

# Qisda Corporation

## 2025 Annual General Shareholders' Meeting

Time: 09:00 am., May 29, 2025

Place: No.300, Sec. 1, Zhuangjing Rd., Taoyuan Dist., Taoyuan City 330, Taiwan (R.O.C.)  
Monarch Plaza Hotel

Method of Convening the Meeting: Physical shareholders' meeting

### Agenda

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## **I. Report Items**

### **1. To report the business of 2024**

Explanation: The 2024 Business Report is attached hereto as Attachment 1 (pages 6-7).

### **2. Audit Committee's Review Report**

Explanation: The Audit Committee's Review Report is attached hereto as Attachment 2 (page 8).

### **3. To report the distribution of employees' and directors' remuneration of 2024**

Distribution of NT\$185,212,000 and NT\$5,664,000 in cash as remunerations to employees and directors, respectively, have been approved by the meeting of board of directors held on March 05, 2025.

### **4. To report the cash dividend distribution of 2024 earnings**

- (1) According to Article 16-1 of the Company's Article of Incorporation, if earnings distribution plan is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.
- (2) The proposed distribution is allocated from the 2024 earnings available for distribution, and cash dividends amounting to NT\$2,139,466,123 were distributed to shareholders at NT\$1.11 per share. It is approved by the meeting of board of directors held on March 05, 2025, and proposed that the Chairman of the Board of Directors is authorized to determine the ex-dividend date and payment date for the cash dividend distribution and other related matters.
- (3) If the cash dividend distribution ratio is adjusted and need to be modified due to change of the Company's total number of outstanding common shares it is proposed to authorized the Chairman of Board of Directors with full power to adjust the distribution ratio.

### **5. To report the issuance of securities in private placement**

- (1) It has been approved by the Annual General Shareholders' Meeting held on May 29, 2024 to authorize the Board of Directors, within the limit of 195,000,000 common shares, depending on the market conditions and the Company's capital needs, to choose appropriate timing and one or more fund raising instruments to issue new common shares for cash to sponsor issuance of the overseas depositary shares and/or new common shares for cash in public offering and/or new preferred shares for cash in public offering and/or new common shares for cash in private placement and/or overseas or domestic convertible bonds in private placement in accordance with the applicable laws and regulations.
- (2) In according to paragraph 7 of Article 43-6 of the Securities and Exchange Act, the private placement may be carried out within one year of the date of the resolution of the shareholders meeting.
- (3) In case the amount of the aforementioned fundraising has not been completed will be cancelled from the date of the 2025 Annual General Shareholders' Meeting.

## 6. To report the implementation of 1st Domestic Secured Corporate Bond in 2022

- (1) Proceed in accordance with Article 246 of the Company Act.
- (2) The company has issued one domestic secured ordinary corporate bond in 2022. The offering and issuance status of the bond are as follows:
  - A. Approval Number: The first domestic secured ordinary corporate bond was approved by Taipei Exchange Letter No. Securities-TPEX-Bond-11100060991 dated June 20, 2022.
  - B. Issuance Status: The issuance was approved by the Board of Directors on March 7, 2022, and finished the raising on June 28, 2022.
  - C. Purpose and benefits of the issuance: Repay loans from financial institutions, and strengthen the company's financial structure.
  - D. Total Offering: NT\$3 billion in total.
  - E. Interest rate: Coupon rate: fixed rate at 1.80% per annum.
  - F. Period: 5-year period. Issuance date: June 28, 2022. Maturity date: June 28, 2027.
  - G. Repayment method: The bonds will be repaid in one lump sum; the maturity date is five years from the issuance date.
  - H. Interest payment method: Simple interest is paid once a year.

## 7. To report the implementation of shares buyback

The following table sets forth the implementation results:

Item	Explanation
Date of the board of directors resolution	2024/08/30
Purpose of the share buyback	To maintain the Company's credit and shareholders' equity.
Method of the share buyback	Repurchase from the open market
Scheduled buyback period	2024/08/30~2024/10/29
Approved number of shares to be bought back:	39,335,000 shares
Scheduled buyback price range	NT\$35.00~45.00, while the buyback will still be carried out if the stock price falls below the aforementioned range
Actual buyback period	2024/09/02~2024/10/24
Actual number of shares bought back (as a percentage of the total number of Qisda's issued shares)	39,335,000 shares (2%)
Total monetary amount of shares bought back	NT\$1,470,293,496
The average buyback price per share	NT\$37.38
Date of Cancellation	2024/12/13

## II. Recognition and Discussion Items

### 1. To recognize 2024 Financial Statements and Business Report (proposed by the Board of Directors)

Explanation:

- (1) The 2024 Financial Statements were audited by the independent auditors, Yin, Yuan-Sheng and Chang, Huei-Chen of KPMG.
- (2) For the 2024 Business Report, Independent Auditors' Report, and the 2024 Financial Statements, please refer to Attachment 1 (page 6-7) and Attachment 3 (page 9-28).

Resolution:

### 2. To recognize the proposal for the distribution of 2024 earnings (proposed by the Board of Directors)

Explanation:

For the Proposal for 2024 Earnings Distribution, please refer to Attachment 4 (page 29).

Resolution:

### 3. To approve the proposed cash capital reduction (proposed by the Board of Directors)

Explanation:

- (1) Qisda intends to implement a cash capital reduction to adjust capital structure and enhance return on equity for shareholders.
- (2) The cash capital reduction amount for this transaction is NT\$3,469,404,530, with 346,940,453 shares to be canceled. This is based on the current total number of outstanding shares of the company, which is 1,927,446,958 common shares. The capital reduction ratio is approximately 18%, with a cash refund of about NT\$1.8 per share, rounded to the nearest dollar (with amounts below one dollar being discarded). After the reduction, the capital will be NT\$15,805,065,050, corresponding to 1,580,506,505 shares. However, the actual paid-in capital and the effective capital reduction ratio will be calculated based on the total number of outstanding shares on the capital reduction record date.
- (3) Based on the total number of outstanding shares calculated in the previous section, approximately 180 shares will be reduced for every 1,000 shares (i.e., approximately 820 shares will be issued for every 1,000 shares). For fractional shares that result from the capital reduction, shareholders may, prior to the suspension of transfer of shares on the record date for the capital reduction, arrange with the company's shareholder service agency to consolidate them into whole shares. If the consolidated shares still do not form a complete share, the fractional shares will be converted into cash based on the closing price on the last trading day in the centralized stock market before the capital reduction record date, with the amount rounded to the nearest dollar (amounts less than one dollar will be discarded). The payment will also offset any securities depository fees or the cost of non-physical registration. The chairman is authorized to negotiate with specific parties to purchase such fractional shares at the closing price.
- (4) The new shares issued through this cash capital reduction are intended to be non-physical shares. Their rights and obligations will be the same as those of the original shares. After the approval of this capital reduction from the shareholders' meeting and the authorities, the chairman will be authorized to determine the share exchange plan, the record date of the capital reduction and replacement of shares.
- (5) If, prior to the record date for this cash capital reduction, there is any change in the company's capital that affects the number of outstanding shares, resulting in the need to adjust the capital reduction ratio and the cash refund per share, or if this capital reduction plan needs to be revised due to amendments in laws, approvals from the competent authorities, or other changes in the external environment, it is proposed that the shareholders' meeting authorize the chairman to handle such matters at their discretion.

Resolution:

**4. To approve the amendment to the Articles of Incorporation (proposed by the Board of Directors)**Explanation:

- (1) In accordance with the Presidential Decree Hua-Zong-Yi-Yi-Zi No. 11300069631 dated August 7, 2024 (ROC Year 113), which amended Article 14 of the Securities and Exchange Act, the Company is required to specify in its Articles of Incorporation that a certain percentage of the annual earnings shall be allocated for salary adjustments or compensation distribution to grassroots employees. Therefore, it is proposed to amend the relevant provisions of the Company's Articles of Incorporation.
- (2) To comply with the requirements set forth in Paragraph 6, Article 14 of the Securities and Exchange Act, it is proposed to amend Article 16 of the Company's Articles of Incorporation. The amendment shall specify that, in the event the Company records a profit for the fiscal year, no less than five percent (5%) and no more than twenty percent (20%) of such profit shall be allocated as employee compensation, and no more than one percent (1%) shall be allocated as directors' compensation. Of the total amount allocated as employee compensation, not less than ten percent (10%) shall be distributed to grassroots employees.
- (3) The comparison table for the Articles of Incorporation before and after amendment is attached hereto as Attachment 5 (pages 30).

Resolution:**5. To lift non-competition restrictions on current directors and their representatives (proposed by the Board of Directors)**Explanation:

- (1) According to Article 209 of the Company Act, any Director conducting business for himself/herself/itself or on another's behalf, the scope of which business is within the scope of the Company's business, shall explain at the Shareholders' Meeting the essential contents of such conduct, and obtain approval from shareholders in the Meeting.
- (2) It is proposed for the 2025 annual shareholders meeting to approve lifting non-competition restrictions on directors as who may invest or operate a business which is similar to the business scope of the Company.
- (3) List of non-competition restrictions proposed to be lifted in the 2025 annual shareholders' meeting is as Attachment 6 (page 31).

Resolution:**III. Extraordinary Motions****IV. Meeting Adjourn**

## Business Report of 2024

Dear Shareholders,

In 2024, the global economy remained under the shadow of persistent challenges, including geopolitical conflicts and interest rate fluctuations, leading to a slower-than-expected recovery. Qisda's consolidated revenue reached NT\$201.7 billion, representing a 1% decrease compared to the previous year. However, due to our continued focus on the medical sector, which continued to grow steadily, the medical business maintained growth. As a result, Qisda's overall consolidated revenue remained above the NT\$200 billion benchmark. Our operating income reached NT\$4.52 billion, and net income was NT\$2.814 billion. The net income attributable to Qisda was NT\$2.164 billion, with earnings per share of NT\$1.11.

### Building a Sustainable Future – Together Towards Excellence

Qisda is committed to sustainable business practices, maintaining transparency in ESG indicators such as environmental impact, social responsibility, and corporate governance. In 2024, Qisda scored 86 points in the **S&P Global ESG** rating (out of a maximum 100), a 5-point improvement from the previous year. For the second consecutive year, Qisda was included in *The S&P Global Sustainability Yearbook 2025* and **ranked among the top 5% globally**. This distinction sets Qisda apart from 7,690 evaluated companies worldwide. Qisda received a low-risk rating of 15.63 points in the **Sustainalytics ESG Risk Ratings** (out of a maximum 0 points). Our **Corporate Governance Evaluation on TWSE** remained in the top 6% to 20% of listed companies. Qisda has been a component of **TWSE Corporate Governance 100 Index** for six consecutive years since 2019 and has been a component of **TWSE RAFI® Taiwan High Compensation 100 Index** for ten consecutive years since 2015. Additionally, we have been recognized as **"Best Companies to Work for in Asia"** for six consecutive years.

Qisda extends the spirit of sustainability, encapsulated in "Together make the world better," to its affiliated enterprises and partners throughout the supply chain. We continue to pursue the "3-4-5" sustainability goals, committing to a 30% reduction in supply chain carbon emissions by 2030, 100% use of renewable energy by 2040, and achieving net-zero emissions by 2050. In 2024, Qisda led a consortium of 20 companies to obtain the world's first consecutive ISO 20121 international certification for sustainability event management at COMPUTEX, demonstrating our commitment to green exhibitions with zero waste. Qisda and six affiliated companies received 35 sustainability awards, showcasing Qisda's leadership in sustainable business practices.

### Strengthen Investments and Expand High-Margin Businesses

Qisda is progressing towards the goal of achieving **over half of its profits from high-value-added businesses by 2027**. Despite the slow economic recovery in 2024, we continued strengthen investments and expanded high-margin businesses, achieving a 20-year-record-high average gross margin of 16.5%.

In strengthening investments, we continued to focus on four key business directions to enhance upstream and downstream integration. In 2024, Qisda increased its stake in Nobel Baby and initiated strategic alliances with chain pharmacies to expand its market footprint. DFI and AcePillar jointly invested in TRANSPAK to develop smart packaging solutions and strengthen distribution networks in Europe and North America. Partner Tech also invested in Japan-based theme park software provider Cresson to expand its presence in the Asia-Pacific region. Additionally, Alpha Networks, IDT collaborated with FiberLogic Communications to develop microwave communication solutions.

In expanding high-margin businesses, our dedication resulted in the Medical business surpassing NT\$26.3 billion in revenue in 2024, a 7% growth from the previous year, accounting for 13% of Qisda's total revenue. The revenue contribution from Business Solutions (BSG) and Networking & Communication (NCG) stood at 15% and 11%, respectively. The display business focused on large-size and high-end models, delivering high-value-added products to customers to maintain a leading position in the market.

### Future Outlook

Looking ahead to 2025, although uncertainties in the economic environment persist, conditions are gradually stabilizing. Qisda will continue to focus on its four main operational directions, aiming to ascend to new heights and create long-term value for the company. Our plans include:

1. **Optimize Current Business:** Consolidating the global leading positions of displays and projectors, with a focus on high-end, high-priced, professional, and medical displays.
2. **Expand Medical Business:** BenQ Medical Center remains committed to becoming China's leading private hospital, actively pursuing a listing in Hong Kong to support the rapid growth of the hospital business through diverse fundraising channels. In the strategy of "Dual Engines in Medical Devices and Pharmaceuticals," we focus on technological innovation in medical equipment. We are enhancing the quality and differentiation of products, including blood dialysis, ultrasound, digital dentistry, and surgical room equipment. Additionally, we are actively expanding into overseas markets, particularly in Southeast Asia. In the medical pharmaceutical distribution channel, Qisda integrates its innovative technological expertise with the pharmaceutical knowledge of its partners to expand service locations, creating a more comprehensive healthcare system for the public.
3. **Accelerate Business Solutions:** Strengthening the integration of information technology (IT) and operational technology (OT) to create an OMO omnichannel service. Developing comprehensive hardware and software services to meet the diverse needs of different vertical markets. Amid the trends of cloud-edge integration, cybersecurity, AI computing, renewable energy, smart automation, and new infrastructure, we assist customers in integrating the computing power, algorithms, and data required for the AI era, enabling their digital transformation.
4. **Deploy Network Business:** Recognizing the central role of networks in the digital environment, Qisda, through its subsidiaries like Alpha Networks Inc., Hitron Technologies Inc., Interactive Digital Technologies Inc., aims to create a comprehensive broadband service integrating both wired and wireless networks. Expanding into the telecom market, accelerating our entry into the Indian market, and positioning in low-orbit satellites and space opportunities to provide seamless and rapid broadband services.

#### **Innovation Excellence – Leveraging the Influence of the Grand Fleet**

Qisda sustains its competitive advantage through innovation and technological development. In 2024, the company invested approximately 3.3% of its revenue in product innovation and R&D, bringing its total number of patents worldwide to around 2,300. In 2024, Qisda collaborated with the Industrial Technology Research Institute (ITRI) to develop an AI-powered smart medical integration platform. This includes AI surgical reports that accelerate report generation and an AI ultrasound integration platform that enhances diagnostic speed and accuracy, delivering more efficient and precise AI medical services for both medical professionals and patients.

The value transformation of Qisda has entered its second chapter, and the resource platform created for the "Grand Fleet Partners" is actively contributing positively to the group and the industrial landscape of Taiwan. We extend our gratitude to all shareholders for their long-term support and encouragement. The management team and all employees of the company will continue to work diligently to maximize benefits for the company and shareholders.

Finally, we wish everyone good health, good luck and fortune.

Sincerely,

Chairman & CEO: Peter Chen



President: Joe Huang



Chief Accountant: Jasmin Hung



### **Audit Committee's Review Report**

The Board of Directors has prepared the Company's Financial Statements for the year of 2024. Yin, Yuan-Sheng and Chang, Huei-Chen Certified Public Accountants of KPMG, have audited the Financial Statements. The 2024 Financial Statements, Business Report, Independent, Auditors Report and the Company's 2024 Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Qisda Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Qisda Corporation 2025 Annual General Shareholders' Meeting

Chair of the Audit Committee



Lo-Yu (Charles) Yen  
March 05, 2025



# Independent Auditors' Report and 2024 Financial Statements

## 2024 Consolidated Financial Statements

### Independent Auditors' Report

#### Independent Auditors' Report

To the Board of Directors of Qisda Corporation:

#### Opinion

We have audited the consolidated financial statements of Qisda Corporation and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Qisda Corporation and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), and Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

#### Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 of our report. We are independent of Qisda Corporation and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

#### Key Audit Matters

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

Key audit matters for Qisda Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2024 are stated as follows:

##### 1. Revenue recognition

Please refer to Note 4(r) for the accounting policy on revenue recognition, and Note 6(y) for the related disclosures of revenue, respectively, to the consolidated financial statements.

Description of key audit matter:

Qisda Corporation and its subsidiaries have several operating segments which engage in different business activities through their worldwide operational locations. Qisda Corporation and its subsidiaries recognize revenue depending on the various trade terms in each individual sale transaction, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included performing a sample test on the design and operating effectiveness of Qisda Corporation and its subsidiaries' internal controls over financial reporting related to the sales and collection cycle; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a sample test on sales transactions that took place before and after the balance sheet date to determine when the performance obligation has been satisfied by transferring control over the goods or services to a customer to assess the accuracy of the timing of revenue recognition; reviewing and analyzing the reason for significant sales returns and allowances that took place after the balance sheet date to assess the reasonableness of the related accrued sales returns and allowances.

## 2. Valuation of inventories

Please refer to Note 4(h) for the inventory accounting policy, Note 5(a) for estimation uncertainty of inventory valuation, and Note 6(f) for the related inventory write-down disclosures, respectively, to the consolidated financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry which Qisda Corporation and its subsidiaries are engaged in, the life cycle of certain electronic products are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory aging report and verifying whether the inventory is classified into the appropriate aging classification; selecting samples to assess the reasonableness of the net realizable value of inventories report prepared by Qisda Corporation and its subsidiaries; and evaluating whether valuation of inventories was accounted for in accordance with Qisda Corporation and its subsidiaries' accounting policies.

## 3. Impairment of goodwill

Please refer to Note 4(p) for the accounting policy on impairment of non-financial assets, Note 5(b) for estimation uncertainty of impairment of goodwill, and Note 6(m) for the related disclosures of goodwill impairment test, respectively, to the consolidated financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; evaluating the accuracy of estimates made by the management by comparing the past projections with actual cash flows; performing a sensitivity analysis to assess the impact of variations in key assumptions; and assessing the adequacy of Qisda Corporation and its subsidiaries' disclosures with respect to evaluation of goodwill impairment.

## Other Matter

We did not audit the financial statements of certain subsidiaries of Qisda Corporation and its subsidiaries. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of other auditors. The financial statements of those subsidiaries reflect the

total assets amounting to NTD 6,510,507 thousand and NTD 5,920,686 thousand, respectively, constituting 3.15% and 3.14%, respectively, of the consolidated total assets as of December 31, 2024 and 2023, and the total operating revenue amounting to NTD 5,187,155 thousand and NTD 5,955,300 thousand, respectively, constituting 2.57% and 2.93%, respectively, of the consolidated total operating revenues for the years ended December 31, 2024 and 2023.

Qisda Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have audited and expressed an unmodified opinion with Other Matter section.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, 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 consolidated financial statements, management is responsible for assessing Qisda Corporation and its subsidiaries' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Qisda Corporation and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing Qisda Corporation and its subsidiaries' 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Qisda Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Qisda Corporation and its subsidiaries' ability to continue as a going concern. If we conclude 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 Qisda Corporation and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Qisda Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yin, Yuan-Sheng and Chang, Huei-Chen.

KPMG

Taipei, Taiwan (Republic of China)

March 5, 2025

#### **Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

<b>Assets</b>		<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>					
1100	Cash and cash equivalents	\$ 26,154,034	13	25,472,899	13
1110	Financial assets at fair value through profit or loss—current	279,071	-	325,552	-
1120	Financial assets at fair value through other comprehensive income—current	112,206	-	109,921	-
1170	Notes and accounts receivable, net	38,894,419	19	35,742,965	19
1181	Notes and accounts receivable from related parties	3,456,053	2	2,299,192	1
1200	Other receivables	1,368,064	1	1,021,406	1
1210	Other receivables from related parties	312,589	-	300,403	-
130X	Inventories	42,071,638	20	37,931,141	20
1470	Other current assets	3,376,766	2	3,163,005	2
1476	Other financial assets—current	3,263,623	1	1,298,713	1
1461	Non-current assets held for sale	-	-	345,201	-
<b>Total current assets</b>		<u>119,288,463</u>	<u>58</u>	<u>108,010,398</u>	<u>57</u>
<b>Non-current assets:</b>					
1510	Financial assets at fair value through profit or loss—non-current	1,465,268	1	751,233	-
1517	Financial assets at fair value through other comprehensive income—non-current	10,055,445	5	12,070,208	7
1550	Investments accounted for using the equity method	7,383,876	4	8,313,613	4
1600	Property, plant and equipment	44,047,502	21	40,389,379	22
1755	Right-of-use assets	6,535,226	3	5,222,230	3
1760	Investment property	796,875	-	844,682	1
1780	Intangible assets	13,301,185	7	9,512,853	5
1840	Deferred income tax assets	2,232,887	1	2,205,533	1
1900	Other non-current assets	424,787	-	374,868	-
1980	Other financial assets—non-current	873,011	-	728,640	-
<b>Total non-current assets</b>		<u>87,116,062</u>	<u>42</u>	<u>80,413,239</u>	<u>43</u>
<b>Total assets</b>		<u><b>\$ 206,404,525</b></u>	<u><b>100</b></u>	<u><b>188,423,637</b></u>	<u><b>100</b></u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

		December 31, 2024		December 31, 2023	
		Amount	%	Amount	%
<b>Liabilities and Equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings	\$ 32,496,468	16	29,919,639	16
2110	Short-term notes and bills payable	199,844	-	-	-
2120	Financial liabilities at fair value through profit or loss—current	259,658	-	79,374	-
2130	Contract liabilities—current	3,206,346	2	3,035,848	2
2170	Notes and accounts payable	32,816,295	16	29,891,039	16
2180	Accounts payable to related parties	1,101,461	1	577,039	-
2200	Other payables	13,018,869	6	13,203,307	7
2220	Other payables to related parties	26,159	-	26,117	-
2230	Current income tax liabilities	1,585,226	1	1,731,112	1
2260	Liabilities related to non-current assets held for sale	-	-	48,024	-
2300	Other current liabilities	715,280	-	852,649	-
2365	Refund liabilities—current	2,330,569	1	2,709,182	1
2322	Current portion of long-term debt	4,834,991	2	1,556,119	1
2280	Lease liabilities—current	921,971	1	564,317	-
2250	Provisions—current	884,542	-	1,074,754	1
	<b>Total current liabilities</b>	<u>94,397,679</u>	<u>46</u>	<u>85,268,520</u>	<u>45</u>
<b>Non-current liabilities:</b>					
2530	Bonds payable	3,933,258	2	3,260,702	2
2540	Long-term debt	34,178,313	17	29,784,806	16
2580	Lease liabilities—non-current	2,848,402	1	1,863,813	1
2550	Provisions—non-current	820,240	-	775,589	-
2570	Deferred income tax liabilities	3,125,717	2	2,520,226	1
2670	Other non-current liabilities	740,148	-	856,409	1
	<b>Total non-current liabilities</b>	<u>45,646,078</u>	<u>22</u>	<u>39,061,545</u>	<u>21</u>
	<b>Total liabilities</b>	<u>140,043,757</u>	<u>68</u>	<u>124,330,065</u>	<u>66</u>
<b>Equity attributable to shareholders of the Company:</b>					
3110	Common stock	19,274,470	9	19,667,820	11
3260	Capital surplus	2,239,759	1	1,983,975	1
3300	Retained earnings	17,485,381	9	18,793,317	10
3400	Other equity	(3,437,591)	(2)	(3,387,754)	(2)
	<b>Total equity attributable to shareholders of the Company</b>	<u>35,562,019</u>	<u>17</u>	<u>37,057,358</u>	<u>20</u>
36XX	Non-controlling interests	30,798,749	15	27,036,214	14
	<b>Total equity</b>	<u>66,360,768</u>	<u>32</u>	<u>64,093,572</u>	<u>34</u>
	<b>Total liabilities and equity</b>	<u>\$ 206,404,525</u>	<u>100</u>	<u>188,423,637</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues</b>	\$ 201,666,199	100	203,594,781	100
5000	<b>Operating costs</b>	(168,484,780)	(84)	(170,518,878)	(84)
	<b>Gross profit</b>	<u>33,181,419</u>	<u>16</u>	<u>33,075,903</u>	<u>16</u>
	<b>Operating expenses :</b>				
6100	Selling expenses	(15,741,180)	(8)	(14,955,087)	(7)
6200	Administrative expenses	(6,304,922)	(3)	(6,198,413)	(3)
6300	Research and development expenses	(6,650,662)	(3)	(6,943,939)	(4)
6450	Gain on reversal of impairment loss	35,120	-	32,708	-
	<b>Total operating expenses</b>	<u>(28,661,644)</u>	<u>(14)</u>	<u>(28,064,731)</u>	<u>(14)</u>
	<b>Operating income</b>	<u>4,519,775</u>	<u>2</u>	<u>5,011,172</u>	<u>2</u>
	<b>Non-operating income and loss:</b>				
7100	Interest income	685,500	-	901,749	1
7010	Other income	789,630	1	900,044	-
7020	Other gains and losses, net	325,689	-	910,056	1
7050	Finance costs	(1,850,747)	(1)	(1,808,278)	(1)
7060	Share of profits of associates and joint ventures	178,550	-	404,997	-
	<b>Total non-operating income and loss</b>	<u>128,622</u>	<u>-</u>	<u>1,308,568</u>	<u>1</u>
	<b>Income before income tax</b>	<u>4,648,397</u>	<u>2</u>	<u>6,319,740</u>	<u>3</u>
7950	<b>Less: income tax expense</b>	<u>(1,834,199)</u>	<u>(1)</u>	<u>(1,803,661)</u>	<u>(1)</u>
	<b>Net income</b>	<u>2,814,198</u>	<u>1</u>	<u>4,516,079</u>	<u>2</u>
	<b>Other comprehensive income:</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurements of defined benefit plans	142,668	-	13,290	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,903,160)	-	1,949,297	1
8320	Share of other comprehensive income (loss) of associates	(191,033)	-	251,145	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	3,905	-	(14,293)	-
		<u>(1,947,620)</u>	<u>-</u>	<u>2,199,439</u>	<u>1</u>
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign operations	2,174,926	1	(145,292)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures	166,994	-	(76,241)	-
		<u>2,341,920</u>	<u>1</u>	<u>(221,533)</u>	<u>-</u>
	<b>Other comprehensive income for the year, net of income tax</b>	<u>394,300</u>	<u>1</u>	<u>1,977,906</u>	<u>1</u>
	<b>Total comprehensive income for the year</b>	<u>\$ 3,208,498</u>	<u>2</u>	<u>6,493,985</u>	<u>3</u>
	<b>Net income attributable to:</b>				
8610	Shareholders of the Company	\$ 2,163,953	1	2,975,733	1
8620	Non-controlling interests	650,245	-	1,540,346	1
		<u>\$ 2,814,198</u>	<u>1</u>	<u>4,516,079</u>	<u>2</u>
	<b>Total comprehensive income attributable to:</b>				
8710	Shareholders of the Company	\$ 2,251,459	2	4,920,533	2
8720	Non-controlling interests	957,039	-	1,573,452	1
		<u>\$ 3,208,498</u>	<u>2</u>	<u>6,493,985</u>	<u>3</u>
	<b>Earnings per share (in New Taiwan Dollar):</b>				
9750	Basic earnings per share	<u>\$ 1.11</u>		<u>1.51</u>	
9850	Diluted earnings per share	<u>\$ 1.10</u>		<u>1.51</u>	

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar)**

	Attributable to shareholders of the Company												
	Retained earnings						Other equity						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity	Total equity of the Company	Non-controlling interests	Total equity
Balance at January 1, 2023	\$ 19,667,820	1,949,409	3,437,862	833,222	19,914,388	24,185,472	875,030	(5,663,889)	(287,528)	(5,076,387)	40,726,314	27,211,117	67,937,431
Net income in 2023	-	-	-	-	2,975,733	2,975,733	-	-	-	-	2,975,733	1,540,346	4,516,079
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(198,384)	2,138,796	4,388	1,944,800	1,944,800	33,106	1,977,906
Total comprehensive income (loss) in 2023	-	-	-	-	2,975,733	2,975,733	(198,384)	2,138,796	4,388	1,944,800	4,920,533	1,573,452	6,493,985
Appropriation of earnings:													
Legal reserve	-	-	832,491	-	(832,491)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,243,165	(4,243,165)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(3,933,564)	(3,933,564)	-	-	-	-	(3,933,564)	-	(3,933,564)
Shares of changes in equity of associates and joint ventures	-	1,748	-	-	-	-	-	-	-	-	1,748	5	1,753
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	256,167	256,167	-	(256,167)	-	(256,167)	-	-	-
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,559,152)	(2,559,152)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	79,307	79,307
Acquisition or disposal of shares of subsidiaries	-	1	-	-	(4,690,491)	(4,690,491)	-	-	-	-	(4,690,490)	(1,588,467)	(6,278,957)
Changes in ownership interests in subsidiaries	-	28,490	-	-	-	-	-	-	-	-	28,490	(28,490)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,273	1,273
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,347,169	2,347,169
Claim for the disgorgement right	-	75	-	-	-	-	-	-	-	-	75	-	75
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	4,252	-	-	-	-	-	-	-	-	4,252	-	4,252
Balance at December 31, 2023	19,667,820	1,983,975	4,270,353	5,076,387	9,446,577	18,793,317	676,646	(3,781,260)	(283,140)	(3,387,754)	37,057,358	27,036,214	64,093,572
Net income in 2024	-	-	-	-	2,163,953	2,163,953	-	-	-	-	2,163,953	650,245	2,814,198
Other comprehensive income (loss) in 2024	-	-	-	-	-	-	2,009,036	(2,038,122)	116,592	87,506	87,506	306,794	394,300
Total comprehensive income (loss) in 2024	-	-	-	-	2,163,953	2,163,953	2,009,036	(2,038,122)	116,592	87,506	2,251,459	957,039	3,208,498
Appropriation of earnings:													
Reversal of special reserve	-	-	-	(1,688,634)	1,688,634	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(2,360,139)	(2,360,139)	-	-	-	-	(2,360,139)	-	(2,360,139)
Shares of changes in equity of associates and joint ventures	-	9,367	-	-	-	-	-	-	-	-	9,367	449	9,816
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	137,343	137,343	-	(137,343)	-	(137,343)	-	-	-
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,955,394)	(1,955,394)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	506,160	506,160
Acquisition or disposal of shares of subsidiaries	-	76,226	-	-	(172,150)	(172,150)	-	-	-	-	(95,924)	(5,645)	(101,569)
Changes in ownership interests in subsidiaries	-	164,579	-	-	-	-	-	-	-	-	164,579	(164,579)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	8,541	8,541
Purchase and retirement of treasury stock	(393,350)	-	-	-	(1,076,943)	(1,076,943)	-	-	-	-	(1,470,293)	-	(1,470,293)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,415,964	4,415,964
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	5,612	-	-	-	-	-	-	-	-	5,612	-	5,612
Balance at December 31, 2024	\$ 19,274,470	2,239,759	4,270,353	3,387,753	9,827,275	17,485,381	2,685,682	(5,956,725)	(166,548)	(3,437,591)	35,562,019	30,798,749	66,360,768



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 4,648,397	6,319,740
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	4,814,008	4,598,992
Amortization	1,162,654	1,101,189
Gain on reversal of impairment loss	(35,120)	(32,708)
Interest expense	1,850,747	1,808,278
Interest income	(685,500)	(901,749)
Dividend income	(585,366)	(621,566)
Share-based compensation cost	8,541	1,273
Share of profit of associates and joint ventures	(178,550)	(404,997)
Gain on disposal of non-current assets held for sale	(223,285)	-
Loss (gain) on disposal of property, plant and equipment	12,296	(11)
Gain on disposal and liquidation of subsidiaries	(4,135)	(745,466)
Loss on disposal of investments accounted for using the equity method	24,486	23,589
Total adjustments for profit or loss	6,160,776	4,826,824
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(72,521)	(297,846)
Notes and accounts receivable	(2,910,027)	2,190,857
Notes and accounts receivable from related parties	(1,156,861)	(235,159)
Other receivables	(272,709)	261,065
Other receivables from related parties	(12,186)	3,884
Inventories	(2,577,343)	5,703,107
Other current assets	(34,534)	(240,806)
Other non-current assets	59,541	(96,033)
Net changes in operating assets	(6,976,640)	7,289,069
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(22,200)	(78,000)
Notes and accounts payable	2,284,628	1,697,513
Accounts payable to related parties	524,422	(170,461)
Other payables to related parties	42	1,282
Provisions	(145,561)	56,730
Contract liabilities	87,046	290,733
Other payables and other current liabilities	(1,065,667)	(1,394,759)
Other non-current liabilities	(122,273)	(8,881)
Net changes in operating liabilities	1,540,437	394,157
Total changes in operating assets and liabilities	(5,436,203)	7,683,226
Total adjustments	724,573	12,510,050
Cash provided by operations	5,372,970	18,829,790
Interest received	675,280	935,921
Dividends received	1,004,751	1,028,790
Interest paid	(1,825,103)	(1,778,785)
Income taxes paid	(1,926,520)	(5,404,706)
<b>Net cash provided by operating activities</b>	<b>3,301,378</b>	<b>13,611,010</b>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2024 and 2023**  
**(Expressed in Thousands of New Taiwan Dollar)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (209,174)	(198,288)
Proceeds from disposal of financial assets at fair value through other comprehensive income	66,186	303,198
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	2,833
Purchase of financial assets at fair value through profit or loss	(575,000)	(173,557)
Proceeds from disposal of financial assets at fair value through profit or loss	-	56,025
Purchase of investments accounted for using the equity method	(787,805)	(1,830,730)
Proceeds from disposal of investments accounted for using the equity method	50,791	84,988
Increase in prepayments for investments	(15,000)	-
Collection of receivables arising from disposal of subsidiaries	-	1,339,297
Cash decrease in disposal groups classified as held for sale	-	(12,349)
Proceeds from disposal of non-current assets and liabilities held for sale	568,606	-
Additions to property, plant and equipment (including prepayments for equipment)	(5,518,851)	(5,047,746)
Proceeds from disposal of property, plant and equipment	257,632	163,305
Additions to intangible assets	(262,689)	(287,599)
Increase in other financial assets	(954,718)	(1,073,253)
Net cash paid for acquisition of subsidiaries	(1,413,944)	(1,781,038)
Net decrease in cash from derecognition of subsidiaries	-	(318,633)
<b>Net cash used in investing activities</b>	<b>(8,793,966)</b>	<b>(8,773,547)</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	25,650,389	19,013,137
Repayments of short-term borrowings	(23,449,077)	(14,915,840)
Increase (decrease) in short-term notes and bills payable	199,844	(199,619)
Proceeds from issuing bonds	1,096,349	631,884
Increase in long-term debt	26,721,949	40,419,767
Repayments of long-term debt	(19,217,116)	(42,609,613)
Increase (decrease) in guarantee deposits received	6,972	(11,303)
Payment of lease liabilities	(811,494)	(787,354)
Cash dividends to shareholders	(2,360,139)	(3,933,564)
Distribution of cash dividends by subsidiaries to non-controlling interests	(1,955,394)	(2,559,152)
Purchase of treasury stock	(1,470,293)	-
Acquisition of subsidiary's interests from non-controlling interests	(315,707)	(5,662,128)
Claim for the disgorgement right	-	75
Proceeds from disposal of subsidiary's interests (without losing control)	214,138	12,129
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	5,612	4,252
Capital injection from non-controlling interests	506,160	79,307
<b>Net cash provided by (used in) financing activities</b>	<b>4,822,193</b>	<b>(10,518,022)</b>
<b>Effects of foreign exchange rate changes</b>	<b>1,351,530</b>	<b>(49,161)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>681,135</b>	<b>(5,729,720)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>25,472,899</b>	<b>31,202,619</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 26,154,034</b>	<b>25,472,899</b>

## Independent Auditors' Report

To the Board of Directors of Qisda Corporation:

### Opinion

We have audited the parent-company-only financial statements of Qisda Corporation, which comprise the parent-company-only balance sheets as of December 31, 2024 and 2023, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of Qisda Corporation as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

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

### Key Audit Matters

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

Key audit matters for Qisda Corporation's parent-company-only financial statements for the year ended December 31, 2024 are stated as follows:

#### 1. Revenue recognition

Please refer to Note 4(p) for the accounting policy on revenue recognition, and Note 6(v) for the related disclosures of revenue, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Qisda Corporation recognizes revenue depending on the various trade terms in each individual sale transaction, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included performing a sample test on the design and operating effectiveness of Qisda Corporation's internal controls over financial reporting related to the sales and collection cycle; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a sample test on the sales transactions that took place before and after the balance sheet date to determine when the performance obligation has been satisfied by transferring control over the goods or services to a customer to assess the accuracy of the timing of revenue recognition; reviewing and analyzing the reason for significant sales returns and allowances that took place after the balance sheet date to assess the reasonableness of the related accrued sales returns and allowances.

## 2. Valuation of inventories

Please refer to Note 4(g) for the inventory accounting policy, Note 5(a) for estimation uncertainty of inventory valuation, and Note 6(f) for the related inventory write-down disclosures, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry which Qisda Corporation is engaged in, the life cycle of electronic products are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory aging report and verifying whether the inventory is classified into the appropriate aging classification; selecting samples to assess the reasonableness of the net realizable value of inventories report prepared by Qisda Corporation; and evaluating whether valuation of inventories was accounted for in accordance with Qisda Corporation's accounting policies.

## 3. Assessment of impairment of goodwill from investments in subsidiaries

Please refer to Note 4(n) for the accounting policy on impairment of non-financial assets, Note 5(b) for the estimation uncertainty of impairment of goodwill, and Note 6(g) for the related disclosures of goodwill impairment test, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries, which are included in the carrying amount of investments accounted for using the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; evaluating the accuracy of estimates made by the management by comparing the past projections with actual cash flows; performing a sensitivity analysis to assess the impact of variation in key assumptions; and assessing the adequacy of Qisda Corporation's disclosures with respect to evaluation of goodwill impairment.

### **Other Matter**

We did not audit the financial statements of certain investees accounted for using the equity method of Qisda Corporation. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investees, is based solely on the report of other auditors. Those investments accounted for using the equity method amounted to NTD 1,707,402 thousand and NTD 1,554,960 thousand, respectively, constituting 1.59% and 1.55%, respectively, of the total assets as of December 31, 2024 and 2023, and the related shares of profit of subsidiaries amounted to NTD 17,261 thousand and NTD 48,820 thousand, respectively, constituting 0.74% and 1.64%, respectively, of the total income before income tax for the years ended December 31, 2024 and 2023.

## **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Qisda Corporation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent-company-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent-company-only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Qisda Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Qisda Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Qisda Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent-company-only financial statements for the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Yin, Yuan-Sheng and Chang, Huei-Chen.

KPMG

Taipei, Taiwan (Republic of China)

March 5, 2025

#### **Notes to Readers**

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

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION****Parent-Company-Only Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

<b>Assets</b>		<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current assets:</b>					
1100	Cash and cash equivalents	\$ 1,861,905	2	2,532,956	3
1110	Financial assets at fair value through profit or loss – current	169,763	-	133,486	-
1170	Notes and accounts receivable, net	10,967,314	10	8,920,059	9
1181	Notes and accounts receivable from related parties	16,872,354	16	14,112,765	14
1200	Other receivables	-	-	5,160	-
1210	Other receivables from related parties	6,850	-	6,717	-
130X	Inventories	7,120,244	7	6,199,272	6
1470	Other current assets	46,569	-	50,532	-
	<b>Total current assets</b>	<b>37,044,999</b>	<b>35</b>	<b>31,960,947</b>	<b>32</b>
<b>Non-current assets:</b>					
1510	Non-current financial assets at fair value through profit or loss	351,041	-	-	-
1517	Financial assets at fair value through other comprehensive income – non-current	7,817,376	7	9,709,736	10
1550	Investments accounted for using the equity method	59,071,710	55	55,698,948	55
1600	Property, plant and equipment	1,827,925	2	2,021,479	2
1755	Right-of-use assets	245,436	-	343,637	-
1760	Investment property	76,371	-	105,934	-
1780	Intangible assets	205,405	-	197,775	-
1840	Deferred income tax assets	447,398	1	467,359	1
1900	Other non-current assets	39,985	-	20,593	-
1980	Other financial assets – non-current	48,931	-	38,566	-
	<b>Total non-current assets</b>	<b>70,131,578</b>	<b>65</b>	<b>68,604,027</b>	<b>68</b>
<b>Total assets</b>		<b>\$ 107,176,577</b>	<b>100</b>	<b>100,564,974</b>	<b>100</b>

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION****Parent-Company-Only Balance Sheets****December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

<b>Liabilities and Equity</b>		<b>December 31, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current liabilities:</b>					
2100	Short-term borrowings	\$ 8,294,550	8	6,500,000	6
2120	Financial liabilities at fair value through profit or loss – current	9,344	-	-	-
2130	Contract liabilities – current	565,404	1	781,653	1
2170	Notes and accounts payable	2,052,607	2	1,757,130	2
2180	Accounts payable to related parties	27,294,231	26	24,571,162	24
2200	Other payables	1,500,993	1	2,400,945	2
2230	Current income tax liabilities	275,213	-	107,814	-
2322	Current portion of long-term debt	3,055,306	3	525,193	1
2280	Lease liabilities – current	143,029	-	139,704	-
2250	Provisions – current	15,806	-	16,426	-
2300	Other current liabilities	75,763	-	70,427	-
2365	Refund liabilities – current	1,332,935	1	1,489,929	2
<b>Total current liabilities</b>		<b>44,615,181</b>	<b>42</b>	<b>38,360,383</b>	<b>38</b>
<b>Non-current liabilities:</b>					
2530	Bonds payable	2,997,185	3	2,996,090	3
2540	Long-term debt	23,485,165	22	21,405,611	21
2580	Lease liabilities – non-current	227,019	-	370,048	1
2550	Provisions – non-current	71,605	-	82,994	-
2570	Deferred income tax liabilities	10,712	-	15,548	-
2600	Other non-current liabilities	207,691	-	276,942	-
<b>Total non-current liabilities</b>		<b>26,999,377</b>	<b>25</b>	<b>25,147,233</b>	<b>25</b>
<b>Total liabilities</b>		<b>71,614,558</b>	<b>67</b>	<b>63,507,616</b>	<b>63</b>
<b>Equity:</b>					
3110	Common stock	19,274,470	18	19,667,820	19
3200	Capital surplus	2,239,759	2	1,983,975	2
3300	Retained earnings	17,485,381	16	18,793,317	19
3400	Other equity	(3,437,591)	(3)	(3,387,754)	(3)
<b>Total equity</b>		<b>35,562,019</b>	<b>33</b>	<b>37,057,358</b>	<b>37</b>
<b>Total liabilities and equity</b>		<b>\$ 107,176,577</b>	<b>100</b>	<b>100,564,974</b>	<b>100</b>



(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION****Parent-Company-Only Statements of Comprehensive Income****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar, Except for Earnings Per Share)**

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues</b>	\$ 76,703,513	100	75,425,479	100
5000	<b>Operating costs</b>	(73,221,541)	(95)	(71,847,173)	(95)
	<b>Gross profit</b>	3,481,972	5	3,578,306	5
5910	Realized (unrealized) gross profit on sales to subsidiaries, associated and joint ventures	126,008	-	(37,090)	-
	<b>Realized or loss gross profit</b>	3,607,980	5	3,541,216	5
	<b>Operating expenses:</b>				
6100	Selling expenses	(1,111,706)	(1)	(1,175,798)	(2)
6200	Administrative expenses	(740,074)	(1)	(819,338)	(1)
6300	Research and development expenses	(1,948,901)	(3)	(2,267,941)	(3)
6450	Gain on reversal of impairment loss	31,376	-	12,981	-
	<b>Total operating expenses</b>	(3,769,305)	(5)	(4,250,096)	(6)
	<b>Operating income</b>	(161,325)	-	(708,880)	(1)
	<b>Non-operating income and loss:</b>				
7100	Interest income	77,788	-	99,692	-
7010	Other income	653,170	1	598,674	1
7020	Other gains and losses, net	(313,859)	(1)	284,821	-
7050	Finance costs	(707,532)	(1)	(668,058)	(1)
7375	Share of profits of subsidiaries, associates and joint ventures	2,780,422	4	3,375,451	5
	<b>Total non-operating income and loss</b>	2,489,989	3	3,690,580	5
	<b>Income before income tax</b>	2,328,664	3	2,981,700	4
7950	<b>Income tax expense</b>	(164,711)	-	(5,967)	-
	<b>Net income</b>	2,163,953	3	2,975,733	4
	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss:</b>				
8311	Remeasurements of defined benefit plans	63,167	-	1,840	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,860,765)	(3)	1,466,613	2
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(123,932)	-	674,731	1
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		(1,921,530)	(3)	2,143,184	3
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation of foreign operations	2,009,036	3	(198,384)	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		2,009,036	3	(198,384)	-
	<b>Other comprehensive income for the year, net of income tax</b>	87,506	-	1,944,800	3
	<b>Total comprehensive income for the year</b>	<b>\$ 2,251,459</b>	<b>3</b>	<b>4,920,533</b>	<b>7</b>
	<b>Earnings per share (in New Taiwan Dollar):</b>				
9750	Basic earnings per share	<b>\$ 1.11</b>		<b>1.51</b>	
9850	Diluted earnings per share	<b>\$ 1.10</b>		<b>1.51</b>	

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

## QISDA CORPORATION

## Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollar)

	Retained earnings						Total other equity				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity	Total equity
<b>Balance at January 1, 2023</b>	\$ 19,667,820	1,949,409	3,437,862	833,222	19,914,388	24,185,472	875,030	(5,663,889)	(287,528)	(5,076,387)	40,726,314
Net income in 2023	-	-	-	-	2,975,733	2,975,733	-	-	-	-	2,975,733
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(198,384)	2,138,796	4,388	1,944,800	1,944,800
Total comprehensive income (loss) in 2023	-	-	-	-	2,975,733	2,975,733	(198,384)	2,138,796	4,388	1,944,800	4,920,533
Appropriation of earnings:											
Legal reserve	-	-	832,491	-	(832,491)	-	-	-	-	-	-
Special reserve	-	-	-	4,243,165	(4,243,165)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(3,933,564)	(3,933,564)	-	-	-	-	(3,933,564)
Shares of changes in equity of subsidiaries, associates and joint ventures	-	30,238	-	-	-	-	-	-	-	-	30,238
Acquisition or disposal of shares of subsidiaries	-	1	-	-	(4,690,491)	(4,690,491)	-	-	-	-	(4,690,490)
Disposal of equity instruments at fair value through other comprehensive income by investees	-	-	-	-	256,167	256,167	-	(256,167)	-	(256,167)	-
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	4,252	-	-	-	-	-	-	-	-	4,252
Claim for the disgorgement right	-	75	-	-	-	-	-	-	-	-	75
<b>Balance at December 31, 2023</b>	19,667,820	1,983,975	4,270,353	5,076,387	9,446,577	18,793,317	676,646	(3,781,260)	(283,140)	(3,387,754)	37,057,358
Net income in 2024	-	-	-	-	2,163,953	2,163,953	-	-	-	-	2,163,953
Other comprehensive income (loss) in 2024	-	-	-	-	-	-	2,009,036	(2,038,122)	116,592	87,506	87,506
Total comprehensive income (loss) in 2024	-	-	-	-	2,163,953	2,163,953	2,009,036	(2,038,122)	116,592	87,506	2,251,459
Appropriation of earnings:											
Reversal of special reserve	-	-	-	-	(2,360,139)	(2,360,139)	-	-	-	-	(2,360,139)
Cash dividends to shareholders	-	-	-	(1,688,634)	1,688,634	-	-	-	-	-	-
Shares of changes in equity of subsidiaries, associates and joint ventures	-	173,946	-	-	-	-	-	-	-	-	173,946
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	137,343	137,343	-	(137,343)	-	(137,343)	-
Acquisition or disposal of shares of subsidiaries	-	76,226	-	-	(172,150)	(172,150)	-	-	-	-	(95,924)
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	5,612	-	-	-	-	-	-	-	-	5,612
Purchase and retirement of treasury stock	(393,350)	-	-	-	(1,076,943)	(1,076,943)	-	-	-	-	(1,470,293)
<b>Balance at December 31, 2024</b>	\$ 19,274,470	2,239,759	4,270,353	3,387,753	9,827,275	17,485,381	2,685,682	(5,956,725)	(166,548)	(3,437,591)	35,562,019

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION****Parent-Company-Only Statements of Cash Flows****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 2,328,664	2,981,700
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	336,530	323,585
Amortization	70,862	67,774
Gain on reversal of impairment loss	(31,376)	(12,981)
Interest expense	707,532	668,058
Interest income	(77,788)	(99,692)
Dividend income	(484,639)	(437,858)
Share of profit of subsidiaries, associates and joint ventures	(2,780,422)	(3,375,451)
Loss (gain) on disposal of property, plant and equipment	573	(2,379)
Loss (gain) on disposal of investments	74,365	(273,124)
Unrealized (realized) gross profit on sales to subsidiaries, associates and joint ventures	(126,008)	37,090
Total adjustments for profit or loss	(2,310,371)	(3,104,978)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(32,318)	(28,350)
Notes and accounts receivable	(2,015,879)	1,184,034
Notes and accounts receivable from related parties	(2,759,589)	(2,538,228)
Other receivables	5,160	29,059
Other receivables from related parties	(133)	3,290
Inventories	(920,972)	329,794
Other current assets	4,973	36,329
Other non-current assets	(12,700)	(9,701)
Net changes in operating assets	(5,731,458)	(993,773)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	9,344	(13,030)
Notes and accounts payable	295,477	886,691
Accounts payable to related parties	2,723,069	6,745,689
Provisions	(12,009)	(8,150)
Contract liabilities	(216,249)	79,300
Other payables and other current liabilities	(1,064,958)	(660,335)
Other non-current liabilities	(6,084)	(12,034)
Net changes in operating liabilities	1,728,590	7,018,131
Total changes in operating assets and liabilities	(4,002,868)	6,024,358
Total adjustments	(6,313,239)	2,919,380
Cash provided by (used in) operations	(3,984,575)	5,901,080
Interest received	77,788	99,692
Dividends received	3,491,097	8,441,851
Interest paid	(689,038)	(653,640)
Income taxes refunded (paid)	17,813	(144,149)
<b>Net cash provided by (used in) operating activities</b>	<b>(1,086,915)</b>	<b>13,644,834</b>

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION****Parent-Company-Only Statements of Cash Flows (Continued)****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollar)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (40,000)	(60,528)
Purchase of financial assets at fair value through profit or loss	(355,000)	(96,126)
Purchase of investments accounted for using equity method	(1,512,434)	(7,613,201)
Increase in prepayments for investments	(15,000)	-
Proceeds from disposal of investments accounted for using the equity method	-	348,803
Additions to property, plant and equipment	(95,620)	(157,079)
Proceeds from disposal of property, plant and equipment	593	3,259
Additions to intangible assets	(260)	(15,906)
Decrease (increase) in other financial assets	(10,365)	33,393
<b>Net cash used in investing activities</b>	<u>(2,028,086)</u>	<u>(7,557,385)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	1,794,550	4,630,000
Increase in long-term debt	21,209,117	30,964,413
Repayments of long-term debt	(16,595,193)	(36,524,399)
Payment of lease liabilities	(139,704)	(137,426)
Cash dividends to shareholders	(2,360,139)	(3,933,564)
Purchase of treasury stock	(1,470,293)	-
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	5,612	4,252
Claim for the disgorgement right	-	75
<b>Net cash provided by (used in) financing activities</b>	<u>2,443,950</u>	<u>(4,996,649)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(671,051)	1,090,800
<b>Cash and cash equivalents at beginning of year</b>	<u>2,532,956</u>	<u>1,442,156</u>
<b>Cash and cash equivalents at end of year</b>	<u><b>\$ 1,861,905</b></u>	<u><b>2,532,956</b></u>

## 2024 Earnings Distribution Proposal

Unit: NT\$

<b>Net income of 2024</b>	<b>2,163,953,496</b>
Less: Provisioned as Legal reserve	(105,220,256)
Less: Appropriation of Special Reserve	(49,837,482)
<b>Retained earnings available for distribution in 2024</b>	<b>2,008,895,758</b>
Add: Unappropriated retained earnings from previous years	8,775,071,509
Add: Disposal of financial assets measured at fair value through other comprehensive income by investment accounted for using the equity	137,343,169
Less: Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	(172,150,609)
Less: retirement of treasury stock	(1,076,943,496)
<b>Retained earnings available for distribution as of December 31, 2024</b>	<b>9,672,216,331</b>
Distributable Items:	
Cash Dividend ( NT\$1,110 for every 1,000 common shares )	(2,139,466,123)
<b>Unappropriated retained earnings after earnings distribution</b>	<b>7,532,750,208</b>

**Note:**

The cash dividend distribution to each shareholder will be paid to the rounded-down full NT dollar. Amounts less than one whole NT dollar are rounded-down to the nearest NT dollar. The aggregate unpaid cash dividend resulting from the above rounded-down, will be distributed to shareholders in the descending order of decimal point and the ascending order of shareholder account numbers, until the total amount of the approved cash dividend has been fully distributed.

**Comparison table for the Articles of Incorporation before and after amendment**

<b>Article No</b>	<b>After amendment</b>	<b>Before amendment</b>	<b>Reason for Amendments</b>
Article 16	<p>The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.</p> <p><u>The distribution of employee compensation to grassroots employees shall not be less than ten percent (10%) of the total employee compensation as mentioned in the preceding item.</u></p> <p><u>Item 1:</u> The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.</p>	<p>The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.</p> <p>The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.</p>	Amend according to laws
Article 19	<p>These Articles of Incorporation were enacted on March 23, 1984, and amended on March 29, 1984 for the first time, (Ignored.) amended on May 29, 2023 for the forty-five time. <u>amended on May 29, 2025 for the forty-six time.</u></p>	<p>These Articles of Incorporation were enacted on March 23, 1984, and amended on March 29, 1984 for the first time, (Ignored.) amended on May 29, 2023 for the forty-five time.</p>	To add the amendment date

**List of non-competition restrictions on current-elected directors and their representatives proposed to be lifted**

<b>Dierctor</b>	<b>Released restriction items</b>
Chi-Hong (Peter) Chen	<ul style="list-style-type: none"> <li>- Director, Dunpin No.1 Innovation Investment Co., Ltd.</li> <li>- Director, Dunpin No.2 Innovation Investment Co., Ltd.</li> <li>- Director, Industrial Technology Research Institute</li> </ul>
AUO Corporation	<ul style="list-style-type: none"> <li>- Director, AUO Mobility Solution Corporation</li> <li>- Director, Yenrich Technology Corporation</li> </ul>
Han-Chou (Joe) Huang, Representative of BenQ Foundation	<ul style="list-style-type: none"> <li>- Director, Metaage Corporation</li> </ul>
Liang-Gee Chen	<ul style="list-style-type: none"> <li>- Independent Director, KINSUS INTERCONNECT TECHNOLOGY CORP.</li> </ul>
Shu-Chun Huang	<ul style="list-style-type: none"> <li>- Independent Director, SUNPLUS TECHNOLOGY CO., LTD.</li> </ul>

## **Rules and Procedures for Shareholders' Meeting**

Enacted on May 15, 1990

The 1st amendment was made on June 19, 1993.

The 2nd amendment was made on April 16, 1998.

The 3rd amendment was made on May 29, 2023.

1. Qisda Corporation (the "Company") shall convene the shareholders' meeting in accordance with these Rules of Procedures (the "Rules")
2. Shareholders or their proxies attending the shareholders' meeting (the "Meeting") shall submit the attendance card for the purpose of signing in. The number of shares represented by shareholders or their proxies attending the Meeting shall be calculated in accordance with the attendance cards submitted by the shareholders or their proxies plus the number of shares exercised by correspondence or electronic means.
3. The attendance and the voting shall be calculated based on the number of shares represented by the shareholders attending the shareholders' meeting.
4. The venue for a shareholders meeting shall be the premises of the Corporation, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. The restrictions on the place of the meeting shall not apply when the Corporation convenes a virtual-only shareholders meeting.
5. The Chairman of the Company shall preside as the chairperson at a shareholders' meeting if the meeting is convened by the Board of the Directors of the Company. In the situation where the Chairman is on leave or unavailable to perform his or her duty and power for any cause, the Vice Chairman of the Company shall act as the chairperson for the meeting. In the situation where there is no vice chairman or the Vice Chairman of the Company is on leave or unavailable to perform his or her duty and power for any cause, the Chairman shall designate a Managing Director to act as the chairperson on his or her behalf. In the situation where there is no managing director, the Chairman shall designate one Director from the Board of Directors to act as the chairperson for the meeting. In the absence of such designation, the Managing Directors or Directors of the Board shall elect one from among themselves an acting chairperson for the shareholders' meeting.

Where the shareholders' meeting is convened by a person who is entitled to convene the meeting but is not a member of the Board of Directors, such person shall perform the duty as the chairperson for the shareholders' meeting. In the situation where there are two or more people who are entitled to convene the meeting, a chairperson shall be elected from among themselves.

- 5-1. To convene a virtual shareholders meeting, the Corporation shall include the follow particulars in the shareholders meeting notice:
  - (1) How shareholders attend the virtual meeting and exercise their rights.
  - (2) Actions to be taken if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events, at least covering the following particulars:
    - A. To what time the meeting is postponed or from what time the meeting will resume if the above obstruction continues and cannot be removed, and the date to which the meeting is postponed or on which the meeting will resume.
    - B. Shareholders not having registered to attend the affected virtual shareholders meeting shall not attend the postponed or resumed session.
    - C. In case of a hybrid shareholders meeting, when the virtual meeting cannot be continued, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the virtual shareholders meeting online, meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue. The shares represented by shareholders attending the virtual meeting online shall be counted towards the total number of shares represented by shareholders present at the meeting, and the shareholders attending the virtual meeting online shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.
    - D. Actions to be taken if the outcome of all proposals have been announced and extraordinary motion has not been carried out.



- (3) To convene a virtual-only shareholders meeting, appropriate alternative measures available to shareholders with difficulties in attending a virtual shareholder meeting online shall be specified.
6. The Company may appoint its lawyers, accountants or any other people relevant to the meeting to be present at the shareholders' meeting.  
The supporting staff for the proceeding of a shareholders' meeting shall wear an identification badge or armband.
7. The Corporation shall make an uninterrupted audio and video recording of the proceedings of the shareholders meeting, and the recorded materials of the preceding paragraph shall be retained for at least one year.  
Where a shareholders meeting is held online, the Corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Corporation, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The audio and video recording shall be properly kept by this Corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the virtual meeting.
8. The chairperson of a shareholders' meeting shall call the meeting to order at the time when the meeting is scheduled to commence. If the number of shares represented by the attending shareholders has not yet constituted more than an aggregate of one-half of the total outstanding shares issued, the chairperson may postpone the time for the meeting. The postponements shall only reach two times at most, and the meeting shall not be postponed for more than one hour in total. If after two postponements the shares represented by attending shareholders has not reached the quorum but has constituted more than one third of the total of outstanding shares issued, a tentative resolution may be passed in accordance with the Article 175-1 of the Company Act. Before the end of such meeting, if the shares represented by the attending shareholders has constituted more than one half of the total of outstanding shares issued, the chairperson may bring the already passed resolution for voting again in accordance with the Article 174 of the Company Act.
9. The agenda of a shareholders' meeting shall be established by the Board of Directors if the meeting is convened by the Board of Directors of the Company. Unless otherwise approved in the shareholders' meeting, the meeting shall proceed in accordance with the pre-arranged agenda. The preceding paragraph applies in the situation where a shareholders' meeting is convened by a person, other than a member of the Board of Directors, entitled to convene such a meeting. Unless otherwise resolved at the shareholders' meeting, the chairperson shall not announce adjournment until the agenda prescribed in the preceding two paragraphs (including extraordinary motions) are resolved.  
After the meeting is adjourned, shareholders shall not elect a chairperson and resume the meeting at the same or another venue.  
In the situation where the chairperson adjourns the meeting in violation of the Rules, a new chairperson may be elected by more than half of the votes from the shares represented by the attending shareholders so that the meeting is able to be continued.
10. When a shareholder attending a shareholders' meeting wishes to speak, he or she should fill out a speech note with a summary of the speech, shareholder's account number (or the number of attendance card) and the account name of the shareholder in advance. The sequence of speeches shall be determined by the chairperson.  
If any attending shareholder at the shareholders' meeting submits a speech note but does not speak, no speech shall be deemed to have been made by such shareholder. In case content of the speech of a shareholder are inconsistent with the content of the speech note, the content of actual speech shall be considered.  
The speech of a shareholder shall remain concrete, clear, and relevant to the agenda otherwise the chairperson may stop the speech of such shareholder.  
Unless otherwise permitted by the chairperson and the speaking shareholder, no shareholder shall interrupt the speech of other shareholders. The chairperson shall stop such interruption.
11. Except with the consent of the chair, 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 chair may terminate the speech.

Shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the chair declaring the meeting open until the chair declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words.

12. A corporate shareholder should only appoint one person as its representative to attend a shareholders' meeting.

In the situation where a corporate shareholder has appointed two or more representatives to attend the shareholders' meeting, an appointment letter shall be provided and only one representative can speak for each agenda item.

13. After the speech of a shareholder, the chairperson may make responses by him or herself or appoint an appropriate person to respond.

14. The chairperson may announce end of discussion of an item listed in the agenda and submit the item for voting if the chairperson deems that the item is ready for voting.

15. With respect to the voting of each proposal, the people who conduct ballot examination and counting shall be designated by the chairperson. At the same time, the ballot examiners also have to be shareholders.

The result of each vote shall be announced at the meeting immediately and shall be recorded into the minute.

16. Except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. When voting, if there is no objection after consultation by the chairman, it is deemed to be passed, and its effect is the same as voting by ballot.

When this Corporation convenes a virtual shareholders meeting, after the chair declares the meeting open, shareholders attending the meeting online shall cast votes on proposals and elections on the virtual meeting platform before the chair announces the voting session ends or will be deemed abstained from voting.

In the event of a virtual shareholders meeting, votes shall be counted at once after the chair announces the voting session ends, and results of votes and elections shall be announced immediately.

17. In the case of an amendment or alternative to an original proposal, the chairperson shall decide on the order of voting together with the original proposal. However, if one of such proposals has been approved, the others shall be deemed overruled and no further vote is required.

18. The chairperson may request picketers (or security guards) to assist in maintaining the order at the meeting venue. Members of the picket (or security guards) shall wear armbands with the word "Picket" when maintaining the order at the meeting venue.

19. In case of incident due to force majeure, the chair may rule the meeting temporarily suspended or resume the meeting at another venue.

20. Matters not stipulated in the rules shall be handled in accordance with the provisions of the Company Act, the Articles of Incorporation of the Company, and any other related acts.

21. The Rules and any amendment shall take effect after being approved at the shareholders' meeting.

## **Articles of Incorporation (Before the amendments)**

### **Chapter 1 General Provisions**

- Article 1 The Company is organized in accordance with the Company Act of R.O.C. and named Qisda Corporation (the "Company"). The Company Name in English shall be Qisda Corporation.
- Article 2 The lines of business of the Company shall include the following:  
 1 、CC01030 Electric Appliance and Audiovisual Electric Products Manufacturing  
 2 、CC01110 Computers and Computing Peripheral Equipment Manufacturing  
 3 、CC01070 Telecommunication Equipment and Apparatus Manufacturing  
 4 、CC01101 Retrained Telecom Radio Frequency Equipment and Materials Manufacturing  
 5 、CC01040 Lighting Facilities Manufacturing  
 6 、CF01011 Medical Materials and Equipment Manufacturing  
 7 、F108031 Wholesale of Drugs, Medical Goods  
 8 、F208031 Retail Sale of Medical Equipment  
 9 、F401010 International Trade  
 10 、CB01010 Mechanical Equipment Manufacturing  
 11 、CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing  
 12 、CD01060 Aircraft and Parts Manufacturing  
 13 、ZZ99999 All business items that are not prohibited or restricted by law, except those are subject to special approval
- Article 3 The head office of the Company is located in Taoyuan, Taiwan. The Company may, as approved by the resolution of the Board of Directors, set up branch offices or factories in compliance with applicable laws and regulations in Taiwan or abroad when necessary.
- Article 4 The Company may, in line with its business needs, provide guarantees externally. The total amount of the Company's investment is not subject to the restriction of Article 13 of the Company Act.

### **Chapter 2 Shares**

- Article 5 The total capital of the Company is Fifty Billion New Taiwan Dollars (NT\$50,000,000,000), divided into Five Billion (5,000,000,000) shares with a par value of Ten New Taiwan Dollars (NT\$10) each. The Board of Directors is authorized to issue in installments. The Company may issue preferred shares amount the above total capital and a total of 200,000,000 shares among the above total capital stock should be reserved for issuing employee stock options. The Company may issue employee stock options at a price that is lower than the market price or the Company may transfer treasury stock to employees at a price that is lower than the average actual share repurchase price pursuant to a resolution approved by the majority (at least 50%) of total issued shares represented at the shareholders' meeting and the consent of more than two-thirds of the attending shareholders' voting rights.
- Article 5-1 (Cancel)
- Article 5-2 Regarding the Shares purchased by the Company pursuant to Securities and Exchange Act, the transferee shall include certain qualified employees of the Company's Subsidiaries. The recipients of employee stock warrants of the Company shall include certain qualified employees of the Company's Subsidiaries.  
 In the issuance of new shares by the Company, the recipients of new shares for subscription shall include certain qualified employees of the Company's Subsidiaries.  
 In the issuance of restricted employee stock by the Company, the recipients of such shares shall include certain qualified employees of the Company's Subsidiaries.
- Article 5-3 The rights and obligations of the Company's preferred share and related issuing conditions are as follows:  
 1. If after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate legal reserve and recognize or reverse special reserve return earnings in accordance with Article 16-1 of the Company's Articles of Incorporation and applicable laws and regulations. If there is a residual amount after provisions are set aside, the residual shall be distributed as the year's dividend for preferred share first.  
 2. Dividend on preferred share is limited to an annual rate of 8%, calculated based on the issuing price of each share. The dividend can be issued in a cash lump sum each year. After the annual shareholders' meeting recognizes the financial report and earnings distribution, the board of directors shall set a benchmark date to issue the previous

year's dividend. The issuing of the issuing year and the recovery year dividend is based on the calculation of the current year's actual issuing days. The issuing date is defined as the benchmark date to issue the preferred share.

3. The Company's preferred share dividend distribution has autonomous discretion. If this Company's annual final account shows no earnings or the earnings are insufficient for distribution, the preferred share dividend or others must be considered. If the shareholder's meeting decides not to distribute preferred share dividend, this is not a violation of the contract. If the issued preferred share is of the non-cumulative type, and the resolution is not to distribution or to distribute insufficient dividend, this is not accumulated as deferred payment in future earnings years.
4. In addition to receiving dividend described in Item one, the holder of preferred share shall not participate in the distribution of common share earnings, capital reserve for cash, and capitalization.
5. The holder of this Company's preferred share has priority over holders of common share in the distribution of this Company's remaining asset. Holders of preferred share also have the same payment priority sequence as the holder of other preferred share issued by the Company, and are only second to ordinary creditors. However, this is limited to the amount calculated based on the number of circulating preferred share and the issuing price.
6. The holders of preferred share do not have voting or election rights in the shareholder's meeting. However, holders of preferred share have voting rights in the preferred share shareholder's meeting and regarding issues in the shareholders' meeting that is related to the rights and obligations of preferred shareholders.
7. Preferred share cannot be converted to common share.
8. Preferred share has no expiration date. Holders of preferred stock cannot request this Company to buy back their preferred share. However, the Company can buy back part or all preferred share on the following day of the five-year anniversary of the issuing based on the actual issuing price. The unrecovered preferred share will continue to have the aforementioned issuing conditions and rights and obligations. If the Company decides to issue dividend for the current year, the dividend that should be issued up to the recovery date shall be calculated according to the current year's actual number of issuing days.
9. The paid-in-capital that the preferred share premium is issued from shall not be used for capitalization during the preferred share issuing period other than to make up for losses.
10. The Board is authorized to determine the name, issuance date and terms of the preferred share in accordance with market conditions and investors' expectation, in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Article 6 The Company may, pursuant to the applicable laws and regulations, deliver shares or other securities in book-entry form, instead of delivering physical certificates evidencing shares or other securities.

Article 7 Registration for transfer of shares shall be suspended for a period of sixty days before the convention of an annual general meeting of shareholders, thirty days before an extraordinary general meeting of shareholders, or within five days before the base date on which the dividends, bonuses, or other interests to be paid out by the Company.

### **Chapter 3 Shareholders' Meetings**

Article 8 Shareholders' meeting shall be of two types, namely the annual and extraordinary general meeting of shareholders, with the former convened by the Board of Directors, in accordance with the law, regularly once a year within six months after the close of each fiscal year, and the later convened, in accordance with the law, when necessary. The preferred shareholders' meeting may be convened when it deemed necessary in accordance with applicable laws and regulations.

The company's shareholders' meeting is held, it may be held by means of visual communication network or other methods promulgated by the central competent authority

Article 9 Unless otherwise provided in applicable law and regulations, a resolution shall be adopted at a meeting attended by the shareholders holding and representing a majority of the total issued and outstanding shares and at which meeting a majority of the attending shareholders shall vote in favor of the resolution. In case a shareholder is unable to attend a shareholders' meeting, such shareholder may issue a proxy in the form issued by the

Company, setting forth the scope of authorization by signing and affixing such shareholder's seal on the proxy form for the representative to be present on such shareholder's behalf. Except for trust enterprises or other stock transfer agencies approved by the securities authorities, if a person is designated as proxy by more than two shareholders, any of such person's voting rights representing in excess of 3% of the total issued and outstanding shares shall not be considered. The relevant matters related to the use and rescission of the proxy shall be conducted in accordance with the Company Act.

Article 10 Directors shall be elected by adopting candidates' nomination system. In these articles, the directors mean including independent directors.

Each shareholder of the Company is entitled to one vote per share, unless otherwise provided by applicable law or regulation or the preferred share with no voting rights issued by the Company.

#### **Chapter 4 Directors and Audit Committees**

Article 11 The Company shall have seven to eleven directors. The term for which a Director will hold office shall be three (3) years. The directors shall be elected from among the list of candidates for directors by the Shareholders' Meeting and are eligible for re-election. The total shares held by the entire body of either directors shall not be less than a specified percentage in accordance with the regulation prescribed by the Competent Authority. A company shall have at least three Independent Directors. Regulations governing the professional qualifications, restrictions on shareholdings and concurrent positions held, assessment of independence, methods of nomination and election, and other matters for compliance with respect to Independent Directors shall be followed in accordance with the Rules for election of Directors and relevant laws.

Article 11-1 The Company may take out liability insurance for the directors with respect to the liabilities resulting from exercising their duties during their terms of office. The Board is authorized to determine the compensation for the directors, taking into account the extent and value of the services provided for the Company's operation and with reference to the standards of local and overseas industry.

Article 11-2 The Company shall set up the Audit Committee organized by all of the independent directors in accordance with the Securities and Exchange Act. The composition of the audit committee, duties, rules of meeting procedure and other compliance matters shall comply with the regulations prescribed by the securities supervisory authorities

Article 12 The Board of Directors is organized by directors. The Chairman of the Board of Directors shall be elected from among the attending directors by a majority vote and with the attendance over two thirds of the seats in a meeting of the Board of Directors. As necessary, a Vice Chairman may be elected among the attending directors in the same manner. The Chairman of the Board shall externally have the authority to represent the Company.

Article 13 In case the Chairman of the Board asks for leave or for other reason cannot exercise his power and authority, he may appoint another director to represent him by proxy in accordance with Article 208 of the Company Act. Where a director is unable to attend a meeting of the Board, he may appoint another director to represent him by proxy. Each director may act as a proxy for one other director only. The meeting of the Board of Directors shall be convened in accordance with the Company Act. In calling a meeting of the Board of Directors, a notice may be given to each director by means of electronic mail or facsimile.

#### **Chapter 5 Managerial Officer**

Article 14 The Company may appoint a multiple number of managerial officers whose appointment, dismissal and compensations shall be conducted in accordance with the Company Act.

#### **Chapter 6 Accounting**

Article 15 After the close of each fiscal year, the Board of Directors shall provide and submit the following reports to the shareholders' meeting for acceptance in accordance with the legal procedures.

1.Business Report 2.Financial Statement 3.Proposals regarding earning distribution or loss offsetting

It shall be not later than the 30th day prior to the ordinary shareholders meeting and the Audit Committee submit the report to the shareholders at the ordinary shareholders meeting for their acceptance.

**Article 16** The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first.

The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.

**Article 16-1** If after the annual closing of books there is a profit, the Company shall, after having provided for taxes and offset the accumulated losses of previous years, appropriate the 10% legal reserve and recognize or reverse special reserve return earnings in accordance with laws and regulations.

The Board may set aside certain percentage of the proposal for retained earnings distribution. Where there is remainder balance, together with the undistributed profits of previous years, as the earnings available for distributing to common and preferred shareholders, the Board shall propose the earnings distribution plan and submit to the Shareholders' Meeting for approval by resolution before the distribution.

The rights, obligations and distribution sequence of the Company's preferred share is executed in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Where the aforesaid earnings distribution plan or dividend on preferred share is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

**Article 16-2** The Company may distribute new shares or cash by way of legal reserve or capital reserve in accordance with Article 241 of the Company Act.

Where the means of cash is performed in the preceding paragraph, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

**Article 17** The Company is in a technology-intensive and capital-intensive technology industry at a developing stage coordinating with long-term capital planning and taking into account the shareholders' cash flow requirement, the Company's dividend policy is to pay dividends from surplus considering factors to improve the growth and sustainable operation of the Company.

Dividend distribution is to consider the expanding the scale of operations and cash flow requirements in the future. When the Company has a profit at the end of each fiscal year and the retained earnings available for distribution of the current year reaches 2% of the paid in capital of the Company, no less than 10% of the retained earnings available for distribution of the current year shall be distributed as dividend. Every year the cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock.

## **Chapter 7 Supplementary Provisions**

**Article 18** With regard to the matters not provided for in these Articles of Incorporations, the Company Act shall govern.

**Article 19** These Articles of Incorporation were enacted on March 23, 1984, and amended on March 29, 1984 for the first time,  
amended on April 1, 1984 for the second time,  
amended on November 5, 1984 for the third time,  
amended on October 16, 1986 for the forth time,  
amended on May 10, 1987 for the fifth time,  
amended on June 19, 1987 for the sixth time,  
amended on March 24, 1989 for the seventh time,

.....  
.....

amended on June 15, 2016 for the Fortieth time,  
amended on June 21, 2019 for the Forty-first time.  
amended on June 19, 2020 for the Forty-second time.  
amended on August 27, 2021 for the forty-third time.  
amended on May 30, 2022 for the forty-four time.  
amended on May 29, 2023 for the forty-fifth time.

**Appendix 3:****Shareholding of Directors**

The Company has issued capital of the Company is NT\$19,274,469,580 representing 1,927,446,958 common shares. According to Article 26 of the Securities and Exchange Act, the minimum number of shares that shall be held by all directors of the company is 46,258,726.

As of March 31, 2025, the number of shares held by all directors is 237,366,772 shares. The actual collective shareholding of directors was shown as below:

Title	Name	No. of Shareholding	Shareholding %
Chairman	Chi-Hong (Peter) Chen	1,528,179	0.08
Director	AUO Corporation (Representative: James CP Chen)	235,230,510	12.20
Director	BenQ Foundation (Representative: Han-Chou (Joe) Huang)	608,083	0.03
Independent Director	Lo-Yu (Charles) Yen	-	-
Independent Director	Jyuo-Min Shyu	-	-
Independent Director	Liang-Gee Chen	-	-
Independent Director	Chiu-Lien Lin	-	-
Independent Director	Shu-Chun Huang	-	-
Total		237,366,772	12.31

**Appendix 4:****Influence of Proposed Stock Dividend Distribution upon 2024 Operating Performance, Earnings Per Share, and Return on Investment**

Not applicable because the Company's Board of Directors did not propose stock dividend distribution for the year of 2024.