238,453</u>	<u>5,358,590</u>

(Continued)

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

	Notes	Year ended December 31	
		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

Appendix 1

Sigurd Microelectronics Co., Ltd. Articles of Incorporation

Chapter 1 General Provision

- Article 1: The Company is organized under the Company Act as a company limited by shares and named "矽格股份有限公司" The Company's English name is "SIGURD MICROELECTRONICS CORP".
- Article 2: The Company's scope of operation includes the following:
CC01080 Manufacturing of electronic parts and components.
CC01120 Manufacturing and reproduction of data storage media.
CC01110 Manufacturing of computers and peripheral equipment.
CC01990 Manufacturing of other mechanical engineering and electronic/mechanical devices.
CB01010 Manufacturing of machinery and equipment.
CE01010 General instrument manufacturing.
F119010 Wholesale of electronic materials.
F219010 Retail of electronic materials.
F213040 Retail of precision instruments.
F401010 International trade.
I301010 Information software service.
IZ99990 Other commercial services.
I501010 Product design.
G801010 Warehousing.
ZZ99999 Operations not prohibited or restricted by law besides the said approved ones
- Article 3: The Company shall have its head office in Hsinchu County, Taiwan, and may establish branches and offices in other suitable locations, domestically or overseas whenever the Corporation deems it necessary according to the resolutions of the Board of Directors.
- Article 4: Public announcements of the Company shall resolutions of in accordance with the provisions of Article 28 of the Company Act.

Chapter 2 Shares

- Article 5: The authorized capital of the Company is NT\$10 billion, consisting of 1 billion shares, all of the ordinary shares, with a par value of NT\$10 per share. The Board of Directors is authorized to issue the shares in separate installments as required.
- In the total capital of the preceding paragraph, the Company will issue employee stock option certificate subscription within an amount of NT\$200 million, totaling 2 million shares at NT\$10 per share. The Board of Directors is authorized to issue the unissued shares in separate installments as required.

Including the employees of parents or subsidiaries of the Company meeting certain specific requirements are entitled to receive shares redeemed or bought back by the Company. The employees of the Company, including the employees of parents or subsidiaries of the Company meeting certain specific requirements, are entitled to receive employee stock option certificate subscription or employee restricted stock awards.

Article 5-1 The Company may issue employee stock option certificate subscription that are not subject to the exercise price restriction set out in Article 53, an issuer is required to obtain the consent of at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares. The issuer is allowed to register multiple issues over a period of 1 year from the date of the shareholders' resolution.

Article 5-2 The Company may transfer its shares to employees at a price below the average repurchase price. The proposal shall be raised in the most recent shareholders' meeting to obtain the consent of at least two-thirds of the voting rights represented at a shareholders' meeting attended by shareholders representing a majority of the total issued shares. The issuer shall be required to specify the following information in the notice of reasons for convening the shareholders' meeting, and may not raise the matter by means of special motion:

- I. The criteria for determination of the exercise price, discount ratio and the reasonableness of the price.
- II. Transfer of shares, purpose and reasonableness.
- III. Qualification requirements for warrant subscribers, and the number of shares they are allowed to subscribe for.
- IV. Factors affecting shareholders' equity:
 - (I) The expansible amount, and dilution of the Company's earnings per share.
 - (II) Where previously issued shares will be used to cover the warrants, explain what financial burden this will impose on the company.

Article 6: The Company's shares shall generally be registered, and the share certificates shall be affixed with the signatures or personal seals of the Director representing the company. Stock shall be issued after attestation by the competent authority or an issuance attestation institution approved by the competent authority. The Company may be exempted from printing any share certificate for the shares issued by the Company and shall register the issued shares with a centralized securities depository institution.

Chapter 3 Shareholders' Meeting

Article 7: All transfer of stocks, pledge of rights, loss, succession, gift, loss of seal, amendment of the seal, change of address or similar stock transaction conducted by shareholders of the Corporation shall follow the "Regulations Governing the Administration of Shareholder Services of Public Companies" unless specified otherwise by law and securities regulations.

Article 8: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular shareholders' meeting, and thirty (30)

days immediately before the date of any special shareholders' meeting, or within five (5) days before the base date on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Article 9: Shareholders' meetings of the Company are of two types, namely: regular meetings and special meetings. Regular meetings, in accordance with the law, shall be convened once a year, by the Board of Directors, within six (6) months after the close of each fiscal year. Unless otherwise provided in the Company Act, the special meetings shall be convened by the Board of Directors when necessary.

The Company's shareholders' meeting can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 10: A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend by proxy using the form, which sets forth the scope of the authorization. The shareholder proxy process is governed by Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholder Meeting of Public Companies.

Article 11: Except for the shares with restricted voting rights or without voting rights under the Company Act, each share is entitled to one vote.

Article 12: Except as otherwise provided by applicable law, the shareholders' resolutions shall be adopted upon the approval of a majority of the voting shares present at the shareholders' meeting, which is attended by holders of a majority of the total issued and outstanding shares of the Company.

Article 13: The shareholders' meetings shall be convened by the Board of Directors and presided over by the Chairman of the Board. The Chairman of the Board shall appoint a Director to act as his or her proxy if the Chairman is unable to attend such meeting. If the Chairman does not appoint a proxy, the Directors shall appoint one from among them. If a meeting is convened by a person entitled to convene other than the Board of Directors, such person shall act as the Chairman for the meeting; provided, however, if there is more than one person entitled to convene, the Chairman for the meeting shall be appointed from among them.

Chapter 4 Directors, Board of Directors, Audit Committee, and Remuneration Committee

Article 14: The Company has 9~11 Directors who are competent shareholders elected in the shareholders' meeting. The term of office for Supervisors shall be three years and they shall be re-appointed if being re-elected. The remuneration of the Directors and Supervisors of the Company authorizes the Board of Directors to agree on the usual level of the industry.

The Company may obtain Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of service.

Article 14-1 In accordance with the Securities and Exchange Act and the relevant laws and regulations, the Company was required to appoint Independent Directors, not less than two in number and not less than one-fifth of the total number of Directors.

The Directors' election of the Company shall adopt the candidate nomination

system. Shareholders should select Directors from the list of Director candidates. Independent Directors and non-Independent Directors shall be nominated separately, and elections shall be held together to calculate the number of elected candidates.

The restrictions on professional qualifications, shareholding, concurrent positions, and the manner of election of the Independent Directors, and other related matters shall comply with the Securities and Exchange Act and regulations.

Article 14-2 The Company has set up the Audit Committee, and the Audit Committee shall be responsible for exercising the functional authority of the Supervisors required by the Company Act, the Securities and Exchange Act, and other laws and regulations.

The Audit Committee comprises all Independent Directors, and the number of their members shall not be less than three, one of them is the convener and at least one of them has accounting or financial expertise.

The resolution of the Audit Committee shall be approved by more than one-half of all members of the Audit Committee.

Article 14-3 The Company has set up the Remuneration Committee. For the number of the Remuneration Committee, the term of office, the powers of the committee, the rules of meetings, resources to be provided by the Company when the Committee exercises its powers shall be specified separately in the Remuneration Committee Charter.

Article 15: The Directors are organized into the Board of Directors. The Board of Directors shall elect a Chairman of the board Directors from among the Directors by a majority vote at a meeting attended by over two-thirds of the Directors, and may also elect in the same manner a vice Chairman of the board.

The Chairman of the Board of Directors shall internally preside the shareholders' meeting, the meeting of the Board of Directors, and the meeting of the managing Directors; and shall externally represent the Company. In case the Chairman of the Board of Directors is on leave or absent or can not exercise his power and authority for any cause, it will be handled in accordance with Company Act, Article 208.

Article 16: Except as otherwise provided in the Company Law, the Board of Directors may be convened by the Chairman of the Board of Directors, and the shareholders' meeting notice may be in writing, e-mail or fax, at least once every quarter. A shareholder may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy. A shareholder may only execute one power of attorney and appoint one proxy only.

Article 17: The Board of Directors consists of the Company shall have the following powers and duties:

- I. Review and approval of the Company's organization rules and procedures
- II. The proposal to amend the Articles of Incorporation.
- III. Approval of the branch's setting and abolition.
- IV. Appointment and dismissal of the Manager.
- V. Proposal for capital increase/decrease plans.

- VI. The formulation and supervision of the annual business plan.
- VII. Budget and final accounting.
- VIII. Proposal for distribution of earnings or deficit to be offset.
- IX. Other entrusted functions by the Company Act and or the resolution of Shareholders' Meeting.

Article 18: The resolutions of the Board of Directors shall be adopted by at least a majority of the Directors present at a meeting attended by at least a majority of the Directors holding office.

Article 19: Deleted.

Chapter 5 Manager

Article 20: The company may have a chief executive officer, a general manager and a number of managers. Their appointments, dismissals and remuneration shall be governed by Article 29 of the Company Act and relevant regulations. The Board of Directors shall be authorized to decide the title and powers of the manager, the Board of Directors may authorize the Chairman to decide.

Article 21: The chief executive officer shall be responsible to the Chairman. Other managers are responsible for implementing their assigned responsibilities and overall business operations in accordance with the Company policy and shall be reporting and responsible to the chief executive officer.

Article 22: The appointment and removal of employees of the Company shall be performed by the chief executive officer or the general manager who has been authorized to do so.

Chapter 6 Accounting

Article 23: At the close of the fiscal year, the accounts of the Company shall be closed, the Board of Directors shall prepare the statements and records listed below and shall forward to the same shareholders' meeting.

- I. Business Report;
- II. Financial Statements; and
- III. The surplus earning distribution or loss off-setting proposals.

Article 23-1 If the Company makes a profit in the year, 8%~12% of the annual profit will be allocated as employee remuneration, and the amount not more than 3% will be allocated as Director's remuneration. However, if the Company still has accumulated losses, the amount of accumulated losses should be deducted before the balance is calculated and distributed.

The remunerations to employees may be distributed in cash or stocks; the eligible receivers may include employees of the Company's subsidiaries who meet the criteria set by the Board of Directors or its delegates.

Article 24: The Company will continue to expand its scale and increase profitability according to the operating investment environment and capital requirements, and take into account the interests of shareholders and the capital adequacy

ratio, and adopt the residual dividend policy.

Distribution criteria and timing: For annual surpluses concluded by the Company, besides taxation as required by law, they shall be prioritized for offsetting prior deficits. Secondly, 10% of the remainder will be allocated to the legal reserve unless it has reached the overall capital size, and provision or reversal of special reserve may be made as needed. The remaining balance shall be added to the previously undistributed earnings as distributable earnings.

Distribution of earnings may be done in cash dividends or stock dividends. Cash dividends are prioritized, but stock dividends are an option. The shareholder dividends to be distributed for the current year shall be 10% ~ 80% of the annual distributable earnings. The ratio of cash dividends to be distributed, in particular, may not be less than 10%.

The Company may, pursuant to a resolution to be adopted by the board of directors as required in Article 240 of the Company Act, distribute its dividends and bonuses, in whole or in part, by cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company may, pursuant to a resolution to be adopted by the board of directors as required in Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part, by cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Chapter 7 Miscellaneous

- Article 25: The Company may act as a guarantor for external parties.
- Article 26: The Company's reinvestment may exceed 40% of the paid-in capital with the authorization of the Board of Directors.
- Article 27: The organizational charter and bylaws of the Company shall be separately adopted.
- Article 28: Matters not specified in the Articles of Incorporation shall be governed by the Company Act.
- Article 29: The Articles of Incorporation was enacted on November 28, 1988. The 1st amendment was made on October 16, 1989. The 2nd amendment was made on November 13, 1989. The 3rd amendment was made on December 28, 1989. The 4th amendment was made on September 1, 1990. The 5th amendment was made on June 30, 1992. The 6th amendment was made on May 22, 1996. The 7th amendment was made on June 17, 1998. The 8th amendment was made on August 19, 1998. The 9th amendment was made on November 10, 1998. The 10th amendment was made on March 22, 2000. The 11th amendment was made on March 28, 2001. The 12th amendment was made on June 19, 2002. The 13th amendment was made on December 30, 2002. The 14th amendment was made on June 25, 2003. The 15th amendment was made on May 18, 2004. The 16th amendment was made on June 13, 2005. The 17th amendment was made on February 27, 2006. The 18th amendment was made on June 12, 2006. The 19th amendment was made on June 13, 2008. The 20th amendment was made on June 15, 2010. The 21st amendment was made on June 6, 2012. The 22nd

amendment was made on June 20, 2016. The 23rd amendment was made on June 15, 2017. The 24th amendment was made on June 7, 2018. The 25th amendment was made on June 13, 2018. The 26th amendment was made on June 10, 2021. The 27th amendment occurred on June 9, 2022. The 28th amendment occurred on June 7, 2023.

Sigurd Microelectronics Corporation

Chairman: Shin-Yang Huang

Appendix 2

Rules of Procedure for Shareholders' Meetings of Sigurd Microelectronics Co., Ltd.

Approved in the general shareholders' meeting on July 15, 2021

- I. The "Rules of Procedures of Shareholder Meetings" are enacted pursuant to the Article 5 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" in order to establish a sound corporate governance system for shareholders' meetings, enhance the supervision function, and strengthen the management function.
- II. Except where other laws or regulations apply, the shareholders' meeting shall follow the Rules.
- III. The Company should prepare a sign-in book for attending shareholders or their proxies (collectively, "shareholders") or allow shareholders to submit sign-in cards in lieu of signing in. The calculation case of the attendance share of the shareholders shall be the number of shares processed. The attendance shares shall be counted in accordance with the present attendance card adding the voting shares exercised via written or electronic measures.
- IV. For a shareholders' meeting convened by the Board of Directors, the Chairman of the Board of Directors shall preside at the meeting. If the Chairman of the Board of Directors is on leave or unable to exert the rights, the vice-Chairman of the Board of Directors shall preside instead.

If the position of vice-Chairman is vacant or the vice-Chairman is on leave or unable to exert the rights, the Chairman of the Board of Directors shall designate a Director to preside at the meeting. If there is no managing Director, one of the appointed Directors shall preside. If the Chairman of the board did not designate an agent, the Chairman of the meeting shall be elected by the Board of Directors from among the managing Director and themselves.

When the Board of Directors convenes a shareholders' meeting, the Chairperson of the board shall personally chair the shareholders' meeting and at least half of the members of the Board of Directors shall be in attendance, and each of the functional committees shall be represented by at least one member in attendance, and the attendance records shall be published in the meeting minutes.

If the shareholders' meeting is convened by persons with authority to call a meeting other than the Board of Directors, the Chairman shall be the person with said authority. Where more than two persons have such authority, they should appoint one as the Chairman.

The Company may designate its attorney, certified public accountant, or other relevant persons to attend the meeting.

When time of meeting is due, the chairperson shall call the meeting to order and announce the number of attending shareholders without voting rights and the number of shares represented in the attendance, among other information at the same time.

The Chairperson shall call the meeting to order on the time of meeting. Where shareholders representing over 50% of issued shares are not present, the Chairperson may proclaim the delay of the meeting. Only two delays are allowed, and the delay time shall no more than one hour. When the shareholders' meeting is delayed two times with no shareholders representing one third of issued shares, the Chairperson shall proclaim the meeting to be adjourned.

Where shareholders representing 50% of issued shares present before the shareholders' meeting conclude, the Chairperson may again propose tentative resolutions to the shareholders' meeting for a re-vote in accordance with the regulation of the Company Act.

- V. Where a shareholders' meeting is convened by the Board of Directors, the Board of Directors shall stipulate the meeting agenda. Pertaining to proposals (including extemporaneous motions and amendments of original proposals), voting by poll should be adopted. The shareholders' meeting shall progress in accordance of arranged agenda, which can only be changed by the resolution of the shareholders' meeting.

The shareholders' meeting assembled by persons with authority to assemble other than the Board shall apply the regulation of the preceding Paragraph.

Before arranged agendas in preceding two Paragraphs during the meeting (including special motions) comes to an end, the Chairperson shall not proclaim the adjournment of the shareholders' meeting without a resolution of the shareholders' meeting. If the Chairperson proclaims the adjournment without necessary resolution, the other members of the Board shall assist shareholders at present in continuing the meeting and electing a person as Chairperson with more than 50% vote of assent from of the shareholders at present in accordance with legal procedure.

The Chairperson shall offer adequate opportunities for explanation and discussion on the proposals and amendments or extemporaneous motions brought up by shareholders. Where the Chairperson thinks the proposals and amendments or extemporaneous motions brought up by shareholders is ready to vote, the Chairperson may proclaim the closure of discussion, proceed to vote, and provide adequate time for voting.

- VI. Shareholders holding 1% or more of the total number of outstanding shares of the Company may propose to the Company a proposal for discussion at the shareholders' meeting, provided that only one matter shall be allowed in each single proposal, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda. However, if the proposal submitted by shareholder is pertaining to advice on the Company's effort in promoting public interest or social responsibilities, the Board of Directs should include the proposal in the agenda. In

addition, the Board shall not list any motions from shareholders which fall under any situation regulated in all subparagraphs of Paragraph 4 of Article 172-1 in the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of the 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 ten 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 300 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 shareholders' meeting where 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.

- VII. Every shareholder's speech to a single motion shall be no more than twice unless the Chairperson agrees so, and each speech shall be no more than five minutes. If approved by the Chairman, it may be extended for another three minutes.

Where the speech from the shareholders violates the regulations or goes beyond the scope of the motion, the Chairperson may stop the speech.

- VIII. Shareholders attended the shareholders' meeting shall fill the opinion sheet with speech summary, shareholder account number (or attendance tag number), and account name before making speeches, and the Chairperson stipulates the speech order.

Shareholders attended the shareholders' meeting who turn in an opinion sheet without making a speech will be regarded as expressing no opinion. Where speech content does not match the record of the opinion sheet, the speech content shall prevail.

- IX. The Chairperson may reply in person or assign relevant personnel to reply after shareholders attended the shareholders' meeting spoke. The Chairperson may deliberate the time and proclaim breaks when the shareholders' meeting is in progress. The Chairperson shall direct picketers or security to maintain the order of the shareholders' meeting place. Picketers and security shall wear the badges or ID tags with words of "Picketer" while assisting to maintain the order of the shareholders' meeting place.

Where shareholders violating the rules of shareholders' meeting and disobeying the correction from the Chairperson, and interfering with the progress of shareholders' meeting, the Chairperson may direct picketers or security to guide the person out of the meeting place.

- X. When the speech from the shareholders exceeds the time limit or goes beyond the scope of the motion, the Chairperson may stop the speech. Corporate shareholders may assign only one representative to the shareholders' meeting. Where corporate shareholders assign more than two representatives to the shareholders' meeting, only one representative is allowed to speak to a single proposal.
- XI. The voting of proposals shall be approved by more than 50% of the voting powers from present shareholders unless the Company Act and the Articles of Incorporation regulate otherwise. The proposal will be regarded as approved with no objection from all present shareholders after the Chairperson is consulted, and the effect is the same as voting. Shareholders have one voting power per share. The Chairperson assigns the scrutinizers and tellers of the motion voting, but the scrutinizers shall possess the shareholder identity. The results must be declared immediately on the spot and recorded.

When a shareholder entrusts an agent to attend a shareholders' meeting, the voting power of the agents who are simultaneously authorized by more than two shareholders shall be no more than 3% of the total issued voting shares, and it will not count otherwise.

When directors are elected during a shareholders' meeting, related election regulations established by the Company shall be followed and the voting results shall be announced on the spot, including the list of elected directors and the number of votes each of them received and the list of candidates who were not elected and the number of votes each of them received.

A shareholder is limited to present one letter of authorization and one authorized agent. The letter of authorization shall be delivered to the Company five days before the shareholders' meeting. In the case of a repeat of letter of authorization, the first arrived letter of authorization shall prevail. The letter of authorization proclaiming to revoke former ones shall be excluded.

- XII. Where there are amendments or alternatives to a single motion, the Chairperson decides the voting order of such alone with original motion. Where one of the motions is approved, other motions will be regarded as vetoed and shall not be voted again.

When the Chairperson thinks the proposals brought up by shareholders is ready to vote, the Chairperson may proclaim the closure of discussion and proceed to vote.

- XIII. As the Company sets up an Audit Committee to replace the Supervisors, any other provision pertaining to Supervisors shall cease to apply.

Matters not covered by these rules shall be governed in accordance with the provisions of the Company Act, the Articles of Incorporation of the Company and other relevant laws and regulations.

- XIV. The shareholders' meeting procedures shall be implemented after the shareholders' meeting grants approval.

Appendix 3

Rules of Procedure for Board of Directors Meetings of Sigurd Microelectronics Corporation

Article 1 (Basis for the adoption of these Rules)

To establish strong governance system and sound supervisory capabilities for the Company's Board of Directors and to strengthen management capabilities, these Rules are adopted pursuant to Article 2 of the Regulations Governing Procedure for Board of Directors Meetings of Public Companies.

Article 2 (Scope of these Rules)

With respect to the Board of Directors meetings of the Company, the main agenda items, working procedures, required content of meeting minutes, public announcements, and other compliance requirements shall be handled in accordance with the provisions of these Rules.

Article 3 (Convening and notice of Board Meetings)

The Board of Directors shall meet at least quarterly.

A notice of the reasons for convening a Board of Directors meeting shall be given to each Director and supervisor at least seven days before the meeting is convened. In emergency circumstances, however, a board meeting may be called on shorter notice.

The notice to be given under the preceding paragraph may be delivered electronically with the prior consent of the recipients.

All matters set forth under Article 12, paragraph 1 of these Rules shall be specified in the notice of the reasons for convening a Board of Directors meeting. None of those matters may be raised by an extraordinary motion except in the case of an emergency or for other legitimate reason.

Article 4 (Meeting notification and meeting materials)

The designated unit responsible for the Board of Directors meetings of the Company shall be the General Manager's office.

The unit responsible for Board of Directors meetings shall draft agenda items and prepare sufficient meeting materials, and shall deliver them along with the notice of the meeting.

If a Director finds the provided meeting materials insufficient, they may request supplementation from the unit responsible for Board of Directors meetings. If a Director deems the materials related to any proposal inadequate, the deliberation of such proposal may be postponed by a resolution of the Board of Directors.

Article 5 (Preparation of attendance book and other documents; attendance by proxy)

When a Board of Directors meeting is held, an attendance book shall be provided for attending Directors to sign, which shall be made available for future reference.

Directors shall attend Board of Directors meetings in person. A Director unable to attend in person may appoint another Director to attend the meeting in his or her place in accordance with the Company's Articles of Incorporation. Attendance by videoconference will be deemed attendance in person.

A Director who appoints another Director as proxy to attend a Board of Directors meeting shall issue a written proxy for each instance, stating the scope of authorization with respect to the items on the meeting agenda.

The proxy referred to in paragraph 2 may only represent one person.

Article 6 (Principles for determining the place and time of a Board of Directors meeting)

A Board of Directors meeting shall be held at the premises and during the business hours of the Company, or at a location and time convenient for all Directors to attend and suitable for holding Board of Directors meetings.

Article 7 (Chairman and acting chairman of a Board of Directors meeting)

Board of Directors meetings shall be convened and chaired by the Chairman. However, with respect to the first meeting of each newly elected Board of Directors, it shall be called and chaired by the Director who received the highest number of votes at the Shareholders' Meeting where the Directors were elected. If two or more Directors are entitled to convene the meeting, they shall select one Director among themselves to serve as chairman.

With respect to the meeting convened by more than half of the Directors in accordance with Article 203, paragraph 4 or Article 203-1, paragraph 3 of the Company Act, Directors shall select one Director from among themselves to serve as chairman.

When the Chairman is on leave or unable to perform their duties, the Vice Chairman shall act on their behalf. When there is no Vice Chairman or the Vice Chairman is also unavailable, the Chairman shall assign a Managing Director to act in their place. If there is no Managing Director, one of the Directors shall be designated. If the Chairman does not assign a designee, the Managing Directors or Directors shall select one person from among themselves to serve as chairman.

Article 8 (Reference materials, non-voting participants, and holding Board of Directors meetings)

When a Board of Directors meeting is held, the designated unit responsible for the Board of Directors meetings shall furnish the attending Directors with relevant materials for reference.

As merited by the content of a proposal to be put forward at a Board of Directors meeting, personnel from relevant departments or a subsidiaries may be notified to attend the meeting as non-voting participants. When necessary, certified public accountants, attorneys, or other professionals may also be invited to attend the meeting as non-voting participants and make explanatory statements, but must leave the meeting when discussion or voting takes place.

The chairman shall commence Board of Directors meeting at the scheduled time and when more than one-half of all the Directors are in attendance. If fewer than half of all

the Directors are present at the scheduled meeting time, the chairman may the meeting, no more than twice. If the quorum is still not met after two postponements, the chairman shall reconvene the meeting in accordance with the procedures in Article 3, paragraph 2. The number of "all Directors," as used in the preceding paragraph and in Article 16, paragraph 2, subparagraph 2, shall be counted as the number of Directors currently holding office.

Article 9 (Documentation of a Board of Directors meeting by audio or video)

Board of Directors meetings shall be audio-recorded or videotaped as evidence and the files shall be kept for at least five years. The files may be stored in the electronic form.

If litigation concerning a resolution of the Board of Directors meeting begins before the expiration of the retention period mentioned in the preceding paragraph, pertinent audio or video evidence data must be retained until the litigation concludes.

For a Board of Directors meeting convened via videoconferencing, the audio-recorded and videotaped data shall be part of the minutes of the meeting and shall be properly retained for the duration of the Company's existence.

Article 10 (Items on the Agenda)

Agenda items for regular Board of Directors meetings of the Company shall include at least the following:

- I. Report Items:
 - (I) Minutes of the last meeting and action taken.
 - (II) Important financial and business matters.
 - (III) Internal audit activities.
 - (IV) Other important matters to be reported.
- II. Discussion Items:
 - (I) Items for continued discussion from the last meeting.
 - (II) Items for discussion at this meeting.
- III. Special Motions.

Article 11 (Discussion of proposals)

A Board of Directors meeting shall follow the agenda given in the meeting notice. However, the agenda may be changed with the approval of a majority of Directors in attendance at the meeting.

The chairman may not declare the meeting closed without the approval of a majority of the Directors in attendance at the meeting.

At any time during the course of a Board of Directors meeting, if the number of attending Directors does not constitute a majority, a Director in attendance may motion for the chairman to declare a suspension of the meeting, in accordance with Article 8, paragraph 3.

Article 12 (Matters requiring discussion at a Board of Directors meeting)

The following matters pertaining to Company shall be discussed at a Board of Directors meeting:

- I. The Company's business plan.
- II. Annual financial reports and semi-annual financial reports, which are signed or sealed by the Chairman, manager and accounting officer. This requirement does

- not apply to semi-annual financial reports that are not required under relevant laws and regulations to be audited and attested by a certified public accountant.
- III. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act, and assessment of the effectiveness of the internal control system.
 - IV. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds, and endorsements or guarantees for others.
 - V. The offering, issuance, or private placement of equity-type securities.
 - VI. The appointment or discharge of Chairman of Board of Directors without Managing Directors.
 - VII. The appointment or discharge of a financial, accounting, or internal audit officer.
 - VIII. A donation to a related party or a major donation to a non-related party. However, a public-interest donation for disaster relief that is made for a major natural disaster may be submitted to the following Board of Directors meeting for retroactive recognition.
 - IX. Any matter that, under Article 14-3 of the Securities and Exchange Act or any other law, regulation, or bylaw, must be approved by resolution at a Shareholders' Meeting or Board of Directors meeting, or any material matter prescribed by the competent authority.

The term "related party" in subparagraph 8 of the preceding paragraph means a related party as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers. The term "major donation to a non-related party" means an individual donation or cumulative donations within a 1-year period to a single recipient, totaling NTD 100 million or more, or an amount equal to or exceeding 1% of net operating revenue or 5% of paid-in capital, as stated in the CPA-attested financial report for the most recent year. (For foreign issuer with shares having no par value or a par value other than NTD 10, 2.5% of shareholders' equity shall be substituted for the calculation of the amount equal to 5% of paid-in capital required under this paragraph.) The term "within a 1-year period" in the preceding paragraph refers to a period of 1 year calculated retroactively from the date of the current Board of Directors meeting. Amounts already submitted to and approved by a resolution of the Board of Directors are exempted from this calculation.

If the Company established the Audit Committee, at least one Independent Director must attend the meeting in person. With respect to matters requiring approval by resolutions at a Board of Directors meeting, as outlined in the first paragraph, all Independent Directors must be present. Where an Independent Director is unable to attend, that Independent Director shall appoint another Independent Director as proxy. Any objections or reservations from Independent Directors must be recorded in the minutes of the Board of Directors meeting. If an Independent Director that cannot attend the Board of Directors meeting in person to express objections or reservations, they must provide a written opinion before the Board of Directors meeting, unless there is a legitimate reason to do otherwise, and the opinion must be noted in the minutes of the Board of Directors meeting.

Article 13 (Voting-I)

When the chairman at a Board of Directors meeting believes that a proposal has been adequately discussed, the chairman may declare discussion closed and proceed to vote. When a proposal is put to a vote at a Board of Directors meeting, if no attending Director objects after an inquiry by the chairman, the proposal is considered approved. If there is an objection after an inquiry by the chairman, the proposal is voted upon. The chairman shall select one voting method from the options below for proposal at a Board of Directors meeting. In the event of an objection from an attending Director, the chairman shall seek the majority's opinion to make a decision:

- I. A show of hands or a vote by voting machine.
- II. A roll call vote.
- III. A vote by ballot.
- IV. A vote by a method selected at the Company's discretion.

"Attending directors," as used in the preceding two paragraphs, does not include directors that may not exercise voting rights pursuant to Article 15, paragraph 1.

Article 14 (Voting-II and methods for vote monitoring and counting)

Unless otherwise stipulated by the Securities and Exchange Act and the Company Act, a proposal at a Board of Directors meeting must be approved by a majority of the attending Directors, provided that a majority of all Directors are present.

When an amendment or alternative is proposed, the chairman shall present both amended or alternative proposal together with the original proposal, and decide which order they will be voted upon. If one them passes, the other proposals shall be rejected, requiring no further voting.

If a vote on a proposal requires monitoring and counting personnel, the chairman shall appoint such personnel, with all monitors are Directors.

Voting results shall be announced immediately, and records shall be produced.

Article 15 (Recusal system for Directors)

If a Director or a juristic person represented by the Director has a vested interest in any proposal to be discussed a Board of Directors meeting, the Director must disclose the pertinent details of this interest during the meeting. If this interest could potentially affect the Company's interests, the Director must abstain from participating in the discussion and voting. Additionally, they must refrain from voting on behalf of another Director.

Where the spouse, a blood relative within the second degree of kinship of a director, or any company with a controlling or subordinate with a director, holds interests in an agenda item under discussion in the meeting of the preceding paragraph, the director shall be deemed to have a personal interest in the agenda item.

Where a director is prohibited from exercising voting rights on a resolution at a Board of Director meeting as per the preceding paragraph, the provisions of Article 180, paragraph 2 of the Company Act apply mutatis mutandis, in accordance with Article 206, paragraph 3 of the same Act.

Article 16 (Meeting minutes and sign-in matters)

Discussions at a Board of Directors meeting shall be included in the meeting minutes, which shall faithfully record the following:

- I. The session (or year), time, and place of the meeting.

- II. The name of the chairman.
- III. Attendance by the Directors, including the names and the number of members present, excused, and absent.
- IV. The names and titles of non-participants attending the meeting.
- V. The name of the recorder.
- VI. Report Items.
- VII. Discussion items: For each proposal, the method of resolution and the result; a summary of the comments of the Directors, Supervisors, experts and other attendees; name of any Director with interest according to the preceding paragraph, explanation of the material aspects of the interest, reasons for whether or not Director should recuse himself or herself, and whether or not the Director did so; any objections or reservations recorded or stated in writing at the meeting; and any written opinion by an Independent Director pursuant to Article 12, paragraph 4.
- VIII. Extraordinary items: The name of the proposer; the method of resolution and outcome; a summary of the comments of the Directors, Supervisors, experts and other persons present at the meeting; name of the any Independent Director with a potential conflict of interest according to the preceding paragraph, including explanation of the relevant aspects, reasons for recusal, and confirmation of whether recusal occurred; and any objections or reservations expressed during the meeting whether recorded or written.
- IX. Other matters required to be recorded.

Any of the following circumstances relating to a resolution passed at a Board of Directors meeting shall be stated in the meeting minutes and publicly disclosed. Within two days of the meeting, the information shall be filed on the Market Observation Post System website designated by the competent authority:

- I. Any objection or expression of reservations by an Independent Director, whether recorded or in writing.
- II. A resolution is adopted with the approval of two-thirds or more of all Directors, without having been passed by the Audit Committee of the Company.

The attendance book constitutes part of the minutes for each Board of Directors meeting and shall be appropriately preserved during the existence of the Company.

The minutes of a Board of Directors meeting shall bear the signature or seal of both the chairman and the recorder, and a copy of the minutes shall be provided to each Director and Supervisor within 20 days after the meeting. The minutes shall be deemed important corporate records and appropriately preserved during the existence of the Company.

The meeting minutes of paragraph 1 may be produced and distributed in electronic form.

Article 17 (Principles with respect to the delegation of powers by the Board of Directors)

Except for matters required to be discussed at a Board of Directors meeting under Article 12, paragraph 1, during recess, the Board of Directors, appoints a party to exercise its powers in accordance with applicable laws, regulations, or the Company's Articles of Incorporation. The levels of delegation and the content or matters it covers shall be definite and specific.

Article 18 (Meetings of Board of Managing Directors)

The provisions of Article 2, Article 3, paragraph 2, Articles 4 to 6, Articles 8 to 11, and Article 13 to the preceding Article shall apply mutatis mutandis to the Company's meetings of the Board of Managing Directors if the Company established Managing Directors. The provision of Article 3, paragraph 4 shall apply mutatis mutandis to the election or discharge of the Chairman. However, if a meeting of the Board of Managing Directors is scheduled to be convened within 7 days, the notice to each Managing Director may be given 2 days in advance.

Article 19 (Supplementary provisions)

These Rules were implemented after approval by the Board of Directors on August 10, 2017. The same approval procedure applies to amendments. The first amendment was made on March 10, 2020. The second amendment was made on March 7, 2023.

Appendix 4

Sigurd Microelectronics Corporation
Table of Current Shareholding by Directors
March 26, 2024

Title	Account Title	Representative	Current number of shares held	Shareholding Ratio
Chairman	Shin-Yang Huang		7,215,771	1.55%
Director	Tsan-Lien Yeh		3,409,633	0.73%
Director	Hsu-Tung Kuo		1,907,879	0.41%
Director	Min-Hong Wu		3,063,938	0.66%
Director	Ming-Chun Chiu		5,791,769	1.25%
Director	Jui-Jen Feng		1,244,841	0.27%
Independent Director	Min-Kai Lin		35,000	0.01%
Independent Director	Wen-Bin Wu		0	0.00%
Independent Director	Kwok-Wah Tsang		0	0.00%
Independent Director	Li-Hsing Lai		0	0.00%
Director's Total (Number of Shares)			22,668,831	4.88%
Minimum number of shares and percentage to be held by all Directors (Note 2)			16,000,000	4%

Note 1: As of March 26, 2024, the date for suspension of share transfer, the Company's total issued shares were 464,578,783 shares.

Note 2: Since the Company has elected more than two independent directors, according to the provisions of article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," all directors other than the independent directors have reduced the number of shares to be held to 80%. As of the date of the suspension of the shareholder's meeting the number of shares held by the individual and all directors of the registered shareholder, as listed in the above table, which has met the criteria for the number of shares specified in Article 26 of the Securities and Exchange Act. The Company has set up an Audit Committee and therefore does not apply the shareholding percentage of the Supervisors.