

# The 2025 Annual General Shareholders' Meeting of DFI Inc.

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**Meeting Mode:** Physical Shareholders' Meeting

**Meeting Time:** Thursday, May 22, 2025, 9:00 AM

**Meeting Venue:** Pearl Hall, 4th Floor, Forte Hotel, No. 128, Section 1, Datong Road, Xizhi District, New Taipei City, Taiwan

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# **I. Reporting Items**

## **(I) 2024 Business Report**

### **2024 Operation Plan Implementation Results**

In the first half of 2024, the global industrial computer industry underwent a market inventory adjustment. Although this adjustment was nearing completion in the second half of the year, the slump in market demand caused delays in the progress of new project developments. As a result, the overall industry momentum did not show significant recovery, and the annual revenue performance of Taiwanese industrial computer manufacturers remained below that of the same period last year. However, DFI maintained stable growth in the first three quarters of the year through its robust operational strategy. In the fourth quarter, its quarterly revenue rebounded, demonstrating strong market competitiveness. Additionally, the Company completed Proof of Concept (POC) for multiple edge AI projects in benchmark markets including the United States, Europe, Japan, South Korea, and India, laying the foundation for the global implementation of AI technology.

In 2024, integrating AI into sustainability, the Company launched the 'Multi-Functional Artificial Intelligence Retail Machine,' which earned the 2024 Taiwan Excellence Award by leveraging efficient AI edge computing and virtualization technology. This product can simultaneously run multiple AI functions on a single CPU, reducing hardware costs and energy consumption. It is also equipped with a self-developed Out-of-Band (OOB) remote management module, enhancing remote management capabilities to meet diverse edge computing requirements.

Through its technology-driven hardware strategy, DFI optimizes product performance while improving energy efficiency, thereby strengthening its market competitiveness. The introduction of Intel x86 architecture Slim Bootloader technology, which combines low-power standby and rapid recovery mechanisms, and reduces boot time and energy consumption. This ensures stable device operation in extreme environments, making it suitable for applications in military, aerospace, intelligent transportation, industrial automation, and remote monitoring. The Out-of-Band (OOB) remote management module provides up to 70% of server-grade Baseboard Management Controller (BMC) functionality, ensuring remote management and maintenance capabilities even during primary network failures, thereby enhancing system stability.

DFI has received the TCSA Taiwan Corporate Sustainability Report Award for three consecutive years, highlighting the Company's dedication to Environmental, Social, and Governance (ESG) principles and sustainable operations. In 2025, DFI will continue to track its product carbon footprints, aiming to achieve net-zero emissions by 2050. This includes adopting renewable energy in production processes, optimizing supply chains to reduce carbon footprints, and promoting environmentally friendly product design. Furthermore, DFI will continue to implement sustainable operations and actively participate in the realization of the global Sustainable Development Goals (SDGs).

In 2024, DFI's consolidated net revenue amounted to NT\$9.584 billion and grew by 4% compared to that of 2023. Consolidated operating income was NT\$0.658 billion and consolidated net profit after tax was NT\$0.493 billion, of which net profit attributable to the owners of the parent company was NT\$0.397 billion, with basic earnings per share of NT\$3.46.

**Financial revenues, expenditures, and profitability are analyzed as follows:**

Analysis Items \ Year		Financial Analysis for the Last Five Years				
		2024	2023	2022	2021 (Restated)	2020
Financial Structure	Debt-to-Asset Ratio (%)	52.69	45.25	55.69	55.40	37.73
	Long-term capital as a percentage of property, plant, and equipment (%)	253.01	171.50	192.48	214.95	170.20
Profitability	Return on Assets (%)	5.02	3.53	5.05	7.82	5.86
	Return on Equity (%)	9.11	6.49	10.52	14.81	9.19
	Ratio of Profit Before Tax to Paid-in Capital (%)	56.95	44.31	66.34	86.13	53.51
	Net Profit Margin (%)	5.14	3.82	3.69	5.89	5.72
	Earnings per share (NT\$)	3.46	3.16	4.61	5.38	3.54

**2025 business and R&D plans are as follows:**

(1) Business policies and R&D plan

1. Continue to develop edge artificial intelligence platforms ranging from low to high-end performance capabilities in response to artificial intelligence (AI) trends and the on-premises computing trend of large language models (LLM).
2. Deepen focus in six major application domains including intelligent automation, smart healthcare, transportation, energy, national defense and maritime affairs, and gaming. Develop vertical applications, layout the global smart application market, and increase product value and gross profit margin.
3. Continue to focus on developing high-performance, low-power micro-products.
4. Enhance the development of high-performance server-grade products.
5. Develop a remote management system and integrate it deeply with the products to meet the demands of the unmanned application market.
6. Collaborate with medical customers to meet needs with precise specification.
7. Cultivate the market for smart car-related applications.
8. Initiate green product development for ultra-low consumption, high-efficiency products in response to ESG demands.

(2) Important Business Policies

1. Deepening the technological needs of vertical application markets  
Providing tailored solutions for clients in various fields. At the smart factory, we strive for real-time hardware data processing, multi-device integration, and industry standard

compliance. In smart healthcare, we adhere to medical standards, safety, and integration of multiple devices to provide reliable medical solutions. In the Internet of Things, we emphasize low power consumption, multi-connectivity, and security to address the complexity of the IoT. Finally, in intelligent transportation, we focus on in-vehicle computing power, vibration and earthquake-resistant, and vehicle-to-vehicle network security to support the development of smart transportation. This is the core of our operational plan, aiming to become a leader in the vertical application market through continuous innovation and technological upgrades.

2. Accelerating the implementation of AI edge computing in professional sectors through strategic alliances to establish a comprehensive AI ecosystem. This streamlines project implementation through one-stop Edge AIoT hardware platforms and services, facilitating agile development to rapidly capture market share.
3. Focusing on global deployment, enhancing the development of edge AI vertical applications. We gain insights into global edge AI demands and provide innovative solutions to help clients grow.

Looking ahead to 2025, DFI will intensify its technological research and development while strengthening its industry positioning. The Company will focus on key markets including smart manufacturing, energy, transportation, healthcare, retail, national defense, and intelligent automation, collaborating with AI hardware and software providers to promote edge intelligence applications and expand its global market presence. DFI will make its debut at the InnoTrans exhibition in Berlin showcasing a 5G and AI-powered smart edge computing platform and specialized railway systems. The Company has designated Japan, India, and the United States as core markets, while simultaneously expanding into strategic regions such as Germany, Spain, and Northern Europe to effectively attract and retain customers.

DFI is strengthening its market competitiveness through a core approach centered on "alliances," "value addition," and "operational optimization", accelerating the implementation of AI and edge computing applications. The Company aims to achieve steady revenue growth and create long-term value for all stakeholders through technological innovation, digital transformation, and sustainable development strategies. In 2025, DFI will adopt a more proactive stance to address challenges, pushing the application boundaries of embedded technology to become a significant catalyst and leader in the global market, creating greater value for shareholders and customers.

We wish you good health and all the best!

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

## **(II) Audit Committee's Review Report**

For the 2024 financial statements prepared by the Company's Board of Directors, the Certified Public Accountants Kao Ching-Wen and Chang Hui-Chen of KPMG, jointly issued an audit report as entrusted by the Board of Directors. The aforementioned financial statements, business reports, accountants' audit report and proposal for distribution of earnings were reviewed by our Audit Committee, and no non-conformity was detected. They are hereby specially presented for review and verification in accordance with Clause 4, Article 14 of the Securities and Exchange Act and Article 219 of the Company Act.

Yours faithfully

The 2025 Annual General Shareholders' Meeting of DFI Inc.

Convener of the Audit Committee: Yeh Te-Chang

February 25, 2025

## **(III) 2024 Reports on Distributions to Employees and Directors' Remuneration**

As resolved by the Board of Directors on February 25, 2025, the remuneration distributed to employees and directors in cash amounted to NT\$36,219,000 and NT\$3,878,000 respectively.

## **(IV) Status Reports of the Cash Dividends for Distribution of 2024 Earnings**

1. According to Clause 1, Article 21 of the Articles of Incorporation, if the earnings are distributed in the form of cash dividends, the Board of Directors may be authorized to pass a resolution in respect of such distribution and report it at a shareholders' meeting.
2. Pursuant to the resolution of the Board of Directors on February 25, 2025, of the distributable earnings accumulated in 2024, NT\$389,262,114 was appropriated for distribution as cash dividends, with NT\$3.4 distributed per share round down to the dollar. The sum of fractional amount rounded should be included in other income of the Company.
3. This proposal was approved with the resolution of the Board of Directors, while the Chairman was authorized to additionally determine ex-dividend date, payment date and other matters. In the event that any amendment shall be made due to any abnormal change in the payout ratio caused by any change in the number of the Company's outstanding shares, the Chairman will be fully authorized to cope with relevant matters.

## II. Acknowledgments and Discussions

### Case 1

Cause of action: **To Recognize the Proposal of the 2024 Financial Statements and Business Report. (Proposed by the Board of Directors)**

Explanation:

- I. The 2024 financial statements of the Company were audited by the Certified Public Accountants Kao Ching-Wen and Chang Hui-Chen of KPMG, who concluded that the financial statements fairly presented financial situation of DFI Inc. as of December 31, 2024, financial performances and cash flows of the Company in 2024. The accounts also reviewed the business report enclosed.
- II. For the accountants' audit report and financial statements, please refer to Attachment I (P. 8-29).

Resolution:

### Case 2

Cause of action: **To Recognize the Proposal of the 2024 Distribution of Earnings. (Proposed by the Board of Directors)**

Explanation: The Company's net earnings after tax in 2024 amounted to NT\$396,609,718. The Distribution of 2024 Earnings are expected to be distributed as follows:

DFI Inc. Distribution of 2024 Earnings		Unit: New Taiwan Dollar
<b>Net Profit After Tax for the Current Period</b>		<b>396,609,718</b>
Plus: The defined benefit plans accounted as retained earnings		<b>3,326,046</b>
Plus: Disposal of equity instruments measured at fair value through other comprehensive income		<b>38,647,273</b>
Less: Appropriation of legal reserve		<b>(43,858,304)</b>
Less: Appropriation of special reserve		<b>(13,775,004)</b>
<b>Distributable earnings of 2024</b>		<b>380,949,729</b>
Plus: Beginning Undistributed Profits		<b>82,944,496</b>
<b>Distributable earnings accumulated as of 2024</b>		<b>463,894,225</b>
Distribution Items		
Shareholders' cash dividends (NT\$3.4 to be distributed for each share)		<b>(389,262,114)</b>
<b>Ending Undistributed Profits</b>		<b>74,632,111</b>

**Note: Cash dividends are distributed based on shareholders' shareholding ratio recorded on the members' register on the ex-dividend date (round down to the nearest NT\$). The sum of fractional amount rounded shall be accounted as other income of the Company.**

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

Resolution:

### Case 3

Cause of action: **To Approve the Amendment to Articles of Incorporation. (Proposed by the Board of Directors)**

Explanation:

- I. In accordance with Presidential Order No. 11300069631, issued on August 7, 2024, which amended Article 14 of the Securities and Exchange Act, companies shall stipulate in their articles of incorporation that a certain percentage of annual profits shall be allocated for the salary adjustments or the distribution of compensation to entry-level employees. Therefore, it is proposed to amend the relevant provisions of the Company's Articles of Incorporation.
- II. In response to the provisions of Paragraph 6, Article 14 of the Securities and Exchange Act, it is proposed to amend Article 21 of the Company's Articles of Incorporation to stipulate that if the Company has profits in a given fiscal year, 5% and 20% of such profits shall be allocated as employee compensation, and no more than 1% for director compensation. Of the employee compensation, the distribution of compensation for entry-level employees shall not be less than 10% of the total employee compensation mentioned above.
- III. For comparison of the clauses before and after amendment, please refer to Attachment II (P. 30)

Resolution:

### Case 4

Cause of action: **Proposal for Relieving Non-compete Clause for Directors and Their Representatives. (Proposed by the Board of Directors)**

Explanation:

- I. According to Article 209 of the Company Act, for any acts committed by the directors or others within the business scope of the Company, explanations shall be made at a shareholders' meeting with respect to important parts of their acts, and approval shall be obtained for committing the acts.
- II. Any directors of the Company who invest in or run other companies engaged in businesses which are the same as or similar to the Company's shall lawfully report to the shareholders' meeting for consent.
- III. For the Proposed Relief of Non-competition Restrictions on Directors' to be lifted during the 2025 Annual General Shareholders' Meeting, please refer to Attachment III (P. 31)

Resolution:

### **III. Extraordinary Motions:**

### **IV. Adjournment**

# **Attachment I Accountants' Audit Report and Financial Statements**

## **Independent Auditors' Report**

To the Board of Directors of DFI Inc.:

### **Audit Opinion**

We have audited the accompanying consolidated balance sheet as of December 31, 2024 and 2023 of DFI Inc. and its subsidiaries (hereinafter collectively the “Group”), which comprise the consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flow from January 1 to December 31, 2024 and 2023, as well as the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of other matter), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, as well as their consolidated financial performance and their consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards 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 Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other Certified Public Accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters that we judge should be communicated in the audit reports are stated as follows:

## I. Business combinations

For accounting policies related to business combinations, please refer to Note IV (XV) of the consolidated financial statements; for description of business combinations, please refer to Note VI (VIII) of the consolidated financial statements.

Key audit matters are stated as follows:

In 2024, the Group acquired 70.65% of the ordinary shares of Tekpak Corporation and gained control. Due to the accounting treatment of business combinations, the management must determine the fair value of identifiable assets acquired and liabilities assumed. Because the process involves numerous assumptions and estimates and is inherently complex, the addition of business combinations for this period is a material evaluation matter for us when conducting the audit of the consolidated financial statements of the Group.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include: obtaining the fair value assessment and the purchase price allocation of intangible assets reports entrusted by the management to external experts, and assessing the assets and liabilities identified by management at the acquisition date and the reasonableness of their evaluations; appointing our experts of evaluation to assist in assessing the reasonableness of the evaluation methods used in the evaluation; we also assess the correctness of the accounting of the Group, and whether the relevant information about the acquisition has been properly disclosed.

## II. Goodwill impairment assessment

For accounting policies related to impairment of non-financial assets, please refer to Note IV (XV) of the consolidated financial statements; for description of the uncertainty of accounting estimates and assumptions of impairment assessment of goodwill, please refer to Note V of the consolidated financial statements; for description of impairment test of goodwill, please refer to Note VI (XII) of the consolidated financial statements.

Key audit matters are stated as follows:

The Group's significant goodwill arising from the acquisition of DFI AMERICA, LLC and Tekpak Corporation should be tested for impairment annually, or whenever there is an indication of impairment test. As the assessment of the recoverable amount of cash-generating unit to which goodwill belongs involves a number of assumptions and estimates by management, the goodwill impairment assessment is one of the important assessment matters for us to perform the audit of the consolidated financial statement of the Group.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include: obtaining management's self-assessment of the goodwill impairment test form; evaluating the reasonableness of the bases of estimates and significant assumptions used by management to determine the recoverable amount, including the discount rate, expected rate of growth in revenues, and projections of future cash flows; compare the previously forecasted future cash flows with actual results to assess the accuracy of past management estimates; performing sensitivity analyses of

significant assumptions; and reviewing whether the Group has appropriately disclosed information regarding the goodwill impairment assessment.

### **Other Matters**

Among the subsidiaries listed in the Group's consolidated financial statements, partial subsidiary's financial statements were not audited by us but by other Certified Public Accountants. Therefore, our opinions expressed in the consolidated financial statements regarding the amounts of that partial subsidiary are according to other Certified Public Accountants' audit reports. That subsidiary's total assets as of December 31, 2024 and 2023 amounted to NT\$404,612 thousand and NT\$318,292 thousand (same as below), respectively, accounting for 3.28% and 3.50% of the total consolidated assets, and its net operating revenue was NT\$670,501 thousand and NT\$807,207 thousand for the periods from January 1 to December 31, 2024 and 2023, respectively, accounting for 7.00% and 8.79% of the consolidated net operating revenue.

DFI Inc. has prepared the parent company only financial statements as of and for the years ended December 31, 2024 and 2023 on which we have individually issued an audit report with unqualified opinion plus other matter paragraph for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial Supervisory Commission, and maintaining necessary internal controls related to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement in the consolidated financial statements. Misstatements can arise from fraud or error. If the individual amounts or sums that the material misstatement involved may be reasonably expected to affect the economic decisions of users of the consolidated financial statements, such misstatement is considered material.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China,

we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following tasks:

- I. 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 assessed risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty to such events or conditions exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, when such disclosures are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the underlying transactions and events.
- VI. Obtain sufficient and appropriate audit evidence of the financial information of the Group's constituents so as to express opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to the Group.

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

We also provide those charged with governance with a statement of independence from the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is followed by those who are subject to the independence requirements of the firm to which we belong, and we communicate with the governance unit about all relationships and other matters (including relevant safeguards) that might be perceived as affecting the independence of the accountant.

From the matters communicated with those charged with governance, we determine the key audit matters of the Group's consolidated financial statements for the year ended December 31, 2024. We describe

these matters in our certified public accountants' 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.

KPMG Taiwan

CPA:

Assurance Document  
Number Approved by  
Securities Authority

Financial-Supervisory-  
Securities-Audit-1060005191  
: (88) Taiwan-Finance-  
Securities-VI-18311

February 25, 2025

#### Notes to Reader

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

**DFI Inc. and its subsidiaries**  
**Consolidated Balance Sheets**  
**As of December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

Assets		2024.12.31		2023.12.31	
		Amount	%	Amount	%
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note VI (I))	\$ 2,512,850	21	1,490,285	16
1110	Financial assets measured at fair value through profit or loss - current (Note VI (II))	28,351	-	45,465	-
1136	Financial assets measured at amortized cost - current (Note VI (IV) and VIII)	2,726	-	2,709	-
1141	Contract assets - current (Note VI (XXIII))	11,383	-	812	-
1170	Net of notes receivable accounts receivable (Notes VI (V), (XXIII) and VIII)	2,235,646	18	1,867,543	21
1180	Accounts receivable - related parties (Notes VI (V), (XXIII) and VII)	156,338	1	71,753	1
1200	Other receivables (Notes VI (V) and VII)	18,846	-	12,071	-
130X	Inventories (Note VI (VI))	2,079,464	17	1,893,457	21
1410	Prepayments	109,507	1	80,260	1
1470	Other current assets	11,561	-	5,903	-
	<b>Total current assets</b>	<u>7,166,672</u>	<u>58</u>	<u>5,470,258</u>	<u>60</u>
<b>Non-current assets:</b>					
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note VI (III))	59,972	1	86,714	1
1535	Financial assets measured at amortized cost - non-current (Note VI (IV))	3,420	-	3,211	-
1550	Investment under equity approach (Note VI (VII))	272,944	2	-	-
1600	Property, plant and equipment (Notes VI (IX), & VIII)	2,287,843	19	2,548,819	28
1755	Right-of-use assets (Notes VI (X) & VII)	302,176	2	276,658	3
1760	Net of investment properties (Note VI (XI))	288,904	2	115,735	1
1780	Intangible assets (Notes VI (VIII), (XII) and VII)	1,816,342	15	445,502	5
1840	Deferred income tax assets (Note VI (XX))	91,877	1	110,681	1
1990	Other non-current assets (Notes VI (XIX))	48,274	-	44,027	1
	<b>Total non-current assets</b>	<u>5,171,752</u>	<u>42</u>	<u>3,631,347</u>	<u>40</u>
	<b>Total assets</b>	<u><u>\$ 12,338,424</u></u>	<u><u>100</u></u>	<u><u>9,101,605</u></u>	<u><u>100</u></u>

**(Continued on the next page)**

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc. and its subsidiaries**  
**Consolidated Balance Sheets (Continued)**  
**As of December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024.12.31</b>		<b>2023.12.31</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Notes VI (XIII) and VIII)	\$ 1,388,927	11	1,079,645	12
2120	Financial liabilities measured at fair value through profit or loss - current (Note VI (II))	9,265	-	3,365	-
2130	Contract liabilities - current (Note VI (XXIII))	114,118	1	115,375	1
2170	Notes and accounts payable	1,560,070	13	952,772	10
2180	Accounts payable - related parties (Note VII)	66,931	-	20,891	-
2200	Other payables (Notes VI (XXIV) & VII)	571,359	5	433,562	5
2230	Current income tax liabilities	119,492	1	160,348	2
2250	Provisions - current (Note VI (XVIII))	30,437	-	41,764	1
2280	Lease liabilities - current (Note VI (XVII) & VII)	95,238	1	69,614	1
2322	Long-term borrowings due within one year - current portion (Note VI (XV))	86,000	1	-	-
2325	Preferred share liabilities - current (Note VI (XVI))	165,559	1	-	-
2399	Other current liabilities	17,030	-	32,162	-
	<b>Total current liabilities</b>	<b>4,224,426</b>	<b>34</b>	<b>2,909,498</b>	<b>32</b>
<b>Non-current liabilities:</b>					
2530	Corporate bonds payable (Note VI (XIV))	936,074	8	-	-
2540	Long-term borrowings (Notes VI (XV) & VIII)	764,000	6	800,000	9
2570	Deferred income tax liabilities (Note VI (XX))	382,375	3	211,603	2
2580	Lease liabilities - non-current (Note VI (XVII) & VII)	178,260	2	178,493	2
2640	Net defined benefit liabilities - non-current (Note VI (XIX))	15,159	-	19,129	-
2670	Other non-current liabilities	903	-	-	-
	<b>Total non-current liabilities</b>	<b>2,276,771</b>	<b>19</b>	<b>1,209,225</b>	<b>13</b>
	<b>Total liabilities</b>	<b>6,501,197</b>	<b>53</b>	<b>4,118,723</b>	<b>45</b>
<b>Equity attributable to the owners of the parent company (Note VI (III) and (XXI)):</b>					
3110	Share capital - ordinary shares	1,144,889	9	1,144,889	13
3200	Capital reserve	898,131	7	629,767	7
3300	Retained earnings	1,538,288	13	1,443,171	16
3400	Other equity	(69,566)	(1)	(55,791)	(1)
	<b>Total equity attributable to owners of parent company</b>	<b>3,511,742</b>	<b>28</b>	<b>3,162,036</b>	<b>35</b>
36XX	<b>Non-controlling interests (Note VI (VIII) and (XXI))</b>	<b>2,325,485</b>	<b>19</b>	<b>1,820,846</b>	<b>20</b>
	<b>Total equity</b>	<b>5,837,227</b>	<b>47</b>	<b>4,982,882</b>	<b>55</b>
	<b>Total liabilities and equity</b>	<b>\$ 12,338,424</b>	<b>100</b>	<b>9,101,605</b>	<b>100</b>

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue (Notes VI (XXIII), VII and XIV)</b>	\$ 9,583,892	100	9,184,172	100
5000	<b>Operating costs (Notes VI (VI), (IX), (X), (XII), (XVII), (XVIII), (XIX), (XXIV), VII and XII)</b>	(6,909,178)	(72)	(6,749,159)	(73)
	<b>Gross profit</b>	<u>2,674,714</u>	<u>28</u>	<u>2,435,013</u>	<u>27</u>
	<b>Operating expenses (Note VI (V), (IX), (X), (XI), (XII), (XVII), (XIX), (XXIV), VII &amp; XII):</b>				
6100	Selling and marketing expenses	(1,001,836)	(11)	(953,343)	(11)
6200	General and administrative expenses	(504,576)	(5)	(487,964)	(5)
6300	Research and development expenses	(501,797)	(5)	(460,534)	(5)
6450	Expected credit (impairment loss) gain on reversal	(8,654)	-	11,614	-
6000	<b>Total operating expenses</b>	<u>(2,016,863)</u>	<u>(21)</u>	<u>(1,890,227)</u>	<u>(21)</u>
	<b>Net operating income</b>	<u>657,851</u>	<u>7</u>	<u>544,786</u>	<u>6</u>
	<b>Non-operating income and expenses (Notes VI (XVII), (XXV) &amp; VII)</b>				
7100	Interest income	21,235	-	13,358	-
7010	Other income	32,213	-	59,006	1
7020	Other gain and loss	(156)	-	(50,726)	-
7050	Finance costs	(59,139)	-	(59,140)	(1)
	<b>Total non-operating income and expenses</b>	<u>(5,847)</u>	<u>-</u>	<u>(37,502)</u>	<u>-</u>
7900	<b>Profit before tax</b>	652,004	7	507,284	6
7950	<b>Less: Income tax expense (Note VI (XX))</b>	<u>(158,969)</u>	<u>(2)</u>	<u>(140,346)</u>	<u>(2)</u>
8000	<b>Net profit for the period from continued operating units</b>	493,035	5	366,938	4
8100	<b>Net loss from discontinued operations (Note XII (II))</b>	-	-	(16,494)	-
8200	<b>Net profit for the period</b>	<u>493,035</u>	<u>5</u>	<u>350,444</u>	<u>4</u>
	<b>Other comprehensive income (Note VI (XIX), (XX) and (XXI)):</b>				
8310	<b>Items that will not be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans	6,430	-	9,150	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(848)	-	15,650	-
8349	Income tax relating to items that will not be reclassified	(2,842)	-	(1,830)	-
		<u>2,740</u>	<u>-</u>	<u>22,970</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translating the financial statements of foreign operations	41,603	1	26,544	-
8399	Income tax relating to items that may be reclassified	-	-	-	-
		<u>41,603</u>	<u>1</u>	<u>26,544</u>	<u>-</u>
	<b>Other comprehensive income for the period</b>	<u>44,343</u>	<u>1</u>	<u>49,514</u>	<u>-</u>
8500	<b>Total comprehensive income for the period</b>	<u><u>\$ 537,378</u></u>	<u><u>6</u></u>	<u><u>399,958</u></u>	<u><u>4</u></u>
	<b>Net profit in current period attributable to:</b>				
8610	Owners of the parent company	\$ 396,611	4	361,685	4
8620	Non-controlling interests	96,424	1	(11,241)	-
		<u><u>\$ 493,035</u></u>	<u><u>5</u></u>	<u><u>350,444</u></u>	<u><u>4</u></u>
	<b>Total comprehensive income (loss) attributable to:</b>				
8710	Owners of the parent company	\$ 424,590	5	388,016	4
8720	Non-controlling interests	112,788	1	11,942	-
		<u><u>\$ 537,378</u></u>	<u><u>6</u></u>	<u><u>399,958</u></u>	<u><u>4</u></u>
	<b>Earnings per share (Unit: In New Taiwan Dollars, Note VI (XXII)):</b>				
9750	<b>Basic earnings per share</b>				
	Net profit from continuing operations	\$	3.46		3.21
	Net loss from discontinued operations	-		(0.05)	
		<u><u>\$ 3.46</u></u>		<u><u>3.16</u></u>	
9850	<b>Diluted earnings per share</b>				
	Net profit from continuing operations	\$	3.45		3.19
	Net loss from discontinued operations	-		(0.05)	
		<u><u>\$ 3.45</u></u>		<u><u>3.14</u></u>	

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	Equity attributable to owners of parent company											
	Equity attributable to owners of parent company						Other equity items			Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
							Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total			
	Share capital - ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total			Total			
Balance as of January 1, 2023	\$ 1,144,889	608,586	887,332	114,822	529,843	1,531,997	(69,315)	31,274	(38,041)	3,247,431	2,577,359	5,824,790
Net profit for the period	-	-	-	-	361,685	361,685	-	-	-	361,685	(11,241)	350,444
Other comprehensive income for the period	-	-	-	-	7,444	7,444	8,353	10,534	18,887	26,331	23,183	49,514
Total comprehensive income for the period	-	-	-	-	369,129	369,129	8,353	10,534	18,887	388,016	11,942	399,958
Amend 2022 legal reserve provision	-	-	(15,964)	-	15,964	-	-	-	-	-	-	-
Profit distribution:												
Legal reserve	-	-	52,689	-	(52,689)	-	-	-	-	-	-	-
Special reserve reversal	-	-	-	(76,782)	76,782	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(457,955)	(457,955)	-	-	-	(457,955)	-	(457,955)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(52,145)	(52,145)
Disposition of employee stock ownership trust inflows	-	143	-	-	-	-	-	-	-	143	-	143
Disposal of subsidiaries	-	20,999	-	-	-	-	(36,637)	-	(36,637)	(15,638)	(716,362)	(732,000)
Changes in ownership interests in subsidiaries	-	39	-	-	-	-	-	-	-	39	52	91
Balance as of December 31, 2023	1,144,889	629,767	924,057	38,040	481,074	1,443,171	(97,599)	41,808	(55,791)	3,162,036	1,820,846	4,982,882
Net profit for the period	-	-	-	-	396,611	396,611	-	-	-	396,611	96,424	493,035
Other comprehensive income for the period	-	-	-	-	3,326	3,326	26,356	(1,703)	24,653	27,979	16,364	44,343
Total comprehensive income for the period	-	-	-	-	399,937	399,937	26,356	(1,703)	24,653	424,590	112,788	537,378
Profit distribution:												
Legal reserve	-	-	36,913	-	(36,913)	-	-	-	-	-	-	-
Special reserve	-	-	-	17,750	(17,750)	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(343,467)	(343,467)	-	-	-	(343,467)	-	(343,467)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(31,619)	(31,619)
Disposition of employee stock ownership trust inflows	-	383	-	-	-	-	-	-	-	383	-	383
Differences between the actual price for acquisition or disposal of subsidiaries and their carrying amount	-	183,410	-	-	-	-	268	(49)	219	183,629	30,509	214,138
Changes in ownership interests in subsidiaries	-	84,571	-	-	-	-	-	-	-	84,571	84,803	169,374
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	308,158	308,158
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	38,647	38,647	-	(38,647)	(38,647)	-	-	-
Balance as of December 31, 2024	\$ 1,144,889	898,131	960,970	55,790	521,528	1,538,288	(70,975)	1,409	(69,566)	3,511,742	2,325,485	5,837,227

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Cash Flows**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net profit before tax from continued operating units	\$ 652,004	507,284
Net loss before tax from discontinued operations	-	(17,333)
Net profit before tax for the period	<u>652,004</u>	<u>489,951</u>
<b>Adjustment item:</b>		
Adjustments for		
Depreciation expenses	224,476	228,188
Amortization expenses	58,953	82,524
Expected credit impairment loss (gain on reversal)	8,654	(11,006)
Net loss on financial assets and liabilities measured at fair value through (profit) or loss	(28,888)	1,586
Interest expense	59,139	61,036
Interest income	(21,235)	(13,358)
Dividend income	(5,589)	(6,845)
Gain on disposal of property, plant and equipment	(811)	(5,646)
Loss (Gain) on liquidation of subsidiary	(4,360)	4,943
Loss (Gain) on lease amendment	13	(68)
Total revenue, expense and loss items	<u>290,352</u>	<u>341,354</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as measured at fair value through profit or loss	18,364	(19,593)
Contract assets	(10,571)	(812)
Notes and accounts receivable	(375,944)	297,234
Accounts receivable - related parties	(84,585)	158,274
Other receivables	18,686	26,382
Inventories	145,736	963,146
Prepayments	(27,413)	30,380
Other current assets	191	(594)
Other operating assets	522	2,316
Total net changes in assets related to operating activities	<u>(315,014)</u>	<u>1,456,733</u>
Net changes in liabilities related to operating activities:		
Financial liabilities held for trading	5,900	(1,655)
Contract liabilities	(30,626)	(90,765)
Notes and accounts payable	440,267	(108,535)
Accounts payable - related parties	46,040	(96,294)
Other payables	122,018	(130,935)
Provision for liabilities	(11,327)	(9,472)
Other current liabilities	(15,514)	5,052
Net defined benefit liabilities	(2,606)	(2,968)
Other operating liabilities	625	-
Total net changes in liabilities related to operating activities	<u>554,777</u>	<u>(435,572)</u>
Total net changes in assets and liabilities related to operating activities	<u>239,763</u>	<u>1,021,161</u>
Total adjustment items	<u>530,115</u>	<u>1,362,515</u>
Cash generated from operations	1,182,119	1,852,466
Interest received	20,693	13,129
Interest paid	(54,535)	(61,708)
Income tax paid	(210,409)	(229,993)
Net cash inflows from operating activities	<u>937,868</u>	<u>1,573,894</u>

(Continued on the next page)

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Cash Flows (Continued from the previous page)**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets measured at amortized cost	(17)	-
Proceeds from disposal of financial assets at amortized cost	-	6,848
Purchase of financial assets at fair value through other comprehensive income	(91,693)	-
Acquisition of investments accounted for using the equity method	(155,357)	-
Acquisition of subsidiaries (less cash obtained)	(864,695)	-
Disposal of subsidiaries	-	369,085
Purchase of property, plant and equipment	(38,542)	(24,487)
Proceeds from disposal of property, plant and equipment	2,162	6,217
(Increase) decrease in refundable deposits	(277)	814
Purchase of intangible assets	(9,236)	(8,901)
Increase in other non-current assets	(393)	(2,151)
Dividends received	5,589	6,845
<b>Net cash (outflows) inflows from investing activities</b>	<u>(1,152,459)</u>	<u>354,270</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	5,833,713	5,947,869
Decrease in short-term borrowings	(5,532,840)	(6,749,423)
Issuance of convertible bonds	1,096,349	-
Proceeds from long-term borrowings	750,000	1,100,000
Repayments of long-term borrowings	(700,000)	(1,850,675)
Repayment of lease principal	(86,620)	(89,055)
Cash dividends distributed	(343,467)	(457,955)
Disposal of subsidiary shares (without loss of control)	214,138	-
Changes in non-controlling interests	(31,619)	(52,145)
Disposition of employee stock ownership trust inflows	872	234
<b>Net cash inflows (outflows) from financing activities</b>	<u>1,200,526</u>	<u>(2,151,150)</u>
<b>Effect of changes in exchange rate</b>	<u>36,630</u>	<u>22,797</u>
<b>Increase (decrease) in cash and cash equivalents for the current period</b>	1,022,565	(200,189)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>1,490,285</u>	<u>1,690,474</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>\$ 2,512,850</u></u>	<u><u>1,490,285</u></u>

(Please refer to notes to consolidated financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

## **Independent Auditors' Report**

To the Board of Directors of DFI Inc.:

### **Audit Opinion**

We have audited the accompanying balance sheets of DFI Inc. as of December 31, 2024 and 2023, which comprise the comprehensive income statement, statement of changes in equity, and cash flow statement from January 1 to December 31, 2024 and 2023, as well as the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of other certified public accountants (see Other Matters section), the aforementioned financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, as well as the Company's financial performance and cash flows from January 1 to December 31 in 2023 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2024. 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 matters that we judge should be communicated in the audit reports are stated as follows:

#### **I Investment in subsidiaries**

For details on accounting policies related to subsidiary investments and business combinations, please refer to Note IV (IX) and (XIX) of the parent company only financial statements. Additionally, for a description of significant accounting items concerning newly acquired subsidiaries, please consult Note VI (VII) of the parent company only financial statements.

Key audit matters are stated as follows:

In 2024, DFI Inc. and its subsidiaries acquired 70.65% of the ordinary shares of Tekpak Corporation and gained control. Due to the accounting treatment of business combinations, the management must determine the fair value of identifiable assets acquired and liabilities assumed.

Because the process involves numerous assumptions and estimates and is inherently complex, the addition of subsidiary investments for this period is a material evaluation matter for us when conducting the audit of the Company's parent company only financial statements.

The corresponding audit procedures:

Our main audit procedures for the above-mentioned key audit matters include: obtaining the fair value assessment and the purchase price allocation of intangible assets reports entrusted by the management to external experts, and assessing the assets and liabilities identified by management at the acquisition date and the reasonableness of their evaluations; appointing our experts of evaluation to assist in assessing the reasonableness of the evaluation methods used in the evaluation; we also assess the correctness of the accounting of DFI Inc. and whether relevant information about the acquisition has been properly disclosed.

## II Impairment assessment of goodwill arising from investment in subsidiaries

For accounting policies related to the impairment of non-financial assets, please refer to Note IV (XIV) of the parent company only financial statements; for an explanation on the uncertainty of assumptions and accounting estimates of a goodwill impairment assessment, please refer to Note V of the parent company only financial statements; for an explanation of a goodwill impairment test, please refer to Note VI (VII) of the parent company only financial statements.

Key audit matters are stated as follows:

The Company's significant goodwill arising from the acquisition of DFI AMERICA, LLC and Tekpak Corporation was included in the book value of the investment accounted for using the equity method in the parent company only financial statements. The goodwill should be tested for impairment annually, or whenever there is an indication of impairment. Because assessing the recoverable amount of the cash-generating unit to which goodwill has been allocated involves a number of management assumptions and estimates, the goodwill impairment assessment is a material evaluation matter for us when conducting the audit of the Company's parent company only financial report.

The corresponding audit procedures:

Our audits of the above critical items include: obtaining management's self-assessment of the goodwill impairment test form; evaluating the reasonableness of the bases of estimates and significant assumptions used by management to determine the recoverable amount, including the discount rate, expected rate of growth in revenues, and projections of future cash flows; comparing previously forecasted future cash flows with actual results to assess the accuracy of past management estimates; performing sensitivity analyses of significant assumptions; and reviewing whether the Company has appropriately disclosed information regarding the goodwill impairment assessment.

## **Other Matters**

Some of the investments in subsidiaries under the equity method included in the Company's parent company only financial statements were not audited by us, but by other certified public accountants. Therefore, our opinion, insofar as it relates to the amounts included in the financial statements of the subsidiaries, is based on the reports of other certified public accountants. The investment in this subsidiary recognized under the equity method amounted to NTD 470,216 thousand and NTD 410,339 thousand as of December 31, 2024 and 2023, respectively, representing 7.65% and 8.02% of total assets. The share of profit or loss of subsidiaries recognized under the equity method from January 1 to December 31, 2024 and 2023 were NTD 16,545 thousand and NTD 22,661 thousand, respectively, which accounted for 3.47% and 4.92% of income before tax, respectively.

## **Responsibility of Management and Governance Units for Parent Company Only Financial Statements**

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

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

DFI Inc.'s governance unit (including the Audit Committee) is responsible for overseeing the financial reporting process.

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

Our objectives are to obtain reasonable assurance regarding 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the individual amounts or sums that the material misstatement involved may be reasonably expected to affect the financial decision making of users of the parent company only financial statements, such misstatement will be considered material.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- II. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DFI Inc.'s internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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 DFI Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause DFI Inc. to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements of equity-method investees in order to express an opinion on the financial statements. We are responsible for directing, supervising, and performing the audit and for forming an opinion on the financial statements of DFI Inc.

We communicate with the governance unit about the scope and timing of planned audit and significant audit findings, including significant deficiencies in internal control identified in the course of the audit.

We also provide the governance unit with a statement of independence from the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is followed by those who are subject to the independence requirements of the firm to which we belong, and we communicate with the governance unit about all relationships and other matters (including relevant safeguards) that might be perceived as affecting the independence of the accountant.

From the matters communicated with the governance unit, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2024. We describe these matters in our certified public accountants' 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.

KPMG Taiwan

CPA:

Assurance Document	Financial-Supervisory-
Number Approved by	: Securities-Auditing-1060005191
Securities Authority	(88) Taiwan-Finance-Securities-
	VI-18311
February 25, 2025	

#### Notes to Readers

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

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

**DFI Inc.**  
**Balance Sheets**  
**As of December 31, 2024 and 2023**  
**Unit: In Thousands of New Taiwan Dollars**

<b>Assets</b>		<b>2024.12.31</b>		<b>2023.12.31</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>					
1100	Cash and cash equivalents (Note VI (I))	\$ 418,043	7	443,832	9
1110	Financial assets measured at fair value through profit or loss - current (Notes VI (II))	22,457	-	32,617	1
1136	Financial assets measured at amortized cost - current (Notes VI (IV) & VIII)	1,500	-	1,500	-
1170	Net of notes and accounts receivable (Notes VI (V) & (XX))	306,775	5	291,998	6
1180	Accounts receivable - related parties (Notes VI (V), (XX) and VII)	293,886	5	145,921	3
1200	Other receivables (Notes VI (V) & VII)	26,082	1	8,201	-
130X	Inventories (Notes VI (VI))	477,050	8	437,094	8
1410	Prepayments	23,275	-	23,253	-
1470	Other current assets	1,200	-	302	-
	<b>Total current assets</b>	<b>1,570,268</b>	<b>26</b>	<b>1,384,718</b>	<b>27</b>
<b>Non-current assets:</b>					
1517	Financial assets measured at fair value through other comprehensive income - non-current (Note VI (III))	-	-	77,314	2
1550	Investment under the equity method (Notes VI (III) & (VII))	3,507,786	57	2,478,590	48
1600	Property, plant and equipment (Notes VI (VIII) & VII)	765,019	12	1,003,301	20
1755	Right-of-use assets (Notes VI (IX) & VII)	84,620	1	102,953	2
1760	Net of investment properties (Note VI (X))	174,881	3	-	-
1780	Intangible assets (Notes VI (VII), (XI) & VII)	9,303	-	9,244	-
1840	Deferred income tax assets (Notes VI (XVII))	36,773	1	53,930	1
1990	Other non-current assets	1,043	-	4,525	-
	<b>Total non-current assets</b>	<b>4,579,425</b>	<b>74</b>	<b>3,729,857</b>	<b>73</b>
	<b>Total assets</b>	<b>\$ 6,149,693</b>	<b>100</b>	<b>5,114,575</b>	<b>100</b>

(Please refer to notes to parent company only financial statements)

**Chairman: Chen Chi-Hong**

**President: Tien Chih-Yin**

**Accounting Supervisor: Huang Li-Min**

**DFI Inc.**

**Balance Sheets (Continued from the previous page)**

**As of December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024.12.31</b>		<b>2023.12.31</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (Notes VI (XII))	\$ 1,000,000	16	650,000	13
2120	Financial liabilities measured at fair value through profit or loss - current (Note VI (II))	3,751	-	135	-
2130	Contract liabilities - current (Note VI (XX))	12,090	-	10,732	-
2170	Accounts payable	551,860	9	345,065	7
2180	Accounts payable - related parties (Note VII)	58,131	1	11,600	-
2200	Other payables (Note VI (XXI) & VII)	208,456	4	165,649	3
2230	Current income tax liabilities	3,732	-	87,264	2
2250	Provisions - current (Note VI (XV))	30,437	1	41,764	1
2280	Lease liabilities - current (Note VI (XIV) & VII)	17,166	-	18,567	-
2322	Long-term borrowings - current portion (Note VI (XIII))	80,000	1	-	-
2399	Other current liabilities	6,012	-	18,064	-
	<b>Total current liabilities</b>	<b>1,971,635</b>	<b>32</b>	<b>1,348,840</b>	<b>26</b>
<b>Non-current liabilities:</b>					
2540	Long-term borrowings (Notes VI (XIII))	470,000	8	400,000	8
2570	Deferred income tax liabilities (Notes VI (XVII))	109,039	2	95,287	2
2580	Lease liabilities - non-current (Note VI (XIV) & VII)	72,118	1	89,283	2
2640	Net defined benefit liabilities - non-current (Note (XVI))	15,159	-	19,129	-
	<b>Total non-current liabilities</b>	<b>666,316</b>	<b>11</b>	<b>603,699</b>	<b>12</b>
	<b>Total liabilities</b>	<b>2,637,951</b>	<b>43</b>	<b>1,952,539</b>	<b>38</b>
<b>Equity (Notes VI (VII) and (XVIII)):</b>					
3110	Share capital - ordinary shares	1,144,889	19	1,144,889	23
3200	Capital reserve	898,131	14	629,767	12
3300	Retained earnings	1,538,288	25	1,443,171	28
3400	Other equity	(69,566)	(1)	(55,791)	(1)
	<b>Total equity</b>	<b>3,511,742</b>	<b>57</b>	<b>3,162,036</b>	<b>62</b>
	<b>Total liabilities and equity</b>	<b>\$ 6,149,693</b>	<b>100</b>	<b>5,114,575</b>	<b>100</b>

(Please refer to notes to parent company only financial statements)

**Chairman: Chen Chi-Hong**

**President: Tien Chih-Yin**

**Accounting Supervisor: Huang Li-Min**

**DFI Inc.**  
**Statement of Comprehensive Income**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue (Notes VI (XX) and VII)</b>	\$ 3,222,248	100	4,009,122	100
5000	<b>Operating costs (Note VI (VI), (VIII), (IX), (XI), (XIV), (XV), (XVI), (XXI), VII &amp; XII)</b>	(2,365,100)	(74)	(3,058,894)	(77)
	<b>Gross profit</b>	857,148	26	950,228	23
5910	Gain on realized (unrealized) sales	49,770	2	24,604	1
	<b>Gross profit</b>	906,918	28	974,832	24
	<b>Operating expenses (Note VI (V), (VIII), (IX), (X), (XI), (XIV), (XVI), (XXI), VII &amp; XII):</b>				
6100	Selling and marketing expenses	(187,233)	(6)	(177,845)	(4)
6200	General and administrative expenses	(112,764)	(3)	(119,192)	(3)
6300	Research and development expenses	(281,775)	(9)	(271,658)	(7)
6450	Gain on reversal of expected credit impairment	242	-	877	-
6000	<b>Total operating expenses</b>	(581,530)	(18)	(567,818)	(14)
	<b>Net operating income</b>	325,388	10	407,014	10
	<b>Non-operating income and expenses (Notes VI (VII), (XIV), (XXII) &amp; VII)</b>				
7100	Interest income	7,482	-	7,564	-
7010	Other income	27,362	1	35,164	1
7020	Other gain and loss	(30,994)	(1)	(17,837)	-
7050	Finance costs	(22,786)	(1)	(31,114)	(1)
7070	Shares of profit (loss) of subsidiaries accounted for using the equity method	170,050	5	59,574	1
	<b>Total non-operating income and expenses</b>	151,114	4	53,351	1
7900	<b>Profit before tax</b>	476,502	14	460,365	11
7950	<b>Less: Income tax expense (Note VI (XVII))</b>	(79,891)	(2)	(98,680)	(2)
8200	<b>Net profit for the period</b>	396,611	12	361,685	9
	<b>Other comprehensive income (Note VI (XVI), (XVII) and (XVIII)):</b>				
8310	<b>Items that will not be reclassified to profit or loss</b>				
8311	Remeasurement of defined benefit plans	1,756	-	9,469	-
8316	Unrealized gain (loss) on investments in equity instruments measured at fair value through other comprehensive income	(1,419)	-	8,474	-
8330	Shares of other comprehensive income of subsidiaries accounted for using the equity method	1,637	-	1,929	-
8349	Income tax relating to items that will not be reclassified	(351)	-	(1,894)	-
		1,623	-	17,978	-
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translating the financial statements of foreign operations	26,356	1	8,353	1
8399	Income tax relating to items that may be reclassified	-	-	-	-
		26,356	1	8,353	1
	<b>Other comprehensive income (loss) for the period</b>	27,979	1	26,331	1
8500	<b>Total comprehensive income (loss) for the period</b>	<b>\$ 424,590</b>	<b>13</b>	<b>388,016</b>	<b>10</b>
	<b>Earnings per Share (Unit: In New Taiwan Dollars, Note VI (XIX))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 3.46</b>		<b>3.16</b>	
9850	<b>Diluted earnings per share</b>	<b>\$ 3.45</b>		<b>3.14</b>	

(Please refer to notes to parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc.**  
**Statement of Changes in Equity**  
**From January 1 to December 31, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

							Other equity items			
	Retained earnings						Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	Total	Total equity
	Share capital - ordinary shares	Capital reserve	Legal reserve	Special reserve	Unappropriated earnings	Total				
Balance as of January 1, 2023	\$ 1,144,889	608,586	887,332	114,822	529,843	1,531,997	(69,315)	31,274	(38,041)	3,247,431
Net profit for the period	-	-	-	-	361,685	361,685	-	-	-	361,685
Other comprehensive income (loss) for the period	-	-	-	-	7,444	7,444	8,353	10,534	18,887	26,331
Total comprehensive income (loss) for the period	-	-	-	-	369,129	369,129	8,353	10,534	18,887	388,016
Amend 2022 legal reserve provision	-	-	(15,964)	-	15,964	-	-	-	-	-
Profit distribution:										
Legal reserve	-	-	52,689	-	(52,689)	-	-	-	-	-
Special reserve reversal	-	-	-	(76,782)	76,782	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(457,955)	(457,955)	-	-	-	(457,955)
Changes in ownership interests in subsidiaries	-	39	-	-	-	-	-	-	-	39
Disposal of subsidiaries	-	20,999	-	-	-	-	(36,637)	-	(36,637)	(15,638)
Disposal of unearned funds of employee stock ownership trust	-	143	-	-	-	-	-	-	-	143
Balance as of December 31, 2023	1,144,889	629,767	924,057	38,040	481,074	1,443,171	(97,599)	41,808	(55,791)	3,162,036
Net profit for the period	-	-	-	-	396,611	396,611	-	-	-	396,611
Other comprehensive income (loss) for the period	-	-	-	-	3,326	3,326	26,356	(1,703)	24,653	27,979
Total comprehensive income (loss) for the period	-	-	-	-	399,937	399,937	26,356	(1,703)	24,653	424,590
Profit distribution:										
Legal reserve	-	-	36,913	-	(36,913)	-	-	-	-	-
Special reserve reversal	-	-	-	17,750	(17,750)	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(343,467)	(343,467)	-	-	-	(343,467)
Changes in ownership interests in subsidiaries	-	84,571	-	-	-	-	-	-	-	84,571
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	183,410	-	-	-	-	268	(49)	219	183,629
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	38,647	38,647	-	(38,647)	(38,647)	-
Disposal of unearned funds of employee stock ownership trust	-	383	-	-	-	-	-	-	-	383
Balance as of December 31, 2024	\$ 1,144,889	898,131	960,970	55,790	521,528	1,538,288	(70,975)	1,409	(69,566)	3,511,742

(Please refer to notes to parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc.**  
**Statements of Cash Flows**  
**From January 1 to December 31, 2024 and 2023**  
**Unit: In Thousands of New Taiwan Dollars**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from operating activities:</b>		
Net profit before tax for the period	\$ 476,502	460,365
<b>Adjustment item:</b>		
Adjustments for		
Depreciation expenses	87,554	88,167
Amortization expenses	6,518	6,142
Gain on reversal of expected credit impairment	(242)	(877)
Evaluation losses of financial assets measured at fair value through profit or losses	2,350	1,586
Interest expense	22,786	31,114
Interest income	(7,482)	(7,564)
Dividend income	(4,555)	(5,849)
Shares of profit of subsidiaries accounted for using the equity method	(170,050)	(59,574)
Loss (gain) on disposal of property, plant and equipment	88	(5,704)
Gain on realized sales	(49,770)	(24,604)
Total revenue, expense and loss items	(112,803)	22,837
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as measured at fair value through profit or loss	7,810	(7,208)
Notes and accounts receivable	(14,535)	161,292
Accounts receivable - related parties	(147,965)	526,156
Other receivables	(17,883)	22,960
Inventories	(39,956)	535,846
Prepayments	(22)	(2,912)
Other current assets	(898)	979
Total net changes in assets related to operating activities	(213,449)	1,237,113
Net change in liabilities related to operating activities:		
Financial liabilities held for trading	3,616	(948)
Contract liabilities	1,358	(10,976)
Accounts payable	206,795	(383,370)
Accounts payable - related parties	46,531	(139,496)
Other payables	43,291	(34,043)
Provision for liabilities	(11,327)	(9,472)
Other current liabilities	(12,052)	5,198
Net defined benefit liabilities	(2,213)	(2,576)
Total net changes in liabilities related to operating activities	275,999	(575,683)
Total net changes in assets and liabilities related to operating activities	62,550	661,430
Total adjustment items	(50,253)	684,267
Cash generated from operations	426,249	1,144,632
Interest received	7,484	7,565
Interest paid	(21,657)	(31,476)
Income tax paid	(132,866)	(126,485)
<b>Net cash inflows from operating activities</b>	<b>279,210</b>	<b>994,236</b>

(Continued on the next page)

(Please refer to notes to parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

**DFI Inc.**  
**Statements of Cash Flows (Continued from the previous page)**  
**From January 1 to December 31, 2024 and 2023**  
**Unit: In Thousands of New Taiwan Dollars**

	<u>2024</u>	<u>2023</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets measured at fair value through other comprehensive income	(41,692)	-
Acquisition of investments accounted for using the equity method	(715,357)	-
Disposal of long-term equity investments accounted for under the equity method	-	530,075
Refund of share capital due to capital decrease of subsidiaries accounted for using the equity method	78,804	-
Purchase of property, plant and equipment	(5,989)	(9,875)
Proceeds from disposal of property, plant and equipment	981	5,800
Decrease in refundable deposits	-	143
Purchase of intangible assets	(6,577)	(2,731)
Decrease (increase) in other non-current assets	969	(2,148)
Dividends received	31,374	57,129
<b>Net cash inflows (outflows) from investing activities</b>	<u>(657,487)</u>	<u>578,393</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	3,750,000	4,270,000
Decrease in short-term borrowings	(3,400,000)	(4,675,000)
Proceeds from long-term borrowings	150,000	900,000
Repayments of long-term borrowings	-	(1,600,000)
Repayment of lease principal	(18,566)	(18,890)
Cash dividends distributed	(343,467)	(457,955)
Disposal of subsidiary shares (without loss of control)	214,138	-
Disposition of employee stock ownership trust inflows	383	143
<b>Net cash outflows from financing activities</b>	<u>352,488</u>	<u>(1,581,702)</u>
<b>Increase (decrease) in cash and cash equivalents for the current period</b>	(25,789)	(9,073)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>443,832</u>	<u>452,905</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><u>\$ 418,043</u></u>	<u><u>443,832</u></u>

(Please refer to notes to parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

## Attachment II Comparison of the Company's Articles of Incorporation Before and After Amendment

Articles	After amendment	Before amendment	Reasons for amendment
Article 21:	If the Company makes profit over a year, 5% to 20% of the profit shall be appropriated as employee remuneration, which shall be distributed in the form of stocks or in cash with the resolution of the Board of Directors. Such appropriated amount may be also distributed to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions. In addition, no more than 1% of the profit shall be appropriated as directors' remuneration with the approval of the Board of Directors by resolution. The proposal for paying remuneration to employees and directors shall be presented at the shareholders' meeting. Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors. <u>The distribution of compensation for entry-level employees shall not be less than 10% of the total employee compensation.</u>	If the Company makes profit over a year, 5% to 20% of the profit shall be appropriated as employee remuneration, which shall be distributed in the form of stocks or in cash with the resolution of the Board of Directors. Such appropriated amount may be also distributed to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions. In addition, no more than 1% of the profit shall be appropriated as directors' remuneration with the approval of the Board of Directors by resolution. The proposal for paying remuneration to employees and directors shall be presented at the shareholders' meeting. Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors.	Compliance with Legislative Amendments
Article 24:	The Articles of Incorporation were drafted on June 11, 1981. (Omitted) The 38th amendment was made on June 17, 2022. <u>The 39th amendment was made on May 22, 2025.</u>	The Articles of Incorporation were drafted on June 11, 1981. (Omitted) The 38th amendment was made on June 17, 2022.	The amendment date is additionally indicated.

## Attachment III Non-compete Clause for Directors and Their Representatives

Directors	Intended Termination of Non-compete Clause
Qisda Corporation Representative: Chen Chi-Hong	Director of Legal Representative of Phoenix VI Innovation Investment Corporation Director of Legal Representative of Dunpin No.1 Innovation Investment Co., Ltd. Director of Legal Representative of Dunpin No.2 Innovation Investment Co., Ltd. Director of Legal Representative of InnoFund V Co., Ltd. Director of Industrial Technology Research Institute
Qisda Corporation Representative: Tseng Wen-Hsing	President of Intelligent Solutions Business Group, Qisda Corp. Chairman of Legal Representative of Metaage Corp. Chairman of Legal Representative of AEWIN Technologies Co., Ltd. Chairman of Legal Representative of ACE PILLAR Co., Ltd. Chairman of Legal Representative of EPIC CLOUD CO., LTD. Chairman of Legal Representative of Metaguru Corporation Chairman of Legal Representative of BenQ Guru Software Co., Ltd. Director of Legal Representative of Partner Technology Corp. Director of Legal Representative of APLEX Technologies Inc. Director of Legal Representative of Marketop Smart Solutions Co., Ltd. Director of BenQ Guru Holding Limited Director of Legal Representative of WiXtar Corporation Director of Legal Representative of TEKPAK CORPORATION Director of Expert Alliance Systems & Consultancy (HK) Co., Ltd. Director of Expert Alliance Smart Technology Co., Ltd. Director of Legal Representative of GLOBAL INTELLIGENCE NETWORK CO., LTD. Director of Legal Representative of Grandsys Incorporation Director of Legal Representative of ADVANCEDTEK INTERNATIONAL CORP. Director of COREX (PTY) LTD. Director of Legal Representative of DSIGroup Director of Brainstorm Corporation
Independent Director: Chu Chih-Hao	General Partner of Acorn Campus Taiwan General Partner of Reizawa Capital Venture Partner of AMED Ventures Venture Partner of Renewable Energy Sustainability Fund Chief Financial Officer and Legal Representative Director of Taiwan Bio-Manufacturing Corporation Director of Virtual Man Inc. (BVI) Director of CytoSite BioPharma (US) Director of Flat Medical, Inc. (BVI) Director of PicSee Inc. (BVI) Chairman of H3 Platform Inc. (BVI) Director of Flux Inc. (BVI) Director of Aidmics Biotechnology (Cayman)
Director: Wei Ren-Yu	Director of TEKPAK CORPORATION Director of Digital Innovation Co., Ltd. Director of Ruizhi Corporation Supervisor of Xin Zhi Medical Corporation Independent Director of GIGASTORAGE CORPORATION

## Appendix I      Rules of Procedure for Shareholders' Meeting

- Article 1      To formulate sound rules for governing the shareholders' meetings of the Company, improve supervisory functions and strengthen management functions, the Company hereby promulgate these rules in accordance with Article 5 of the Code of Corporate Governance Practices for Listed over-the-counter (OTC) Companies.
- Article 2      The rules of procedure for the shareholders' meeting of the Company shall be governed by these rules, except where otherwise provided by laws or the articles of incorporation.
- Article 3      The Company's shareholders' meeting shall be convened by the Board of Directors, unless otherwise provided by law.  
Any changes to the method of convening the shareholders' meeting of the Company shall be decided by the Board of Directors and shall be made no later than the issuance of the shareholders' meeting notice.  
The Company shall electronically file the notice of the shareholders' meeting, written proxy, related ratifications, discussions, proposals for the appointment or removal of directors or supervisors, and supporting materials shall be prepared electronically prepared and submitted to MOPS 30 days prior to the date of the regular shareholders' meeting or 15 days prior to the date of the extraordinary shareholders' meeting. In addition, the Company should prepare the handbook of proceedings of the shareholders' meeting and the supplementary information of the meeting in an electronic file and submit it to MOPS no later than 21 days prior to the date of the regular shareholders' meeting or 15 days prior to the date of the extraordinary shareholders' meeting. If the paid-in capital of the Company reaches NT\$10 billion or more as of the end of the most recent fiscal year, or if the total foreign and Mainland China shareholding ratio recorded in the shareholder registry at the most recent shareholder meeting exceeds 30%, the company shall complete the transmission of the aforementioned electronic files 30 days prior to the shareholder meeting. 15 days before a shareholders' meeting, the shareholders' meeting handbook and supporting materials shall be appropriately prepared for further check by shareholders from time to time. They shall be displayed in the Company and a professional service agency appointed by the Company.  
The Company shall provide shareholders with the agenda and supplementary materials of the preceding item to the shareholders in the following manner on the day of the shareholders' meeting:  
I.      During the physical shareholders' meeting, it should be distributed on-site.  
II.     The documents should be distributed on-site and transmitted electronically to the video conference platform during the video-assisted shareholders' meeting.  
III.    When a video-assisted shareholders' meeting is convened, it should be transmitted electronically to the video conferencing platform.  
The reason for convening the meeting shall be indicated in the meeting notice and announcement. With the consent of recipients, the notice may be issued electronically.  
Appointment or removal of directors, modification of the Articles of Association, capital reduction, application for ceasing public offering, competition permit for directors, conversion of earnings into capital increase, conversion of capital reserves into capital increase, corporate dissolution, merger, division or matters under Clause 1, Article 185 of the Company Act, and Clause 1, Article 26, Clause 6, Article 43 of the Securities and Exchange Act, Clause 1, Article 56 and Clause 2, Article 60 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed in the notice as reasons for convening the meeting. Instead, they shall not be proposed in any extempore motion. The main content shall be organized on the website of a competent securities authority or a website designated by the Company. The website address shall be indicated in the notice.  
Suppose it is pointed out that the shareholders' meeting is convened for the complete reelection of directors, and the appointment date is specified after this reelection. In that case, the appointment date shall not be altered through an extempore motion or other means at the same meeting.  
A shareholder who holds more than 1% of the total issued shares shall present a proposal for the general shareholders' meeting to the Company. However, there shall be a limit of one, and any proposal of more than one shall not be included in the motion. Any proposal put forward by a shareholder in respect of any circumstances mentioned under Clauses 1 to 4, Article 172 of the Company Act shall not be accepted by the Board of Directors.  
Shareholders may propose advisory resolutions to urge the Company to enhance public interests or

fulfill social responsibilities. In terms of procedure, it should be limited to one proposal in accordance with the relevant provisions of Article 172-1 of the Company Act. If there is more than one proposal, they will not be included in the motion.

The Company shall announce its acceptance of shareholders' proposals, place of acceptance, and acceptance period before convening the general shareholders' meeting and ceasing share transfer. The acceptance period shall not be shorter than 10 days.

A shareholder's proposal may contain no more than 300 words, or else it will not be accepted. The shareholder presenting the proposal shall attend the annual general meeting in person or by proxy, and take part in discussing the proposal.

Before issuing the notice of the shareholders' meeting, the Company shall inform the shareholders which of their proposals have been accepted and list the accepted proposals in the meeting notice as stipulated under this clause before the date of the meeting notice. For the shareholders' proposals not accepted, the Board of Directors shall explain why the proposals have been rejected at the shareholders' meeting.

Article 4 At each shareholders' meeting, the shareholders may issue a proxy printed and issued by the Company to appoint a representative to attend the shareholders' meeting. The scope of authorization shall be indicated in the proxy.

A shareholder is only allowed to issue a proxy and appoint one representative. The proxy shall be delivered to the Company five days before the shareholders' meeting. If a proxy is repeatedly delivered, the one received first shall prevail. However, this shall not apply if it is declared that the prior proxies are revoked.

If the shareholder wishes to attend the shareholders' meeting in person or exercises his or her voting rights in writing or electronically after his or her delivery of the proxy to the Company, the shareholder shall issue a written notice to the Company to revoke the proxy two days prior to the shareholders' meeting. If the proxy is not revoked on time, it shall be deemed that the shareholder has appointed his or her representative to attend the meeting to exercise the voting rights for him or her.

If the shareholder wishes to attend the shareholders' meeting via video meeting after his or her delivery of the proxy to the Company, the shareholder shall issue a written notice to the Company to revoke the proxy two days prior to the shareholders' meeting. If the proxy is not revoked on time, it shall be deemed that the shareholder has appointed his or her representative to attend the meeting to exercise the voting rights for him or her.

Article 5 The venue for holding the shareholders' meeting should be at the Company's premises or a convenient venue for shareholders to attend and suitable for holding the shareholders' meeting. The meeting start time should not be earlier than 9:00 AM or later than 3:00 PM. The choice of venue and time for the meeting should take into full consideration the opinions of independent directors. During the video shareholders' meeting, the Company is not restricted by the venue of the previous meeting.

Article 6 The Company shall state in the notice of meeting the time of registration for shareholders, solicitors, and proxies (hereinafter referred to as shareholders), the place for registration, and other matters that should be noted.

The registration of shareholders in the preceding paragraph should be processed at least thirty minutes before the start of the meeting; the registration area should be clearly marked and staffed by suitable personnel; for video conferences of shareholder meetings, registration should be accepted on the shareholder meeting video conference platform thirty minutes before the start of the meeting, and shareholders who have completed the registration will be considered as personally attending the shareholder meeting.

The shareholders shall attend shareholders' meetings with their certificates of attendance, attendance cards or other supporting documents for attendance. The Company shall not require the shareholders to show any other supporting documents for attending the shareholders' meetings without permission. The shareholders who are solicitors in the solicitation proxy shall also bring supporting identity documents with them for identity verification.

The Company shall prepare an attendance register for the shareholders to sign in, or the shareholders attending the meeting may submit their attendance cards in place of the registration. The Company shall deliver the meeting handbook, annual report, certificate of attendance, speech slips, votes, and other meeting materials to the shareholders attending the shareholders' meeting. If directors are elected at the meeting, votes for election shall be provided as well.

For governments or legal entities that are shareholders of the Company, each may appoint more than one representative to attend the shareholders' meeting on their behalf. When a legal entity is entrusted to attend the shareholders' meeting, it may only appoint one representative.

A shareholders' meeting is convened via video conference, and shareholders who wish to attend the shareholders' meeting via video conference should register with the Company two days prior to the meeting.

For shareholders' meetings conducted via video conference, the Company should upload the agenda, annual report, and other relevant documents to the video conference platform at least thirty minutes before the start of the meeting, and continue to disclose them until the end of the meeting.

Article 6-1

The Company will hold a shareholder video conference meeting. The following matters should be included in the shareholder meeting notice:

- I. Methods for Shareholders to Participate in Video Conferences and Exercise Rights.
- II. In the event of natural disasters, incidents, or other force majeure circumstances that result in obstacles to the video conference platform or participation through video, the handling methods shall include at least the following:
  - (I) Due to ongoing unresolved obstacles prior to the occurrence, the meeting may need to be postponed or continued, affecting both the meeting time and the date for any necessary rescheduling or continuation of the assembly.
  - (II) Shareholders who have not registered to participate in the original shareholders' meeting via video conference are not allowed to participate in the postponed or continued meeting.
  - (III) Suppose it is not possible to convene a video-assisted shareholders' meeting, and the total number of shares present reaches the quorum for the shareholders' meeting after deducting the number of shares present for the shareholders' meeting held by video-assisted participation. In that case, the shareholders' meeting shall be continued. The shareholders who participated in the meeting by video-assisted participation and whose shares count toward the total number of shares present shall be deemed to abstain from all the motions of that shareholders' meeting.
  - (IV) In the event that the results of all agenda items have been announced without any ad hoc motions being made, the handling procedure shall be as follows.
- III. A video shareholders' meeting shall be convened and shall contain appropriate alternatives for shareholders who have difficulty in participating in the shareholders' meeting by means of video.

Article 7

If the shareholders' meeting is convened by the Board of Directors, the Chairman of the Board of Directors shall preside over the meeting. If the Chairman of the Board of Directors is on leave of absence or cannot perform his or her duties for any reason, the Vice Chairman of the Board of Directors shall act as Chairman of the Board of Directors. If the Chairman of the Board does not have a Vice Chairman of the Board, or if the Vice Chairman of the Board is also on leave of absence or is unable to perform his or her duties for any reason, the Chairman of the Board shall designate one of the regular directors to act as Chairman of the meeting. In case the Chairman fails to designate a chairperson, a chairperson shall be elected among the executive directors or directors. In the event that the aforementioned Chairman is an Executive Director or a Director, such Director shall have held such position for more than six months and shall be familiar with the financial and business conditions of the Company. This shall also apply if the Chairman is the representative of a corporate director of the Company.

Shareholders' meetings convened by the Board of Directors are chaired by the Chairman in person. They are attended by the majority of the Board members and at least one representative of each functional committee. Attendance shall be recorded in the minutes of the shareholders' meetings. Shareholders' meetings convened by persons other than the Board of Directors shall be chaired by such conveners. If a shareholders' meeting is convened by more than two persons, one of the conveners shall act as chairman.

The Company may appoint its attorneys, auditors or related personnel to attend a shareholders' meeting.

Article 8

From the start of the shareholders' registration for a shareholders' meeting, the Company shall keep continuous audio and video records of the entire registration, meeting and voting process. Such audio and video recordings shall be kept for at least 1 year. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the lawsuit shall be preserved until the

lawsuit is settled.

For shareholders' meetings held via video conference, the Company shall record and preserve information such as shareholder registration, check-in, questioning, voting, and company vote counts. The entire video conference shall be recorded continuously and without interruption. The aforementioned data and audiovisual recordings shall be properly preserved by the Company during the period of validity and provided to the entrusted party responsible for handling video conference affairs for safekeeping.

For shareholders' meetings conducted via video conference, the Company should record the audio and video of the backend operation interface of the video conference platform.

#### Article 9

Attendance of a shareholders' meeting shall be calculated based on shares. The shares held by the shareholders attending the meeting shall be calculated according to the attendance register or attendance cards submitted or the shares exercising voting rights in writing or electronically. When the meeting has been called to order, the Chairman shall forthwith declare the meeting open and shall at the same time announce the number of non-voting rights and the number of shares present.

However, in the absence of shareholders representing more than half of the total number of issued shares, the chairman of the meeting may adjourn the meeting to a later date, which shall not be more than two times and shall not exceed one hour in total. When less than one-third of the total number of issued shares is represented at the second adjournment, the Chairman shall declare the meeting adjourned. In the case of a shareholder meeting held via video conference, the Company shall also announce the adjournment on the shareholder meeting video conference platform.

In the event that the number of shareholders representing more than one-third of the total number of issued shares is still insufficient even after the second postponement of the preceding paragraph, a pseudo resolution may be made in accordance with Clause 1 of Article 175 of the Company Act, and the shareholders shall be notified of the pseudo resolution and the shareholders shall convene another shareholders' meeting within one month; in the event that the shareholders' meeting is convened by videoconferencing, shareholders wishing to attend the meeting by means of a video transmission method shall re-register with the Company in accordance with Article 6.

If the shareholders present represent a majority of the total issued shares before the end of the meeting, the Chairman may present the pseudo resolution for voting again in accordance with Article 174 of the Company Act.

#### Article 10

For a shareholders' meeting convened by the Board of Directors, the rules of procedure shall be formulated by the Board of Directors. Related proposals (including extempore motions and amendments to original proposals) shall be voted on a case-by-case basis. The meeting shall be convened according to the scheduled rules of procedure, and no change shall be made without a resolution of the shareholders' meeting.

The foregoing provision may apply if the shareholders' meeting is convened by anyone else other than the Board of Directors.

Before processing of the matters (including extempore motions) scheduled under the two foregoing provisions, the Chairman shall not declare adjournment without a resolution. If the Chairman declares the adjournment against the rules of procedure, other members of the Board of Directors shall immediately assist the shareholders present in electing one person to act as the Chairman with the consent of the shareholders who hold a majority of voting rights to proceed with the meeting. The Chairman shall give opportunities for fully explaining and discussing the proposals, amendments or extempore motions proposed by the shareholders. When the Chairman deems that the proposals, amendments or motions are votable, he or she shall announce putting an end to the discussion, suggest voting and arrange appropriate time for voting.

#### Article 11

Before speaking, the shareholders present shall fill in the speech slips, where they shall gist of their speech, shareholder account number (or attendance certificate number) and account name. The Chairman shall determine the order in which the shareholders will speak.

The shareholders who have submitted speech slips without speaking shall be deemed to have not made any speech. If contents of shareholders' speeches are inconsistent with those indicated on the speech slips, the former shall prevail.

Each shareholder shall make a speech in respect of one proposal. Without the Chairman's consent, no shareholder is allowed to speak twice, and a shareholder may speak for no more than five minutes each time. The Chairman may stop a shareholder from speaking only when the shareholder speaks against any rules or beyond the topic under discussion.

During a shareholder's speech, other shareholders shall not interrupt, unless otherwise approved by the Chairman and the shareholder who is speaking. Anyone violating this rule shall be stopped by the Chairman.

When a corporate shareholder is entrusted to attend the shareholders' meeting, only one person may be recommended to speak in respect of one proposal.

After the speech of a shareholder present, the Chairman shall personally or designated related personnel to respond.

Shareholders attending the meeting via video conference may ask questions in writing via the meeting's video conference platform from the time the Chairman announces the start of the meeting until the adjournment is announced. No more than two questions may be asked on each agenda item, with a limit of 200 words per question. This provision does not apply to the provisions of items one through five.

If the previous question does not violate the regulations or exceed the scope of the proposal, it should be disclosed on the shareholder meeting video conference platform for public knowledge.

Article 12      Votes at a shareholders' meeting shall be calculated based on shares.

For a resolution passed at a shareholders' meeting, the shares held by shareholders who don't own any voting rights shall not be included in the total issued shares.

Any shareholders who are personally interested in any matters discussed at the meeting and thus cause harm to the Company's benefits shall neither get involved in voting nor exercise voting rights on behalf of other shareholders.

The foregoing shares which are banned from exercising voting rights shall not be taken into account in calculating voting rights of the shareholders present. Except for a trust business or a stock agency approved by the securities authority, if a person is entrusted by more than two shareholders at the same time, the voting rights of the proxy shall not exceed 3% of the total number of issued shares, and the voting rights of the proxy shall not be counted if the proxy exceeds the total number of issued shares.

Article 13      The shareholders shall have one vote per share, unless they are restricted or do not have voting rights as listed in Clause 2 of Article 179 of the Company Act.

At a shareholders' meeting of the Company, the voting rights shall be exercised electronically and in writing. When the voting rights are exercised in writing or electronically, the ways for exercising the voting rights shall be clearly indicated in the meeting notice. The shareholders who exercise their voting rights in writing or electronically shall be deemed to attend the shareholders' meeting in person. Nonetheless, they shall be deemed to waive their rights if any extempore motion and amendment to their original proposal are proposed at the shareholders' meeting. Hence, the Company shall avoid putting forward any extempore motion and amendment to the original proposal.

The shareholders who exercise their voting rights in writing or electronically shall deliver their declaration of will to the Company two days before the shareholders' meeting. If their declaration of will is repeatedly delivered, the first one received shall prevail. However, this shall not apply to any declaration of will revoked.

If any shareholders wish to attend the shareholders' meeting in person after exercising their voting rights in writing or electronically, they shall revoke their prior declaration of will for exercising voting rights in the same way as they exercise their voting rights two days before the shareholders' meeting. Otherwise, the voting rights they've exercised in writing or electronically shall prevail. In the event that any shareholders exercise their voting rights in writing or electronically and entrust representatives to attend the shareholders' meeting by proxy, the voting rights exercised by the representatives shall prevail.

Any proposal shall be accepted if approved by over a majority of voting rights held by the shareholders present, unless otherwise stipulated by the Company Act and the Articles of Association of the Company. During voting, the shareholders shall vote on a case-by-case basis after the Chairman or the person designated by the chairperson declares the total voting rights held by the shareholders present case by case. At the end of the shareholders' meeting, results on the shareholders' consent, dissent and waiver shall be entered in the MOPS on the same day.

When a proposal is amended or replaced, the Chairman shall determine the order of voting in combination with the original proposal. If a proposal has been approved, other proposals shall be deemed to have been vetoed, and in this case, further voting will be unnecessary.

The personnel overseeing and counting ballots for a proposal shall be appointed by the Chairman,

but the personnel overseeing the voting shall be shareholders.

The counting of votes on a proposal for a resolution or election at a shareholders' meeting shall be carried out openly on the spot at the place of the meeting. The voting results, including the number of votes counted, shall be announced on the spot. Minutes shall also be kept.

The Company will hold a shareholders' meeting via video conference. Shareholders participating via video conference should vote on various proposals and election resolutions via the video conference platform after the Chairman announces the start of the meeting. Voting should be completed before the Chairman announces the end of voting. Failure to do so will be considered an abstention.

For shareholders' meetings conducted via video conference, a one-time vote should be conducted and the voting and election results should be announced by the Chairman after the voting is declared closed.

When the Company holds a video-assisted shareholders' meeting, shareholders who have registered to attend the meeting via video conferencing in accordance with Article 6 may choose to cancel their registration in the same manner as the registration, if they wish to attend the physical shareholders' meeting in person. The cancellation must be made two days prior to the meeting. Shareholders who fail to cancel within the specified period may only attend the shareholders' meeting via video conferencing.

Voting rights may be exercised in writing or electronically, and shareholders who participate in the shareholders' meeting via video conference, without revoking their expression of intent, shall not exercise voting rights on the original proposal, propose amendments to the original proposal, or exercise voting rights on amendments to the original proposal, except for ad hoc motions.

- Article 14      When directors are elected at a shareholders' meeting, related election and appointment rules of the Company shall be followed. The election results, including list of elected directors and votes received, shall be announced on the spot.  
The ballots cast for the foregoing election shall be appropriately kept for at least one year after they are sealed and signed by the vote count overseer. However, if a shareholder files a lawsuit in accordance with Article 189 of the Company Act, the lawsuit shall be preserved until the lawsuit is settled.
- Article 15      The resolutions of the shareholders' meeting shall be recorded in the minutes of the meeting, signed or sealed by the Chairman and distributed to the shareholders within 20 days after the meeting. The minutes shall be prepared and handed out electronically.  
For distribution of the foregoing minutes, the Company shall enter and announce the minutes in the MOPS  
The minutes shall be kept based on date of meeting, meeting venue, Chairman's name, resolution method, meeting procedure and voting results (including counted number of voting rights). When directors are elected, the number of votes for each candidate shall be disclosed. The minutes shall be permanently kept during existence of the Company.  
For shareholders' meetings conducted via video conference, in addition to the matters required to be recorded as mentioned above, the minutes should also include the start and end time of the meeting, the method of convening the meeting, the names of the Chairman and the recorder, as well as the procedures and outcomes for handling any obstacles that may arise due to natural disasters, incidents, or other force majeure events affecting the video conference platform or participation via video conference.  
In addition to the foregoing, the Company shall convene a video shareholders' meeting and shall include in the minutes of the meeting alternative measures for shareholders who have difficulties in participating in the shareholders' meeting by means of video conferencing.
- Article 16      The number of shares solicited by the solicitor, the number of shares represented by the proxy, and the number of shares attended by shareholders in writing or electronically shall be compiled into a statistical table in the prescribed format by the Company on the day of the shareholders' meeting for clear display at the venue of the shareholders' meeting. In the case of a shareholders' meeting held via video conference, the Company shall upload the aforementioned information to the video conferencing platform for the shareholders' meeting at least thirty minutes before the start of the meeting and shall continue to disclose it until the end of the meeting.  
The Company held a shareholder video conference and announced that the total number of shares held by attending shareholders should be disclosed on the video conference platform. If there are any other statistics on the total number of shares and voting rights of attending shareholders during

the meeting, they should also be included.

If any matters resolved at the shareholders' meeting are significant information stipulated by laws, regulations and rules of Taiwan Stock Exchange Corporation (Taipei Exchange), the Company shall transmit related information to MOPS.

- Article 17 Service personnel in charge of shareholders' meeting shall wear identity certificates or arm badges. The Chairman shall command supervisory or security personnel to assist in maintaining the meeting venue in good order. In order to maintain order at the meeting site, supervisory or security personnel shall wear armbands or badges with words such as "supervisory personnel" on them. If the meeting venue is equipped with sound amplification equipment, the Chairman shall stop shareholders from speaking with any other equipment not prepared by the Company. Any shareholders who are not subject to the Chairman's correction, interrupt the meeting and fail to be obedient after coercion will be driven out of the meeting venue by the supervisory or security personnel as commanded by the Chairman.
- Article 18 In holding a meeting, the Chairman shall declare adjournment at discretion. If anything irresistible takes place, the Chairman may decide to have the meeting adjourned for the time being, and declare the time for continuation of the meeting dependent upon the situation. In the event that the meeting venue can no longer be used before settlement of the scheduled matters (including extempore motions) at the shareholders' meeting, a resolution shall be passed at the meeting to additionally find a place for proceeding with the meeting. At the shareholders' meeting, a resolution shall be made to adjourn or continue the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 For shareholders' meetings conducted via video conference, the Company shall promptly disclose the voting results and election results of each proposal on the shareholders' meeting video conference platform, in accordance with the regulations. The disclosure shall continue for at least fifteen minutes after the Chairman announces the adjournment of the meeting.
- Article 20 When the Company holds a video shareholders' meeting, the Chairman and the recorder should be at the same location within the country, and the Chairman should announce the address of that location at the meeting.
- Article 21 For shareholders' meetings conducted via video conference, the Company may provide shareholders with a simple connection test before the meeting and offer real-time assistance during both the pre-meeting and the meeting itself to address any technical communication issues. If a shareholders' meeting is convened by video conference, the Chairman of the meeting shall, at the time of declaring the meeting open, separately announce that, except for the circumstances that do not require the postponement or adjournment of the meeting as stipulated in Article 44-24 of the Guidelines Governing the Handling of Shares of Publicly-Owned Stocks, the meeting shall be postponed or adjourned within five days in the event that the participation in the video conferencing platform or by means of video conferencing is obstructed due to natural calamities, changes in the business or other force majeure that lasts for more than thirty minutes prior to the chairman of the meeting declaring the meeting to be adjourned. The provisions of Article 182 of the Company Act shall not apply to the date of adjournment or postponement of the meeting. In the event of an adjournment or postponement of the meeting as described in the preceding paragraph, shareholders who have not registered to participate by video in the original meeting shall not be permitted to participate in the adjourned or postponed meeting. In accordance with the provisions of Article 2, shareholders who have registered to participate in the original shareholders' meeting via video conference and have completed the check-in process, but did not participate in the postponed or continued meeting, their shares, exercised voting rights, and election rights at the original shareholders' meeting should be included in the total number of shares, voting rights, and election rights of the shareholders attending the postponed or continued meeting. When postponing or continuing a shareholders' meeting in accordance with the provisions of Article 2, there is no need to re-discuss or resolve the proposals for which voting and vote counting have been completed, and the voting results or the list of elected directors have been announced. When the Company holds a video-assisted shareholders' meeting and encounters a situation where the second video conference cannot continue, if the total number of shares represented at the meeting, after deducting the shares attended via video, still meets the statutory quorum for the

shareholders' meeting, the meeting should proceed without the need to postpone or reconvene the meeting as stipulated in the second clause.

The matter of continuing the meeting before the occurrence should be attended by shareholders of the shareholders' meeting via video conference. The number of shares attended by the shareholders should be included in the total number of shares attended by the shareholders. However, all resolutions of the shareholders' meeting shall be deemed as abstentions.

The Company shall postpone or continue the meeting in accordance with the provisions of Article 2. In accordance with the regulations listed in Article 44-2, Item 20, Sub-item 7 of the Guidelines for the Handling of Stock Affairs of Publicly Issued Stock Companies, the relevant preparatory work shall be carried out in accordance with the original shareholders' meeting date and the provisions of the respective article.

The company that conducts public issuance shall handle the date of the shareholders' meeting in accordance with the provisions of the second paragraph of the rules for the use of proxy forms by publicly traded companies attending shareholders' meetings, the third item of Article 13, the second item of Article 44-5, Article 44-15, and the first item of Article 44-17 of the guidelines for the handling of stock affairs by publicly traded companies.

- Article 22      When the Company convenes a video shareholders' meeting, appropriate alternative measures shall be provided to those shareholders who have difficulties in attending the shareholders' meeting by video transmission.
- Article 23      These rules shall be implemented after they are approved at the shareholders' meeting, so shall their amendments.
- Article 24      This process was formulated on July 1, 1998.  
The 1st amendment was made on February 10, 1999.  
The 2nd amendment was made on March 9, 2004.  
The 3rd amendment was made on June 21, 2012.  
The 4th amendment was made on June 10, 2013.  
The 5th amendment was made on June 12, 2015.  
The 6th amendment was made on December 28, 2017.  
The 7th amendment was made on June 16, 2020.  
The 8th amendment was made on May 31, 2023.

## Appendix II      Articles of Incorporation (Before Amendment)

### Chapter 1.    General Rules

- Article 1      The Company was organized in accordance with the provisions of the ROC Company Act and named as DFI Inc.  
It is known as DFI Inc.
- Article 2      The Company's businesses are as follows:  
I.      CC01080 Manufacturing of electronic components.  
II.     CC01110 Manufacturing of computers and their peripheral equipment.  
III.    F401010 International trade.  
IV.    F113050 Wholesale of computers and transactional machines.  
V.     ZZ99999 Businesses not banned or restricted by laws in addition to licensed businesses.
- Article 3      The Company is headquartered in New Taipei City, and may set up offshore branches within the resolution of the Board of Directors.

### Chapter 2.    Shares

- Article 4      The Company's total capital amounts to NT\$1.772 billion with NT\$200 million reserved for issuing employee stock options and with 20,000,000 shares, with a book value of NT\$10 per share and issued separately based on resolutions of the Board of Directors. If the Company lawfully repurchases its shares, the Board of Directors shall be authorized to complete such repurchase according to laws.
- Article 4-1     In the event that the Company transfers the repurchased shares to its employees at the average price, such transfer shall be presented at the latest shareholders' meeting attended by shareholders who represent a majority of the issued shares. It shall be approved by more than two thirds of the voting rights of the shareholders present at the meeting.
- Article 4-2     The Company's issuance of employee stock options at a price lower than the closing price at which a Japanese company's ordinary shares are issued shall be approved by more than two thirds of voting rights of the shareholders present at the shareholders' meeting attended by shareholders who represent a majority of the issued shares.
- Article 5      Delete.
- Article 5-1     The treasury stocks purchased by the Company according to the Company Act may be transferred to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.  
The Company's employee stock options may be issued to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.  
When the Company issues new shares, employees purchasing the shares include employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.  
The Company may issue new shares for restricting employee rights to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions.
- Article 6      Stocks of the Company are registered. They shall be issued according to the Company Act and other related laws.  
No stock certificate is printed for shares issued by the Company, but the issuance shall be filed with a securities depository.
- Article 7      The registration for any share transfer shall be ceased 60 days before the general shareholders' meeting, 30 days prior to the extraordinary shareholders' meeting or 5 days before the Company's distribution of dividends, bonuses or other benefits.

### Chapter 3.    Shareholders' Meeting

- Article 8      Shareholders' meeting includes general shareholders' meeting and extraordinary shareholders' meeting. General shareholders' meeting is held annually and convened by the Board of Directors lawfully six months after the end of each fiscal year. Extraordinary shareholders' meeting is convened when it is necessary.

The Company shall convene the shareholders' meetings by video conferencing or in other ways announced by the central competent authorities.

Article 9 Any shareholders who cannot attend a shareholders' meeting for any reason shall act in accordance with the Regulations on Proxy Application for Attending a Shareholders' Meeting of a Public Listed Company promulgated by the competent authority apart from the Company Act.

Article 10 All directors of the Company shall be elected among candidates by nomination. The directors mentioned in the Articles of Association shall include independent directors.  
Each share held by a shareholder is entitled to one share, unless otherwise stipulated by laws.

Article 11 Any resolution proposed at a shareholders' meeting shall be approved by a majority of voting rights of the shareholders present who represent a majority of the issued shares, unless otherwise stipulated by laws.

Article 12 In respect of any matters discussed and resolved at a shareholders' meeting, agendas shall be prepared and distributed to shareholders. They shall be electronic and allocated by announcement.

#### **Chapter 4. Directors and Audit Committee**

Article 13 The Company appoints seven to nine directors, whose term of office is 3 years. The directors shall be elected from the list of directors' candidates and may be re-elected. The total number of shares held by all directors in the Company shall occupy a proportion not below the percentage lawfully specified by the competent authority.  
The Company shall appoint at least three independent directors, who shall be elected from the list of the directors' candidates at the shareholders' meeting. Matters about independent directors' professional qualification, shareholding, part-time job constraints, independence, nomination, election methods and other related matters shall be handled according to the election measures for directors and related rules of competent securities authorities.

Article 13-1 The Company shall set up an Audit Committee in accordance with the Securities and Exchange Act, and the Audit Committee shall be made up of all independent directors. For components, powers, duties, rules of procedure and other matters of the Audit Committee, related rules of competent securities authorities shall be followed.

Article 14 The Board of Directors meeting shall be organized by directors. It shall be attended by more than 2/3 of directors, and a chairman shall be elected among the directors with the consent of a majority of directors present at the meeting. In addition, a person shall be elected among the directors as deputy chairman dependent upon business needs. The Chairman shall act on behalf of the Company.

Article 15 If the Chairman asks for leave or cannot exercise his or her powers for any reason, the Chairman may appoint a proxy in accordance with Article 208 of the Company Act. In case that any directors cannot attend the Board of Directors meeting, they shall issue a proxy to entrust other directors to attend the meeting for them. Each proxy may be entrusted by one director only.  
The notice of the Board of Directors meeting shall be issued by email or fax.

Article 16 The Board of Directors shall be authorized to determine directors' remuneration dependent upon their degree of participation in the Company's business operations and contributions, and with reference to the average level within the industry.

Article 17 The Company shall purchase liability insurances in respect of its legal liability for compensation within its business scope during the directors' term of office.

#### **Chapter 5. Managers**

Article 18 The Company shall appoint managers, whose appointment, removal and remuneration shall comply with the Company Act.

#### **Chapter 6. Accounting**

Article 19 At the end of each accounting year of the Company, the Board of Directors shall prepare (1) business report, (2) financial statements, (3) proposals for earnings distribution or loss appropriation, which shall

be submitted to the Audit Committee 30 days prior to the general shareholders' meeting. The Audit Committee shall issue a report and present it to the general shareholders' meeting for proposal.

Article 20 The Board of Directors shall hand out the financial statements and resolutions on earning distribution or loss appropriation to the shareholders by way of announcement.

Article 21 If the Company makes profit over a year, 5% to 20% of the profit shall be appropriated as employee remuneration, which shall be distributed in the form of stocks or in cash with the resolution of the Board of Directors. Such appropriated amount may be also distributed to employees of other companies under the control of or affiliated to the Company which satisfy certain conditions. In addition, no more than 1% of the profit shall be appropriated as directors' remuneration with the approval of the Board of Directors by resolution. The proposal for paying remuneration to employees and directors shall be presented at the shareholders' meeting.  
Nonetheless, in case of accumulated deficit in the Company, a proportion of the profit shall be reserved for recovering the loss before an amount is appropriated at the aforementioned ratio as remuneration to employees and directors.

Article 21-1 In the event of any earnings in the final accounts of the Company, an amount shall be first appropriated for paying taxes and recovering accumulated losses before 10% of the earnings are appropriated as legal reserve. However, the amount of earnings appropriated as legal reserve shall not exceed paid-in capital of the Company, and special reserve shall be appropriated or reversed with the remaining earnings. If there is still surplus which is equal to the accumulated undistributed earnings, the Board of Directors shall draft an earnings distribution proposal, which shall be presented at the shareholders' meeting for resolution on distribution of share dividends to the shareholders.  
If cash dividends are distributed as specified by the foregoing earnings distribution proposal, the Board of Directors will be authorized to pass a resolution in respect of the distribution and report to the shareholders' meeting.

As the Company is in an industry with fierce competitions and changing environment, and in a stage of stable growth in its life cycle, general distribution amount shall be taken into account in the earnings distribution proposal drafted by the Board of Directors, and balanced dividend policies shall be adopted for earnings distribution based on conservatism principle, in order to effectively grasp the Company's future investment opportunities, working capital requirements and long-term financial plans. In case of any earnings in the final accounts of the Company and the distributable earnings of that year are up to 2% of the Company's capital, no less than 10% of the distributable earnings shall be distributed as dividends. The cash dividends distributed each year shall not be lower than 10% of the sum of the cash and stock dividends distributed in the same year.

Article 21-2 The Company shall distribute new shares or cash in the form of legal reserve or capital reserve according to Article 241 of the Company Act. If the aforementioned is done in cash, is authorized to be resolved by the Board of Directors and reported to the Shareholders' Meeting.

## **Chapter 7. Supplementary Rules**

Article 22 The Company shall make warranties to the outside.

Article 22-1 The Company's total amount of outbound investments shall not be subject to the limit specified under Article 13 of the Company Act.

Article 23 All other matters unmentioned in these Articles of Incorporation shall be handled according to the Company Act.

Article 24 The Articles of Incorporation were drafted on June 11, 1981.  
The 1st amendment was made on April 1, 1983.  
The 2nd amendment was made on June 15, 1984.  
The 3rd amendment was made on December 20, 1985.  
The 4th amendment was made on February 25, 1987.  
The 5th amendment was made on March 24, 1987.  
The 6th amendment was made on November 10, 1987.  
The 7th amendment was made on November 24, 1987.  
The 8th amendment was made on May 1, 1989.

The 9th amendment was made on May 30, 1989.  
The 10th amendment was made on November 20, 1990.  
The 11th amendment was made on May 15, 1991.  
The 12th amendment was made on June 10, 1993.  
The 13th amendment was made on June 30, 1993.  
The 14th amendment was made on November 20, 1994.  
The 15th amendment was made on June 19, 1995.  
The 16th amendment was made on December 28, 1995.  
The 17th amendment was made on August 29, 1997.  
The 18th amendment was made on June 5, 1998.  
The 19th amendment was made on March 25, 1999.  
The 20th amendment was made on April 24, 2000.  
The 21st amendment was made on April 24, 2000.  
The 22nd amendment was made on June 18, 2001.  
The 23rd amendment was made on June 24, 2002.  
The 24th amendment was made on June 15, 2004.  
The 25th amendment was made on June 14, 2005.  
The 26th amendment was made on June 14, 2006.  
The 27th amendment was made on June 11, 2008.  
The 28th amendment was made on June 18, 2010.  
The 29th amendment was made on June 9, 2011.  
The 30th amendment was made on June 21, 2012.  
The 31st amendment was made on June 10, 2013.  
The 32nd amendment was made on June 12, 2015.  
The 33rd amendment was made on June 13, 2016.  
The 34th amendment was made on December 28, 2017.  
The 35th amendment was made on May 29, 2019.  
The 36th amendment was made on June 16, 2020.  
The 37th amendment was made on August 20, 2021.  
The 38th amendment was made on June 17, 2022.

## Appendix III Directors' Shareholdings

The Company's paid-in capital amounts to NT\$1,144,888,570, with 114,488,857 shares, and according to Article 26 of the Securities and Exchange Act, all directors shall hold 8,000,000 shares at minimum.

As of the date on which share transfer was ceased at this shareholders' meeting, all directors had actually held 51,609,986 (45.08% of the Company's total shares) as registered on the members' register of the Company. Details on some directors' shareholding are as follows:

Date of ceasing share transfer: March 24, 2025

Identity	Name	Number of shares held	Shareholding ratio
Chairman	Chen Chi-Hong (Representative of Qisda Corporation)	51,609,986	45.08
Directors	Tien Chih-Yin (Representative of Qisda Corporation)	51,609,986	45.08
Directors	Tseng Wen-Hsing (Representative of Qisda Corporation)	51,609,986	45.08
Directors	Wei Ren-Yu	0	-
Independent Director	Yeh Te-Chang	0	-
Independent Director	Chu Chih-Hao	0	-
Independent Director	Luo Bing-Kuan	0	-
Total		51,609,986	45.08