

SCAN-D CORPORATION

115



Annual Shareholders' Meeting Deeting Agenda (Translation)

Time: Jun.19, 2024 AM 09:00

Place: No. 69, Dinghu 1st St., Guishan Dist., Taoyuan City
(Our company's meeting room)

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Scan-D Corporation 2024 General Shareholders' Meeting Agenda

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
- IV. Proposals
- V. Discussion
- VI. Extempore Motions
- VII. Adjournment

Chapter 2. Meeting Agenda

Scan-D Corporation

2024 General Shareholders' Meeting Agenda

Time: 9AM, Wednesday, June 19, 2024

Address: No. 69, Dinhu 1 St., Gueishan Dist., Taoyuan City (the Company's conference room)

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

- I. Announcing the Commencement of the Meeting
- II. Chairman's Speech
- III. Reporting Matters
 - (I) The Company's 2023 Business Report.
 - (II) Audit Committee's Review Report on the 2023 Financial Statements
 - (III) Report on the Company's 2023 Employees' and Directors' Remuneration Distribution.
 - (IV) The Company's 2023 Earnings Distribution Report.
- IV. Proposals
 - (I) The Company's 2023 Business Report and Final Statement.
 - (II) The Company's 2023 Earnings Distribution Statement.
- V. Discussion
 - (I) Amendments to of the Company's " Procedures for Election of Directors ".
- VI. Extempore Motions
- VII. Adjournment

Chapter 3. Reporting Matters

Proposal I Proposed by the Board of Directors

Subject: Report on the Company's 2023 business condition. Please review accordingly.

Description: Please refer to Annex I on page 7 to 8 of this manual for the Company's 2023 Business Report.

Proposal II Proposed by the Board of Directors

Subject: Audit Committee's Review Report on the 2023 Financial Statements.

Description: Please refer to Annex II on page 9 of Audit Committee's Review Report.

Proposal III Proposed by the Board of Directors

Subject: Report on the Company's 2023 Employees' and Directors' Remuneration Distribution. Please review accordingly.

Description: 1. Pursuant to the Articles of Association: In 2023, the Company's profit was NT\$138,739,912 (i.e. profit before tax less the benefits before distribution of employees', directors' and supervisors' remuneration less accumulated loss), employees' remuneration was NT\$5,827,076 and directors' remuneration was NT\$1,942,359, which were all paid in cash.
2. The proposal was reviewed by the Remuneration Committee and resolved by the Board of Directors.
3. There is no difference between the above distribution amount and the estimated amount of recognized expenses in 2023.

Proposal IV Proposed by the Board of Directors

Subject: Report on the Company's 2023 Earnings Distribution. Please review accordingly.

Description: 1. Article 25 of the Articles of Association of the Company stipulates The Company may authorize for all or part of dividends and bonus that shall be distributed or all or part of statutory surplus reserve and capital reserve as regulated under the Company Act to be distributed in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and a report of such distribution shall be submitted to the

shareholders meeting.

2. The Company's surplus business in 2023 was approved by the 5th meeting of the 11th Board of Directors to allocate dividends of NT\$100,385,884 to be distributed in cash (cash allocation of NT\$2.0 per share). The Chairman was authorized to set a separate ex-dividend date and payment date for the distribution. The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.
3. In the event that the number of shares outstanding is affected by changes in the Company's share capital, resulting in the change of the dividend rate, the shareholders meeting is requested to authorize the Chairman to handle such change at its full discretion.

Chapter4. Proposals

Proposal I Proposed by the Board of Directors

Subject: The Company's 2023 Business Report and Final Statement. Please review accordingly.

Description: 1. The Company's 2023 consolidated and individual financial statements have been audited by CPA Chen,Chung-Chen and Lee, Li-Huang from Deloitte & Touche.An unqualified audit report has been issued, and Business Report and Financial Statements have been approved by the Audit Committee,with the review report included in the meeting minute.

2. Please refer to Annex I on page 7 to 8 of this manual for the above-mentioned Business Report, and Annex III and IV on page 10 to 29 of this manual for the Final Statement.

Resolution:

Proposal II Proposed by the Board of Directors

Subject: The Company's 2023 Earnings Distribution. Please review accordingly.

Description: 1. The Company's 2023 profit distribution statement has been approved by the Board of Directors and audited by the Audit Committee.

2. Please refer to Annex V on Page 30 of the Handbook for the Company's distribution of 2023 earnings.

Resolution:

Chapter 5. Discussion

Proposal I: Proposed by the Board of Directors

Subject: Please vote on the amendment to certain articles of the " Procedures for Election of Directors ".

Description: 1. Reference example of "○○ Co., Ltd. the Procedures for Election Directors" is revised with letter reference no. Securities-TPEX-Supervision-10900582661 of the Taipei Exchange dated June 12, 2020, it is proposed to amend some provisions of the Company's the Procedures for Election Directors, it is proposed to amend some provisions of the Company's " Procedures for Election of Directors ".

2. For a comparison table of the provisions before and after the amendments to the " Procedures for Election of Directors ", please refer to Annex VI on pages 31 to 34 of this manual.

Resolution:

Chapter 6. Extempore Motions

Adjournment

Business Report

Dear shareholders:

First of all, I would like to thank all the shareholders for attending the Company's annual general shareholders meeting. In 2023, our company experienced a decrease in revenue compared to the previous year, with an overall decline of 4.48%. This decline can be attributed primarily to shifts in the market environment, including inflationary pressures, the impact of interest rate hikes on consumer spending, and government policies regulating the real estate market. Despite the overall decline in revenue, we have managed to maintain a competitive advantage within the home industry sector despite facing challenges. However, the profitability in 2023 showed a more significant decline. Apart from the factors contributing to the decrease in revenue, the major factor was the substantial increase in inventory due to the impact of the pandemic in 2022. To address market uncertainties, we intensified efforts to liquidate inventory, resulting in a decrease in gross profit margin. Furthermore, the additional expenses incurred from the purchase and relocation of our operational headquarters in Singapore also had a certain impact on profitability.

Moving forward, we will closely monitor market changes, continuously adjust our marketing strategies, enhance product quality, and actively seek suitable opportunities for store expansion to ensure the steady development of the company. In 2023, the total revenue of our company reached NT\$2.356 billion, representing a 4.48% decrease compared to the previous year. The net profit after tax was NT\$103 million, reflecting a 52% decrease compared to the previous year. The 2023 operation results and 2024 business plan are reported as follows::

I. 2023 Business Report

(I) Implementation of Business Plan:

Unit: NT\$'000

Item \ Year	Amount in 2023	Amount in 2022	Increase (decrease)	Increase (decrease) ratio (%)
Operating revenue	2,355,820	2,466,424	(110,604)	(4.48)%
Gross profit	1,277,409	1,368,004	(90,595)	(6.62)%
Operating expenses	1,133,641	1,112,930	20,711	(1.86)%
Operating Profit	143,768	255,074	(111,306)	(43.64)%
Non-operating income (expenses)	(10,454)	21,035	(31,489)	(149.70)%
Net profit (loss) before tax	133,314	276,109	(142,795)	(51.72)%
Net profit (loss) after tax	103,465	215,546	(112,081)	(52.00)%

(II) Budget performance: Not applicable.

(III) Financial balance and profitability analysis:

Unit: NT\$'000

Item \ Year		2023	2022	Increase (decrease) %
Financial Condition	Operating revenue	2,355,820	2,466,424	(4.48)%
	Gross profit	1,277,409	1,368,004	(6.62)%
	Interest income	4,621	2,485	85.96%
	Interest expenses	40,551	20,462	98.18%
	Net profit after tax	103,465	215,546	(52.00)%

Profitability	Return on assets (%)		4.18	7.69	(45.64)%
	Return on shareholders' equity (%)		7.62	15.66	(51.34)%
	Paid-in ratio (%)	Operating Profit	28.64	50.82	(43.64)%
		Net profit before tax	26.56	55.01	(51.72)%
	Net margin (%)		4.39	8.75	(49.83)%
	Earnings per share (net loss) (NT\$)		2.06	4.29	(51.98)%

(IV) Research and development: Not applicable.

II. Summary of 2024 Business Plan

(I) Business strategy:

1. In 2024, we will continue to expand our stores and pursue opportunities in cross-industry alliances to showcase fusion stores with outstanding benefits.
2. Continue to increase the number of dual-brand group stores and expand the market to improve overall efficiency.
3. Make good use of channel advantages of being an international furniture and boutiques agency, implement multi-brand strategic operation.
4. Utilize information system to strengthen purchasing accuracy and optimize inventory management.

(II) Estimated Sales Volume and its Basis:

In the coming year, the Company will continue to establish more locations and expand the scale of operations. The revenue is expected to grow continuously in the coming year.

(III) Important production and marketing policies

1. Multi-brand management as an enterprise development strategy to meet market demand.
2. Strengthen product design capabilities to provide warm, comfortable and ergonomic furniture.
3. Continue to increase brand penetration and consumer identity, in order to strengthen the sales of existing channels and expand the market share.

The above is the Company's current condition and future development direction. Scan-D will continue to uphold the business philosophy since its establishment "innovation, harmony, pragmatic, speed" and move towards corporate sustainable management. We also hope that our shareholders will continue to show support and encouragement. All employees of Scan-D shall try their best in achieving outstanding performance. Lastly, I wish you health and all the best.

Scan-D Corporation

Chairman: Lim, Pok-Chin

General Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Audit Committee's Review Report

The Board of Directors has prepared and submitted the Company's 2023 Business Report, Consolidated and Individual Financial Statements, and earnings distribution proposal, of which the Consolidated and Individual Financial Statements have been audited and certified by the CPAs, Chen, Chung-Chen and Lee, Li-Huang, of Deloitte & Touche, and an unqualified audit report has been issued.

The above Business Report, Financial Statements, and earnings distribution proposal have been reviewed by the Audit Committee, and no mistakes were found. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this report is hereby submitted for approval.

TO

The Company's 2024 General Shareholders' Meeting

Scan-D Corporation

Convener of the Audit Committee: Wang, Chia-Cheng

March 13, 2024

2023 Consolidated Financial Statements Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation and its subsidiaries (hereinafter referred to as "Scan-D Group") as of December 31, 2023 and 2022, and the Consolidated Comprehensive Income Statement, Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flow, and Notes to the Consolidated Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2023 and 2022.

In our opinion, the above consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for January 1 to December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of Auditors' Opinion

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

Key Audit Matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2023 Consolidated Financial Statements of Scan-D Group are as followings:

Authenticity of Sales Revenue

As Scan-D Group belongs to the furniture retail industry and sells products to non-specific consumers, where there are many miscellaneous transactions, There are significant risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, Please refer to Note 4(14) of the consolidated financial report.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.

Other Matters

Scan-D Corporation has compiled the Individual Financial Statements for 2023 and 2022, and we have compiled an audit report with our unqualified opinion for reference.

Responsibilities of the Management and Governance Bodies on 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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the management is responsible for assessing the Scan-D Group's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Group or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Group are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the consolidated financial statements, they will be deemed as material.

Professional judgment and skepticism are to be applied when conducting audits per the Standards of Auditing. We have also performed the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain an necessary understanding of the 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 Scan-D Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Group to no longer have the capacity to function as a going concern
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express opinions on the consolidated financial statements. We are

responsible for the guidance, supervision, and implementation of the Group's audit and responsible for forming audit opinions on 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 identified during our audit.

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the consolidated financial statements for 2023 based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche

CPA Chen, Chung-Chen

CPA Lee, Li-Huang

Financial Supervisory Commission
Approval Document No. Chin-Kuan-
Cheng-Shen-Tzu No. 1040024195

Securities and Futures Commission Approval
Document No.
Tai-Cai-Zheng-6 No. 0930128050

March 13, 2024

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D corporation and its subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

Unit: NT\$'000

Code	Assets	December 31, 2023		December 31, 2022(Restatement)		December 31, 2022(Restatement)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 4 and 6)	\$ 357,426	10	\$ 390,521	13	\$ 380,898	13
1110	Financial assets at fair value through profit and loss-current (Notes 4 and 7)	-	-	7,313	-	9,737	-
1136	Financial assets at amortized cost (Note 4, 8, 9, and 30)	18,013	1	27,586	1	143,442	5
1170	Net accounts receivable (Note 4, 10, and 22)	115,776	3	114,109	4	140,261	5
1180	Receivables from related parties (Note 4, 10, 22, and 29)	566	-	327	-	1,703	-
130X	Inventories (Note 4 and 11)	481,080	14	628,672	20	517,896	17
1410	Advance payments (Note 29)	31,751	1	31,624	1	31,489	1
1470	Other current assets (Note 29 and 32)	15,643	1	7,522	-	14,853	-
11XX	Total current assets	1,020,255	30	1,207,674	39	1,240,279	41
	Non-current assets						
1600	Property, Plant & Equipment (Note 4, 13, and 30)	795,491	23	808,677	26	823,260	28
1755	Right-of-use assets (Note 4, 14, and 30)	1,344,422	39	751,749	25	696,444	23
1801	Net computer software (Note 4)	4,858	-	3,226	-	3,921	-
1805	Goodwill (Note 4 and 15)	162,397	5	158,913	5	158,913	5
1840	Deferred income tax assets (Note 4 and 24)	53,514	1	40,441	1	26,165	1
1915	Advance payment for equipment	124	-	3,016	-	6,159	-
1920	Refundable Deposits (Note 14 and Note 29)	64,501	2	114,919	4	54,792	2
15XX	Total non-current assets	2,425,307	70	1,880,941	61	1,769,654	59
1XXX	Total assets	\$ 3,445,562	100	\$ 3,088,615	100	\$ 3,009,933	100
	Liability and equity						
	Current liabilities						
2100	Short-term loans (Note 4 and 16 and Note 30)	\$ 99,167	3	\$ 30,000	1	\$ 9,820	-
2130	Contract liabilities - current (Note 22)	344,099	10	344,003	11	355,806	12
2150	Notes receivable (Note 4 and 17)	27,869	1	17,999	1	16,807	1
2170	Accounts payable (Notes 4 and 17)	63,216	2	53,049	2	94,386	3
2200	Other payables (Note 18)	103,115	3	107,831	3	117,567	4
2230	Income tax liabilities for the period (Note 4 and 24)	10,837	-	35,260	1	40,069	1
2280	Lease liabilities - current (notes 4, 14 and 29)	275,659	8	256,673	8	241,131	8
2300	Other current liabilities	2,994	-	2,001	-	1,865	-
2322	Long-term loans due within one year (notes 4, 16 and 30)	20,820	-	58,780	2	35,549	1
21XX	Total current liabilities	947,776	27	905,596	29	913,000	30
	Non-current liabilities						
2540	Long-term loans (notes 4, 16 and 30)	498,363	14	192,357	6	190,718	6
2550	Liabilities provision - non-current (Notes 4 and 19)	6,698	-	6,773	-	6,825	-
2570	Deferred income tax liabilities (Note 4 and 24)	89,873	3	76,943	3	52,834	2
2580	Lease liabilities - non-current (notes 4, 14 and 29)	573,246	17	515,987	17	472,354	16
2645	Guarantee deposited	503	-	1,343	-	1,572	-
25XX	Total non-current liabilities	1,168,683	34	793,403	26	724,303	24
2XXX	Total liabilities	2,116,459	61	1,698,999	55	1,637,303	54
	Equity (Note 21)						
	Equity attributable to owners of the Company						
3110	Capital - common stock	501,930	15	501,930	16	501,930	17
3200	Capital surplus	292,923	8	292,923	10	292,923	10
	Retained earnings						
3310	Statutory surplus reserve	264,185	8	242,600	8	215,594	7
3320	Special capital reserve	-	-	10,871	-	3,139	-
3350	Undistributed earnings	248,785	7	326,905	11	367,035	12
3300	Total retained earnings	512,970	15	580,376	19	585,768	19
3400	Other equity	17,665	1	11,048	-	(10,892)	-
31XX	Total equity attributable to owners of the Company	1,325,488	39	1,386,277	45	1,369,729	46
36XX	Non-controlling interests (Note 21)	3,615	-	3,339	-	2,901	-
3XXX	Total equity	1,329,103	39	1,389,616	45	1,372,630	46
	Total liabilities and equity	\$ 3,445,562	100	\$ 3,088,615	100	\$ 3,009,933	100

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

(Unit: NT\$'000, NT\$ for earnings per share)

Code		2023		2022(Restatement)	
		Amount	%	Amount	%
	Operating income (Note 22 and 29)				
4100	Net sales revenue	2,348,188	100	2,453,847	99
4800	Other operating revenue	<u>7,632</u>	<u>-</u>	<u>12,577</u>	<u>1</u>
4000	Total Operating Revenue	<u>2,355,820</u>	<u>100</u>	<u>2,466,424</u>	<u>100</u>
	Operating costs (notes 11, 20, 23, and 29)				
5110	Cost of sales	(1,072,822)	(46)	(1,089,360)	(44)
5800	Other operating costs	(<u>5,589</u>)	(<u>-</u>)	(<u>9,060</u>)	(<u>1</u>)
5000	Total operating expenses	(<u>1,078,411</u>)	(<u>46</u>)	(<u>1,098,420</u>)	(<u>45</u>)
5900	Gross profit	<u>1,277,409</u>	<u>54</u>	<u>1,368,004</u>	<u>55</u>
	Operating expenses (Notes 20, 23 and 29)				
6100	Marketing expenses	(1,013,574)	(43)	(985,195)	(40)
6200	Administrative expenses	(121,338)	(5)	(120,735)	(5)
6450	Expected credit loss recovery (gain)	(<u>1,271</u>)	<u>-</u>	(<u>7,000</u>)	<u>-</u>
6000	Total operating expenses	(<u>1,133,641</u>)	(<u>48</u>)	(<u>1,112,930</u>)	(<u>45</u>)
6900	Operating margin	<u>143,768</u>	<u>6</u>	<u>255,074</u>	<u>10</u>
	Non-operating income and expenses (Note 23 and 29)				
7100	Interest income	4,621	-	2,485	-
7010	Other income	24,293	1	40,517	2
7020	Other profit and loss	1,183	-	(1,505)	-
7050	Finance costs	(<u>40,551</u>)	(<u>1</u>)	(<u>20,462</u>)	(<u>1</u>)
7000	Total non-operating income and expenses	(<u>10,454</u>)	<u>-</u>	<u>21,035</u>	<u>1</u>
7900	Profit before tax of continuing operations	133,314	6	276,109	11

(Continued)

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Code		2023		2022(Restatement)	
		Amount	%	Amount	%
7950	Income tax expenses (Note 4 and 24)	(\$ 29,849)	(1)	(\$ 60,563)	(2)
8200	Net income	<u>103,465</u>	<u>5</u>	<u>215,546</u>	<u>9</u>
	Other comprehensive profit or loss				
8360	Items that might be reclassified to profit or loss:				
8361	Translation differences in financial statements from overseas operations	8,332	-	27,774	1
8399	Income tax relating to items that may be reclassified (Notes 24)	(1,654)	-	(5,485)	-
8300	Other comprehensive income for the period	<u>6,678</u>	<u>-</u>	<u>22,289</u>	<u>1</u>
8500	Total comprehensive income	<u>\$ 110,143</u>	<u>5</u>	<u>\$ 237,835</u>	<u>10</u>
	Net income attributable to:				
8610	Owners of parent company	\$ 103,250	4	\$ 215,457	9
8620	Non-controlling interest	<u>215</u>	<u>-</u>	<u>89</u>	<u>-</u>
8600		<u>\$ 103,465</u>	<u>4</u>	<u>\$ 215,546</u>	<u>9</u>
	Total comprehensive income attributable to:				
8710	Owners of parent company	\$ 109,867	5	\$ 237,397	10
8720	Non-controlling interest	<u>276</u>	<u>-</u>	<u>438</u>	<u>-</u>
8700		<u>\$ 110,143</u>	<u>5</u>	<u>\$ 237,835</u>	<u>10</u>
	Earnings per share (Note 25)				
	From continuing business				
9710	Basic	<u>\$ 2.06</u>		<u>\$ 4.29</u>	
9810	Diluted	<u>\$ 2.05</u>		<u>\$ 4.26</u>	

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$'000

Equity attributable to owners of the Company										
		Capital		Retained earnings			Translation differences in financial statements from other equity of overseas operations	Non-controlling interest (Note 22)	Total equity	
Code		Number of shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve	Undistributed earnings			
A1	Balance as of January 1, 2022	\$ 50,193	\$ 501,930	\$ 292,923	\$ 215,594	\$ 3,139	\$ 364,824	(\$ 10,871)	\$2,904	\$ 1,370,443
A3	Effect of retrospective application and retrospective restatement	-	-	-	-	-	2,211	(21)	(3)	2,187
A5	Balance after restatement on January 1, 2022	50,193	501,930	292,923	215,594	3,139	367,035	(10,892)	2,901	1,372,630
	Appropriation and distribution of 2021 earnings									
B1	Statutory surplus reserve	-	-	-	27,006	-	(27,006)	-	-	-
B3	Special capital reserve	-	-	-	-	7,732	(7,732)	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(220,849)	-	-	(220,849)
D1	Net profit in 2022	-	-	-	-	-	215,457	-	89	215,546
D3	Other comprehensive income in 2022	-	-	-	-	-	-	21,940	349	22,289
D5	Total comprehensive income in 2022	-	-	-	-	-	215,457	21,940	438	237,835
Z1	Balance as at December 31, 2022	50,193	501,930	292,923	242,600	10,871	326,905	11,048	3,339	1,389,616
	Appropriation and distribution of 2022 earnings									
B1	Statutory surplus reserve	-	-	-	21,585	-	(21,585)	-	-	-
B17	Reversal of special reserve	-	-	-	-	(10,871)	10,871	-	-	-
B5	Cash dividend to shareholders of the Company	-	-	-	-	-	(170,656)	-	-	(170,656)
D1	Net profit in 2023	-	-	-	-	-	103,250	-	215	103,465
D3	Other comprehensive income in 2023	-	-	-	-	-	-	6,617	61	6,678
D5	Total comprehensive income in 2023	-	-	-	-	-	103,250	6,617	276	110,143
Z1	Balance as at December 31, 2023	\$ 50,193	\$ 501,930	\$ 292,923	\$ 264,185	\$ -	\$ 248,785	\$ 17,665	\$3,615	\$ 1,329,103

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation and its Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$'000

Code		2023	2022(Restatement)
	Cash flows from operating activities		
A10000	Profit before tax for the year	\$ 133,314	\$ 276,109
A20010	Income and expense items		
A20100	Depreciation expenses	324,923	305,832
A20200	Amortization expenses	2,202	1,886
A20300	Expected credit loss and gain	1,271	7,000
A20400	Net losses on financial liabilities at fair value through profit or loss	97	294
A20900	Finance costs	40,551	20,462
A21200	Interest income	(4,621)	(2,485)
A21300	Dividend income	-	(405)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	502	191
A29900	Gain on lease modification	(6,176)	(2,662)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(608)	18,249
A31160	Receivables from related parties	(239)	1,376
A31200	Inventory	147,592	(110,776)
A31230	Prepayments	(127)	(135)
A31240	Total current assets	(8,250)	7,411
A32125	Contract liabilities	96	(11,803)
A32130	Notes payable	9,870	1,192
A32150	Accounts payable	10,167	(41,337)
A32180	Other Payables	(6,353)	(10,462)
A32230	Other current liabilities	993	136
A33000	Cash from operating activities	642,662	460,073
A33300	Interest paid	(40,551)	(20,415)
A33500	Income tax paid	(56,073)	(60,993)
AAAA	Net cash inflow from operating activities	<u>546,038</u>	<u>378,665</u>
	Cash flow from investment activities		
B00050	Disposal of financial assets at amortized cost	9,573	115,856
B00200	Disposal of financial assets at fair value through profit or loss	7,225	3,264

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Code		2023	2022(Restatement)
B02700	Acquisition of property, plant and equipment	(\$ 19,749)	(\$ 17,160)
B02800	Disposal price of property, plant and equipment	1,108	-
B03700	Increase in refundable deposits	-	(60,287)
B03800	Decrease in refundable deposits	47,577	-
B04500	Acquisition of intangible assets	(1,022)	(863)
B05350	Right-of-use asset Acquisition	(522,868)	-
B07100	Increase in prepayment for equipment	(601)	-
B07200	Decrease in prepaid equipment	-	78
B07500	Interest received	3,636	1,311
B07600	Dividend received	-	405
BBBB	Net cash inflow from investing activities (outflow)	(475,121)	42,604
Cash flow from financing activities			
C00100	Increase in short-term loans	69,167	20,180
C01600	Proceeds from long-term loan	396,916	120,000
C01700	Repayment of long-term loan	(128,870)	(95,130)
C03100	Decrease in guarantee deposits received	(840)	(229)
C04020	Repayment of lease principal	(272,860)	(266,585)
C04500	Cash dividend distributed	(170,656)	(220,849)
CCCC	Net cash outflow from financing activities	(107,143)	(442,613)
DDDD	Effect of exchange rate changes on cash and cash equivalents	3,131	30,967
EEEE	Increase (reduce) in cash and cash equivalents, net	(33,095)	9,623
E00100	Cash and cash equivalents at beginning of the year	390,521	380,898
E00200	Cash and cash equivalents at the end of the year	\$ 357,426	\$ 390,521

The attached notes are part of the consolidated financial statements.

Chairman: Lim, Pok-Chin

Manager: Hsueh, Hsiu-Chu

Accounting Supervisor: Ho, San-Chuang

2023 Individual Financial Statements Independent Auditors' Report

Independent Auditors' Report

To Scan-D Corporation

Audit Opinion

We have audited the consolidated balance sheets of Scan-D Corporation as of December 31, 2023 and 2022, and the Individual Statements of Comprehensive Income, Individual Statements of Changes in Equity, Individual Statements of Cash Flows, and Notes to the Individual Financial Statement (including a summary of significant accounting policies) for January 1 to December 31, 2023 and 2022.

In our opinion, the above individual financial statements present fairly, in all material respects, the individual financial position of Scan-D Corporation as of December 31, 2023 and 2022, and its individual financial performance and its consolidated cash flows for January 1 to December 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of Auditors' Comments

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

Key audit matters

Key audit matters, in our professional judgment, were of most significance in our audit of the financial statements for 2023 of Scan-D Corporation. These matters were addressed in the context of our audit of the individual financial statements as a whole, and forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the 2023 individual financial statements of Scan-D Corporation are as follows:

Authenticity of the Sales Revenue Incurred

As Scan-D Corporation belongs to the furniture retail industry and sells products to non-specific consumers, There are significant risks inherent in revenue recognition based on the significance and audit criteria. Therefore the sales revenue incurred from the orders with prices higher than the average sales amount of orders is listed as one of the key audit matters. For accounting policies on revenue recognition, please refer to Note 4 (13) in the Parent Company Only Financial Statements.

We have conducted the following key auditing procedures for the sales revenue generated from the orders with prices higher than the average sales amount of the above orders:

1. Understand the design and implementation, as well as testing the effectiveness of the internal control system for the above sales revenue process.
2. Obtain details of the above sales revenue, conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue incurred.

Responsibilities of the Management and Governance Bodies on the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the Scan-D Corporation's ability to continue as a going concern, disclosure of related matters and the adoption of the going concern basis of accounting, unless the management either intends to liquidate Scan-D Corporation or cease operation, or has no other practicable solutions other than liquidation or cease of operation.

The governing bodies (including the Audit Committee) of Scan-D Corporation are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Individual Financial Statements

Our objectives are to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Auditing Standards (GAAS) will always detect a material misstatement when it exists. There may still be material misstatements due to fraud or errors. If it could be reasonably anticipated that the misstated individual amounts or aggregated sums could influence the economic decisions made by the users of the individual financial statements, they will be deemed as material.

Professional judgment and skepticism are to be applied when conducting audits per the

Standards of Auditing. We have also performed the following tasks:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether due to fraud or error, design and perform appropriate countermeasures for the risks evaluated, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. As fraudulence can involve conspiracy, forgery, intentional omissions, false statements or transgressions of internal control, the risk of failing to detect significant false contents resulting from fraudulence is higher than that resulting from errors.
2. Obtain a necessary understanding of the 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 Scan-D Corporation's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the management.
4. Concluded on the appropriateness of the management's use of going concern basis of accounting, and determined whether there existed events or circumstances that might cast significant uncertainty over Scan-D Corporation's ability to continue as a going concern. "If we are of the opinion that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the individual financial statements or, if such disclosures are inadequate, to modify our opinion." Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Scan-D Corporation to no longer have the capacity to function as a going concern.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including relevant notes), and whether the financial statements represent the underlying transactions and events in a manner that achieves a fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within the Scan-D Corporation to express opinions on the individual financial statements. We are responsible for the guidance, supervision, and implementation and forming audit opinions on Scan-D Corporation.

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 identified during our audit.

We also provide those charged with governance with a statement that the staffs required to be independent of the accounting firms under us have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, including related protection measures.

We have determined the key audit matters to be audited in the individual financial statements for 2023 of Scan-D Corporation based on the matters communicated with those charged with governance. We have clearly described the said matters in the auditor's report except for certain matters that are prohibited from public disclosure by laws or regulations or certain matters we decided not to mention under some extremely rare circumstances because disclosure of such matters can be reasonably expected to result in adverse effects that would be greater than the public benefits gained.

Deloitte & Touche
CPA Chen, Chung-Chen

CPA Lee, Li-Huang

Financial Supervisory Commission
Approval Document No. Chin-Kuan-
Cheng-Shen-Tzu No. 1040024195

Securities and Futures Commission Approval
Document No.
Tai-Cai-Zheng-6 No. 0930128050

March 13, 2024

Notice to Readers

The translation is made according to the Chinese version of the annual financial statement and the translation has not been approved by certified accountant.

Scan-D Corporation
Individual Balance Sheet
December 12, 2023 and 2022

Unit: NT\$'000

Code	Assets	December 31, 2023		December 31, 2022(Restatement)		January 1, 2022(Restatement)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 4 and 6)	\$ 149,159	6	\$ 132,933	5	\$ 162,469	6
1136	Financial assets at amortized cost (Note 4, 7, and 8)	-	-	21,497	1	138,000	5
1170	Net accounts receivable (Note 4, 9, and 20)	110,133	4	109,905	4	120,837	5
1180	Receivables from related parties (Note 4, 9, 20, and 27)	441	-	327	-	1,527	-
130X	Inventories (Notes 4 and 10)	400,119	16	521,635	20	397,306	15
1470	Other non-current assets (Note 27 and 30)	36,827	2	12,532	1	24,245	1
11XX	Total current assets	696,679	28	798,829	31	844,384	32
	Non-current assets						
1550	Investment using equity method (Notes 4 and 11)	418,537	17	430,443	17	378,843	14
1600	Property, Plant & Equipment (Note 4, 12, and 28)	776,861	31	785,981	30	798,659	30
1755	Right-of-use assets (Note 4 and 13)	535,509	22	541,808	21	582,310	22
1801	Net computer software (Note 4)	3,719	-	765	-	520	-
1840	Deferred income tax assets (Note 4 and 22)	3,164	-	4,069	-	5,931	-
1915	Advance payment for equipment	124	-	3,016	-	6,159	-
1920	Refundable Deposits (Note 27)	42,465	2	39,235	1	39,737	2
15XX	Total Non-Current Assets	1,780,379	72	1,805,317	69	1,812,159	69
1XXX	Total Asset	\$ 2,477,058	100	\$ 2,604,146	100	\$ 2,656,543	100
	Liability and equity						
	Current liabilities						
2100	Short-term loans (Note 4, 14, and 28)	\$ 99,167	4	\$ 30,000	1	\$ -	-
2130	Contract liabilities - current (Note 20)	196,629	8	192,854	7	236,191	9
2150	Notes receivable (Note 4 and 15)	27,869	1	17,999	1	16,807	-
2170	Accounts payable (Notes 4 and 15)	23,228	1	13,167	1	43,893	2
2200	Other payables (Note 16)	79,357	3	84,897	3	97,897	4
2230	Current income tax liabilities (Notes 4 and 22)	7,991	-	26,530	1	27,984	1
2280	Lease liabilities - current (notes 4, 13 and 27)	168,127	7	157,718	6	177,439	7
2300	Other current liabilities	2,995	-	2,000	-	1,865	-
2322	Long-term loans due within one year (Note 4, 14 and 28)	10,714	1	56,105	2	35,549	1
21XX	Total current liabilities	616,077	25	581,270	22	637,625	24
	Non-current liabilities						
2540	Long-term loans (Note 4, 14 and 28)	105,357	4	186,835	7	190,718	7
2550	Liability provision - non-current (Note 4 and 17)	5,300	-	5,400	-	5,700	-
2570	Deferred income tax liabilities (Notes 4 and 22)	38,3385	1	40,668	2	33,058	1
2580	Lease liabilities - non-current (notes 4, 13 and 27)	386,001	16	402,359	16	418,146	16
2645	Guarantee deposited	497	-	1,337	-	1,567	-
25XX	Total non-current liabilities	535,493	21	636,599	25	649,189	24
2XXX	Total liabilities	1,151,570	46	1,217,869	47	1,286,814	48
	Equity (Note 19)						
3110	Capital stock - common stock	501,930	20	501,930	19	501,930	19
3200	Capital surplus	292,923	12	292,923	11	292,923	11
	Retained earnings						
3310	Statutory surplus reserve	264,185	11	242,600	9	215,594	8
3320	Special capital reserve	-	-	10,871	-	3,139	-
3350	Undistributed earnings	248,785	10	326,905	13	367,035	14
3300	Total retained earnings	512,970	21	580,376	22	585,768	22
3400	Other equity	17,665	1	11,048	1	10,892	-
3XXX	Total equity	1,325,488	54	1,386,277	53	1,369,729	52
	Total liabilities and equity	\$ 2,477,058	100	\$ 2,604,146	100	\$ 2,656,543	100

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

		(Unit: NT\$'000, NT\$ for earnings per share)			
Code		2023		2022(Restatement)	
		Amount	%	Amount	%
	Operating income (Note 4, 20 and 27)				
4100	Net sales revenue	1,518,245	100	1,611,285	99
4800	Other operating revenue	<u>7,632</u>	<u>-</u>	<u>12,577</u>	<u>1</u>
4000	Total Operating Revenue	<u>1,525,877</u>	<u>100</u>	<u>1,623,862</u>	<u>100</u>
	Operating costs (notes 10, 21 and 27)				
5110	Cost of sales	(676,877)	(44)	(673,525)	(41)
5800	Other operating costs	(<u>5,589</u>)	<u>-</u>	(<u>9,060</u>)	(<u>1</u>)
5000	Total operating expenses	(<u>682,466</u>)	(<u>44</u>)	(<u>682,585</u>)	(<u>42</u>)
5900	Gross profit	<u>843,411</u>	<u>56</u>	<u>941,277</u>	<u>58</u>
	Operating expenses (Notes 21 and 27)				
6100	Selling expense	(625,497)	(41)	(634,289)	(39)
6200	Administrative expense	(<u>75,128</u>)	(<u>5</u>)	(<u>74,631</u>)	(<u>5</u>)
6000	Total operating expenses	(<u>700,625</u>)	(<u>46</u>)	(<u>708,920</u>)	(<u>44</u>)
6900	Operating profit	<u>142,786</u>	<u>10</u>	<u>232,357</u>	<u>14</u>
	Non-operating income and expenses (Note 21)				
7100	Interest income	3,043	-	1,667	-
7010	Other income	19,488	1	28,351	2
7020	Other gains and losses	2,203	-	(1,656)	-
7050	Finance costs	(16,373)	(1)	(13,550)	(1)
7070	Shares of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	(<u>20,177</u>)	(<u>1</u>)	<u>24,175</u>	<u>2</u>

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Code		2023		2022(Restatement)	
		Amount	%	Amount	%
7000	Total non-operating income and expenses	(<u>11,816</u>)	(<u>1</u>)	<u>38,987</u>	<u>3</u>
7900	Net income before tax	\$ 130,970	9	\$ 271,344	17
7950	Income tax expense (Note 4 and 22)	(<u>27,720</u>)	(<u>2</u>)	(<u>55,887</u>)	(<u>4</u>)
8200	Net profit for the year	<u>103,250</u>	<u>7</u>	<u>215,457</u>	<u>13</u>
	Other comprehensive gain or loss				
8360	Items that may be reclassified to profit or loss				
8361	Translation differences in financial statements from overseas operations (Note 19)	8,271	-	27,425	2
8399	Income tax relating to items that may be reclassified (Notes 19)	(<u>1,654</u>)	<u>-</u>	(<u>5,485</u>)	<u>-</u>
8300	Other comprehensive income for the year	<u>6,617</u>	<u>-</u>	<u>21,940</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 109,867</u>	<u>7</u>	<u>\$ 237,397</u>	<u>15</u>
	Earnings per share (Note 23)				
	From continuing business				
9710	Basic	<u>\$ 2.06</u>		<u>\$ 4.29</u>	
9810	Diluted	<u>\$ 2.05</u>		<u>\$ 4.26</u>	

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$'000

								Other equity items	
Capital				Retained earnings			Exchange differences on translation of financial statements of overseas operations	Total equity	
Code		Number of Shares	Amount	Capital surplus	Statutory surplus reserve	Special capital reserve	Undistributed earnings		
A1	Balance as at January 1, 2022	50,193	\$ 501,930	\$ 292,923	\$ 215,594	\$ 3,139	\$ 364,824	(\$ 10,871)	\$ 1,367,539
A3	Effect of retrospective application and retrospective restatement	-	-	-	-	-	2,211	(21)	2,190
A5	Opening balance after restatement	50,193	501,930	292,923	215,594	3,139	367,035	10,892	1,369,729
	Appropriation and distribution of 2021 earnings								
B1	Statutory surplus reserve	-	-	-	27,006	-	(27,006)	-	-
B3	Special capital reserve	-	-	-	-	7,732	(7,732)	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(220,849)	-	(220,849)
D1	Net profit in 2022	-	-	-	-	-	215,457	-	215,457
D3	Other comprehensive income in 2022	-	-	-	-	-	-	21,940	21,940
D5	Total comprehensive income in 2022	-	-	-	-	-	215,457	21,940	237,397
Z1	Balance as at December 31, 2022	50,193	501,930	292,923	242,600	10,871	326,905	11,048	1,386,277
	Appropriation and distribution of 2022 earnings								
B1	Statutory surplus reserve	-	-	-	21,585	-	(21,585)	-	-
B17	Reversal of special reserve	-	-	-	-	(10,871)	10,871	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(170,656)	-	(170,656)
D1	Net profit in 2023	-	-	-	-	-	103,250	-	103,250
D3	Other comprehensive income in 2023	-	-	-	-	-	-	6,617	6,617
D5	Total comprehensive income in 2023	-	-	-	-	-	103,250	6,617	109,867
Z1	Balance as at December 31, 2023	50,193	\$ 501,930	\$ 292,923	\$ 264,185	\$ -	\$ 248,785	\$ 17,665	\$ 1,325,488

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation
Individual Statements of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$'000

Code		2023	2022(Restatement)
	Cash flows from operating activities		
A10000	Profit Before Tax in this year	\$ 130,970	\$ 271,344
A20010	Income and expense items		
A20100	Depreciation expenses	193,516	198,609
A20200	Amortization expenses	841	618
A20900	Finance costs	16,373	13,550
A21200	Interest income	(3,043)	(1,667)
A22400	Shares of loss(profit) of subsidiaries, associates and joint ventures accounted for using the equity method	20,177	(24,175)
A22500	Loss (gain) on disposal and scraping of property, plant and equipment	554	191
A29900	Gain on lease modification	(3,638)	(2,662)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(228)	10,932
A31160	Receivables from related parties	(114)	1,200
A31200	Inventory	121,516	(124,329)
A31240	Total current assets	(24,384)	11,753
A32125	Contract liabilities	3,775	(43,337)
A32130	Notes payable	9,870	1,192
A32150	Accounts payable	10,061	(30,726)
A32180	Other Payables	(7,177)	(13,726)
A32230	Other current liabilities	<u>995</u>	<u>135</u>
A33000	Cash from operating activities	470,064	268,902
A33300	Interest paid	(16,373)	(13,503)
A33500	Income tax paid	<u>(49,338)</u>	<u>(53,354)</u>
AAAA	Net cash inflow from operating activities	<u>404,353</u>	<u>202,045</u>

Cash flow from investment activities

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Code		2023	2022(Restatement)
B00050	Disposal of financial assets at amortized cost	\$ 21,497	\$ 116,503
B02700	Acquisition of property, plant and equipment	(13,649)	(11,376)
B02800	disposal of property, plants and equipment	957	-
B03700	Increase in Refundable deposits	(3,407)	-
B03800	Decrease in refundable deposits	-	418
B04500	Acquisition of intangible assets	(1,022)	(863)
B07100	Increase in prepayment for equipment	(601)	-
B07200	Decrease in prepaid equipment	-	78
B07500	Interest received	<u>2,472</u>	<u>996</u>
BBBB	Net cash inflow from investing activities (outflow)	<u>6,247</u>	<u>105,756</u>
	Cash flow from financing activities		
C00100	Increase in short-term loans	69,167	30,000
C01600	Borrowing of long-term loan	-	120,000
C01700	Repayment of long-term loan	(126,869)	(103,327)
C03100	Decrease in guarantee deposits received	(840)	(230)
C04020	Repayment of lease principal	(165,176)	(162,931)
C04500	Cash dividend distributed	(<u>170,656</u>)	(<u>220,849</u>)
CCCC	Net cash outflow from financing activities	(<u>394,374</u>)	(<u>337,337</u>)
EEEE	Increase (decrease) in cash and cash equivalents, net	16,226	(29,536)
E00100	Cash and cash equivalents at beginning of the year	<u>132,933</u>	<u>162,469</u>
E00200	Cash and cash equivalents at the end of the year	<u>\$ 149,159</u>	<u>\$ 132,933</u>

The attached notes are part of the individual financial report.

Chairman: Lim, Pok-Chin Manager: Hsueh, Hsiu-Chu Accounting Supervisor: Ho, San-Chuang

Scan-D Corporation**2023 Earnings Distribution**

Unit: NT\$

Item	Amount	
	Subtotal	Total
Unappropriated earnings at the beginning of the period	143,714,673	
Plus: Effect of retrospective application and retrospective restatement	1,820,059	
Plus: Net profit after tax for the period	103,250,364	
Less: Statutory surplus reserve	(10,507,042)	
Earnings available for appropriation for the period		238,278,054
Appropriation:		
Shareholders dividends (NT\$2.0 per share in cash)	100,385,884	
Unappropriated earnings at the end of the period	137,892,170	
Note: Based on the 50,192,942 ordinary shares issued on the previous day of Company's board meeting on March 12, 2024 Share-based The cash dividend is rounded down to NT\$1 based on the distribution ratio. The total amount of fraction cash dividends less than NT\$1 shall be recognized in other income of the Company.		

Scan-D Corporation

Procedures for Election of Directors

Comparison table of the articles before and after the amendments

Amended articles	Articles after the amendment	Articles before the amendment	Description
Article 5	<p>Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>If the dismissal of a director for any reason results in an insufficient number of directors required for the Company's election, the Company shall re-elect such director at the next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's Articles of Association, the Company shall convene an extraordinary shareholders meeting within 60 days from the date of occurrence to re-election the directors.</p> <p>When the number of independent directors falls below that required <u>under the proviso of Article 14-2,</u> paragraph 1 of the Securities</p>	<p>Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. <u>The Company shall review the qualifications, education, working experience and the existence of any other matters set forth in Article 30 of the Company Act with respect to the nominee directors.</u> <u>Additional documents for proof of qualifications shall not be arbitrarily added. The review results shall be provided to the shareholders as reference for electing the competent directors.</u></p> <p>If the dismissal of a director for any reason results in an insufficient number of directors required for the Company's election, the Company shall re-elect such director at the next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's Articles of Association, the Company shall convene an extraordinary shareholders meeting within 60 days from the date of occurrence to re-election the directors.</p> <p>When the number of independent directors falls below that required <u>by</u> paragraph 1, Article 14-2 of the Securities and Exchange Act, a</p>	<p>In accordance with the amendment to Article 192-1 of the Company Act to simplify the procedure for the nomination of directors, thereby amending the Paragraph 1.</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
	and Exchange Act, <u>a by-election</u> shall be held at the next shareholders meeting to fill the vacancy. When an independent director is dismissed, an extraordinary general meeting shall be convened within 60 days from the date of occurrence to re-election the director.	<u>re-election</u> shall be held at the next shareholders meeting. When an independent director is dismissed, an extraordinary general meeting shall be convened within 60 days from the date of occurrence to re-election the director.	
—	<u>Delete this article</u>	<u>Article 10.If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.</u>	According to the Order Jin-Guan-Zheng-Jiao-Zi-Di No. 1080311451 issued by the Financial Supervisory Commission on April 25, 2019, listed (OTC) companies are required to implement a candidate nomination system for the election of directors and supervisors starting from 2021. Shareholders are expected to select directors from a list of candidates. Prior to the shareholders' meeting, shareholders can access information about the candidates' names and educational backgrounds from the candidate list. The use of shareholder account numbers or ID numbers to identify the candidates is no

Amended articles	Articles after the amendment	Articles before the amendment	Description
			longer necessary, thereby deleting this Article.
Article 10	<p><u>Article 10.</u>A ballot is invalid under any of the following circumstances:</p> <p>I. The ballot was not prepared by <u>a person with the right to convene.</u></p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot <u>does not conform to the director candidate list.</u></p> <p>V. Other words or marks are entered in addition to the number of voting rights allotted.</p>	<p><u>Article 11.</u> A voting ballot at a <u>shareholders meeting</u> is invalid under any of the following circumstances:</p> <p>I. The ballot was not prepared by <u>the Board of Directors.</u></p> <p>II. A blank ballot is placed in the ballot box.</p> <p>III. The writing is unclear and indecipherable or has been altered.</p> <p>IV. The candidate whose name is entered in the ballot <u>is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.</u></p> <p>V. Other words or marks are entered in addition to the <u>candidate's account name or shareholder account number (or identity card number) and the</u> number of voting rights allotted.</p> <p><u>VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.</u></p>	<p>I 、 Clause change</p> <p>II 、 In accordance with Article 173 of the Company Act, shareholders may, under certain circumstances (e.g., when the board of directors fails to issue a notice of convocation), report to and obtain approval from the competent authorities to convene a meeting on their own, with a view to adjusting the provisions of Paragraph 1 of the Article.</p> <p>Additionally, according to the Order Jin-Guan-Zheng-Jiao-Zi-Di No. 1080311451 issued by the Financial Supervisory Commission on April 25, 2019, listed (OTC) companies are required to implement a candidate nomination system for the election of directors and supervisors starting from 2021. Shareholders are expected to select</p>

Amended articles	Articles after the amendment	Articles before the amendment	Description
			directors from a list of candidates, thereby amending the Paragraph 4 and 5 of the Article and delete the Paragraph 6
<u>Article 11</u>	<p><u>Article 11.</u>The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p><u>Article 12.</u>The voting rights shall be calculated on site <u>at a shareholders meeting</u> immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairman on the site.</p> <p>The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.</p>	<p>I 、 Clause change.</p> <p>II 、 Textual adjustments were made in accordance with the regulations as appropriate.</p>
<u>Article 12</u>	<u>Article 12.</u> The Board of Directors of the Company shall issue notifications to the persons elected as directors	<u>Article 13.</u> The Board of Directors of the Company shall issue notifications to the persons elected as directors	I 、 Clause change.
<u>Article 13</u>	<p><u>Article 13.</u>These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p> <p>These Procedures was drawn up on June 15, 2004, (omitted)</p> <p>The 2nd amendments were made on June 6, 2008</p> <p>The 3nd amendments were made on June 17, 2020</p> <p><u>The 4nd amendments were made on June 19, 2024</u></p>	<p><u>Article 14.</u>These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting.</p> <p>These Procedures was drawn up on June 15, 2004, (omitted)</p> <p>The 2nd amendments were made on June 6, 2008</p> <p>The 3nd amendments were made on June 17, 2020</p>	<p>I 、 Clause change.</p> <p>II 、 Add amending date.</p>

Scan-D Corporation

Articles of Association

Chapter 1 General Provisions

- Article 1. The Company is incorporated in accordance with the regulations of the Company Act and registered under the name of SCAN-D CORPORATION.
- Article 2. The Company is engaged in the following business:
- I. CN01010 Furniture and Fixtures Manufacturing.
 - II. E801010 Building Maintenance and Upholstery.
 - III. F105050 Wholesale of Furniture, Bedclothes Kitchen Equipment and Fixtures.
 - IV. F111090 Wholesale of Building Materials.
 - V. F205040 Retail Sale of Furniture, Bedclothes, Kitchen Equipment and Fixtures.
 - VI. F211010 Retail Sale of Building Materials.
 - VII. I503010 Landscape and Interior Designing.
 - VIII. F113030 Wholesale of Precision Instruments.
 - IX. F113070 Wholesale of Telecom Instruments.
 - X. F118010 Wholesale of Computer Software.
 - XI. F119010 Wholesale of Electronic Materials.
 - XII. F199990 Other Wholesale Trade.
 - XIII. F299990 Other Retail.
 - XIV. F399990 Others Consolidated Retail.
 - XV. F401010 International Trade.
 - XVI. G801010 Warehousing and Storage.
 - XVII. I103060 Management Consulting Services.
 - XVIII. I301010 Software Design Services.
 - XIX. I301030 Digital Information Supply Services.
 - XX. I501010 Product Designing.
 - XXI. F399040 Retail without stores.
 - XXII. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3. The Company is headquartered in Taoyuan City. If necessary, the Company may establish domestic or overseas subsidiaries after the resolution from the Board.
- Article 4. Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.
- Article 5. The Company may re-invest as a shareholder with limited liability of other

companies, and the total re-investment amount is not limited by the amount as regulated in Article 13 of the company Act.

Article 5-1. The Company may make guarantees to others for business needs.

Chapter 2 Shares

Article 6. The total capital of the Company is NT\$800 million, divided into \$80 million shares with a nominal value of NT\$10 per share. The Board is authorized to issue outstanding shares in installments.

Of the abovementioned total capital, NT\$50 million is reserved for the exercise of stock options, such as employee stock options, corporate bonds with stock options, and special stocks with stock options, which may be issued in installments in accordance with the resolution of the Board of Directors.

Article 7. The treasury shares bought back by the Company shall be transferred to the employees at a price lower than the actual average price for purchasing the shares. The resolution for transfer may be adopted with the concurrence of over two-thirds of votes exercised by the shareholders present at the shareholders meeting who represent a majority of the issued shares of the Company.

Article 8. If the Company intends to issue employee stock options at a stock price lower than the market price, the issuance is subject to the resolution of the general shareholders meeting in accordance with Article 56-1 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers.

Article 9. The shares of the Company shall be numbered and signed or sealed by the Company's representative as well as attested by the bank that should be the attestor according to the laws before issuance.

The shares of the Company shall be issued in non-printed certificates or printed together based on the total amount of shares issued each time, which, however, shall be registered by the centralized securities depository institution.

Article 10. Shares shall not be transferred within 60 days prior to the convening of each general shareholders' meeting, or within 30 days prior to the convening date of a general shareholders' meeting, or within 5 days prior to the base day in which the Company decides to distribute dividends, bonus or other benefits.

Chapter 3 Shareholder Meetings

Article 11. Shareholders' meetings can be classified into general shareholders meetings and extraordinary general meetings. General shareholders meetings are convened once per year, which shall be convened within six months after the close of each fiscal year. Extraordinary general meetings are convened when necessary.

General shareholders meetings shall be convened 30 days in advance and

extraordinary shareholders meeting shall be convened 15 days in advance by notifying shareholders in writing, which shall be made by way of electronic with the consent of the shareholders. For shareholders holding less than 1,000 registered shares, notification shall be made by announcements. The Company's shareholders meeting may be held by video conference or other means as announced by the central competent authority.

- Article 12. When a shareholder is unable to attend a shareholders' meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights. In addition to the provisions of Article 177 of the Company Law, the measures for appointing proxy by shareholders shall be handled in accordance with the requirements of the "Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies" issued by the competent authority.
- Article 13. Shareholders are entitled to one vote for each share held, except those restricted or without voting rights in accordance with Article 179 of the Company Act.
- Article 14. The resolutions of the shareholders meeting shall be attended by shareholders representing more than half of the total number of issued shares, unless otherwise provided by the Company Law, with the consent of more than half of the voting rights of the shareholders present.
According to the regulations of the competent authority, if the Company adopts an electronic voting system, shareholders shall exercise their voting rights by electronic means. Shareholders who exercise their voting rights by electronic means are deemed to be present in person, and their exercise method should include a notice of the shareholders meeting.
Resolutions resolved at a shareholders' meeting shall be recorded in the minutes and shall be signed and sealed by the chairman. The preparation and issuance of the minutes shall be handled in accordance with Article 183 of the Company Act.

Chapter 4: Directors and Audit Committee

- Article 15. The Company shall appoint 7-9 directors , candidates with sufficient capabilities are elected at the shareholders meeting. The tenure is three years and the directors are subject to re-election.
Among the aforementioned number of directors, the number of independent directors shall be no less than 3 and one-fifth of the number of directors. The election of independent directors and directors adopts a candidate nomination system. The shareholders shall elect the directors from the list of candidates. Independent directors and non-independent directors are elected concurrently, in which votes are calculated separately.
The professional qualifications of independent directors, restrictions on

shareholding and part-time employment, determination of independence, nomination methods and other matters to be complied with shall be handled in accordance with the relevant regulations of the securities competent authority.

- Article 16. The chairman is elected by two-thirds of the directors present at the meeting and representing one-half or more of the number of directors present at the meeting. The Vice-Chairman is elected depending on actual needs. The chairman represents the Company externally. When the chairman of the Board is on leave or unable to exercise its powers, the proxy shall handle in accordance with Article 208 of the Company Act.
- Article 17. The reason for convening the Board meeting shall be stated and notified to the directors 7 days in advance. In case of emergency, however, a board meeting may be convened at any time. The above notice in respect of convening a meeting shall be made in writing, by email, or facsimile.
- Article 18. When a director is unable to attend a shareholders' meeting, the director shall appoint other directors to attend the shareholders meeting by issuing a power of attorney and specified its authorized rights of the convening reason. However, the proxy shall be only appointed by one person.
- Article 19. The Board of Directors is authorized to determine the remuneration of the Company's directors based on their participation in and contribution to the operation of the Company, with reference to the domestic industry standard, regardless of the gain or loss of the Company's business.
A director holding a position as an employee shall be remunerated as regular staff.
The Company shall purchase liability insurance during the term of office of its directors and key staff in respect of their indemnity liabilities in the scope of performing duties in accordance with the laws.

Chapter 5 Managers

- Article 20. The Company shall establish an audit committee in accordance with Article 14-4 of the Securities and Exchange Act. The audit committee shall consist of all independent directors, the number of which shall be no less than three, one of whom shall be the convener, and at least one of whom shall possess accounting or financial expertise.
The composition, functions and powers, rules of procedure and other matters to be complied with by the Company's audit committee shall be handled in accordance with the relevant regulations of the securities competent authority.
- Article 21. The Company shall establish various functional committees, each of which shall establish rules and regulations for exercising their powers, and shall be implemented after being approved at the Board meeting.

- Article 22. The Company shall appoint numerous managers, whose appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act. The manager is authorized to manage affairs and apply signatures for the Company within the scope of the Articles of Association or the agreed scope of authority.

Chapter 6 Accounting

- Article 23. The fiscal year of the Company starts on the January 1 and ends on December 31 every year. At the end of each fiscal year, a final account shall be made. The Board of Directors shall compile the following statements in accordance with the Company Act and file to the general shareholders meeting for recognition:
- I. Business report.
 - II. Financial statements.
 - III. Resolutions related to earnings distribution or loss provision.

- Article 24. If the Company records a profit for the year, it shall allocate no less than 4% as employees' remuneration. The Board of Directors shall decide whether it shall be distributed by shares or cash. The distribution target includes employees of subsidiaries that meet certain conditions. The Board of Directors of the Company shall resolve to allocate no more than 2% for directors' and supervisors' remuneration in accordance with the aforementioned amount. Proposals for the distribution of employees' remuneration and directors' remuneration shall be reported at the shareholders meeting. In the case of accumulated loss, the Company shall reserve an indemnity amount, which shall then be allocated to employees' remuneration and directors' remuneration according to the aforementioned ratios.

- Article 25. If there is a surplus in the annual accounts of the Company, taxes shall be paid in accordance with the laws. After making up for the accumulated losses, 10% will be provided in the statutory surplus reserve. However, the statutory surplus reserve shall not be provided once it has reached the Company's paid-in capital. If there is a balance, together with the unappropriated earnings, the Board of Directors shall compile an earning distribution resolution and submit to the shareholders meeting to resolve whether to distribute dividends to shareholders. The Company may authorize for all or part of dividends and bonus that shall be distributed or all or part of statutory surplus reserve and capital reserve as regulated under the Company Act to be distributed in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors and a report of such distribution shall be submitted to the shareholders meeting. The aforementioned requirement for shareholders resolution is not applicable. The Company's dividend policy is based on current and future development plans, considers investment environment, capital requirements, and domestic and foreign competition, and takes into account factors such as shareholders'

interests. No less than 20% of the distributable earnings is allocated for share dividends to shareholders each year. Dividends are distributed primarily by way of cash or shares, of which cash dividends will be no less than 30% of the total dividend.

Chapter 7 Supplemental Provisions

- Article 26. The Company's organization regulations and operation rules shall be otherwise formulated.
- Article 27. All matters not specified in the Articles of Association shall be handled in accordance with the Company Act and other laws and regulations.
- Article 28. The Articles of Association was drawn up on October 3, 1995, (omitted)
The 21st amendments were made on June 22, 2017.
The 22st amendments were made on June 17, 2020.
The 23rd amendments were made on June 23, 2022.

Scan-D Corporation

Rules and Procedures of shareholders meeting

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.

Article 2

The rules of procedures for the Company's shareholders meetings, except as otherwise provided by law, regulation, or the Articles of Association, shall be as provided in these Rules.

Article 3 (Convention and Notice of shareholders meeting)

Unless otherwise required by regulations, the shareholders meeting of the Company is convened by the Board of Directors.

Any change in the method of convening the Company's shareholders' meeting shall be resolved by the Board of Directors and to be done no later than the issuance of the shareholders' meeting notice.

The Company shall compile the notice for shareholders meeting, the power of attorney, resolutions to be recognized, resolutions to be discussed and resolution regarding appointment or dismissal of directors in electronic form and deliver them to the Market Observation Post System 30 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. In addition, the Company shall compile the shareholders meeting Agenda and supplemental information of the meeting in electronic form and deliver them to the Market Observation Post System 21 days prior to a general shareholders meeting or 15 days prior to an extraordinary shareholders meeting. However, in the case of the Company with paid-in capital reaching NT\$10 billion or more as of the end of the most recent fiscal year, or in which the aggregate shareholding ratio of foreign and Mainland Chinese investors listed in the shareholders register to exceed 30% at the annual shareholders' meeting held in the recent fiscal year, the transmission of the aforementioned electronic files shall be completed no later than 30 days prior to the annual shareholders' meeting. The meeting agenda handbook and supplemental materials of the current shareholders' meeting shall be prepared for the shareholders to review at any time and displayed at the Company and its designated stock affairs agency 15 days before the scheduled shareholders' meeting.

The meeting agenda handbook and supplemental materials referred to in the preceding paragraph shall be made available to shareholders on the day of the shareholders' meeting by the Company in the following manner:

- I、When holding a physical shareholders' meeting, materials shall be distributed on-site at the shareholders' meeting.
- II、When holding a hybrid shareholders' meeting, materials shall be distributed on-site at the shareholders' meeting and transmitted to the video conferencing platform as an electronic file.
- III、When holding a virtual-only shareholders' meeting, materials shall be transmitted to the video conferencing platform as an electronic file.

The reasons for convening a shareholders meeting shall be specified in the meeting notice and announcement. With the consent of addressees, the meeting notice may be given in electronic form.

Matters pertaining to the election or discharge of directors, the amendment to the Articles of Incorporation, capital reduction, application for the approval of ceasing its status as a public company, permission for competing with the company by directors, capitalization of earnings, capitalization of capital reserves, company dissolution, merger, split-up, or matters set out in Article 185, paragraph 1 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and matters under Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be listed in the cause of convocation as well as the main contents thereof, and shall not be brought up as extemporary motions.

The reasons for convening the shareholders meeting has stated the full re-election of directors and the date of appointment. After the re-election of the shareholders meeting, the appointment date shall not be changed by extempore motions or other means in the same meeting.

Shareholders who hold more than one percent of the total number of issued shares shall submit a general shareholders meeting resolution to the Company, which is limited to one only. Resolutions beyond the limitation shall not be included. However, In addition, if the proposed shareholders' resolution fulfills the circumstances mentioned in paragraph 4, Article 172-1 of the Company Act, the Board of Directors shall exclude it from the agenda.

Shareholders may put forward proposals urging the Company to promote public interests or fulfill its social responsibilities. The procedure shall be limited to one proposal according to the relevant provisions of Article 172-1 of the Company Act. If there is more than one proposal, they shall not be included in the agenda.

Prior to the book closure date before a general shareholders meeting is held, the Company shall announce the accepted resolutions proposed by shareholders, the written and electronic acceptance method, the acceptance location and acceptance period. The acceptance period shall be no less than 10 days.

The resolution proposed by shareholders is limited to 300 words. Resolutions exceeding 300 words shall not be included in the agenda. The shareholders proposing a resolution shall attend the general shareholders meeting in person or by proxy, and participate in the resolution discussion.

The Company shall, prior to the date of the shareholders meeting notice, inform the proposal submitting shareholders of the proposal screening results, and shall list in the shareholders meeting notice the proposals conforming to the requirements set out in this Article. The Board of Directors shall explain the reasons for excluding any shareholder resolutions at the shareholders meeting for resolutions not included in the agenda.

Article 4

For each shareholders meeting, the shareholder shall appoint a proxy to attend by to attend the meeting by issuing a power of attorney published by the Company and specified its authorized rights.

A shareholder may only execute one power of attorney and appoint one proxy only, and shall serve such written proxy to the Company no later than 5 days prior to the date of the shareholders meeting. In case two or more written proxies are received from one shareholder, the first one received by the Company shall prevail, provided that this does not apply to a declaration made to cancel the previous proxy appointment.

After the delivery of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders meeting in person or to exercise his/her/its voting power in writing or by electronic means, a proxy rescission notice shall be filed to the Company 2 days in writing prior to the date of the shareholders meeting as scheduled in the shareholders meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.

Upon delivery of the proxy to the Company, in case the shareholder issuing the said proxy wishes to attend the shareholders' meeting via video conference, the shareholder shall issue a proxy rescission notice in writing to the Company two days prior to the scheduled date of the shareholders' meeting. In the absence of a timely rescission, the voting power exercised by the authorized proxy agent at the meeting shall prevail.

Article 5 (Principles determining time and place of shareholders meeting)

The venue where a shareholder meeting is held shall be the premises of this Company or a location easy for shareholders to access and appropriate for holding meetings. All shareholder meetings may not begin before 9:00 a.m. or after 3:00 p.m. The opinions of the independent directors shall be fully taken into consideration for the location and time of a shareholder meeting.

When the Company holds a virtual-only shareholders' meeting, it is not subject to the restriction on the venue of the preceding paragraph.

Article 6 (Preparation of attendance logs and other documents)

In the shareholders' meeting notice, the Company shall specify the time and place for accepting the registration of shareholders, proxy solicitors, or proxy agents (hereinafter referred to as shareholders) and other matters for attention.

The time for accepting shareholders' registration in the preceding paragraph shall be processed at least 30 minutes before the commencement of the meeting. The registration counter shall be clearly indicated and staffed by adequate and competent personnel to handle the check-in. For a virtual shareholders' meeting, registration shall be accepted on the video conferencing platform 30 minutes before the commencement of the meeting. Shareholders who have completed registration are deemed as attending the shareholders' meeting in person.

Shareholders shall attend shareholders meetings with their meeting pass, sign-in cards, or other certificates that validate the attendance. The Company may not arbitrarily add requirements demanding for other documents beyond those showing eligibility presented by shareholders. Those seeking the power of attorney shall also bring along their identity document(s) for verification.

The Company shall prepare an attendance book for shareholders to sign in, or the shareholder present may present an attendance card in lieu of signing on the attendance book.

The Company shall provide attending shareholders with the meeting agenda, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, ballots shall also be provided.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

For shareholders' meetings held via video conference, shareholders who wish to attend by means of video conference shall register with the Company two days before the meeting.

For shareholders' meetings held via video conference, the Company shall upload the meeting agenda handbook, annual report, and other relevant materials to the video conferencing platform of the shareholders' meeting at least 30 minutes before the meeting starts and continue to disclose them until the end of the meeting.

Article 6-1 (Convening of a virtual shareholders' meeting and matters to be specified in the meeting notice)

When the Company convenes a virtual-only shareholders' meeting, it shall specify the following matters in the meeting notice:

- I. The means for shareholders to take part in a virtual-only meeting and exercise their rights.
- II. In the event of natural disasters, unforeseen events, or other force majeure circumstances that result in any disruptions to the video conferencing platform or participation via video conference, measures to be taken shall include at least the following particulars:
 - (I) If the above disruptions persist and cannot be resolved, resulting in the need to postpone or reconvene the meeting, the time and date for the postponed or reconvened assembly shall be determined.
 - (II) Shareholders who have not registered to attend the original scheduled shareholders' meeting via video conference may not take part in the postponed or reconvened meeting.
 - (III) When convening a hybrid shareholders' meeting, if the virtual meeting cannot proceed, and the total number of shares represented at the meeting, after deducting those represented by shareholders attending the meeting via video conference, meets the legal quorum required for holding a shareholders' meeting, the meeting shall continue in session. For shareholders who take part via video conference, their shares represented shall be counted toward the total shares represented by the attending shareholders and shall be deemed to have abstained from voting on all motions at that meeting.
 - (IV) Measures to be taken where the outcome of all motions have been announced and extemporary motions have not been proceeded with.

When convening a virtual-only shareholders' meeting, it shall specify appropriate alternative measures made available to shareholders who have difficulty taking part in the shareholders' meeting via video conference.

Article 7 (Chairman of the shareholders meeting and Participants)

When a shareholders meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman of the Board. In case the chairperson of the Board is on leave or unable to exercise its powers as a chairman, the vice-chairman shall act in place of the chairperson. If the Board has not appointed a vice-chairman or the vice-chairman is also on leave or unable to exercise its powers as a vice-chairman, the chairman shall appoint one of the managing directors to act as the chairman, or, if managing directors have not been appointed, one of the directors shall be appointed to act as the chairman. Where the chairman does not make such an appointment, the managing directors or the directors shall elect one person from among themselves to serve as the chairman.

When electing the chairman from managing directors or directors, those who have held the positions for six months or longer and understand the financial and business operations of the Company shall be prioritized. The same shall apply for

a representative of a juristic person director that serves as the chairman.

The shareholders meeting convened by the Board of Directors shall be presided over by the Chairman in personal and attended by more than half of the Board of Directors, and at least one member of each functional committee. The attendance shall be recorded in the shareholders meeting minutes.

If a shareholders meeting is convened by a party with the power to convene a meeting other than the Board of Directors, the convening party shall chairman the meeting. When there are two or more convening parties, they shall elect one person from among themselves to serve as the chairman.

The Company may designate its attorneys, certified public accountants (CPA) or other relevant persons to attend the shareholder's meeting.

Article 8 (Documentation of shareholders meeting by audio or video)

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

The recorded materials of the preceding paragraph shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

For shareholders' meetings held via video conference, the Company shall keep records of information on matters including shareholder enrollment, registration, sign-in, inquiry, voting, and vote counting results and shall make uninterrupted audio and video recordings of the entire virtual meeting.

The information and audio-visual recordings mentioned in the preceding paragraph shall be properly preserved by the Company throughout its entire existence. Additionally, copies of the audio and video recordings shall be provided to the designated parties responsible for managing video conference affairs for safekeeping.

For shareholders' meetings held via video conference, the Company is recommended to make audio and video recordings on the operation interface of the video conferencing platform.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards and the number of shares reported on the video conference platform, handed in plus the number of shares whose voting rights are exercised in writing or by electronic means.

The chair shall call the meeting to order immediately at the time scheduled for the meeting and announce the number of non-voting rights shares, the number of

shares represented, etc.

When the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chairman shall declare the meeting adjourned ; For shareholders' meetings held via video conference, the Company shall also declare the failure to convene a meeting on the shareholders' virtual meeting platform.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within 1 month : For shareholders' meetings held via video conference, shareholders who wish to attend by means of video conference shall re-register with the Company in accordance with Article 6.

When, prior to the conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10 (Resolution Discussion)

If the shareholders meeting is convened by the Board of Directors, its agenda shall be determined by the Board of Directors. Relevant motions (including extempore motions and amendments to original motions) shall be decided on a case-by-case basis. The meeting shall be conducted according to the scheduled agenda and shall not be changed without the resolution of the shareholders meeting.

The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene a meeting other than the Board of Directors,

The chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda stated in the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. If the chairman declares the meeting adjourned in violation of the rules and procedure, the other members of the Board of Directors shall promptly assist the attending shareholders in electing a new chairman in accordance with the statutory procedures, by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

The chairman shall provide sufficient explanation and discussion of resolutions

or resolutions of amendments or extempore motions proposed by the shareholders. When the chairman is of the opinion that a resolution has been discussed sufficiently to put it to a vote, the chairman may announce the close of the discussion, call for a vote and arrange sufficient time for the vote.

Article 11 (Shareholders' speech)

Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

Except with the consent of the chairman, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.

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

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

Shareholders who participate in a virtual-only shareholders' meeting via video conference may submit questions using the text feature on the video conferencing platform from the chair calling the meeting to order until the adjournment. For each motion, shareholders may submit up to two questions, and each question is limited to 200 words, not applicable to the provisions outlined in paragraphs 1 to 5.

If the preceding question does not violate the rules or fall outside the scope of the motion, it is recommended to disclose the question on the video conferencing platform of the shareholders' meeting for public information.

Article 12 (Calculation of voting shares and recusal system)

Voting at a shareholders meeting shall be calculated based the number of shares. With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as a proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as a proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or deemed non-voting shares under paragraph 2, Article 179 of the Company Act.

When the Company convenes a shareholder meeting, voting rights shall be exercised in writing or by electronic means. When voting rights are exercised in writing or by electronic means, the method shall be set out in the shareholders meeting notice. A shareholder exercising voting rights in writing or by electronic means will be deemed to have attended the meeting in person. However, to waive his/her rights with respect to the extempore motions and revisions to the original resolutions of that meeting, the Company shall avoid submission of extempore motions and revision to the original proposals.

A shareholder intended to exercise voting rights in writing or by electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before 2 days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights in writing or by electronic means, in the event the shareholder intends to attend the shareholders meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made, by the same means by which the voting rights were exercised 2 days before the date of the shareholders meeting. For overdue retraction, the voting rights already exercised in writing or by electronic means shall prevail. When a shareholder has exercised voting rights both in writing or by electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Association, the passage of a proposal requires the majority voting rights of the attending shareholders. At the time of a vote, for each proposal, the Chairman or a person designated by the Chairman shall first announce the total number of voting rights represented by the attending shareholders, followed by a vote of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, including the numbers of votes for and against and the number of absent votes, shall be submitted into the Market Observation Post System.

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

Vote monitoring and counting personnel for the voting on a resolution shall be appointed by the chairman, provided that all monitoring personnel shall be shareholders of the Company.

Vote counting for voting on motions or elections shall be conducted at an open space in the shareholder meeting venue and the results, including weights, shall be announced immediately after counting and recorded.

Shareholders who take part in the Company's virtual-only shareholders' meeting via video conference shall cast votes on motions and elections through the video conferencing platform after the chair called the meeting to order and shall complete the casting of their votes before the chair announces the close of voting, or will be deemed to have abstained from voting.

For shareholders' meetings held via video conference, votes shall be counted at once after the chair announces the close of voting, and voting and election outcomes shall be announced immediately.

In the event of a hybrid shareholders' meeting convened by the Company, if shareholders, who have registered to take part via video conference under Article 6, wish to attend the physical shareholders' meeting in person, they shall rescind the registration in the same manner previously used to register two days prior to the shareholders' meeting. In the absence of a timely rescission, they may take part in the shareholders' meeting only by means of video conferencing.

If shareholders have exercised voting rights in writing or by electronic means without rescinding their declaration of intention and participate in the shareholders' meeting by videoconferencing, they may not, with the exception of on extempore motions, further exercise any voting rights on the original motions or propose any amendments to the original motions or exercise voting rights on amendments to the original motions.

Article 14(Election)

When there is a director election during the shareholders' meeting, it shall be carried out in accordance with the relevant election rules set by the Company. The election outcomes shall be declared on the spot, including the list of elected directors and their numbers of elected votes, as well as the list of unelected candidates and their number of votes received.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman and a copy shall be distributed to each shareholder within 20 days of the meeting. The preparation and distribution of the meeting minutes shall be made by electronic means.

The distribution of the meeting minutes described in the preceding paragraph shall be announced by submitting to the Market Observation Post System.

The proceedings shall be recorded in accordance with the year, month, day, place, name of the chairman, method of resolution, key points of the meeting, and voting results (including statistical weights). When there is an election of directors, the votes of each candidate shall be disclosed. During the existence of the Company, it should be kept permanently.

For shareholders' meetings held via video conference, the meeting minutes shall not only include the matters required to be recorded as per the previous provision but also the start and end time of the meeting, the method of convening the meeting, the names of the chair and the minutes taker, the measures to be taken in the event of natural disasters, unforeseen events, or other force majeure circumstances that result in any disruptions to the video conferencing platform or participation via video conference, as well as the outcome of the handling of such disruptions.

When convening a virtual-only shareholders' meeting, in addition to complying with the requirements in the preceding paragraph, the Company shall specify in the meeting minutes the alternative measures made available to shareholders who have difficulty taking part in the shareholders' meeting via video conference.

Article 16(Public Announcement)

On the day of a shareholders meeting, the Company shall compile in the prescribed format a statistical statement of the number of shares obtained by

solicitors through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the place of the shareholders meeting.

In the event of a virtual-only shareholders' meeting convened by the Company, the total number of shares represented by attending shareholders shall be disclosed on the video conferencing platform when the meeting is called to order. The same shall apply in cases where the total number of shares and voting rights represented by attending shareholders are recalculated during the meeting.

If the shareholders meeting resolutions involve major information required by regulations or competent authority, the Company shall announce the content on the Market Observation Post System within the prescribed time limit.

Article 17(Maintaining order at the meeting place)

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

The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor."

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

When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18 (Recess and resumption of a shareholders meeting)

When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting to defer or resume the meeting within 5 days in accordance with Article 182 of the Company Act.

Article 19 (Disclosure of information in video conference)

For shareholders' meetings held via video conference, the Company shall disclose

the voting and election outcomes of each motion on the video conferencing platform of the shareholders' meeting immediately after the close of voting in accordance with the regulations and shall continue to do so for at least 15 minutes after the adjournment called by the chair.

Article 20 (Location of the chair and minutes taker of a virtual shareholders' meeting)

When the Company holds a virtual-only shareholders' meeting, the meeting chair and minutes taker shall be present at the same location within the country, and the chair shall announce the address of the said at the start of the meeting.

Article 21 (Handling of network disconnection)

For shareholders' meetings held via video conference, the Company may provide shareholders with a simple connectivity test before the meeting and offer related services immediately before and during the meeting to assist in addressing any communication-related technical issues.

For shareholders' meetings held via video conference, the chair shall make a separate announcement at the opening of the meeting that, except for the circumstance that does not require a postponement or reconvene of the meeting as stipulated in Article 44-20, paragraph 4 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the meeting shall be postponed or reconvened within five days if there are any disruptions to the video conferencing platform or participation via video conference due to natural disasters, unforeseen events, or other force majeure circumstances that last for more than thirty minutes before the adjournment called by the chair, and Article 182 of the Company Act shall not apply.

When a postponement or reconvene of the meeting under the preceding paragraph, shareholders who did not register to take part in the original scheduled shareholders' meeting via video conference may not take part via video conference in the postponed or reconvened meeting.

In the event of a postponed or reconvened meeting, as described in paragraph 2, for shareholders who registered for and completed the sign-in to participate via video conference in the originally scheduled meeting but who do not take part in the postponed or reconvened meeting, their number of shares represented, exercised voting rights and election rights at the original shareholders' meeting shall be counted toward the total number of shares, number of voting rights, and number of election rights of shareholders represented at the postponed or reconvened meeting.

In the event of a postponed or reconvened shareholders' meeting, as described in paragraph 2, there is no need for redundant discussion or resolution on motions that have already been voted on, counted, and announced as the voting results or the list of elected directors and supervisors.

In the event of a hybrid shareholders' meeting convened by the Company, if the video conference cannot proceed as described in paragraph 2, and the total number of shares represented at the meeting, after deducting those represented by shareholders attending the meeting via video conference, still meets the legal quorum required for holding a shareholders' meeting, the meeting shall continue without being postponed or reconvened as specified in paragraph 2.

If the meeting is to proceed as outlined in the preceding paragraph, shareholders who take part via video conference will have their represented shares counted towards the total shares represented by the attending shareholders. However, they shall be deemed as having abstained from voting on all motions during the meeting.

In case of a postponement or reconvening of the meeting as per paragraph 2, the Company shall comply with the provisions stated in Article 44-20, paragraph 7 of the Regulations Governing the Administration of Shareholder Services of Public Companies, and carry out the relevant preparatory work following the original shareholders' meeting date and the provisions listed.

With respect to the periods specified in the latter part of Article 12, and Article 13, paragraph 3, of Rules Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies, and Article 44-5, paragraph 2, Article 44-15, and Article 44-17 paragraph 1 of the Regulations Governing the Administration of Shareholder Services of Public Companies, the Company shall conduct the postponed or reconvened meeting date as per paragraph 2.

Article 22 (Handling of the digital divide)

When the Company holds a virtual-only shareholders' meeting, appropriate alternative measures shall be provided for shareholders who have difficulty participating in the meeting via video conference.

Article 23 (Supplementary Provisions)

The rules, along with any amendments, shall be implemented after it is resolved by shareholders meetings.

The rules were made on March 20, 2000. (Omitted).

1st amendment was made on May 10, 2002.

2nd amendment was made on June 6, 2008.

3rd amendment was made on June 28, 2012.

4th amendment was made on June 13, 2013.

5th amendment was made on June 20, 2018.

6th amendment was made on June 17, 2020.

7th amendment was made on June 19, 2023.

Scan-D Corporation

Procedures for Election of Directors(Before amendment)

- Article 1. To ensure a just, fair, and open election of directors, the Procedures are formulated pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies.
- Article 2. Except otherwise provided by laws and regulations or the Company's Articles of Association, election of the Company's Directors shall be conducted in accordance with these Procedures.
- Article 3. The overall composition of the Board of Directors shall be taken into consideration in the election of the Company's directors. The composition of the Board of Directors shall be considered in a diversified manner, and appropriate diversification policies shall be formulated regarding its own operation, operational type, and development needs, including but not limited to the following two main aspects:

- I. Basic conditions and values: gender, age, nationality, and culture.
- II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

Each Board member shall possess knowledge, skill, and experience necessary to perform their duties; the abilities required as a whole are as follows:

- I. Ability to make operational judgments.
- II. Ability to perform accounting and financial analysis.
- III. Business management ability.
- IV. Crisis management ability.
- V. Knowledge of the industry.
- VI. International market perspective.
- VII. Ability to lead.
- VIII. Ability to make policy decisions.

More than half of the directors shall not be a spouse nor a relationship within the second degree of kinship of any other director.

The Company's Board of Directors shall consider adjusting the composition of the Board of Directors based on the results of performance evaluation.

- Article 4. The qualifications of independent directors of the Company shall be in compliance with the provisions of Articles 2, 3, and 4 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.

The election of the independent directors of the Company shall comply with Articles 5, 6, 7, 8 and 9 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and relevant practices shall be

implemented pursuant to Article 24 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.

- Article 5. Elections of the Company's directors shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. The Company shall review the qualifications, education, working experience and the existence of any other matters set forth in Article 30 of the Company Act with respect to the nominee directors. Additional documents for proof of qualifications shall not be arbitrarily added. The review results shall be provided to the shareholders as reference for electing the competent directors.

If the dismissal of a director for any reason results in an insufficient number of directors required for the Company's election, the Company shall re-elect such director at the next shareholders meeting. When the number of directors falls short by one-third of the total number prescribed in the Company's Articles of Association, the Company shall convene an extraordinary shareholders meeting within 60 days from the date of occurrence to re-election the directors.

When the number of independent directors falls below that required by paragraph 1, Article 14-2 of the Securities and Exchange Act, a re-election shall be held at the next shareholders meeting. When an independent director is dismissed, an extraordinary general meeting shall be convened within 60 days from the date of occurrence to re-election the director.

- Article 6. The directors of the Company are elected by a cumulative voting system. Each share corresponds to the voting rights of the number of directors to be elected. One person shall be elected intensively or multiple people are elected by allocation.

- Article 7. The Board of Directors shall prepare the ballots with the same number as the directors to be elected, add their weights and issue them to the shareholders attending the shareholders meeting. The names of the electors shall be replaced by the attendance certificate codes printed on the ballots.

In the election of directors of the Company, shareholders may choose to exercise their voting rights by either electronic means or on-site voting.

- Article 8. The directors of the Company shall calculate the voting rights of independent directors and non-independent directors according to the amount specified in the Articles of Association. Candidates who obtain more votes should win the position of directors. If two or more persons obtain the same number of votes and the number of directors exceeds the specified limit, such persons acquiring the same votes shall draw lots to decide the one to be elected. The chairman shall draw lots on behalf of absent candidates.

The number of voting rights mentioned in the first paragraph is calculated based on the sum of the voting rights at the shareholders meeting and the voting rights by electronic means.

- Article 9. Before the election begins, the chairman shall appoint a number of persons with

shareholder status to perform the respective duties of vote monitoring and counting personnel. The ballot boxes at the shareholders meeting shall be prepared by the Board of Directors and publicly checked by the vote monitoring personnel before voting commences.

Article 10. If a candidate is a shareholder, a voter must enter the candidate's account name and shareholder account number in the "candidate" column of the ballot; for a non-shareholder, the voter shall enter the candidate's full name and identity card number. However, when the candidate is a governmental organization or juristic-person shareholder, the name of the governmental organization or juristic-person shareholder shall be entered in the column for the candidate's account name in the ballot paper, or both the name of the governmental organization or juristic-person shareholder and the name of its representative may be entered. When there are multiple representatives, the names of each respective representative shall be entered.

Article 11. A voting ballot at a shareholders meeting is invalid under any of the following circumstances:

- I. The ballot was not prepared by the Board of Directors.
- II. A blank ballot is placed in the ballot box.
- III. The writing is unclear and indecipherable or has been altered.
- IV. The candidate whose name is entered in the ballot is a shareholder, but the candidate's account name and shareholder account number do not conform with those given in the shareholder register, or the candidate whose name is entered in the ballot is a non-shareholder, and a cross-check shows that the candidate's name and identity card number do not match.
- V. Other words or marks are entered in addition to the candidate's account name or shareholder account number (or identity card number) and the number of voting rights allotted.
- VI. The name of the candidate entered in the ballot is identical to that of another shareholder, but no shareholder account number or identity card number is provided in the ballot to identify such individual.

Article 12. The voting rights shall be calculated on site at a shareholders meeting immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chairman on the site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 13. The Board of Directors of the Company shall issue notifications to the persons elected as directors.

Article 14. These Procedures, and any amendments hereto, shall be implemented after approval by a shareholders meeting. These Procedures was drawn up on June 15, 2004, (omitted)

The 2nd amendments were made on June 6, 2008

The 3rd amendments were made on June 17, 2020

Scan-D Corporation

Shareholding of Directors

(Information as of the closing date of share transfer on April 21, 2024)

Title	Name	Representative	Number of Shares Held	Share Holding %
Chairman	NOBLE LINK MANAGEMENT LTD.	Lim, Pok-Chin	15,049,125	29.98%
Director	Neo, Khay-Pin		0	0.00%
Director	Lim, Jie-Ren		0	0.00%
Director	Lim, Jie-Min		0	0.00%
Director	Wang, I-Yao		233,118	0.46%
Independent Director	Lin, Hui-Ping		0	0.00%
Independent Director	Wang, Chia-Cheng		83,525	0.17%
Independent Director	Hung, Da-Feng		0	0.00%
Total			15,365,768	30.61%

1. The current paid-in capital of the Company is NT\$501,929,420, and the number of issued shares is 50,192,942 shares.
2. According to Article 26 of the Securities and Exchange Act, the minimum shareholding of all directors and supervisors is 4,015,435 shares. (Note)
3. As of the closing date of the share transfer at the general shareholders meeting in 2024, shareholding if individual and all directors recorded in the shareholder's register is the same as described above.

Note: According to Article 2 of the Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies, if two or more independent directors are to be elected, the shareholding of all directors and supervisors other than the independent directors calculated at the rates set forth in the preceding paragraph shall be decreased to 80%.

Scan-D Corporation

The effect of dividend distributions on the Company's operating performance, earnings per share, and return on equity

Unit: Except for earnings per share expressed in dollar, the remainings are NT\$ and %

Item		Year	2024 (estimate)
Paid-in capital at the beginning of the period			NT\$501,929,420
Distribution of dividends for the year (Note 1)	Cash dividends per share (dollar)		2.0 dollar
	Surplus to capital increase share dividend per share		0 share
	Capital increase by capital reserve to share dividend per share		0 share
Change in operating performance	Operating Profit		Not applicable, as the Company did not disclose financial forecast information in 2024.
	Increase and decrease ratio of net operating profit compared to the same period of last year		
	Net profit before tax		
	Increase and decrease ratio of net profit compared to the same period of last year		
	Earnings per share		
	Increase and decrease ratio of earnings per share compared to the same period of last year		
	Average annual return on investment (annual average PE ratio)		
Pro forma earnings per share and P/E ratio	If capital increase by earnings is replaced by cash dividend distribution	Pro forma earnings per share	
		Pro forma average annual rate of return	
	If capital reserve is not used for capital increase	Pro forma earnings per share	
		Pro forma average annual rate of return	
	If capital increase by capital reserve has not yet been undertaken and capital increase by earnings is replaced by cash dividend distribution	Pro forma earnings per share	
		Pro forma average annual rate of return	

Note 1: Pending resolution at the 2024 general shareholders meeting.

SCANTEAK⁵⁰ YEARS
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