



Stock Code :6257

2023 Annual General Shareholders' Meeting Handbook

June 7, 2023

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Sigurd Microelectronics Corporation

2023 Annual General Shareholders' Meeting Procedure

- I. Call the Meeting to Order**
- II. Chairman Remarks**
- III. Report Items**
- IV. Proposed Resolutions**
- V. Discussion Items**
- VI. Election Matters**
- VII. Other Matters**
- VIII. Special Motions**
- IX. 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 2023 Annual General Shareholders' Meeting Agenda

Time: 9 a.m., June 7, 2023 (Wednesday)

**Venue: No. 377, Xinsheng Road, Zhudong Township, Hsinchu County, Taiwan
(Tree Culture Center)**

Physical shareholders meeting

I. Call the Meeting to Order

II. Chairman Remarks

III. Report Items

Item 1: 2022 Business Report.

Item 2: Audit Committee's Report for 2022.

Item 3: 2022 Distribution Report for Employee Compensation and Directors' Remuneration.

Item 4: Report on Surplus Distribution of Cash Dividend for 2022.

Item 5: 2022 Distribution Report for Directors' Remuneration.

IV. Proposed Resolutions

Item 1: Adoption of the 2022 Business Report and Financial Statements.

Item 2: Adoption of the 2022 Proposal for Surplus Distribution.

V. Discussion Items

Item 1: Amendment of the Articles of Incorporation

VI. Election Matters

Item 1: Election of 10 Directors (Including 4 Independent Directors)

VII. Other Matters

Item 1: Rescission of Prohibition of Participation in Competing Businesses for New Directors.

VIII. Special Motions

IX. Adjournment

Report Items

Item 1: 2022 Business Report.

Explanation: For further details, please refer to Attachment 1 (Pages 8 to 12).

Item 2: Audit Committee's Report for 2022.

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

Item 3: 2022 Distribution Report for Employee Compensation and Directors' Remuneration.

Explanation: On March 7, 2023, the Board of Directors of the Company approved to issue Directors' remuneration of NT\$42,500,000 and employee compensation of NT\$375,000,000 for 2022. The total amount will be paid in cash. The amount resolved is identical to the amount recognized in 2022.

Item 4: Report on Surplus Distribution of Cash Dividend for 2022.

Explanation:

- (1) Pursuant to the Articles of Incorporation, Article 24, the Company allocates NT\$1,918,312,284 for cash dividend payment. As of March 6, 2023, the Company has 456,741,020 shares to participate in the distribution, with a cash distribution of NT\$4.2 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: 2022 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).

Proposed Resolutions

Item 1: Adoption of the 2022 Business Report and Financial Statements.

(Proposed by the Board of Directors)

Explanation:

- (1) The Company's 2022 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 8 to 12), Attachment 2 (Page 13), and Attachment 5 (Pages 16 to 37).

Resolution:

Item 2: Adoption of the 2022 Proposal for Surplus Distribution. (Proposed by the Board of Directors)

Explanation:

- (1) The surplus distribution table for 2022 has been approved by the Board of Directors and audited by the Audit Committee, as detailed in Attachment 4 (page 15).
- (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:

Discussion Items

Proposal 1: Amendment of the Articles of Incorporation for deliberation and approval. (Proposed by the Board of Directors)

Explanation: The revisions are made as needed for the regulations of laws. Refer to Attachment 6 for the detailed Comparison Table of Pre-amended and Post-amended Versions (Pages 38).

Resolution:

Election Matters

Item 1: Election of 10 Directors (Including 4 Independent Directors).

Explanation:

- (1) The term of the current 9 directors ends on June 9, 2023. All directors plan to discharge early after the adjournment of shareholders' meeting of electing new directors on June 7, 2023.
- (2) It is proposed to elect 10 directors (including 4 independent directors) with candidate nomination system, and the audit committee is composed of all independent directors by laws. The three-year term of new directors is from June 7, 2023 to June 6, 2026. All of new directors assume the office after the adjournment of the shareholders' meeting, and the former directors will discharge at the same time.
- (3) For the list of candidates of the director and their relevant information, please refer to Attachment 7 (Page 39 to 40).

Results of Election:

Other Matters

Item 1: Rescission of Prohibition of Participation in Competing Businesses for New Directors. (Proposed by the Board of Directors).

Explanation:

- (1) In pursuant to the Company Act, article 209, director acting on behalf of oneself or another party falls under the scope of the Company's business operation and thus should seek approval from the shareholders' meeting.
- (2) It is proposed to submit a request to the shareholders' meeting to rescind the prohibition of participating in competing businesses for the newly appointed directors. For the List of Participation of Director Candidates in Competing Businesses, please refer to Attachment 8 (Page 41 to 43). Please approve to rescind the prohibition of participating in competing businesses for them after being elected.

Resolution:

Special Motions

Adjournment

Attachment 1

Business Report

I. 2022 Business Results

(I) Operating Results for 2022 Business Plan

In 2022, the revenue increased by 12.07% from 2021 to NT\$ 18,694,345,000, and net income after tax was NT\$ 3,513,949,000, representing an increase of 15.73% as compared to 2021.

(II) Target Achievement: The Company did not disclose financial forecasts in 2022.

(III) Analysis of Financial Revenue/Expenditures and Profitability

The business strategy of the Company has always been prudent and robust, dedicated in the development of professional packaging and testing for niche IC. As such, the financial structure is fairly healthy. The analysis and comparison of financial structure, solvency, and profitability are as follows:

Item		Parent Company Only Financial Statements		Consolidated Financial Statements	
		2021	2022	2021	2022
Financial structure	Debts ratio %	46.89	43.93	51.30	48.41
	Long term funds to fixed assets %	208.34	245.14	156.44	174.51
Solvency	Current ratio %	147.39	228.47	192.97	277.21
	Quick ratio %	136.24	209.32	179.33	261.11
Profitability	Return on asset %	10.80	10.75	9.56	9.93
	Return on equity %	19.81	19.00	18.53	18.89
	Net profit margin %	26.89	28.64	18.20	18.80
	Earnings per share (EPS) (after adjustment of ordinary shares) (NT\$)	6.25	6.68	6.25	6.68

(IV) Research and development status

1. Review of 2022

- (1) Based on the existing 12-inch Wafer Level Chip Scale Package (WLCSP), solder bumping, and Cu-pillar, the Company built an 8-inch WLCSP production line.
- (2) Strengthening the packaging capability of wafer level backend die-processing service (DPS).
- (3) Improved WLCSP's integrated service technology and capability.
- (4) Improved and upgraded the new generation RF IC automated test equipment which have gone into mass production.
- (5) Developed the following related testing technologies which have gone into mass production: High-level 5G SoC, IC related to 5G mobile phone, Wi-Fi6/6E, IC related to True Wireless Stereo (TWS).
- (6) Self-manufacturing of accessories of related testing equipment.
- (7) Upgraded and expanded equipment to adapt to the need of high-speed computing IC, such as bitcoin, graphics chip, and server chip.
- (8) Improved the 4 nanometer testing technology.
- (9) Completed the mass production of Sigurd self-made logic and mixed signal testing machines.
- (10) Research on CoWoS (Chip on Wafer on Substrate) testing technology.
- (11) Research related testing technologies for next-generation high-speed computing interfaces, such as USB4.0.

2. Prospects for the future (2023 and future trends)

- (1) Improvement of the high-level SoC IC testing techniques for 5G mobile phones.
- (2) Improvement of the IC testing technology for 5G related equipment.
- (3) R&D of the 5G millimeter wave (mmWave) 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) Research on Metaverse-related IC packaging and testing.
- (6) Development of the integrated IC test technologies relevant to the AIoT (Artificial Intelligence & Internet of Things).
- (7) Development of RF related packaging and testing technology such as Wi-Fi 6/6E, WLAN SoC ICs, 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 7680x4320) video/audio Codec IC related testing technologies, based on the existing 4K2K package test.
- (9) Exploration of 3 nm test technologies.
- (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 technology.
- (13) R&D of the 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) Promotion of a 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) Mass production of CoWoS (Chip on Wafer on Substrate) related products.
- (19) Research on Wi-Fi7 related testing techniques.
- (20) Launch mass production plan for next-generation high-speed computing interfaces, such as USB 4.0.

II. 2022 Operation Plan

(I) 2023 Major Business Direction

In 2022, despite the rapid transmission of Omicron variants, the epidemic has been further controlled with the expansion of the COVID-19 vaccine. Most countries began to adopt a strategy of coexistence with the virus and gradually opened up border controls and lockdowns. It was originally expected that global prosperity would gradually recover. However, the global inflation caused by the Ukraine-Russia War led to a decline in consumption power, and the central banks of various countries were forced to raise interest rates to strengthen the fight against inflation. In addition, the United States began to implement chip control measures against China. In the second half of 2022, the semiconductor shortage originally encountered in 2021 has been solved, which will affect the revenue and growth rate of the global semiconductor market in 2022.

Semiconductor-related organizations will predict and lower the growth rate of semiconductors in 2023, which will be slightly lower than that in 2022. Statistics of respective market intelligence and research institutes (IDC, WSTS, Gartner, IC Insights) show a growth rate of 0.5%-5% in 2023 compared to 2022. As such, Sigurd is prudent and careful, adopting a steady development policy to maximize the Company profit.

In 2023, due to the endeavor of the Management, sufficient cash flow was secured 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.

(II) 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, although the global economic prospect is affected by many unfavorable factors, It is estimated that in 2023, the Company will be driven by a series of new projects, new products and new customers to mitigate the impact.

(III) Important production and sales policies

For 2023, our response measures are as follows:

1. Strengthening the prevention of outbreak, and closely monitoring the status of the

- pandemic, customer needs and raw material supply.
- 2. Improving employee productivity and factory efficiency.
- 3. Continuously saving expenses, reducing operating costs, and lowering the break-even point.
- 4. Development of test business for products with a high gross profit rate, such as Metaverse, high-level 5G mobile phone IC, Wi-Fi 6/6E, high-speed computing, artificial intelligence (AI), AIoT, RF IC, and automotive electronics in order to make better profits.
- 5. Increasing the number and proportion of foreign customers.
- 6. Promotion of test business for telecommunication IC and niche IC.
- 7. Strengthening the relationships with strategic alliances with customers.
- 8. Reviewing and adjusting uncompetitive product lines.
- 9. Paying attention to market trends and striving for IC business orders related to high-level 5G products, vehicle electronics, Internet of Things and wearable devices.
- 10. Promotion of a smart factory and the width and depth of equipment automation.
- 11. Refining the specifications of self-made machines and expanding the customer base.

III. Strategies for the Future

The future development of Sigurd is Reshaping Value, Technological Innovation, Avoiding Price Competition, and Forming the Blue Sea Strategy of Sigurd. Therefore, Sigurd is constantly repositioning and moving toward developing packaging and testing technologies for niche products.

- (I) Timely adjustment of the organization: based on market and product conditions, timely adjusting the organization to adapt to changes.
- (II) Overseas markets continued to develop, and the number of customers in North America and Japan increased in 2022 compared with 2021. Moreover, the development of the Mainland China market has also produced good results. Therefore, in 2023, in addition to the original North American market, the Company also actively expands the Asian, Mainland Chinese, European, and Japanese markets.

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

(IV) Integration and niche testing

Over the years, Sigurd has acquired the testing technology 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 toward the integrated IC. Sigurd has accumulated years of testing experience with confidence in products such as SoC mobile phone AP (3G/4G) and 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 chips for bitcoin, graphics, and servers.
- (2) Communication-related ICs: 5G communication equipment IC, GPS, Wi-Fi SoC (integrated with Bluetooth and MCU).
- (3) Video/Audio related ICs: 3D, 4K2K and 8K4K video codec IC, HDMI, and HDTV control IC.
- (4) Mobile phone-related IC: such as 5G-related IC, AI, AP, Baseband SoC, GPS, Light sensor, Bluetooth, Touch Pad.
- (5) Computer-related ICs: such as graphics chip, USB, Type C, WLAN, touch panel IC, and et cetera.
- (6) Vehicle electronics ICs: such as sensor, microprocessor and V2X ICs.

In addition, Sigurd also strengthens the acquiring of foreign customers, in the hope of achieving results in the future.

3. Niche packaging

As electronic products move towards being lighter, thinner, shorter, and smaller, the encapsulation technique is growing miniature, too. To go with this trend, as far as encapsulation is concerned, Sigurd is shifting towards the WLCSP (Wafer Level Chip Scale Package)-related encapsulation technology. WLCSP encapsulation is smaller in size, costs less, and is known for its high production yield. In addition, it offers strengths such as better coplanarity and heat dissipation capacity to high-speed and power management circuits.

- (V) Research and development (R&D)
In addition to continuing recruiting industry talents, the Company also develops technologies and communicates intensely with companies, research institutions, and universities.
- (VI) Exert the Group's comprehensive efficiency
Integrate the resources and equipment of subsidiaries in the Group, provide customers with more complete packaging and testing services, and make the most efficient use.

IV. The Impact of external competitive environment, regulatory environment, and overall business environment

Most semiconductor research units had originally predicted that the gradual control of the COVID-19 epidemic in 2022 would drive economic recovery. However, they also projected that the global semiconductor shortage would persist. However, after the outbreak of the Ukraine-Russia war, the world entered an inflationary period, and the real purchasing power declined. In addition, the United States imposed chip sanctions on China. Under various unfavorable factors, although the global semiconductor market grew from 2021 to 2022, major semiconductor manufacturers have gradually become conservative in terms of capital cost since the second half of the year. Taiwan's packaging/testing factories have successively revealed their preliminary plans for capital expenditure in 2023. Amid the sound of a slump of prosperity, Sigurd will carefully adjust its capital expenditure according to customer demand and market conditions, and will focus more on saving expenses to pass this period of economic adjustment.

(I) Favorable Factors:

1. The undergoing mergers of global semiconductor manufacturers have been prevalent, which is beneficial to Sigurd in securing more orders from its now merged customer entities.
2. The COVID-19 epidemic is gradually easing, and most countries have lifted border controls and blockades, further driving economic recovery.
3. The implementation of chip sanctions by the United States on China is expected to drive the production of semiconductor related ICs in Taiwan.
4. The cost of packaging and testing houses of Mainland China is increasing and getting closer to their counterparts' in Taiwan.
5. After the financial tsunami, many IDM companies abroad have reduced their packaging and testing capacity or terminated production lines, which is beneficial for Sigurd to secure more orders from IDM companies.
6. New applications such as the metaverse, high-speed computing, deep learning, edge computing, AI, AR/VR, and so on, require high-level processes. Many large international companies choose to place orders in Taiwan, which is beneficial for Sigurd to secure more orders.
7. Wearable devices, which will bring forth new ideas and the extensive use of the IoT will give rise to a wave of demand for electronic components.
8. The exhaust emission standards are stricter and automobiles are gradually developed towards energy-saving (hybrid or electric vehicles) and self-driving, which is conducive to the growth of vehicle electronic related ICs.
9. With the release of the 5G spectrum, the demand for related equipment is gradually expanding.
10. Some products of semiconductor shortage remains a concern. However, among the global market, Taiwan has been proactive in expanding production, which is favorable to secure orders.

(II) Unfavorable factors:

1. Affected by the factors of the Ukraine-Russia War and the shortage in manpower are affecting the supply of raw materials and the supply chains and, accordingly, the production.
2. The cross-strait relations between Taiwan and Mainland China are still filled with variables. It is worthy of concern whether many semiconductor manufacturers will evaluate the establishment of factories in countries other than mainland China and Taiwan.
3. In the past few years, due to the shortage of semiconductors, various companies have actively expanded their factories. However, due to the impact of the economic downturn, it is still necessary to pay close attention to whether there has been price-cutting competition due to overcapacity.

4. After implementing chip sanctions against China, the United States intends to further collaborate with other countries to implement them, and it is worth observing the impact in the future.
5. Potential recession caused by inflation.

Due to the above-mentioned reasons, the economy in 2023 will be subject to significant fluctuations, and Sigurd will cautiously adjust its company strategy in order to weather this period of economic adjustment.

Chairman: Shin-Yang Huang

Manager: Tsan-Lien Yeh

Accountant Supervisor: Chi-Chang Chen

Sigurd Microelectronics Corporation

Audit Committee's Report

The Board of Directors has prepared and submitted the Company's 2022 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 2023 annual general shareholders' meeting

Sigurd Microelectronics Corporation

Convener of the Audit Committee: Wen-Bin Wu

March 7, 2023

Attachment 3

Individual Director's Remuneration

Title	Last Name First Name	Remuneration of Directors								Total amount of A, B, C, and D and its percentage in net income after tax	Relevant remunerations received by Directors who are also employees												Total amount of A, B, C, D, E, F, and G and its percentage in net income after tax		Claim of remunerations from re-invested businesses other than subsidiaries or the parent company	
		Remuneration (A)		Retiring allowance/severance (B)		Remuneration to Directors (C)		Businesses execution expenses (D)			Salary, bonus, and special disbursement (E)		Retiring allowance/severance (F)		Employees' compensation (G)				Shares may be subscribed with employees' warrants (H)		Obtained new shares from the restricted employee rights (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	—	—	—	—	8,500	8,500	—	—	0.28	0.28	25,503	29,503	—	—	28,789	—	28,789	—	—	—	—	—	2.07	2.20	None
Director	Tsan-Lien Yeh	—	—	—	—	4,250	4,250	—	—	0.14	0.14	19,093	19,980	—	—	20,290	—	20,290	—	—	—	—	—	1.44	1.47	None
Director	Hsu-Tung Kuo	—	—	—	—	4,250	4,250	—	—	0.14	0.14	13,793	14,680	—	—	13,916	—	13,916	—	—	—	—	—	1.05	1.08	None
Director	Min-Hung Wu	—	—	—	—	4,250	4,250	—	—	0.14	0.14	10,653	11,940	—	—	10,995	—	10,995	—	—	—	—	—	0.85	0.90	None
Director	Wen-Yuan Lin	—	—	—	—	4,250	4,250	20	20	0.14	0.14	—	—	—	—	—	—	—	—	—	—	—	—	0.14	0.14	None
Director	Ming-Chun Chiu	—	—	—	—	4,250	4,250	30	30	0.14	0.14	—	—	—	—	—	—	—	—	—	—	—	—	0.14	0.14	None
Independent Director	Wen-Bin Wu	—	—	—	—	4,250	4,250	70	70	0.14	0.14	—	—	—	—	—	—	—	—	—	—	—	—	0.14	0.14	None
Independent Director	Chuen-Rong Leu	—	—	—	—	4,250	4,250	70	70	0.14	0.14	—	—	—	—	—	—	—	—	—	—	—	—	0.14	0.14	None
Independent Director	Min-Kai Lin	—	—	—	—	4,250	4,250	70	70	0.14	0.14	—	—	—	—	—	—	—	—	—	—	—	—	0.14	0.14	None
1. Please specify the payment policy, system, standards, and structure of the remuneration of independent directors, as well as the relevance between the factors, such as their responsibilities, risks, input time, and the amount of paid remuneration: the remunerations to the independent directors, pursuant to the Article of Association, are reviewed by the Remunerations Committee. The participation, contributions, reasonableness of the independent directors to the Company's operations link to their remunerations, and by referring to the payments made by peers, the proposal is made and presented to the Board of Directors for discussion. 2. In addition to the disclosures in the previous table, please specify the remuneration paid to the directors who provided services (e.g. acting as non-employee advisor for the parent company/any company stated in the financial statements/any invested company) in the recent year: none.																										

Attachment 4

Sigurd Microelectronics Corporation
Surplus Distribution Proposal
Year 2022

Unit: NT\$

Item	Amount	Note
Undistributed earnings at start of term	6,162,616,913	
Plus: After-tax net profit of the term	3,033,285,001	
Remeasurement of defined benefit plans	34,204,961	
Disposal of equity instrument measured at fair value through other comprehensive profit or loss	336,324	
Less: Recognition of changes in ownership of subsidiaries	(4,746,445)	
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(372,974)	
Basis for appropriation of the legal reserve	3,062,706,867	
Less: Legal reserve	(306,270,687)	
Quantity available for distribution of the year	8,919,053,093	
Distributed item		
Less: Cash bonus for shareholders (approximately NT\$ 4.2 per share)	(1,918,312,284)	
Less: Stock dividend and bonus	0	
Balance of unappropriated retained earnings at the end of period	7,000,740,809	

Note: The ratio of cash dividends distributed to shareholders is based on the total number of 456,741,020 shares available for distribution. If the said number of shares is affected as a result of the repurchase of the Company's shares, the transfer of treasury stock to employees, the conversion of employee stock options, the conversion of new shares with restricted employee rights, or the conversion of corporate bonds into common shares and it is required to adjust the ratio of cash dividends to be distributed to shareholders, the Chairman is authorized to do so.

Chairman: Shin-Yang Huang

Manager: Tsan-Lien Yeh

Accountant Supervisor: Chi-Chang Chen

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, 2022 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

March 7, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000514

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, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other 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, 2022 and 2021, 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 Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *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. These matters were 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 the matters.

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 auditors, whose reports thereon have been consolidated 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\$307,194 thousand and NT\$392,778 thousand, constituting 0.82% and 1.07% of the consolidated total assets as at December 31, 2022 and 2021, respectively, and total operating revenues amounted to NT\$254,340 thousand and NT\$332,105 thousand, constituting 1.36% and 1.99% of the total operating revenues for the years ended December 31, 2022 and 2021, 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, 2022 and 2021.

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
March 7, 2023

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

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 8,873,912	24	\$ 7,943,271	22
1110	Current financial assets at fair value through profit or loss	6(2)	396,204	1	481,282	1
1136	Current financial assets at amortised cost	6(4) and 8	2,002,321	5	1,011,455	3
1140	Current contract assets	6(18)	152,984	-	193,381	1
1150	Notes receivable, net	6(5)	5,283	-	720	-
1170	Accounts receivable, net	6(5)	3,828,076	10	3,866,733	11
1180	Accounts receivable - related parties, net	6(5) and 7	3,349	-	5,491	-
1200	Other receivables		67,126	-	97,947	-
1220	Current tax assets		-	-	32,791	-
130X	Inventories	6(6)	351,924	1	304,078	1
1410	Prepayments		595,670	2	746,019	2
1470	Other current assets		37,343	-	164,916	-
11XX	Total current assets		16,314,192	43	14,848,084	41
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,590,784	4	1,576,506	4
1535	Non-current financial assets at amortised cost	6(4) and 8	69,886	-	69,887	-
1600	Property, plant and equipment	6(7) and 8	18,155,700	48	18,479,301	50
1755	Right-of-use assets	6(8)	737,727	2	826,733	2
1780	Intangible assets		241,920	1	192,547	1
1840	Deferred tax assets	6(25)	320,597	1	389,770	1
1900	Other non-current assets		138,548	1	220,145	1
15XX	Total non-current assets		21,255,162	57	21,754,889	59
1XXX	Total assets		\$ 37,569,354	100	\$ 36,602,973	100

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 135,000	-	\$ 245,444	1
2130	Current contract liabilities	6(18)	30,455	-	106,290	-
2150	Notes payable		3,842	-	4,175	-
2170	Accounts payable		289,033	1	378,437	1
2219	Other payables	6(10)	2,801,752	7	3,383,018	9
2230	Current income tax liabilities		537,016	1	489,295	1
2250	Current provisions		11,241	-	9,817	-
2280	Current lease liabilities		240,946	1	263,461	1
2320	Long-term liabilities, current portion	6(11)(12)	1,600,579	4	2,567,936	7
2399	Other current liabilities, others	6(18)	235,255	1	246,441	1
21XX	Total current liabilities		5,885,119	15	7,694,314	21
Non-current liabilities						
2530	Bonds payable	6(11)	4,419,632	12	4,383,961	12
2540	Long-term borrowings	6(12) and 8	6,993,078	19	5,748,648	16
2570	Deferred tax liabilities	6(25)	67,445	-	52,366	-
2580	Non-current lease liabilities		473,893	1	560,131	1
2600	Other non-current liabilities	6(13)	349,708	1	336,730	1
25XX	Total non-current liabilities		12,303,756	33	11,081,836	30
2XXX	Total liabilities		18,188,875	48	18,776,150	51
Equity						
Equity attributable to owners of parent						
	Share capital	6(14)				
3110	Ordinary share		4,567,410	12	4,520,782	12
	Capital surplus	6(15)				
3200	Capital surplus		539,296	1	942,353	3
	Retained earnings	6(16)				
3310	Legal reserve		1,810,884	5	1,526,636	4
3350	Unappropriated retained earnings		9,225,323	25	7,816,291	21
	Other equity interest	6(17)				
3400	Other equity interest		336,307	1	636,474	2
31XX	Equity attributable to owners of parent		16,479,220	44	15,442,536	42
36XX	Non-controlling interests		2,901,259	8	2,384,287	7
3XXX	Total equity		19,380,479	52	17,826,823	49
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		\$ 37,569,354	100	\$ 36,602,973	100

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSNADS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 18,694,345	100	\$ 16,681,264	100
5000	Operating costs	6(6)(23)(24)	(13,165,811)	(70)	(11,732,806)	(70)
5950	Gross profit from operations		5,528,534	30	4,948,458	30
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(234,386)	(1)	(218,888)	(1)
6200	General and administrative expenses		(1,043,021)	(6)	(872,459)	(5)
6300	Research and development expenses		(423,867)	(2)	(416,714)	(3)
6450	Net impairment loss on financial assets	12(2)	(578)	-	-	-
6000	Total operating expenses		(1,701,852)	(9)	(1,508,061)	(9)
6900	Operating profit		3,826,682	21	3,440,397	21
	Non-operating income and expenses					
7100	Interest income	6(19)	108,198	-	30,930	-
7010	Other income	6(20)(27)	170,648	1	157,193	1
7020	Other gains and losses	6(21)	532,773	3	199,497	1
7050	Finance costs	6(22)	(211,842)	(1)	(165,205)	(1)
7000	Total non-operating income and expenses		599,777	3	222,415	1
7900	Profit before income tax		4,426,459	24	3,662,812	22
7950	Income tax expense	6(25)	(912,510)	(5)	(626,564)	(4)
8000	Profit (loss) from continuing operations		3,513,949	19	3,036,248	18
8200	Profit for the year		\$ 3,513,949	19	\$ 3,036,248	18

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
	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)	\$ 37,857	-	\$ 54,894	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(531,384)	(3)	415,297	3
8349	Income tax related to components of other comprehensive loss that will not be reclassified to profit or loss		(373)	-	(11,543)	-
8310	Components of other comprehensive (loss) income that will not be reclassified to profit or loss		(493,900)	(3)	458,648	3
	Components of other comprehensive income (loss) that might be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations	6(17)	418,270	2	(85,086)	(1)
8360	Components of other comprehensive income (loss) that might be reclassified to profit or loss		418,270	2	(85,086)	(1)
8300	Other comprehensive (loss) income		(\$ 75,630)	(1)	\$ 373,562	2
8500	Total comprehensive income		<u>\$ 3,438,319</u>	<u>18</u>	<u>\$ 3,409,810</u>	<u>20</u>
	Profit, attributable to:					
8610	Owners of parent		\$ 3,033,285	16	\$ 2,787,446	17
8620	Non-controlling interests		480,664	3	248,802	1
	Total profit		<u>\$ 3,513,949</u>	<u>19</u>	<u>\$ 3,036,248</u>	<u>18</u>
	Comprehensive income attributable to:					
8710	Owners of parent		\$ 2,767,286	14	\$ 3,194,808	19
8720	Non-controlling interests		671,033	4	215,002	1
	Total comprehensive income		<u>\$ 3,438,319</u>	<u>18</u>	<u>\$ 3,409,810</u>	<u>20</u>
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		<u>\$ 6.68</u>		<u>\$ 6.25</u>	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		<u>\$ 6.21</u>		<u>\$ 5.95</u>	

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Equity attributable to owners of the parent											

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 4,426,459	\$ 3,662,812
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(7)(8)(23)	4,479,750	3,973,194
Amortisation	6(23)	75,248	56,813
Net impairment loss on financial assets	12(2)	578	-
Net profit on financial assets at fair value through profit or loss (income)	6(2)(21)	15,293	(18,734)
Finance costs		211,842	165,205
Interest income	6(19)	(108,198)	(30,930)
Dividends income	6(20)	(20,578)	(16,121)
Gain on disposal of property, plant and equipment	6(21)	(31,055)	(166,080)
Gain recognised in bargain purchase transaction	6(20)	-	16,441
Government grants	6(12)	(21,705)	(1,628)
Impairment loss of property, plant and equipment		34,643	350
Impairment loss on non-financial assets	6(7)(21)	213	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		69,785	70,611
Contract assets		41,501	(83,846)
Notes receivable	(	4,563)	(323)
Accounts receivable		94,743	(224,899)
Accounts receivable-related parties		2,213	(1,680)
Other receivables		54,983	(22,270)
Inventories	(	36,990)	(61,007)
Prepayments		153,373	(50,116)
Other current assets		130,232	(127,568)
Other non-current assets		4,893	(5,985)
Changes in operating liabilities			
Contract liabilities	(	75,978)	87,191
Notes payable	(	333)	1,516
Accounts payable	(	98,863)	(116,342)
Other payables	(	415,991)	588,020
Provisions		396	(2,244)
Other current liabilities	(	11,497)	32,373
Defined benefit liabilities	(	15,048)	(20,825)
Other non-current liabilities		59,955	(3,283)
Cash inflow generated from operations		9,015,301	7,700,645
Interest received		100,333	35,313
Interest paid	(	169,005)	(142,423)
Dividends received		20,578	16,121
Income tax paid	(	760,133)	(470,343)
Net cash flows from operating activities		8,207,074	7,139,313

(Continued)

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 546,000)	(\$ 158,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	337	11,058
Acquisition of financial assets at amortised cost		(3,651,045)	(1,695,455)
Proceed from disposal of financial assets at amortised cost		2,604,461	3,273,128
Decrease in other receivable		-	3,040,026
Acquisition of property, plant and equipment	6(28)	(4,012,422)	(7,366,952)
Proceeds from disposal of property, plant and equipment		117,261	782,493
Acquisition of intangible assets		(118,345)	(125,417)
Increase in refundable deposits		(3,968)	(21,258)
Decrease in refundable deposits		4,752	15,099
Net cash outflows from acquisition of a subsidiary	6(27)	-	(4,458,677)
Net cash flows used in investing activities		(5,604,969)	(6,703,955)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(29)	590,888	2,520,595
Repayments of short-term borrowings	6(29)	(703,264)	(3,341,024)
Proceeds from issuance of corporate bonds		-	4,487,903
Repayments of corporate bonds	6(29)	(100)	-
Proceeds from long-term borrowings	6(29)	11,262,420	13,369,450
Repayments of long-term borrowings	6(29)	(10,859,070)	(13,496,286)
Increase in guarantee deposits received	6(29)	8,267	445
Decrease in guarantee deposits received	6(29)	(2,788)	(89)
Repayments of lease liabilities	6(29)	(210,071)	(230,276)
Cash dividends paid	6(16)	(1,369,427)	(880,165)
Cash distribution from capital surplus	6(15)(16)	(502,123)	(396,074)
Cash dividends paid to non-controlling interests	4(3)	(150,731)	(80,568)
Net cash flows (used in) from financing activities		(1,935,999)	1,953,911
Effect of changes in exchange rate		264,535	(74,673)
Net increase in cash and cash equivalents		930,641	2,314,596
Cash and cash equivalents at beginning of year	6(1)	7,943,271	5,628,675
Cash and cash equivalents at end of year	6(1)	\$ 8,873,912	\$ 7,943,271

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR22000513

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, 2022 and 2021, 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, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *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. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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 2022 and 2021 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\$ 67,043 thousand and NT\$ 96,756 thousand, constituting 0.23% and 0.33% of total assets, as at December 31, 2022 and 2021, respectively, and their comprehensive (loss) income amounted to NT\$ (24,967) thousand and NT\$ 12,291 thousand, constituting (0.90%) and 0.38% of the total comprehensive (loss) income for the years ended December 31, 2022 and 2021, 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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
March 7, 2023

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

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 4,210,462	14	\$ 3,802,894	13
1110	Current financial assets at fair value through profit or loss	6(2)	396,204	1	481,282	2
1136	Current financial assets at amortised cost	6(4)	278,480	1	78,480	-
1140	Current contract assets	6(18)	106,898	-	143,371	-
1170	Accounts receivable, net	6(5)	2,076,269	7	2,231,260	8
1180	Accounts receivable - related parties, net	6(5) and 7	183,389	1	112,427	-
1200	Other receivables		38,898	-	39,544	-
1210	Other receivables - related parties	7	167,863	1	144,155	1
130X	Inventories	6(6)	155,899	1	101,708	-
1410	Prepayments		526,703	2	473,908	2
1470	Other current assets		1,578	-	1,488	-
11XX	Total current assets		8,142,643	28	7,610,517	26
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	1,496,469	5	1,453,872	5
1535	Non-current financial assets at amortised cost	6(4) and 8	30,000	-	30,000	-
1550	Investments accounted for using equity method	6(7)	8,898,109	30	8,136,911	28
1600	Property, plant and equipment	6(8) and 8	10,535,230	36	11,477,485	40
1755	Right-of-use assets	6(9)	172,044	1	263,052	1
1780	Intangible assets		45,314	-	28,667	-
1840	Deferred tax assets	6(25)	48,179	-	52,096	-
1900	Other non-current assets		21,656	-	22,695	-
15XX	Total non-current assets		21,247,001	72	21,464,778	74
1XXX	Total assets		\$ 29,389,644	100	\$ 29,075,295	100

(Continued)

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

Liabilities and Equity		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2130	Current contract liabilities	6(18)	\$ 444	-	\$ 4,054	-
2150	Notes payable		252	-	259	-
2170	Accounts payable		91,373	-	131,069	1
2200	Other payables	6(10)	1,607,757	6	1,879,215	7
2220	Other payables - related parties	7	4,416	-	11,000	-
2230	Current income tax liabilities		357,020	1	385,229	1
2280	Current lease liabilities		79,392	-	103,274	-
2320	Long-term liabilities, current portion	6(12) and 8	1,209,097	4	2,423,835	8
2399	Other current liabilities, others	6(18)	214,204	1	225,551	1
21XX	Total current liabilities		3,563,955	12	5,163,486	18
Non-current liabilities						
2530	Bonds payable	6(11)	4,419,632	15	4,383,961	15
2540	Long-term borrowings	6(12) and 8	4,661,660	16	3,728,502	13
2570	Deferred tax liabilities	6(25)	40,434	-	40,434	-
2580	Non-current lease liabilities		62,022	-	136,247	-
2600	Other non-current liabilities	6(13)	162,721	1	180,129	1
25XX	Total non-current liabilities		9,346,469	32	8,469,273	29
2XXX	Total liabilities		12,910,424	44	13,632,759	47
Equity						
	Share capital	6(14)				
3110	Ordinary share		4,567,410	16	4,520,782	15
	Capital surplus	6(15)				
3200	Capital surplus		539,296	2	942,353	3
	Retained earnings	6(16)				
3310	Legal reserve		1,810,884	6	1,526,636	5
3350	Unappropriated retained earnings		9,225,323	31	7,816,291	27
	Other equity interest	6(17)				
3400	Other equity interest		336,307	1	636,474	3
3XXX	Total equity		16,479,220	56	15,442,536	53
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	Total liabilities and equity		\$ 29,389,644	100	\$ 29,075,295	100

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

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

			Year ended December 31			
			2022		2021	
Items	Notes		AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	\$ 10,590,172	100	\$ 10,364,704	100
5000	Operating costs	6(6)(23)(24)	(7,090,077)	(67)	(6,668,505)	(64)
5900	Gross profit from operations		3,500,095	33	3,696,199	36
	Operating expenses	6(23)(24) and 7				
6100	Selling and marketing expenses		(129,261)	(1)	(102,876)	(1)
6200	General and administrative expenses		(517,114)	(5)	(419,673)	(4)
6300	Research and development expenses		(393,385)	(3)	(379,513)	(4)
6000	Total operating expenses		(1,039,760)	(9)	(902,062)	(9)
6900	Operating profit		2,460,335	24	2,794,137	27
	Non-operating income (expenses)					
7100	Interest income	6(19)	47,194	-	13,092	-
7010	Other income	6(20) and 7	111,027	1	96,347	1
7020	Other gains and losses	6(21) and 7	520,574	5	132,551	1
7050	Finance costs	6(22)	(132,552)	(1)	(108,449)	(1)
7070	Share of profit of subsidiaries and associates, joint ventures accounted for using equity method	6(7)	639,628	6	377,723	4
7000	Total non-operating income (expenses)		1,185,871	11	511,264	5
7900	Profit before income tax		3,646,206	35	3,305,401	32
7950	Income tax expense	6(25)	(612,921)	(6)	(517,955)	(5)
8200	Profit for the year		\$ 3,033,285	29	\$ 2,787,446	27
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)	\$ 14,800	-	\$ 2,466	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(17)	(503,403)	(5)	427,732	4
8330	Share of other comprehensive (losses) income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		(8,577)	-	40,618	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or (loss) income		(373)	-	(11,543)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(497,553)	(5)	459,273	4
Components of other comprehensive loss that might be reclassified to profit or loss						
8380	Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method, components of other comprehensive income (loss) that will be reclassified to profit or loss	6(17)	231,554	2	(51,911)	-
8360	Components of other comprehensive loss that might be reclassified to profit or loss		231,554	2	(51,911)	-
8300	Other comprehensive (loss) income for the year, net of tax		(\$ 265,999)	(3)	\$ 407,362	4
8500	Total comprehensive income for the year		\$ 2,767,286	26	\$ 3,194,808	31
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		\$ 6.68		\$ 6.25	
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		\$ 6.21		\$ 5.95	

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Ordinary Share	Capital Surplus, Additional Paid-In Capital	Retained Earnings		Other Equity Interest		Total Equity
				Legal Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealised Gains (Losses) from Financial Assets at Fair Value Through Other Comprehensive Income	
<u>2021</u>								
Balance at January 1, 2021		\$ 4,316,114	\$ 715,446	\$ 1,351,118	\$ 6,029,494	(\$ 78,954)	\$ 363,100	\$ 12,696,318
Profit for the year		-	-	-	2,787,446	-	-	2,787,446
Other comprehensive income (loss) for the year	6(3)(7)	-	-	-	43,976	(51,911)	415,297	407,362
Total comprehensive income (loss)		-	-	-	2,831,422	(51,911)	415,297	3,194,808
Distribution of 2020 earnings:								
Legal reserve	6(16)	-	-	175,518	(175,518)	-	-	-
Cash dividends	6(16)	-	-	-	(880,165)	-	-	(880,165)
Cash distribution from capital surplus	6(15)(16)	-	(396,074)	-	-	-	-	(396,074)
Issuance of corporate bonds	6(11)(15)	-	136,893	-	-	-	-	136,893
Conversion of corporate bonds	6(11)(14)(15)	204,668	486,088	-	-	-	-	690,756
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	11,058	-	(11,058)	-
Balance at December 31, 2021		<u>\$ 4,520,782</u>	<u>\$ 942,353</u>	<u>\$ 1,526,636</u>	<u>\$ 7,816,291</u>	<u>(\$ 130,865)</u>	<u>\$ 767,339</u>	<u>\$ 15,442,536</u>
<u>2022</u>								
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) for the year	6(3)(17)	-	-	-	33,831	231,554	(531,384)	(265,999)
Total comprehensive income		-	-	-	3,067,116	231,554	(531,384)	2,767,286
Distribution of 2021 earnings:								
Legal reserve	6(16)	-	-	284,248	(284,248)	-	-	-
Cash dividends	6(16)	-	-	-	(1,369,427)	-	-	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	(502,123)
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	6(17)	-	-	-	337	-	(337)	-
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)
Balance at December 31, 2022		<u>\$ 4,567,410</u>	<u>\$ 539,296</u>	<u>\$ 1,810,884</u>	<u>\$ 9,225,323</u>	<u>\$ 100,689</u>	<u>\$ 235,618</u>	<u>\$ 16,479,220</u>

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, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		\$ 3,646,206	\$ 3,305,401
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(23)	2,957,998	2,678,760
Amortisation	6(23)	22,115	22,047
Net profit on financial assets at fair value through profit or loss	6(2)(22)	15,293	(18,734)
Finance costs	6(22)	132,552	108,449
Interest income	6(19)	(47,194)	(13,092)
Gain recognised in bargain purchase transaction		-	(16,441)
Dividends income	6(20)	(17,881)	(13,804)
Share of profit of subsidiaries, associates and joint ventures accounted using equity method	6(7)	(639,628)	(377,723)
Gain on disposal of property, plant and equipment	6(21)	(27,705)	(127,639)
Income from government subvention		(1,188)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		69,785	70,611
Contract assets		36,473	(54,028)
Accounts receivable		154,991	55,237
Accounts receivable - related parties		(70,962)	(48,167)
Other receivables		(1,957)	(20,277)
Other receivables - related parties		(7,988)	3,786
Inventories		(54,191)	(8,742)
Prepayments		(52,254)	(110,881)
Other current assets		(89)	(191)
Changes in operating liabilities			
Contract liabilities		(3,610)	(3,521)
Notes payable		(8)	257
Accounts payable		(39,695)	(10,540)
Other payables		(152,518)	416,705
Other payables - related parties		(6,584)	(19,307)
Other current liabilities		(11,347)	40,058
Defined benefit liabilities		(2,374)	(1,764)
Cash inflow generated from operations		5,898,240	5,856,460
Interest received		50,985	13,123
Interest paid		(131,705)	(111,115)
Dividends received		178,281	124,079
Income tax paid		(637,211)	(417,180)
Net cash flows from operating activities		5,358,590	5,465,367

(Continued)

SIGURD MICROELECTRONICS CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

		Year ended December 31	
	Notes	2022	2021
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income		(\$ 546,000)	(\$ 158,000)
Acquisition of financial assets at amortised cost		(284,460)	-
Proceeds from disposal of financial assets at amortised cost		84,460	354,750
Acquisition of investments accounted for using equity method	6(7) and 7	(1,500,000)	(5,445,110)
Proceeds from capital reduction of investments accounted for using equity method	6(7) and 7	1,435,890	2,900,000
Acquisition of property, plant and equipment	6(27)	(2,072,444)	(4,240,555)
Proceeds from disposal of property, plant and equipment		60,357	203,597
Acquisition of intangible assets		(38,023)	(26,075)
Increase in refundable deposits		(2,074)	(7,363)
Decrease in refundable deposits		2,374	2,670
Net cash flows used in investing activities		(2,859,920)	(6,416,086)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Proceeds from short-term borrowings	6(28)	361,888	2,016,061
Repayments of short-term borrowings	6(28)	(361,888)	(2,853,487)
Proceeds from issuance of corporate bonds	6(28)	-	4,487,903
Repayments of corporate bonds	6(28)	(100)	-
Proceeds from long-term borrowings	6(28)	10,536,222	12,085,000
Repayments of long-term borrowings	6(28)	(10,673,035)	(12,940,808)
Increase in guarantee deposits received	6(28)	2,075	-
Decrease in guarantee deposits received	6(28)	(2,310)	-
Repayments of lease liabilities	6(28)	(82,404)	(197,034)
Cash dividends paid	6(15)	(1,369,427)	(880,165)
Cash distribution from capital surplus	6(15)(16)	(502,123)	(396,074)
Net cash flows (used in) from financing activities		(2,091,102)	1,321,396
Net increase in cash and cash equivalents		407,568	370,677
Cash and cash equivalents at beginning of year	6(1)	3,802,894	3,432,217
Cash and cash equivalents at end of year	6(1)	<u>\$ 4,210,462</u>	<u>\$ 3,802,894</u>

Attachment 6

Sigurd Microelectronics Corporation
Articles of Incorporation
Comparison Table of Articles Before and After Amendments

Article	Article Before Amendments	Article After Amendments	Explanation
Article 24	<p>The Company will continue to expand the scale and profitability based on the operating and investment environment and demands of funds, while taking into account the shareholders' interests and capital adequacy ratio, and applies the residual dividend policy.</p> <p>Conditions and timing of distribution: in case of profit at the end of fiscal year, the Company shall first compensate the accumulated losses with profits after tax, before contributing 10% of the remaining net profits as legal reserve; however, if the legal reserve has reached the <u>total amount</u> of the capital, it is not subject to the previous requirement, and the special reserve may be contributed or reversed. The remaining balance shall be added to the previously undistributed earnings as distributable earnings.</p> <p>Distribution of earnings may be done in cash dividends or stock dividends. Cash dividends are prioritized but stock dividends are an option, too. 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%.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 240, paragraph 5 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.</p> <p>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.</p>	<p>The Company will continue to expand the scale and profitability based on the operating and investment environment and demands of funds, while taking into account the shareholders' interests and capital adequacy ratio, and applies the residual dividend policy.</p> <p>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 the legal reserve unless the legal reserve has reached the <u>overall</u> capital size and provision or reversal of special reserve as needed may be done. The remaining balance shall be added to the previously undistributed earnings as distributable earnings.</p> <p>Distribution of earnings may be done in cash dividends or stock dividends. Cash dividends are prioritized but stock dividends are an option, too. 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%.</p> <p>The Company may, pursuant to a resolution to be adopted by the Board of Directors as required in Article 240, paragraph 5 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.</p> <p>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.</p>	<p>Amended according to the September 13, 2022 Order of Ministry of Economic Affairs and Article 237, paragraph 1 of the Company Act.</p>
Article 29	<p>The Articles of Incorporation were established on November 28, 1988. The first amendment occurred on October 16, 1989. ....The 26th amendment occurred on June 10, 2021. The 27th amendment occurred on June 9, 2022.</p>	<p>The Articles of Incorporation were established on November 28, 1988. The first amendment occurred on October 16, 1989. ....The 26th amendment occurred on June 10, 2021. The 27th amendment occurred on June 9, 2022. <u>The 28th amendment occurred on June 7, 2023.</u></p>	<p>The No. and date of revision are added.</p>

Attachment 7

Sigurd Microelectronics Corporation
List of Director Candidates

Number	Candidate Type	Shareholder Account No. or ID No.	Shareholder Name	Number of shares held	Main Education Qualification and Experience	Note
1	Director	412	Shin-Yang Huang	7,215,771	MBA, National Taiwan University Chairman and CEO of Sigurd Microelectronics Corporation Chairman or director of Sigurd Microelectronics Corporation	
2	Director	416	Tsan-Lien Yeh	3,409,633	EMBA, National Chiao Tung University General Manager and Chief Operating Officer of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation	
3	Director	30442	Hsu-Tung Kuo	1,931,879	Bachelor of Electrical Engineering, National Cheng Kung University Vice Chief Operating Officer and General Manager of Business Group of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation	
4	Director	414	Min-Hung Wu	3,063,938	Bachelor of Electronic and Computer Engineering, National Taiwan University of Science and Technology Chief Financial Officer and Executive Vice General Manager of Sigurd Microelectronics Corporation Director or chairman of Sigurd Microelectronics Corporation Director of Chen Chun Co., Ltd. Representative of the Corporate Director of Yann Yuan Investment Co., Ltd.	
5	Director	427	Jui-Jen Feng	1,244,841	EMBA, National Tsing Hua University Assistant General Manager, Sigurd Microelectronics Corporation	

Number	Candidate Type	Shareholder Account No. or ID No.	Shareholder Name	Number of shares held	Main Education Qualification and Experience	Note
6	Director	18	Ming-Chun Chiu	5,791,769	Middle School Diploma, Er Chong Junior High School Chairman of Chun Tang Construction Co., Ltd.	
7	Independent Director	J1020XXXXX	Wen-Bin Wu	0	MBA, National Taiwan University Convener of the Remuneration Committee and Audit Committee of Sigurd Microelectronics Corporation Chairman and General Manager of FineStar Technologies Inc. Independent Director and Convener of the Remuneration Committee of Good Will Instrument Co., Ltd.	Rationale for nomination of director who has served for three or more consecutive terms: Mr. Wen-Bin Wu has provided important advice and supervisory opinions on Board of Directors for many years. Considering that the Company still needs his experiences in professional area, we still nominate him as a candidate.
8	Independent Director	1093	Min-Kai Lin	35,000	MBA, National Taiwan University Member of Remuneration Committee and Audit Committee of Sigurd Microelectronics Corporation Independent Director of Winstek Semiconductor Co., Ltd.	
9	Independent Director	A1276XXXXX	Kwok-Wah Tsang	0	MBA, National Chiao Tung University Bachelor of Accounting, National Chengchi University Partner CPA of Sunwise CPA Firm 2nd Consultant of Taiwan Police College Alumni Association	
10	Independent Director	B2206XXXXX	Li-Hsing Lai	0	MBA, National Taiwan University Member of Department of Overall Planning for International Medical (Commerce, Finance, and Legal), Ministry of Health and Welfare	

Sigurd Microelectronics Corporation
List of Participation of Director Candidates in Competing Businesses

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
Director	Shin-Yang Huang	1. Director of Sigurd International Co., Ltd.	Investing Company
		2. Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		3. Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		4. Director of Burgurd Co., Ltd.	International Trade Company
		5. Representative and Chairman of SIGWIN Corporation, Corporate Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC
		6. Representative and Chairman of Winstek Semiconductor Co., Ltd., Corporate Director of Winstek Semiconductor Technology Co., Ltd.	Wafer bumping and packaging service of wafer.
		7. Representative and Chairman of Winstek Semiconductor Co., Ltd., Corporate Director of TST Co., Ltd.	Development, leasing and sales of industrial factory buildings
		8. Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of UTC Holdings Corporation	Investing Company
		9. Representative and Chairman of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
		10. Representative of Sigurd Microelectronics Corporation, Corporate Director of Ambersan Medical Technology Co., Ltd.	Manufacturing and sales of medical equipment.
		11. Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
Director	Tsan-Lien Yeh	1. Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2. Director of Bloomeria Limited	Packaging and testing.
		3. Representative of SIGWIN Corporation, Corporate Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC
		4. Representative of Sigurd Microelectronics Corporation, Corporate Director of UTC Holdings Corporation	Investing Company
		5. Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
		6.Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of Flatek, Inc.	Service provider electronic information.
		7.Representative of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
		8.Representative of Sigurd Microelectronics Corporation, Corporate Director of Ambersan Medical Technology Co., Ltd.	Manufacturing and sales of medical equipment.
		9. OPS Electronic Limited	Investing Company
		10. Director of Valuenet International Limited	Electronic Information Supply Service
Director	Hsu-Tung Kuo	1.Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2.Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		3.Representative of SIGWIN Corporation Director of Winstek Semiconductor Co., Ltd.	R&D and testing of IC
		4.Chairman of SIRIZE Technology (Suzhou)Corp.	R&D of semiconductor testing software, and advanced packaging and testing services
		5.Representative of Sigurd Microelectronics Corporation, Corporate Director of Flatek, Inc.	Service provider electronic information.
		6.Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
Director	Min-Hung Wu	1.Representative of Sigurd International Co., Ltd., Corporate Director of Sigurd Microelectronics (Cayman) Co., Ltd.	Investing Company
		2.Director of Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacturing and sales of microelectronic products.
		3.Director of Flusol Co., Ltd.	Investing Company
		4.Director of Chen Chun Co., Ltd.	Investing Company
		5.Representative of Sigurd Microelectronics Corporation, Corporate Director of Yann Yuan Investment Co., Ltd.	Investing Company
		6.Representative and Chairman of Sigurd Microelectronics Corporation, Corporate Director of TEST-SERV Inc.	Packaging and testing.
		7.Director of Bloomeria Limited	Investing Company
		8.Representative of SIGWIN Corporation Director of Winstek Semiconductor Co., Ltd.	R & D and testing of integrated circuits IC

Candidate Type	Candidate Name	Name of Competing Business and Position Assumed	Main Businesses
		9.Representative of Winstek Semiconductor Co., Ltd., Corporate Director of Winstek Semiconductor Technology Co., Ltd.	Wafer bumping and packaging service of wafer.
		10.Representative of Winstek Semiconductor Co., Ltd., Corporate Director of TST Co., Ltd.	Development, leasing and sales of industrial factory buildings
		11.Director of SIRIZE Technology (Suzhou) Corp.	R&D of semiconductor testing software, and advanced packaging and testing services
		12.Representative of UTC Holdings Corporation, Corporate Director of Sigurd UTC Corporation	Packaging and testing.
		13.Representative of Flatek, Inc., Corporate Director of TPFUSION, INC.	Service provider electronic information.
		14.Representative of Sigurd Microelectronics Corporation, Corporate Director of SIGWIN Corporation	Investing Company
Director	Ming-Chun Chiu	Chairman of Chun Tang Construction Co., Ltd.	Construction company
Director	Jui-Jen Feng	Director of ESH Technology Co., Ltd.	Wholesale and retail of electronic materials.
Independent Director	Wen-Bin Wu	1.Chairman of FineStar Technologies Inc.	Manufacturer, importer and exporter and sales of electronic products
		2.Independent Director of Good Will Instrument Co., Ltd.	Manufacturer, importer and exporter and sales of electronic testing equipment
Independent Director	Min-Kai Lin	Independent Director of Winstek Semiconductor Co., Ltd.	R&D and testing of IC
Independent Director	Kwok-Wah Tsang	Independent director of Gallant Precision Machining Co., Ltd.	Design, manufacture, and sales of automated optical inspection equipment.

*A candidate of the company's independent director, waiting for the result of election at the Shareholders' Meeting on June 19, 2023.

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 "Sigurd Microelectronics Co., Ltd." 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 expensable 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.

The Company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of such profits as a legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply. The balance plus the previously undistributed surplus is the distributable surplus. Depending on the Company's operating conditions, the Board of Directors shall make the shareholder's dividend and dividend distribution proposal, and submit the proposal to the shareholders' meeting for resolution.

Earnings of the Company may be distributed by way of cash dividend or stock dividend. Distribution of earnings shall be made preferably by way of cash dividend. Distribution of earnings may also be made by way of stock dividend. The shareholder dividends to be distributed for the current year shall be 10%~80% of the annual distributable earnings, provided however, the ratio for cash dividend shall not less than 10% of total distribution.

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.

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.

Sigurd Microelectronics Corporation

Chairman: Shin-Yang Huang

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

Approved in the general shareholders' meeting on June 10, 2020

- 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 for Director Election of Sigurd Microelectronics Corporation

Date of Amendment: Approved by the shareholders' meeting June 15, 2017

- I. Election of directors and supervisors shall be acted upon in accordance with these regulations.
- II. The election of directors and supervisors adopts the cumulative voting method.
- III. When electing directors or supervisors, the number of votes exercisable in respect of one share shall be the same as the number of directors or supervisors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. Attendance card numbers printed on the ballots may be used as recording the names of voting shareholders.
- IV. In pursuant to the number of directors and supervisors specified in the Company's Articles of Incorporation, the ballots representing the highest numbers of voting rights will be elected sequentially according to the respective numbers of votes received. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the electee. The chairperson shall draw lots on behalf of any absent candidate.
- V. Shareholder who is elected as the director and supervisor simultaneously in accordance with the preceding article, shall choose either the position of a director or supervisor. The vacancy will be filled by the person receiving the second highest votes. The chairperson shall decide the acceptance of directorship as a priority on behalf of the absent electee (the aforementioned shareholder).
- VI. The ballot forms produced by the Company shall be sequenced by the attendance card number, and the number of voting rights shall be specified.
- VII. A voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot. However, when the candidate is a juristic-person shareholder, the name of the juristic-person shareholder shall be entered in the "candidate" column on the ballot paper, or both the name of the juristic-person shareholder and the name of its representative may be entered.
- VIII. Before voting is initiated, the Chairperson shall designate the monitoring personnel, teller, recording personnel and other personnel to take charge of the relevant tasks.

- IX. The ballot is invalid under any of the following circumstances:
1. Ballots not prepared in accordance with this Procedure.
 2. A blank ballot in the ballot box.
 3. The number of candidates written exceeds the specified number of positions.
 4. The presence of other wordings in addition to the shareholder's name and account number or identification number (tax ID number) of the candidate.
 5. The writing is unclear and indecipherable.
 6. The shareholder's account number and name of the candidate do not correspond to the shareholder register; or the identification number does not correspond to the name of the candidate.
 7. The name of the candidate entered on the ballot is identical to that of another shareholder, but no shareholder account number or identification number (tax ID number) is provided on the ballot to identify such individual.
- X. The voting rights shall be counted on the spot immediately after the end of the poll, and the poll result shall be announced by the Chairperson on the spot.
- XI. As the Company sets up an Audit Committee to replace the Supervisors, any other provisions 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.
- XII. These rules shall be executed after being approved by the shareholders' meeting. The same applies for the amendments.

Appendix 4

Sigurd Microelectronics Corporation Table of Current Shareholding by Directors

April 9, 2023

Title	Account Title	Representative	Current number of shares held	Shareholding Ratio
Chairman	Shin-Yang Huang		7,215,771	1.58%
Director	Tsan-Lien Yeh		3,409,633	0.75%
Director	Hsu-Tung Kuo		1,931,879	0.42%
Director	Min-Hong Wu		3,063,938	0.67%
Director	Wen-Yuan Lin		2,000,457	0.44%
Director	Ming-Chun Chiu		5,791,769	1.27%
Independent Director	Wen-Bin Wu		0	0.00%
Independent Director	Chuen-Rong Leu		992	0.00%
Independent Director	Min-Kai Lin		35,000	0.01%
Director's Total (Number of Shares)			23,449,439	5.14%
Minimum number of shares and percentage to be held by all Directors (Note 2)			16,000,000	4%

Note 1: As of April 9, 2023, the date for suspension of share transfer, the Company's total issued shares were 456,741,020 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.