



innodisk

Innodisk Corporation

2023 General Shareholders' Meeting

Meeting Manual

Meeting Date: May 31, 2023

Place: T1 Building (RF1 meeting room), No. 237, Section 1,
Datong Road, Xizhi District, New Taipei City

Innodisk Corporation

Meeting Manual for the 2023 General Shareholders’ Meeting

Table of Contents

	Page
One. Meeting Agenda	
Report Items.....	1
Ratification Items.....	2
Discussion Items.....	6
Extraordinary motions.....	7
Two. Attachments:	
I. 2022 Business Report.....	8
II. Audit Committee’s Review Report.....	16
III. Board of Directors’ Meeting Procedure Rules Amendment Comparison Table.....	18
IV. Code of Ethics Amendment Comparison Table.....	23
V. Independent Auditor’s Report.....	34
Three. Appendices	
I. Board of Directors’ Meeting Procedure Rules (Before Amendment).....	57
II. Code of Ethical Conduct (Before Amendment).....	65
III. Articles of Incorporation.....	70
VI. Shareholders Meeting Rules of Procedures.....	75
V. Directors’ Shareholding Position.....	83
VI. Impact of Stock Dividends on the Company’s Operating Performance, Earnings Per Share and Return on Shareholders’ Investment.....	84

Innodisk Corporation

2023 General Shareholders' Meeting

Time: 9:00 am, May 31, 2023 (Wednesday)

Place: T1 Building (RF1 meeting room), No. 237, Section 1, Datong Road, Xizhi District, New Taipei City

Convening method: physical meeting

Agenda:

- I. Call the meeting to order (announce the total number of shares represented by the attending shareholders)
- II. Chairperson's speech
- III. Report items
 - (I) 2022 Business Report.
 - (II) Audit committee's review report.
 - (III) Report on the distribution of remuneration for employees and directors for 2022
 - (IV) Report on the amendment of the Company's "Board of Directors' Meeting Procedure Rules"
 - (V) Report on the amendment of the Company's "Code of Ethics".
- IV. Ratification items
 - (I) 2022 business report and financial statements.
 - (II) 2022 earnings distribution.
- V. Discussion items
 - (I) The Company's 2022 rights issue from retaining earnings.
- VI. Extraordinary motions
- VII. End of meeting

Report Items

1 (Proposed by the board)

Summary: Please review the 2022 business report.

Description: Please refer to Attachment I (pages 8 to 15) of the meeting manual for the Company's 2022 business report.

2 (Proposed by the board)

Summary: Please review the audit committee's review report.

Description: Please refer to Attachment II, page 16 to 17 of the meeting manual for the Audit Committee's review report.

3 (Proposed by the board)

Summary: Please review the distribution of 2022 remuneration for employees and directors.

Description: I. The Company's current year pre-tax benefits before deducting the employee and director remuneration distributions are calculated as NT\$2,337,890,099. According to the Articles of Incorporation, NT\$120,225,000 was appropriate for employee remuneration and NT\$21,000,000 was appropriate for director remunerations. All payments were made in cash.

II. The abovementioned amounts are not different from the amounts estimated in 2022.

4 (Proposed by the board)

Summary: Report on the amendment of the Company’s “Board of Directors’ Meeting Procedure Rules,” submitted for review and resolution.

Description: Proposed to amend some articles of the Company’s “Board of Directors’ Meeting Procedure Rules” according to law revisions. The comparison chart between the original and revised articles can be found on pages 18 ot 22 of Attachment III in this manual.

5 (Proposed by the board)

Summary: Report on the amendment of the Company’s “Code of Ethics,” submitted for review and resolution.

Description: Proposed to amend some articles of the Company’s “Code of Ethics” according to the actual needs of the Company. The comparison chart between the original and revised articles can be found in this manual on pages 23 ot 33 of Attachment IV.

Ratification Items

1 (Proposed by the board)

Summary: Please ratify the 2022 business report and financial statements.

Description: I. The board of directors has resolved the Company’s 2022 Business Report, Parent Company Only Financial Statements, and Consolidated Financial

Statements. Among them, the Parent Company Only Financial Statements and Consolidated Financial Statements were audited by CPAs Tsui-Miao Yeh and Shih-Chun Huang of PricewaterhouseCoopers Taiwan, audited by the Audit Committee, and a written audit report was issued for reference.

II. Please refer to pages 8 to 15 of Attachment I and pages 34 to 56 of Attachment V in this manual for a list of various reports in this case.

III. The documents submitted require ratification.

Resolution

2 (Proposed by the board)

Summary: Please ratify the 2022 earnings distribution.

Description: I. In accordance with the Company's Articles of Incorporation, the distribution of the Company's 2022 earnings is shown in the table below:

Innodisk Corporation
2022 Earnings Distribution Table

Unit: NTD

Item	Amount	Remarks
Beginning undistributed earnings	2,161,631,282	
Add: Net income after taxes for the year	1,850,188,250	
Less: 10% as legal reserve	185,018,825	
Add: reversal of a special reserve	12,222,944	
Earnings available for distribution	3,839,023,651	
Distributions:		
Stock dividends	17,310,610	0.02 share per share
Cash dividends	1,194,432,518	Distribution of NT\$13.8 per share
Undistributed earnings at the end of the period	2,627,280,523	

Chairman:

Manager:

Head of Accounting:

- II. The proposed cash dividend distribution to shareholders is NT\$13.8 per share (distributed to the dollar). The total amount of odd lots under NT\$1.0 shall be included in the Company's other income. The resolution of the shareholders' general meeting this year will authorize the chairman to set the ex-dividend and other related matters.
- III. 20 shares shall be distributed free of charge as stock dividends to shareholders per every 1,000 shares held. This proposal was submitted to the general shareholder's meeting for approval and submitted

to the securities regulatory authority to authorize the board of directors to set another base date for allotment after the declaration becomes effective.

- IV. In the event that regulatory changes, adjustments by the authority or other factors affecting the changes of shares cause changes to the number of outstanding shares and stock or cash dividends to shareholders, the shareholders' meeting will authorize the chairman to adjust the cash or stock dividends in accordance with the total amount of earnings distributed and ex-dividends dates of stock or cash dividends determined by the proposal.
- V. The documents submitted require ratification.

Resolution:

Discussion Items

1 (Proposed by the board)

Summary: Please discuss the Company's 2022 rights issue from retained earnings.

Description: I. Considering future business development needs, the Company intends to distribute NT\$17,310,610 in shareholder stock dividends from distributable earnings in 2022, execute a capital increase, and issue 1,731,061 new shares. After the general shareholder's meeting approves and submits the proposal to the competent authority for approval, the board of directors shall be authorized to set another allotment base date. Twenty shares shall be distributed free of charge for every thousand shares held according to the shareholders' shareholding ratio recorded in the shareholder list on the allotment base day. The shareholder may assemble fractional shares accounting for less than 1 share and register them with the Company's stock affairs agency within 5 days after the transfer of ownership is closed. Those who fail to do so shall receive cash (to the nearest dollar). The board chair shall designate a person to purchase them in cash at face value.

II. A total of 1,731,061 shares shall be issued for this capital increase with a face value of NT\$10.0 per share, and the rights and obligations of the new

shares issued shall be identical to those of the original shares.

III. In the event that regulatory changes, adjustments by the authority or other factors affecting the changes of shares cause changes to the number of outstanding shares and the stock dividends to shareholders', the shareholders' meeting will authorize the chairman to adjust the stock dividends.

IV. The proposal is submitted for discussion.

Resolution:

Extraordinary Motions

End of Meeting

[Attachment I]

Innodisk Corporation Business Report

As we entered the post-COVID-19 era in 2022, global industrial development seemed to stabilize, and recovery and growth are projected. However, we are still experiencing severe market fluctuations due to factors such as the international political and economic situation, global inflation, and COVID-19 statuses overseas. The high degree of change and uncertainty in the market environment have tested the Company's long-term business management and risk control capabilities. The Company has focused on the industrial control market for a long time and has a global business layout with a dense client network. These factors can reduce business risks, minimize industrial impact, and actively create AIoT solutions to promote corporate strategic transformation and drive corporate growth. Although 2022 was a difficult year, the Company managed to maintain growth momentum despite the challenges. In 2023, the Company will deepen its AIoT business strategy, fully invest in product technology research and development and talent cultivation, and collaborate with group subsidiaries and global technology giants to jointly create AIoT solutions, practice global industry intelligent transformation, and lead the Company to expand its competitive industrial advantages. The goal is to move toward international high-quality corporate branding.

The Company's operating results for 2022 and outlook for 2023 are described as follows:

I. Implementation results, budgeting, financial results, and achievements of research and development in the business plan for the previous year:

With the industry’s growth in recent years, the Company has gradually transformed from the traditional industrial computer and memory module market under the corporate vision of “Building an Intelligent World.” In 2022, the group officially launched its “IoT Innovation, AI Evolution” strategy. The goal is to fully invest in the AIoT intelligent application market with the “extreme integration, deep application, and intelligent empowerment” advantages to develop hardware and software integration product solutions. In terms of software applications, a new iVIT software development kit (SDK) has been launched to promote AI model training and inference. The goal is to optimize the Company’s self-developed iCAP cloud management platform. Regarding hardware, we launched a new FPGA platform, smart camera module, InnoAgent out-of-band management expansion module, industrial control high-quality DDR5 memory module, edge server SSD, etc., for AI smart applications. The goal is to deploy into vertical application markets such as smart city, smart retail, smart factory, and smart medical care to promote global industrial transformation and realize the implementation of AIoT intelligent applications.

The Company’s global business layout at home and abroad is also deployed in advance under our AIoT development

strategy to actively prepare for business growth. The second phase of the Taiwan R&D and Manufacturing Center was officially opened in early 2022. It will expand the production capacity for the Company's smart solutions. It is also expected to become Yilan's largest smart green building landscape corridor. In addition, the Company has continued to expand the scope of global services, deepen the local global market, and adopt marketing automation tools to implement technology and intelligent marketing to increase the marketing and business promotion benefits.

The Company established a sustainable development office and the sustainable director position in 2022 to actively respond to the environmental, social, and corporate sustainability challenges and fulfill the international net zero carbon emission goals. The Company has conducted green production inspections for the material sources and introduced material recognition management (GPM NET) system. By procuring and adopting halogen-free parts, conflict-free minerals, recycled paper packaging materials, and non-harmful substances, we can ensure compliance with green supply chain specifications and implement environmental sustainability. Moreover, we have partnered with the Innodisk International Education Foundation to engage in social welfare and fulfill the principles of environmental protection, education scholarship, and welfare assistance. In terms of corporate governance, we will continue to ensure sustainable and sound corporate development. Our

corporate governance evaluation efforts have enabled the Company to reach the top 20%.

Last year, the Company's operating income was NT\$10,303,229 thousand, which increased by 1% compared to 2 years ago. The parent company's net profit was NT\$1,850,189 thousand, and earnings per share were NT\$21.46, indicating consistent profitability. At the end of last year, the net amount of receivables was NT\$1,418,794 thousand, which decreased by NT\$135,843 thousand compared to 2 years ago. In the second half of last year, the inventory at the end of the year was NT\$1,158,475 thousand to actively control inventory based on economic changes, which substantially decreased by NT\$505,874 thousand compared to 2 years ago. Due to the reduction of current liabilities at the end of last year, the debt ratio decreased by 4% compared to 2 years ago, and the debt ratio was 23%. The financial structure remained stable, and the financial revenue and expenditure were normal. Overall, revenue and profit have continued to rise despite the turbulent external environment, and budget execution remains on track with the Company's targets. These accomplishments demonstrated that the Company could rapidly respond to environmental changes, capitalize on financial opportunities, and ensure the safety and health of all colleagues during COVID-19.

II. This year's business operation strategies, expected sales

quantities and key production and sales policies:

This year, we will deepen the AIoT strategic deployment, promote corporate brand transformation, and strive to be a global leader in AIoT smart applications. The Company will adopt the “module embedding, software connection, and solution implementation” as its core development strategy. We aim to use software services to multiply the added value of hardware product components and jointly promote intelligent solution implementation. In terms of further product development strategy, the Company will continue to grasp the global industrial development trends of 5G, AI, AIoT, and edge computing. We also aim to expand partnerships with the group’s subsidiaries to jointly provide a perfect AIoT turn-key solution and establish a leading position in the smart market. Regarding business expansion, the Company has established service bases in Japan, mainland China, Europe, and the United States. It will continue to expand workforce deployment and deepen development in the local and global emerging markets. The goal is to customize services to grasp the industrial transformation opportunities in emerging markets. Moreover, the Company will continue to strengthen its brand exposure at home and abroad in terms of marketing and establish a brand image as an AIoT smart solution provider. We will also enhance the marketing and business unit collaborations, expand the use of digital tools, jointly cultivate potential clients, and drive the global business and market development results. As the Company grows, it will

continue to expand ESG investment and strive to improve environmental sustainability, social welfare, and corporate governance performances.

In response to the drastic industrial changes brought about by the pandemic, the Company has actively improved operational efficiency and promoted internal intelligence, comprehensively improved the intelligence of the management system, and improved the efficiency and accelerated the response speed from delivery estimation, order receiving process, production scheduling to technical services. The Company's R&D and manufacturing center in Yilan Science Park has begun building on a second factory, enhancing its R&D energy and production capacity. On sales channels, we will continue to increase overseas sales and service bases to expand services to customers in different regions, deepen our operation as a large world-class factory, strengthen the depth and breadth of cooperation with key customers, and become a strategic partner of key customers. With the industry's continuous development and introduction of new applications, it is expected that the Company's sales volume will continue to grow steadily this year.

III. Company's future development strategy and the impact from competitive environment, regulatory environment and overall operating environment:

While the global COVID-19 outbreak is subsiding,

geopolitical and inflationary concerns threaten the international economic order. Innodisk Corporation has continued to focus on the industrial control industry and AIoT intelligent applications and invested in R&D resources with an entrepreneurial attitude to maintain a technological leadership position. At the same time, it will also continuously improve the service satisfaction of global customers, so as to create the ultimate service value. In addition to business and profit growth, the Company prioritizes corporate sustainability by implementing ESG operations, paying close attention to environmental issues, fulfilling social responsibilities, and strengthening corporate governance. The Company has obtained ISO9001 quality certification, IECQ: QC080000 HSF certification, ISO45001 occupational safety and health workplace certification, ISO27001 information security certification, and ISO14064-1 greenhouse gas inventory certification from third parties. In addition, the Company has actively participated in social participation. Since 2016 when the Innodisk Education Foundation was established, it has been paying attention to the education problems of disadvantaged students, and encouraging and assisting students to stabilize their schooling and establish their learning direction. On corporate governance, the Company will actively promote and implement the Corporate Governance 3.0 Blueprint proposed by the competent authority. At the same time, the Company continues to pay attention to industrial competition and changes in laws and regulations; it not only abides by the laws, but also maintains

high attention and flexibility to possible industrial changes in the future, so as to formulate countermeasures at any time, and cultivate and maintain the Company's long-term and stable competitive advantage. We will adhere to our business philosophy of "Innovation. Discipline. Sharing." and continue to make progress toward our long-term goal of becoming a world-class company.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kuei

[Attachment II]

Innodisk Corporation
Audit Committee's Review Report

Among the 2022 business reports, financial statements, and profit distribution proposals prepared by the Company's board of directors; the financial statements were audited by PricewaterhouseCoopers and a written audit report was issued for reference.

The Audit Committee is in charge of supervising the Company's financial reporting process. The CPAs have certified the Company's 2022 annual financial statements and communicated with the Audit Committee on the following matters:

1. The CPAs have not found any significant deficiencies within the planned scope and timing of the audit.
2. The CPAs have provided the Audit Committee with a statement regarding the independence of the personnel who are in compliance with the Codes of Ethics for Professional Accountants, and have not found any relationships or other matters that may be considered to have affected the independence of the CPAs.
3. The certified public accountants have communicated with the Audit Committee on key audit matters before deciding matters to be communicated and disclosed on the audit report.

The Business Report, Financial Statements, and proposals for allocation of profits have been reviewed and determined to be correct and accurate by the Audit Committee members. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please kindly find the attached report for your reference.

Yours,

Innodisk Corporation 2023 General Shareholders' Meeting

Convener of the Audit Committee: Young, Kai-Charn

Audit Committee Member: Wang, Yin-Tien

Audit Committee Member: Lin, Wei-Li

Audit Committee Member: Lo, Su-Shun

February 23, 2023

[Attachment III]

Innodisk Corporation
Board of Directors' Meeting Procedure Rules Amendments
Comparison Table

Articles after amendments	Original articles	Description
<p>Article 3: The Company's board of directors convenes quarterly.</p> <p>The board of directors shall convene for the following reasons and notify all directors 7 days in advance. However, a meeting may convene at any time during an emergency.</p> <p>The matters stipulated in the Subparagraphs of Paragraph 1, Article 12, shall be listed as the reason for convening and shall not be used for extraordinary motions.</p> <p>When the counterparty approves a board of directors' meeting, the directors may be notified in writing, e-mail, or fax.</p>	<p>Article 3: The Company's board of directors convenes quarterly.</p> <p>The board of directors shall convene for the following reasons and notify all directors 7 days in advance. However, a meeting may convene at any time during an emergency.</p> <p>Except for emergency or other justifiable reasons, the matters specified by the various Subparagraphs of Paragraph 1, Article 12 of this Rules of Procedure shall be specified in the meeting notice as reasons for the meeting. They shall not be raised as extraordinary motions.</p> <p>When the counterparty approves a board of directors' meeting, the directors may be notified in writing, e-mail, or fax.</p>	<p>In accordance with Jin-Guan-Zheng-Fa-Zi No. 1110383263 dated August 5, 2022</p>
<p>Article 12: The following matters shall be submitted to the Company's board of directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. The annual financial report and the second quarter</p>	<p>Article 12: The following matters shall be submitted to the Company's board of directors for discussion:</p> <p>I. The Company's business plan.</p> <p>II. The annual financial report and the second quarter</p>	

Articles after amendments	Original articles	Description
<p>financial report are subject to verification by a CPA.</p> <p>III. Establish or amend the internal control system and assess the internal control system's performance according to Article 14-1 of the Securities and Exchange Act (hereafter the "Exchange Act").</p> <p>IV. Establishment or amendment of the asset acquisition/disposal procedures, derivative trading procedures, lending procedures, endorsement and guarantee procedures, and other procedures involving major financial consequences according to Article 36-1 of the Exchange Act.</p> <p>V. Offering, issuance, or private placement of equity securities.</p>	<p>financial report are subject to verification by a CPA.</p> <p>III. Establish or amend the internal control system and assess the internal control system's performance according to Article 14-1 of the Securities and Exchange Act (hereafter the "Exchange Act").</p> <p>IV. Establishment or amendment of the asset acquisition/disposal procedures, derivative trading procedures, lending procedures, endorsement and guarantee procedures, and other procedures involving major financial consequences according to Article 36-1 of the Exchange Act.</p> <p>V. Offering, issuance, or private placement of equity securities.</p>	<p>In accordance with Jin-Guan-Zheng-Fa-Zi No. 1110383263 dated August 5, 2022</p>
<p><u>VI. The election or dismissal of the chairman if the board of directors does not have an executive director.</u></p> <p><u>VII.</u> The appointment or discharge of a financial, accounting, or internal auditing officer.</p> <p><u>VIII.</u> Donations to related parties or major donations to non-related parties. However, a charity-related donation for emergency relief against a major natural disaster may be submitted to the next board of directors</p>	<p>VI. The appointment or discharge of a financial, accounting, or internal auditing officer.</p> <p>VII. Donations to related parties or major donations to non-related parties. However, a charity-related donation for emergency relief against a major natural disaster may be submitted to the next board of directors</p>	<p>In accordance with Jin-Guan-Zheng-Fa-Zi No. 1110383263 dated August 5, 2022</p>

Articles after amendments	Original articles	Description
<p>meeting for ratification.</p> <p><u>IX.</u> Decisions that shall be resolved through a shareholders meeting or a board of directors meeting according to Article 14-3 of the Exchange Act, the Articles of Incorporation or other laws, and any major issues prompted by the competent authority.</p> <p>The related parties specified in Subparagraph <u>VIII</u> of the preceding Paragraph shall refer to the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donations to non-related parties shall refer to any single or cumulative donations that amount to NT\$100 million or higher in a year to the same party or</p> <p>amounts that accumulate to over 1% of net revenue or 5% of paid-up capital, as shown in the latest audited financial statements.</p> <p>The one-year period mentioned above shall refer to the one year from the current board meeting. Amounts already passed in board meetings may be excluded from the calculation.</p> <p>For foreign companies whose stock has no par value or a par value other than NTD 10, the</p>	<p>meeting for ratification.</p> <p>VIH. Decisions that shall be resolved through a shareholders meeting or a board of directors meeting according to Article 14-3 of the Exchange Act, the Articles of Incorporation or other laws, and any major issues prompted by the competent authority.</p> <p>The related parties specified in Subparagraph VIH of the preceding Paragraph shall refer to the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donations to non-related parties shall refer to any single or cumulative donations that amount to NT\$100 million or higher in a year to the same party or amounts that accumulate to over 1% of net revenue or 5% of paid-up capital, as shown in the latest audited financial statements.</p> <p>The one-year period mentioned above shall refer to the one year from the current board meeting. Amounts already passed in board meetings may be excluded from the calculation.</p> <p>For foreign companies whose stock has no par value or a par value other than NTD 10, the</p>	

Articles after amendments	Original articles	Description
<p>“5 percent of paid-in capital” prescribed in Paragraph 2 above shall be calculated instead as 2.5% of shareholder equity.</p> <p>At least one independent director must attend the board of directors meeting in person. In case of matters listed in Paragraph 1 that must be submitted to the board of directors meeting for resolution, all independent directors must be present at the board of directors meeting. If an independent director cannot attend in person, another independent director shall be appointed to attend by proxy. Independent directors must be recorded in the board of directors meeting minutes if they have objections or reservations. Suppose an independent director is unable to express objections or qualified opinions personally at the board of directors meeting. In that case, the opinion shall be raised in writing in advance unless there is a justifiable reason not to do so. Such opinions shall also be recorded in the board of directors meeting minutes.</p>	<p>“5 percent of paid-in capital” prescribed in Paragraph 2 above shall be calculated instead as 2.5% of shareholder equity.</p> <p>At least one independent director must attend the board of directors meeting in person. In case of matters listed in Paragraph 1 that must be submitted to the board of directors meeting for resolution, all independent directors must be present at the board of directors meeting. If an independent director cannot attend in person, another independent director shall be appointed to attend by proxy. Independent directors must be recorded in the board of directors meeting minutes if they have objections or reservations. Suppose an independent director is unable to express objections or qualified opinions personally at the board of directors meeting. In that case, the opinion shall be raised in writing in advance unless there is a justifiable reason not to do so. Such opinions shall also be recorded in the board of directors meeting minutes.</p>	
<p>Article 18: If the Company appoints an executive director according to the Articles of Incorporation; Article 2, Paragraph 2 of Article 3, Articles 4 to 6, and Articles 8 to 11 shall apply mutatis mutandis to the executive</p>	<p>Article 18: If the Company appoints an executive director according to the Articles of Incorporation, Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 shall apply mutatis mutandis to the</p>	<p>In accordance with Jin-Guan-Zheng-Fa-Zi No. 1110383263 dated August 5, 2022</p>

Articles after amendments	Original articles	Description
<p>board meeting procedures for directors. Paragraph 3, Article 3 shall apply mutatis mutandis to the election or dismissal of the Chairman. However, if the executive board meeting regularly convenes within 7 days, the executive directors may be notified 2 days in advance.</p>	<p>executive board meeting procedures for directors. However, if the executive board meeting regularly convenes within 7 days, the executive directors may be notified 2 days in advance.</p>	
<p>Article 20: This Articles of Incorporation was established on April 15, 2011 The 1st amendment was made on 04-14-2012 The 2nd amendment was made on 10-29-2012 The 3rd amendment was made on 03-27-2013 The 4th amendment was made on 01-30-2018 The 5th amendment was made on 02-21-2020 The 6th amendment was made on 02-25-2021 The 7th amendment was made on 02-23-2023</p>	<p>Article 20: This Articles of Incorporation was established on April 15, 2011 The 1st amendment was made on 04-14-2012 The 2nd amendment was made on 10-29-2012 The 3rd amendment was made on 03-27-2013 The 4th amendment was made on 01-30-2018 The 5th amendment was made on 02-21-2020 The 6th amendment was made on 02-25-2021</p>	<p>Added revision dates.</p>

[Attachment IV]

Innodisk Corporation
Code of Ethics Amendment Comparison Table

Articles after amendments	Original articles	Description
<p><u>Article 7 (Labor Freedom)</u> <u>The Company prohibits using forced labor in any form and does not enslave or traffic labor. All labor shall be voluntary, and employees must be allowed to leave their jobs under the conditions specified by local laws and regulations. The Company forbids any behavior restricting labor freedom, such as confiscating ID cards, collecting deposits or mortgages, detaining workers' salaries, deploying surveillance or eavesdropping, demanding body searches, restricting workers' access to and from the factory, and forcing overtime.</u></p>	<p>Newly Added</p>	<p>Updated according to company practice and with reference to the Responsible Business Alliance (RBA) Code of Conduct</p>
<p>Article 8 (Respect for Privacy and Rumor Prohibition) The Company's personnel shall respect each other's privacy and not spread rumors to attack others.</p>	<p>Article 7 (Respect for Privacy and Rumor Prohibition) The Company's personnel shall respect each other's privacy and not spread rumors to attack others.</p>	<p>Adjust Article Number</p>
<p>Article 9 (Confidentiality Obligations) The Company's personnel shall carefully manage the matters, confidential information, or client information known to them during their duties; and shall not disclose or use them for purposes other than work unless disclosed by the Company or required by law.</p>	<p>Article 8 (Confidentiality Obligations) The Company's personnel shall carefully manage the matters, confidential information, or client information known to them during their duties; and shall not disclose or use them for purposes other than work unless disclosed by the Company or required by law.</p>	<p>Adjust Article Number</p>

Articles after amendments	Original articles	Description
<p>The same shall apply after their resignation.</p> <p>The confidential information stipulated in the preceding paragraph includes all unpublished information that competitors could use or cause damage to the Company or clients if it leaked.</p>	<p>The same shall apply after their resignation.</p> <p>The confidential information stipulated in the preceding paragraph includes all unpublished information that competitors could use or cause damage to the Company or clients if it leaked.</p>	
<p>Article 10 (Obligation to Correctly Prepare and Preserve Documents and Materials)</p> <p>The Company’s personnel shall ensure the correctness and completeness of all document or electromagnetic record forms under their management and must safeguard them properly. If documents or electromagnetic records are discovered to be lost, damaged, or their contents concealed or falsified, notify the unit’s supervisor promptly to determine the cause.</p>	<p>Article 9 (Obligation to Correctly Prepare and Preserve Documents and Materials)</p> <p>The Company’s personnel shall ensure the correctness and completeness of all document or electromagnetic record forms under their management and must safeguard them properly. If documents or electromagnetic records are discovered to be lost, damaged, or their contents concealed or falsified, notify the unit’s supervisor promptly to determine the cause.</p>	Adjust Article Number
<p>Article 11 (Proper Protection of Company Assets)</p> <p>The Company’s personnel are responsible for safeguarding the Company’s assets, ensuring they can be used effectively and legally for Company operations, and avoiding affecting the Company’s ability to operate. When performing their duties, Company personnel must take special care not to allow data, information systems, network equipment, and other resources to be</p>	<p>Article 10 (Proper Protection of Company Assets)</p> <p>The Company’s personnel are responsible for safeguarding the Company’s assets, ensuring they can be used effectively and legally for Company operations, and avoiding affecting the Company’s ability to operate. When performing their duties, Company personnel must take special care not to allow data, information systems, network equipment, and other resources to be</p>	Adjust Article Number

Articles after amendments	Original articles	Description
interfered with, destroyed, or invaded by any factor. The goal is to protect the confidentiality, integrity, and availability of the Company's information.	interfered with, destroyed, or invaded by any factor. The goal is to protect the confidentiality, integrity, and availability of the Company's information.	
Article <u>12</u> (Prohibition against Insider Trading) Any information learned by Company personnel due to their duties that may significantly affect the price of securities transactions shall be kept strictly confidential according to the provisions of the Securities and Exchange Act before it is publicly disclosed, and the information shall not be used for insider trading.	Article 44 (Prohibition against Insider Trading) Any information learned by Company personnel due to their duties that may significantly affect the price of securities transactions shall be kept strictly confidential according to the provisions of the Securities and Exchange Act before it is publicly disclosed, and the information shall not be used for insider trading.	Adjust Article Number
Article <u>13</u> (Prohibition on Seeking Self-interest through Exploitation) The Company's employees shall not be permitted to use their positions for personal gain. The Company's personnel shall protect the legitimate rights and interests of the Company and avoid the following: I. Opportunities or actions to obtain personal gain through using Company assets and information or the convenience of one's position. II. Compete with the Company in violation of legal procedures, or engage in business-related behaviors for oneself or others. When	Article 42 (Prohibition on Seeking Self-interest through Exploitation) The Company's employees shall not be permitted to use their positions for personal gain. The Company's personnel shall protect the legitimate rights and interests of the Company and avoid the following: I. Opportunities or actions to obtain personal gain through using Company assets and information or the convenience of one's position. II. Compete with the Company in violation of legal procedures, or engage in business-related behaviors for oneself or others. When	Adjust Article Number

Articles after amendments	Original articles	Description
<p>the Company has profit opportunities, the Company’s personnel shall strive to increase the Company’s legitimate legal interests.</p>	<p>the Company has profit opportunities, the Company’s personnel shall strive to increase the Company’s legitimate legal interests.</p>	
<p>Article 14 (Conflicts of Interest Prohibition) The Company’s personnel shall not engage in any fund lending, major asset transactions, guarantees, or other transactions that conflict with the interests of the Company in the name of themselves or others.</p>	<p>Article 13 (Conflicts of Interest Prohibition) The Company’s personnel shall not engage in any fund lending, major asset transactions, guarantees, or other transactions that conflict with the interests of the Company in the name of themselves or others.</p>	<p>Adjust Article Number</p>
<p>Article 15 (Avoid Possible Conflict of Interest) Directors must maintain a high level of self-discipline. A participating director shall be recused if the director believes that the proposal resolved by the board of directors may cause a conflict of interest in the director or the legal person the director represents, which may harm the Company’s interests. When a director believes he cannot handle affairs objectively or in a way that is beneficial to the Company or when a transaction or relationship may cause a conflict of interest, the director shall state the matter voluntarily and handle it legally and appropriately or be recused. Based on their position and authority, the Company’s directors and managers shall take the initiative to declare</p>	<p>Article 14 (Avoid Possible Conflict of Interest) Directors must maintain a high level of self-discipline. A participating director shall be recused if the director believes that the proposal resolved by the board of directors may cause a conflict of interest in the director or the legal person the director represents, which may harm the Company’s interests. When a director believes he cannot handle affairs objectively or in a way that is beneficial to the Company or when a transaction or relationship may cause a conflict of interest, the director shall state the matter voluntarily and handle it legally and appropriately or be recused. Based on their position and authority, the Company’s directors and managers shall take the initiative to declare</p>	<p>Adjust Article Number</p>

Articles after amendments	Original articles	Description
<p>whether they, their spouses, direct blood relatives, second-degree relatives, and the organizations for which they work are participating in the Company’s business dealings; and handle it legally and appropriately or be recused.</p>	<p>whether they, their spouses, direct blood relatives, second-degree relatives, and the organizations for which they work are participating in the Company’s business dealings; and handle it legally and appropriately or be recused.</p>	
<p>Article <u>16</u> (Fair Trade and Treatment) The Company’s employees must treat the business transactions fairly and must not engage in any unfair or immoral behavior, such as:</p> <ol style="list-style-type: none"> I. Obtaining improper benefits from each other. II. Spread false rumors about clients, traders, competitors, and employees. III. Deliberately misrepresent the quality or content of the Company’s products or services. IV. Obtaining improper benefits by manipulating, concealing, and abusing information acquired based on one’s position, making false statements about important matters, or engaging in unfair transactions. <p>The Company’s personnel must trade with related parties or affiliated companies under the principle of fair treatment; comply with laws, regulations of competent authorities, and relevant regulations of the</p>	<p>Article 15 (Fair Trade and Treatment) The Company’s employees must treat the business transactions fairly and must not engage in any unfair or immoral behavior, such as:</p> <ol style="list-style-type: none"> I. Obtaining improper benefits from each other. II. Spread false rumors about clients, traders, competitors, and employees. III. Deliberately misrepresent the quality or content of the Company’s products or services. IV. Obtaining improper benefits by manipulating, concealing, and abusing information acquired based on one’s position, making false statements about important matters, or engaging in unfair transactions. <p>The Company’s personnel must trade with related parties or affiliated companies under the principle of fair treatment; comply with laws, regulations of competent authorities, and relevant regulations of the</p>	<p>Adjust Article Number</p>

Articles after amendments	Original articles	Description
Company; and no special preferential treatment is permitted.	Company; and no special preferential treatment is permitted.	
Article <u>17</u> (Prohibition of Gifts, Bribes, or Improper Advantages) When performing their duties, the Company's personnel are not allowed to request, promise, deliver, or accept any form of gifts, entertainment, kickbacks, bribes, or other improper benefits to profit individuals, companies, or third parties. However, the gift or entertainment permitted by social etiquette and customs or company regulations is not restricted.	Article 46 (Prohibition of Gifts, Bribes, or Improper Advantages) When performing their duties, the Company's personnel are not allowed to request, promise, deliver, or accept any form of gifts, entertainment, kickbacks, bribes, or other improper benefits to profit individuals, companies, or third parties. However, the gift or entertainment permitted by social etiquette and customs or company regulations is not restricted.	Adjust Article Number
Article <u>18</u> (Obligation to Report Transaction Authenticity) The Company's employees conducting transactions with others due to the performance of their duties shall, based on the principle of good faith, truthfully report the content of the transaction. They shall not conceal or make false reports that will damage the Company's rights and interests.	Article 47 (Obligation to Report Transaction Authenticity) The Company's employees conducting transactions with others due to the performance of their duties shall, based on the principle of good faith, truthfully report the content of the transaction. They shall not conceal or make false reports that will damage the Company's rights and interests.	Adjust Article Number
Article <u>19</u> (Respect the Intellectual Property Rights of others) The Company's employees shall respect and legally utilize the intellectual property rights of others when performing their duties.	Article 48 (Respect the Intellectual Property Rights of others) The Company's employees shall respect and legally utilize the intellectual property rights of others when performing their duties.	Adjust Article Number
Article <u>20</u> (Restrictions on	Article 49 (Restrictions on	Adjust

Articles after amendments	Original articles	Description
<p>Engaging in Political Party Activities) The Company’s employees are neither permitted to engage in political activities in the workplace or during working hours nor allowed to use Company resources to do so. However, this does not apply to public relations personnel’s specific public relations activities.</p>	<p>Engaging in Political Party Activities) The Company’s employees are neither permitted to engage in political activities in the workplace or during working hours nor allowed to use Company resources to do so. However, this does not apply to public relations personnel’s specific public relations activities.</p>	<p>Article Number</p>
<p>Article 21 (Prohibition of Influencing the Political Party Activities of others) Directors and managers are not permitted to persuade employees to donate to political parties, support specific political parties or candidates, or participate in other political party activities in the workplace or during working hours.</p>	<p>Article 20 (Prohibition of Influencing the Political Party Activities of others) Directors and managers are not permitted to persuade employees to donate to political parties, support specific political parties or candidates, or participate in other political party activities in the workplace or during working hours.</p>	<p>Adjust Article Number</p>
<p>Article 22 (Compliance with Laws and Regulations) The Company’s personnel shall abide by laws and regulations, such as the Securities Exchange Act, the Money Laundering Prevention Act, the Fair Trade Act, and other laws and regulations.</p>	<p>Article 21 (Compliance with Laws and Regulations) The Company’s personnel shall abide by laws and regulations, such as the Securities Exchange Act, the Money Laundering Prevention Act, the Fair Trade Act, and other laws and regulations.</p>	<p>Adjust Article Number</p>
<p>Article 23 (Obligation to Report Violations) The directors and managers of the Company must constantly promote moral principles and urge all employees to report any violations of laws, regulations, or this Code as soon as they become aware of</p>	<p>Article 22 (Obligation to Report Violations) The directors and managers of the Company must constantly promote moral principles and urge all employees to report any violations of laws, regulations, or this Code as soon as they become aware of</p>	<p>Adjust Article Number</p>

Articles after amendments	Original articles	Description
<p>them or have a good faith suspicion that they have occurred. However, they must not do so in a malicious manner.</p> <p>The party accused of violation in the report shall not retaliate or make any threats against the violation reporter in the preceding paragraph. If the reporter encounters retaliation, threats, or harassment; the reporter shall immediately report to the superior supervisor, internal audit supervisor, or other appropriate personnel; and the Company shall deal with the matter immediately and appropriately.</p>	<p>them or have a good faith suspicion that they have occurred. However, they must not do so in a malicious manner.</p> <p>The party accused of violation in the report shall not retaliate or make any threats against the violation reporter in the preceding paragraph. If the reporter encounters retaliation, threats, or harassment; the reporter shall immediately report to the superior supervisor, internal audit supervisor, or other appropriate personnel; and the Company shall deal with the matter immediately and appropriately.</p>	
<p>Article <u>24</u> (Punishment and Remedy Procedures) Suppose a Company’s employee is involved in serious violations of relevant laws and regulations. In that case, the Company shall investigate their civil and criminal legal liabilities to protect the rights and interests of the Company and its shareholders. The Company’s employees shall be subject to the personnel regulations and disciplined by the Company as necessary. The same applies to directors who failed to correct employee wrongdoing or comply with the Company’s regulations. If a Company employee violates this Code, the responsible unit shall report it and take appropriate</p>	<p>Article 23 (Punishment and Remedy Procedures) Suppose a Company’s employee is involved in serious violations of relevant laws and regulations. In that case, the Company shall investigate their civil and criminal legal liabilities to protect the rights and interests of the Company and its shareholders. The Company’s employees shall be subject to the personnel regulations and disciplined by the Company as necessary. The same applies to directors who failed to correct employee wrongdoing or comply with the Company’s regulations. If a Company employee violates this Code, the responsible unit shall report it and take appropriate</p>	Adjust Article Number

Articles after amendments	Original articles	Description
<p>disciplinary action. When the Company accuses an employee of wrongdoing, the employee shall present evidence to appeal, and the Company shall take appropriate action with reference to the appeal of the accused.</p> <p>For directors and managers who violated this Code and are convicted of their crimes by the court of first instance or are determined by the Company’s board of directors to violate this code and a disposition has been issued, the Company shall immediately disclose information such as the date of violation, the reason for the offense, the code violated, and the disposition on the Market Observation Post System.</p>	<p>disciplinary action. When the Company accuses an employee of wrongdoing, the employee shall present evidence to appeal, and the Company shall take appropriate action with reference to the appeal of the accused.</p> <p>For directors and managers who violated this Code and are convicted of their crimes by the court of first instance or are determined by the Company’s board of directors to violate this code and a disposition has been issued, the Company shall immediately disclose information such as the date of violation, the reason for the offense, the code violated, and the disposition on the Market Observation Post System.</p>	
<p>Article 25 (Procedures for Exemption) Suppose directors and managers must be exempted from complying with the provisions of this Code. In that case, it must be approved by a board of directors meeting with over two-thirds of the directors present and the consent of over three-quarters of the directors present.</p> <p>In the case of the preceding paragraph, the Company must immediately post information on the Market Observation Post System, including the date on which the board of</p>	<p>Article 24 (Procedures for Exemption) Suppose directors and managers must be exempted from complying with the provisions of this Code. In that case, it must be approved by a board of directors meeting with over two-thirds of the directors present and the consent of over three-quarters of the directors present.</p> <p>In the case of the preceding paragraph, the Company must immediately post information on the Market Observation Post System, including the date on which the board of</p>	Adjust Article Number

Articles after amendments	Original articles	Description
directors approved the exemption, any reservations or objections from independent directors, the applicable time frame, and the criteria and justifications for the exemption.	directors approved the exemption, any reservations or objections from independent directors, the applicable time frame, and the criteria and justifications for the exemption.	
Article 26 (Disclosure Method) This Code shall be disclosed on the Company’s website, annual report, prospectus, and the Market Observation Post System, and the same shall apply to its revisions.	Article 25 (Disclosure Method) This Code shall be disclosed on the Company’s website, annual report, prospectus, and the Market Observation Post System, and the same shall apply to its revisions.	Adjust Article Number
Article 27 (Measure Formulation and Implementation) The Company shall develop pertinent management rules and regulations according to the guiding principles and relevant information disclosed in this Code.	Article 26 (Measure Formulation and Implementation) The Company shall develop pertinent management rules and regulations according to the guiding principles and relevant information disclosed in this Code.	Adjust Article Number
Article 28 (Announcement and Implementation of this Code) This Code shall enter into force after approval by the board of directors and submitted to the shareholders’ meeting. The same shall apply to its revisions.	Article 27 (Announcement and Implementation of this Code) This Code shall enter into force after approval by the board of directors and submitted to the shareholders’ meeting. The same shall apply to its revisions.	Adjust Article Number
Article 29 (Formulation and Revisions) This Code of Conduct was established on 10-29-2012. The 1st amendment was made on 03-27-2013. The 2nd amendment was made on 03-18-2015 The 3rd amendment was	Article 28 (Formulation and Revisions) This Code of Conduct was established on 10-29-2012. The 1st amendment was made on 03-27-2013. The 2nd amendment was made on 03-18-2015	Adjusted the article numbers and added the revision dates.

Articles after amendments	Original articles	Description
made on 02-23-2023.		

[Attachment V]

Independent Auditor's Report

(112) Cai-Shen-Bao-Zi #22003702

To the Board of Directors and Stockholders of Innodisk Corporation:

Opinion

We have audited the parent company only balance sheets of Innodisk Corporation (the "Company") as of December 31, 2022 and 2021, and the related 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 significant accounting policies.

In our opinion, the aforementioned parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and 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 planned and conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Generally Accepted Auditing Standards 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 the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 were of most significance in our audit of the 2022 parent company only financial statements in our professional judgment. 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 the Innodisk Corporation's 2022 parent company only financial statements are as follows:

Key audit matter –Inventory Evaluation

Description

With respect to the accounting policy for inventory valuation, please refer to Note 4 (12) of the parent company only financial statements. For the uncertainty of accounting estimates and assumptions applied in inventory valuation, please refer to Note 5 (2). For the accounting entries of inventory, please refer to Note 6(5).

Innodisk Corporate mainly manufactures and sells industrial storage devices and memory modules. Due to technological changes and price fluctuation of key raw materials, Innodisk's inventory is measured at the lower of cost and net realizable value and at the same time supplemented by separate identification of the usability of long-term inventory to recognize valuation loss. As the inventory valuation of Innodisk involves subjective judgment and the valuation is material to parent company only financial statements, we consider the inventory valuation as one of the key matters for audit.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Understand the inventory allowance evaluation and presentation policy, and confirm the adoption of the provision policy for the inventory evaluation loss during the financial statement period.
2. Obtain the statement of the net realizable value of each inventory, confirm its calculation logic, test the relevant parameters, including the source data of the sales data file and the relevant supporting evaluation documents, and recalculate the allowance evaluation loss that should be accrued after each item number compares its cost with the net realizable value, whichever is lower.
3. Obtain an inventory aging report to conduct inventory aging test. Random sampling of inventory and compare inventory transaction records to confirm the classification of aging intervals.
4. Compared current and previous year's allowance for valuation of inventory loss and reviewed the reasonableness of allowance recognized.

Key audit matter –Existence of Sales Revenue

Description

For the accounting policy of income recognition, please refer to Note 4(29) of the parent company only financial statements. For the description of accounting entries of sales income, please refer to Note 6(19).

Innodisk Corporation is mainly engaged in the research, development, manufacturing and sales of industrial storage devices and memory modules. Due to that product diversification and innovation affect changes to top ten customers sales and the large transactions with top ten customers require much resources in audit, we have listed the existence of sales revenue of the top ten customers as one of the important items for audit.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Obtained an understanding of the process and basis of sales revenue recognition and collection with the top ten customers to evaluate the effectiveness of internal control of sales revenue recognition by the management, and test the effectiveness of internal control on shipping, billing and payment collection.
2. Obtain the evaluation data of the top ten customers, search for relevant information and verify them.
3. Test if the credit conditions for the top ten customers have been properly approved.
4. Selected samples of details of sales for the top ten customers to verify the related vouchers and status of subsequent payment collection.
5. Obtain details of sales returns in the subsequent period of the top ten customers and examine the status of sales returns.

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 the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, 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 misstatements, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company'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 means a high level of assurance, but an audit conducted in accordance with the Generally Accepted Auditing Standards of the Republic of China does not provide assurance that material misstatements in the parent company only financial statements can be detected. Misstatements can arise from fraud or error. They 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.

We exercised professional judgment and professional suspicion when conducting the audit in accordance with the auditing standards of the Republic of China. 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 Innodisk'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 the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit for the parent company. 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 Company's parent company only financial statements of 2022 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.

Yeh, Tsui Miao

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

Innodisk Corporation
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Expressed in Thousands of NTD

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 3,608,016	41	\$ 1,824,752	23
1136	Current financial assets at amortised cost	6 (3)	-	-	600,000	8
1150	Notes receivable	6 (4)	2,565	-	1,986	-
1170	Accounts receivable, net	6 (4)	1,101,024	12	1,178,044	15
1180	Accounts receivable -- related parties	6 (4) and 7 (2)	223,754	3	357,219	5
1200	Other receivables		1,763	-	2,879	-
1210	Other receivables -- related parties	7 (2)	808	-	279	-
1220	Current income tax assets	6 (26)	913	-	494	-
130X	Inventories	6 (5)	1,048,647	12	1,532,434	19
1410	Prepayments		41,239	-	87,465	1
11XX	Current Assets		<u>6,028,729</u>	<u>68</u>	<u>5,585,552</u>	<u>71</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6 (2)	27,839	-	-	-
1535	Non-current financial assets at amortized cost	6 (3) and 8	10,706	-	10,706	-
1550	Investments accounted for using equity method	6 (6)	560,864	6	469,476	6
1600	Property, plant and equipment	6 (7) and 8	1,751,178	20	1,324,833	17
1755	Right-of-use assets	6 (8)	179,933	2	182,889	2
1760	Investment property, net	6 (10) and 8	236,213	3	136,438	2
1780	Intangible assets		25,299	-	27,164	-
1840	Deferred income tax assets	6 (26)	68,722	1	56,350	1
1920	Refundable deposit		1,382	-	780	-
1990	Other non-current assets - others	6 (7)	-	-	82,761	1
15XX	Non-current assets		<u>2,862,136</u>	<u>32</u>	<u>2,291,397</u>	<u>29</u>
1XXX	Total Assets		<u>\$ 8,890,865</u>	<u>100</u>	<u>\$ 7,876,949</u>	<u>100</u>

(Continued)

Innodisk Corporation
Parent Company Only Balance Sheet
December 31, 2022 and 2021

Expressed in Thousands of NTD

Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Current contract liabilities	6 (19)	\$ 35,857	-	\$ 8,184	-
2170	Accounts payable		675,442	8	923,937	12
2180	Accounts payable -- related parties	7 (2)	65	-	16,023	-
2200	Other payables	6 (11)	527,316	6	429,717	6
2220	Other payables -- related parties	7 (2)	8,292	-	8,124	-
2230	Current income tax liabilities	6 (26)	190,184	2	272,026	3
2250	Provisions for liabilities-current	6 (15)	68,289	1	59,600	1
2280	Current lease liabilities		7,915	-	7,959	-
2300	Other current liabilities		3,327	-	3,603	-
21XX	Current Liabilities		<u>1,516,687</u>	<u>17</u>	<u>1,729,173</u>	<u>22</u>
Non-current liabilities						
2540	Long-term loans	6 (12)	180,000	2	-	-
2570	Deferred income tax liabilities:	6 (26)	4,323	-	8,279	-
2580	Non-current lease liabilities		175,203	2	177,216	2
2645	Guarantee deposit received		1,785	-	1,292	-
25XX	Non-current Liabilities		<u>361,311</u>	<u>4</u>	<u>186,787</u>	<u>2</u>
2XXX	Total liabilities		<u>1,877,998</u>	<u>21</u>	<u>1,915,960</u>	<u>24</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6 (16)	865,531	10	826,680	11
Capital surplus						
3200	Capital surplus	6 (17)	1,356,462	15	1,213,829	15
Retained earnings						
3310	Legal reserve	6 (18)	766,831	9	610,743	8
3320	Special reserve		13,147	-	5,438	-
3350	Unappropriated retained earnings		4,011,820	45	3,317,446	42
Other equity interests						
3400	Other equity interests		(924)	-	(13,147)	-
3XXX	Total equity		<u>7,012,867</u>	<u>79</u>	<u>5,960,989</u>	<u>76</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total Liabilities and Equity		<u>\$ 8,890,865</u>	<u>100</u>	<u>\$ 7,876,949</u>	<u>100</u>

The accompanying notes are an integral part of the individual financial statements; please review them together.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation
Parent Company Only Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD
(Except for earnings per share)

Item	Note	2022		2021		
		Amount	%	Amount	%	
4000	Operating revenue	6 (19) and 7 (2)	\$ 9,258,869	100	\$ 9,427,772	100
5000	Operating costs	6 (5) and 7 (2)	(6,318,605)	(68)	(6,752,343)	(72)
5900	Gross profit before unrealized gross profit on sales to subsidiaries		2,940,264	32	2,675,429	28
5910	Unrealized profit from sales		(7,095)	-	(14,316)	-
5920	Realized profit on from sales		14,316	-	12,625	-
5950	Gross profit before unrealized gross profit on sales to subsidiaries		2,947,485	32	2,673,738	28
	Operating expenses	6 (24) and 7 (2)				
6100	Selling expenses		(420,502)	(4)	(323,578)	(3)
6200	General and administrative expenses		(346,141)	(4)	(364,014)	(4)
6300	Research and development expenses		(270,834)	(3)	(171,450)	(2)
6450	Expected loss on credit impairment	12 (2)	(21,045)	-	(493)	-
6000	Total operating expenses		(1,058,522)	(11)	(859,535)	(9)
6900	Operating profit		1,888,963	21	1,814,203	19
	Non-operating income and expenses					
7100	Interest income	6 (20)	13,174	-	4,844	-
7010	Other income	6 (21) and 7 (2)	29,693	-	16,647	-
7020	Other gains and losses	6 (22)	200,560	2	(24,098)	-
7050	Finance cost	6 (23)	(5,269)	-	(2,304)	-
7070	Share of profit/(loss) of associates and joint ventures accounted for using equity method	6 (6)	69,545	1	110,802	1
7000	Total non-operating income and expenses		307,703	3	105,891	1
7900	Profit before income tax		2,196,666	24	1,920,094	20
7950	Income tax expense	6 (26)	(346,477)	(4)	(359,206)	(4)
8200	Profit for the year		\$ 1,850,189	20	\$ 1,560,888	16
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized appraisal gains and losses of equity instrument investment measured at fair value through other comprehensive income		(\$ 2,131)	-	\$ -	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		14,354	-	(7,709)	-
8360	Components of other comprehensive loss that will be reclassified to profit or loss		12,223	-	(7,709)	-
8500	Total comprehensive income for the year		\$ 1,862,412	20	\$ 1,553,179	16
	Basic earnings per share					
9750	Profit for the year		\$ 21.46		\$ 18.39	
	Diluted earnings per share					
9850	Profit for the year		\$ 21.23		\$ 18.08	

The accompanying notes are an integral part of the individual financial statements; please review them together.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation
Parent Company Only Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

	Note	Retained earnings				Other equity interests			Total equity
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive income	
<u>2021</u>									
Balance as of January 1, 2021		\$ 813,240	\$ 1,082,702	\$ 517,734	\$ 4,080	\$ 2,403,928	(\$ 5,438)	\$ -	\$ 4,816,246
Profit for the year		-	-	-	-	1,560,888	-	-	1,560,888
Other comprehensive profit and loss for the year		-	-	-	-	-	(7,709)	-	(7,709)
Total comprehensive profit and loss for the year		-	-	-	-	1,560,888	(7,709)	-	1,553,179
Appropriations and of 2020 earnings	6 (18)								
Legal reserve		-	-	93,009	-	(93,009)	-	-	-
Special reserve		-	-	-	1,358	(1,358)	-	-	-
Cash dividends		-	-	-	-	(553,003)	-	-	(553,003)
Share-based payment	6 (14)	-	19,973	-	-	-	-	-	19,973
Exercise of employee share options	6 (16)	13,440	111,055	-	-	-	-	-	124,495
Share-based remuneration for employees of subsidiaries		-	99	-	-	-	-	-	99
Balance as of December 31, 2021		\$ 826,680	\$ 1,213,829	\$ 610,743	\$ 5,438	\$ 3,317,446	(\$ 13,147)	\$ -	\$ 5,960,989
<u>2022</u>									
Balance as of January 1, 2022		\$ 826,680	\$ 1,213,829	\$ 610,743	\$ 5,438	\$ 3,317,446	(\$ 13,147)	\$ -	\$ 5,960,989
Profit for the year		-	-	-	-	1,850,189	-	-	1,850,189
Other comprehensive profit and loss for the year		-	-	-	-	-	14,354	(2,131)	12,223
Total comprehensive profit and loss for the year		-	-	-	-	1,850,189	14,354	(2,131)	1,862,412
Appropriation and distribution of 2021 earnings	6 (18)								
Legal reserve		-	-	156,088	-	(156,088)	-	-	-
Special reserve		-	-	-	7,709	(7,709)	-	-	-
Stock dividends		24,801	-	-	-	(24,801)	-	-	-
Cash dividends		-	-	-	-	(967,217)	-	-	(967,217)
Share-based payment	6 (14)	-	31,447	-	-	-	-	-	31,447
Exercise of employee share options	6 (16)	14,050	110,918	-	-	-	-	-	124,968
Share-based remuneration for employees of subsidiaries		-	268	-	-	-	-	-	268
Balance as of December 31, 2022		\$ 865,531	\$ 1,356,462	\$ 766,831	\$ 13,147	\$ 4,011,820	\$ 1,207	(\$ 2,131)	\$ 7,012,867

The accompanying notes are an integral part of the individual financial statements; please review them together.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>Cash flow from operating activities</u>			
Profit before income tax for the year		2,196,666	1,920,094
Adjustments:			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (24)	86,622	60,532
Depreciation charges on right-of-use assets	6 (24)	9,170	9,315
Amortization charges on the intangible assets and deferred assets.	6 (24)	21,660	21,499
Depreciation charges on investment property	6 (22)	2,886	2,028
Expected loss (profit) on credit impairment	12 (2)	21,045	493
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6 (5)	43,847	124,783
Loss on scrapping inventory	6 (5)	13,326	3,353
Share of profit/(loss) of associates accounted for under equity method	6 (6)	69,545	110,802
Gains on revaluation of investments accounted for using equity method	6 (22)	-	2,780
Loss (gain) on disposal of property, plant and equipment	6 (22)	-	388
Disposal of investment gains	6 (22)	4,228	-
Gain on lease modification	6 (8)	3	-
Interest expense	6 (23)	5,269	2,304
Interest income	6 (20)	13,174	4,844
Compensation cost of employee stock options	6 (14)	31,447	19,973
Unrealized profit from sales		7,095	14,316
Realized profit on from sales		14,316	12,625
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		579	1,728
Accounts receivable, net		55,975	596,197
Accounts receivable -- related parties		133,465	75,003
Other receivables		1,116	251
Other receivables - related parties		529	549
Inventories		426,614	923,334
Prepayments		46,226	42,899
Changes in operating liabilities			
Current contract liabilities		27,673	18,821
Accounts payable		248,495	386,924
Accounts payable -- related parties		15,958	13,970
Other payables		60,964	137,751
Other payables -- related parties		168	3,898
Provisions for liabilities-current		8,689	1,593
Other current liabilities		276	1,530
Cash inflow generated from operations		2,832,820	932,047
Interest received		13,174	4,843
Income tax paid		445,066	208,728
Net cash flows from operating activities		2,400,928	728,162

(Continued)

Innodisk Corporation
Parent Company Only Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

	Note	January 1 to December 31, 2022	January 1 to December 31, 2021
<u>Cash Flow from Investing Activities</u>			
Acquisition of non-current financial assets at fair value through other comprehensive income	6 (2)	29,970	-
Decrease (increase) in current financial assets at amortized cost		600,000	200,000
Increase in non-current financial assets at amortized cost		-	3,000
Acquisition of investments accounted for using equity method	6 (6)	-	19,889
Proceeds from disposal of investments accounted for using equity method		4,228	-
Acquisition of property, plant and equipment	6 (29)	393,756	129,362
Disposal of property, plant and equipment		-	450
Acquisition of intangible assets		20,206	22,885
Acquisition of investment property	6 (10)	102,661	-
Increase in prepayments for equipment		-	68,802
Increase in refundable deposits		755	207
Decrease in refundable deposits		153	207
Decrease (increase) in other non-current assets		414	13,229
Net cash flows from (used in) investing activities		<u>57,447</u>	<u>456,717</u>
<u>Cash Flow from Financing Activities</u>			
Proceeds from long-term debt	6 (30)	180,000	-
Increase in guarantee deposits received		1,092	524
Decrease in guarantee deposits received		599	332
Cash dividends paid	6 (30)	967,217	553,003
Exercise of employee share options		124,968	124,495
Interest paid		5,087	2,304
Payment of lease liabilities	6 (30)	8,268	8,343
Net cash used in financing activities		<u>675,111</u>	<u>438,963</u>
Net increase (decrease) in cash and cash equivalents		1,783,264	167,518
Cash and cash equivalents at beginning of year		1,824,752	1,992,270
Cash and cash equivalents at end of year		<u>3,608,016</u>	<u>1,824,752</u>

The accompanying notes are an integral part of the individual financial statements; please review them together.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Independent Auditor's Report

(112) Cai-Shen-Bao-Zi #22003847

To the Board of Directors and Stockholders of Innodisk Corporation:

Opinion

We have duly audited the consolidated balance sheet of Innodisk Corporation and subsidiaries (the "Group") as of December 31, 2022 and 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow from January 1 to December 31, 2022 and 2021 as well as notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, and IFRIC Interpretations and SIC Interpretation as endorsed by the Financial Supervisory Commission, and are fairly stated in terms of the consolidated financial position of Innodisk Corporation and its subsidiaries as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2022 and 2021.

Basis for opinion

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

Key audit matters

A key audit matter is one that, in our professional judgment, is material to the examination of the consolidated financial statements of Innodisk Corporation and its subsidiaries for 2022. 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 the Group's 2022 consolidated financial statements are stated as follows:

Key audit matter –Inventory Evaluation

Description

With respect to the accounting policy for inventory valuation, please refer to Note 4 (13) of the consolidated financial statements. For the uncertainty of accounting estimates and assumptions applied in inventory valuation, please refer to Note 5 (2). For the accounting entries of inventory, please refer to Note 6 (5).

Innodisk Group mainly manufactures and sells industrial storage devices and memory modules. Due to technological changes and price fluctuation of key raw materials, Innodisk's inventory is measured at the lower of cost and net realizable value and at the same time supplemented by separate identification of the usability of long-term inventory to recognize valuation loss. As the inventory valuation of Innodisk involves subjective judgment and the valuation is material to consolidated financial statements, we consider the inventory valuation as one of the key matters for audit.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Understand the inventory allowance evaluation and presentation policy, and confirm the adoption of the provision policy for the inventory evaluation loss during the financial statement period.
2. Obtain the statement of the net realizable value of each inventory, confirm its calculation logic, test the relevant parameters, including the source data of the sales data file and the relevant supporting evaluation documents, and recalculate the allowance evaluation loss that should be accrued after each item number compares its cost with the net realizable value, whichever is lower.
3. Obtain an inventory aging report to conduct inventory aging test. Random sampling of inventory and compare inventory transaction records to confirm the classification of aging intervals.
4. Compared current and previous year's allowance for valuation of inventory loss and reviewed the reasonableness of allowance recognized.

Key audit matter –Existence of Sales Revenue

Description

For the accounting policy of income recognition, please refer to Note 4 (30) of the consolidated financial statements. For the description of accounting entries of sales income, please refer to Note 6 (20).

Innodisk Group is mainly engaged in the research, development, manufacturing and sales of industrial storage devices and memory modules. Because product diversification and innovation affect changes to the top ten customers' sales and the large transactions with top ten customers require much resources in audit, we have listed the existence of sales revenue of the top ten customers as one of the important items for audit.

How our audit addressed the matter

The scope of our audit responded to the risk as follows:

1. Obtained an understanding of the process and basis of sales revenue recognition and collection with the top ten customers to evaluate the effectiveness of internal control of sales revenue recognition by the management, and test the effectiveness of internal control on shipping, billing and payment collection.
2. Obtain the evaluation data of the top ten customers, search for relevant information and verify them.
3. Test if the credit conditions for the top ten customers have been properly approved.
4. Selected samples of details of sales for the top ten customers to verify the related vouchers and status of subsequent payment collection.
5. Obtain details of sales returns in the subsequent period of the top ten customers and examine the status of sales returns.

Other Matters -- Individual Financial Report

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Innodisk Corporation for the years ending December 31, 2022 and 2021.

Responsibilities of management and those charged with governance for the consolidated financial statements

The responsibility of management is to prepare consolidated financial statements that present fairly the financial position of the Group in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and to maintain such internal control relevant to the preparation of consolidated financial statements as 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 the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance means a high level of assurance, but an audit conducted in accordance with the Generally Accepted Auditing Standards of the Republic of China does not provide assurance that material misstatements in the consolidated financial statements can be detected. Misstatements can arise from error or fraud. 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.

We exercised professional judgment and professional suspicion when conducting the audit in accordance with the auditing standards of the Republic of China. 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 Group'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 the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and execution of the Group's audits, and for forming an opinion on the audit of the Group.

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

We also provide those charged with governance with a statement 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 the governance unit, we determined the key audit matters for the audit of the Group's consolidated financial statements of 2022. 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.

Yeh, Tsui Miao

Huang, Shih-Chun

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Expressed in Thousands of NTD

Assets	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 4,000,049	43	\$ 2,137,891	26
1136	Current financial assets at amortised cost	6 (3)	-	-	600,000	8
1150	Notes receivable	6 (4)	2,565	-	1,986	-
1170	Accounts receivable, net	6 (4)	1,418,794	15	1,554,637	19
1180	Accounts receivable -- related parties	6 (4) and 7 (2)	109	-	2	-
1200	Other receivables		5,217	-	6,139	-
1210	Other receivables -- related parties	7 (2)	52	-	42	-
1220	Current income tax assets	6 (27)	2,741	-	494	-
130X	Inventories	6 (5)	1,158,475	12	1,664,349	20
1410	Prepayments		61,317	1	102,658	1
11XX	Current Assets		<u>6,649,319</u>	<u>71</u>	<u>6,068,198</u>	<u>74</u>
Non-current assets						
1517	Non-current financial assets at fair value through other comprehensive income	6 (2)	27,839	1	-	-
1535	Non-current financial assets at amortized cost	6 (3) and 8	10,706	-	10,706	-
1550	Investments accounted for using equity method	6 (6)	12,953	-	18,738	-
1600	Property, plant and equipment	6 (7) and 8	2,138,510	23	1,616,786	20
1755	Right-of-use assets	6 (8)	207,483	2	206,101	2
1760	Investment property, net	6 (10) and 8	119,318	1	99,351	1
1780	Intangible assets	6 (21)	44,117	1	47,137	1
1840	Deferred income tax assets	6 (27)	85,157	1	76,339	1
1920	Refundable deposit		5,535	-	4,571	-
1990	Other non-current assets - others	6 (7)	-	-	83,511	1
15XX	Non-current assets		<u>2,651,618</u>	<u>29</u>	<u>2,163,240</u>	<u>26</u>
1XXX	Total Assets		<u>\$ 9,300,937</u>	<u>100</u>	<u>\$ 8,231,438</u>	<u>100</u>

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2022 and 2021

Expressed in Thousands of NTD

Liabilities and Equity	Note	December 31, 2022		December 31, 2021		
		Amount	%	Amount	%	
Current liabilities						
2130	Current contract liabilities	6 (20)	\$ 42,079	-	\$ 31,810	-
2170	Accounts payable		706,617	8	956,657	12
2180	Accounts payable -- related parties	7 (2)	65	-	385	-
2200	Other payables	6 (12)	607,012	7	489,380	6
2230	Current income tax liabilities	6 (27)	212,868	2	292,912	4
2250	Provisions for liabilities-current	6 (16)	69,111	1	59,851	1
2280	Current lease liabilities		36,406	-	21,312	-
2320	Long-term liabilities -- current portion	6 (13)	11,006	-	2,193	-
2399	Other current liabilities, others		6,276	-	6,021	-
21XX	Current Liabilities		<u>1,691,440</u>	<u>18</u>	<u>1,860,521</u>	<u>23</u>
Non-current liabilities						
2540	Long-term loans	6 (13)	310,070	3	140,461	2
2570	Deferred income tax liabilities:	6 (27)	4,397	-	8,279	-
2580	Non-current lease liabilities		174,007	2	187,265	2
2645	Guarantee deposit received	7 (2)	1,586	-	1,402	-
25XX	Non-current Liabilities		<u>490,060</u>	<u>5</u>	<u>337,407</u>	<u>4</u>
2XXX	Total liabilities		<u>2,181,500</u>	<u>23</u>	<u>2,197,928</u>	<u>27</u>
Equity attributable to owners of parent						
Share capital						
3110	Share capital - common stock	6 (17)	865,531	10	826,680	10
Capital surplus						
3200	Capital surplus	6 (18)	1,356,462	15	1,213,829	14
Retained earnings						
3310	Legal reserve	6 (19)	766,831	8	610,743	8
3320	Special reserve		13,147	-	5,438	-
3350	Unappropriated retained earnings		4,011,820	43	3,317,446	40
Other equity interests						
3400	Other equity interests		(924)	-	(13,147)	-
31XX	Total equity attributable to owners of parent		<u>7,012,867</u>	<u>76</u>	<u>5,960,989</u>	<u>72</u>
36XX	Non-controlling interest		<u>106,570</u>	<u>1</u>	<u>72,521</u>	<u>1</u>
3XXX	Total equity		<u>7,119,437</u>	<u>77</u>	<u>6,033,510</u>	<u>73</u>
Significant contingent liabilities and unrecognized contract commitments						
Significant events after the balance sheet date						
3X2X	Total Liabilities and Equity		<u>\$ 9,300,937</u>	<u>100</u>	<u>\$ 8,231,438</u>	<u>100</u>

The accompanying consolidated financial statements are an integral part of the consolidated financial statements and should be read in conjunction.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD
(Except for earnings per share)

Item	Note	2022		2021	
		Amount	%	Amount	%
4000 Operating revenue	6 (20) and 7 (2)	\$ 10,303,229	100	\$ 10,195,658	100
5000 Operating costs	6 (5) and 7 (2)	(6,844,611)	(66)	(7,103,440)	(70)
5950 Gross profit before unrealized gross profit on sales to subsidiaries		<u>3,458,618</u>	<u>34</u>	<u>3,092,218</u>	<u>30</u>
Operating expenses	6 (25) and 7 (2)				
6100 Selling expenses		(601,799)	(6)	(463,863)	(4)
6200 General and administrative expenses		(465,302)	(5)	(483,752)	(5)
6300 Research and development expenses		(332,000)	(3)	(194,129)	(2)
6450 Expected loss on credit impairment	12 (2)	(20,056)	-	(1,228)	-
6000 Total operating expenses		(1,419,157)	(14)	(1,142,972)	(11)
6900 Operating profit		<u>2,039,461</u>	<u>20</u>	<u>1,949,246</u>	<u>19</u>
Non-operating income and expenses					
7100 Interest income	6 (21)	14,248	-	5,860	-
7010 Other income	6 (22) and 7 (2)	16,571	-	51,745	-
7020 Other gains and losses	6 (23)	209,316	2	(23,956)	-
7050 Finance cost	6 (24)	(7,484)	-	(2,987)	-
7060 Shares of losses of associates and joint ventures accounted for using equity method	6 (6)	(5,785)	-	(7,854)	-
7000 Total non-operating income and expenses		<u>226,866</u>	<u>2</u>	<u>22,808</u>	<u>-</u>
7900 Profit before income tax		<u>2,266,327</u>	<u>22</u>	<u>1,972,054</u>	<u>19</u>
7950 Income tax expense	6 (27)	(385,039)	(4)	(390,173)	(4)
8200 Profit for the year		<u>\$ 1,881,288</u>	<u>18</u>	<u>\$ 1,581,881</u>	<u>15</u>

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD
(Except for earnings per share)

Item	Note	2022		2021		
		Amount	%	Amount	%	
Other comprehensive income						
Components of other comprehensive income that will not be reclassified to profit or loss						
8316		Unrealized appraisal gains and losses of equity instrument investment measured at fair value through other comprehensive income	(\$ 2,131)	-	\$ -	-
8310		Components of other comprehensive income that will not be reclassified to profit or loss	(2,131)	-	-	-
Components of other comprehensive income that will be reclassified to profit or loss						
8361		Financial statements translation differences of foreign operations	14,354	-	(7,729)	-
8360		Components of other comprehensive loss that will be reclassified to profit or loss	14,354	-	(7,729)	-
8300		Other comprehensive profit (loss) for the period, net of tax	\$ 12,223	-	(\$ 7,729)	-
8500		Total comprehensive income for the year	\$ 1,893,511	18	\$ 1,574,152	15
Profit attributable to:						
8610		Owners of the parent	\$ 1,850,189	18	\$ 1,560,888	15
8620		Non-controlling interest	31,099	-	20,993	-
		Profit for the year	\$ 1,881,288	18	\$ 1,581,881	15
Comprehensive income attributable to						
8710		Owners of the parent	\$ 1,862,412	18	\$ 1,553,179	15
8720		Non-controlling interest	31,099	-	20,973	-
		Total comprehensive income for the year	\$ 1,893,511	18	\$ 1,574,152	15
Basic earnings per share						
9750	6 (28)	Profit for the year	\$	21.46	\$	18.39
Diluted earnings per share						
9850	6 (28)	Profit for the year	\$	21.23	\$	18.08

The accompanying consolidated financial statements are an integral part of the consolidated financial statements and should be read in conjunction.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

		Equity attributable to owners of parent									
		Retained earnings				Other equity interests					
		Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Note											
2021											
	Balance as of January 1, 2021	\$ 813,240	\$ 1,082,702	\$ 517,734	\$ 4,080	\$ 2,403,928	(\$ 5,438)	\$ -	\$ 4,816,246	\$ 48,815	\$ 4,865,061
	Profit for the year	-	-	-	-	1,560,888	-	-	1,560,888	20,993	1,581,881
	Other comprehensive profit and loss for the year	-	-	-	-	-	(7,709)	-	(7,709)	(20)	(7,729)
	Total comprehensive profit and loss for the year	-	-	-	-	1,560,888	(7,709)	-	1,553,179	20,973	1,574,152
	Appropriations and of 2020 earnings	-	-	-	-	-	-	-	-	-	-
6 (19)	Legal reserve	-	-	93,009	-	(93,009)	-	-	-	-	-
	Special reserve	-	-	-	1,358	(1,358)	-	-	-	-	-
	Cash dividends	-	-	-	-	(553,003)	-	-	(553,003)	-	(553,003)
6 (15)	Share-based payment	-	19,973	-	-	-	-	-	19,973	-	19,973
6 (17)	Exercise of employee share options	13,440	111,055	-	-	-	-	-	124,495	-	124,495
	Share-based remuneration for employees of subsidiaries	-	99	-	-	-	-	-	99	2,733	2,832
	Balance as of December 31, 2021	\$ 826,680	\$ 1,213,829	\$ 610,743	\$ 5,438	\$ 3,317,446	(\$ 13,147)	\$ -	\$ 5,960,989	\$ 72,521	\$ 6,033,510
January 1 to December 31, 2022											
	Balance as of January 1, 2022	\$ 826,680	\$ 1,213,829	\$ 610,743	\$ 5,438	\$ 3,317,446	(\$ 13,147)	\$ -	\$ 5,960,989	\$ 72,521	\$ 6,033,510
	Profit for the year	-	-	-	-	1,850,189	-	-	1,850,189	31,099	1,881,288
	Other comprehensive profit and loss for the year	-	-	-	-	-	14,354	(2,131)	12,223	-	12,223
	Total comprehensive profit and loss for the year	-	-	-	-	1,850,189	14,354	(2,131)	1,862,412	31,099	1,893,511
	Appropriation and distribution of 2021 earnings	-	-	-	-	-	-	-	-	-	-
6 (19)	Legal reserve	-	-	156,088	-	(156,088)	-	-	-	-	-
	Special reserve	-	-	-	7,709	(7,709)	-	-	-	-	-
	Stock dividends	24,801	-	-	-	(24,801)	-	-	-	-	-
	Cash dividends	-	-	-	-	(967,217)	-	-	(967,217)	-	(967,217)
6 (15)	Share-based payment	-	31,447	-	-	-	-	-	31,447	-	31,447
6 (17)	Exercise of employee share options	14,050	110,918	-	-	-	-	-	124,968	-	124,968
	Share-based remuneration for employees of subsidiaries	-	268	-	-	-	-	-	268	2,950	3,218
	Balance as of December 31, 2022	\$ 865,531	\$ 1,356,462	\$ 766,831	\$ 13,147	\$ 4,011,820	\$ 1,207	(\$ 2,131)	\$ 7,012,867	\$ 106,570	\$ 7,119,437

The accompanying consolidated financial statements are an integral part of the consolidated financial statements and should be read in conjunction.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

	Note	January 1 to December 31, 2022		January 1 to December 31, 2021
<u>Cash flow from operating activities</u>				
Profit before income tax for the year		\$ 2,266,327	\$	1,972,054
Adjustments:				
Adjustments to reconcile profit (loss)				
Depreciation charges on property, plant and equipment	6 (25)	97,474		67,274
Depreciation charges on right-of-use assets	6 (25)	29,827		28,566
Amortization charges on the intangible assets and deferred assets.	6 (25)	26,074		24,851
Depreciation charges on investment property	6 (23)	1,398		1,383
Expected loss (profit) on credit impairment	12 (2)	20,056		1,228
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6 (5)			
Loss on scrapping inventory	6 (5)	53,432		132,392
Gain on lease modification	6 (8)	17,048		5,195
Interest income	6 (21)	(48 )	(	3)
Interest expense	6 (24)	(14,248 )	(	5,860)
Compensation cost of employee stock options	6 (15)	7,484		2,987
Shares of losses of associates and joint ventures accounted for using equity method	6 (6)	31,447		19,973
Gains on revaluation of investments accounted for using equity method	6 (23)	5,785		7,854
Loss (gain) on disposal of property, plant and equipment	6 (23)	-	(	2,780)
Disposal of investment gains	6 (23)	35	(	372)
Disposal of investment gains	6 (23)	(4,228)		-
Changes in operating assets and liabilities				
Changes in operating assets				
Notes receivable		(579 )	(	1,728)
Accounts receivable, net		115,787	(	674,500)
Accounts receivable -- related parties		(107)		70
Other receivables		1,286	(	2,271)
Other receivables -- related parties		(10)		231
Inventories		435,394	(	1,005,066)
Prepayments		41,341	(	45,432)
Changes in operating liabilities				
Current contract liabilities		10,269	(	10,625)
Accounts payable		(250,040)		390,660
Accounts payable -- related parties		(320)		138
Other payables		84,680		151,432
Provisions for liabilities-current		9,260	(	1,593)
Other current liabilities, others		255	(	8,343)
Cash inflow generated from operations		2,985,079		1,047,715
Interest received		13,780		5,862
Income taxes paid		(483,765 )	(	226,750)
Net cash flows from operating activities		2,515,094		826,827

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2022 and 2021

Expressed in Thousands of NTD

	<u>Note</u>	<u>January 1 to December 31, 2022</u>	<u>January 1 to December 31, 2021</u>
<u>Cash Flow from Investing Activities</u>			
Acquisition of non-current financial assets at fair value through other comprehensive income	6 (2)	(\$ 29,970)	\$ -
Decrease (increase) in current financial assets at amortized cost		600,000	(200,000)
Increase in non-current financial assets at amortized cost		-	(3,000)
Proceeds from disposal of investments accounted for using equity method		4,228	-
Acquisition of property, plant and equipment	6 (30)	(479,879)	(292,133)
Disposal of property, plant and equipment		104	460
Increase in refundable deposits		(2,395)	(732)
Decrease in refundable deposits		1,488	250
Acquisition of investment property	6 (10)	(26,236)	-
Acquisition of intangible assets	6 (21)	(21,974)	(24,564)
Net cash flow from acquisition of subsidiaries	6 (29)	-	(12,882)
Increase in prepayments for equipment		-	(68,802)
Increase in the other non-current assets		(7,369)	(13,223)
Net cash flows from (used in) investing activities		<u>37,997</u>	<u>(614,626)</u>
<u>Cash Flow from Financing Activities</u>			
Proceeds from long-term debt	6 (31)	180,000	126,680
Repayment of long-term debt	6 (31)	(2,195)	(2,321)
Increase in guarantee deposits received	6 (31)	771	524
Decrease in guarantee deposits received	6 (31)	(599)	(332)
Cash dividends paid	6 (31)	(967,217)	(553,003)
Exercise of employee share options		124,968	124,495
Interest paid		(7,767)	(2,968)
Payment of lease liabilities	6 (31)	(29,320)	(28,110)
Net cash used in financing activities		<u>(701,359)</u>	<u>(335,035)</u>
Effects of changes in foreign exchange rates		10,426	521
Net increase (decrease) in cash and cash equivalents		1,862,158	(122,313)
Cash and cash equivalents at beginning of year		<u>2,137,891</u>	<u>2,260,204</u>
Cash and cash equivalents at end of year		<u>\$ 4,000,049</u>	<u>\$ 2,137,891</u>

The accompanying consolidated financial statements are an integral part of the consolidated financial statements and should be read in conjunction.

Chairman: Chien, Chuan-Sheng

Manager: Chien, Chuan-Sheng

Head of Accounting: Hsiao, Wen-Kui

[Appendix I]

Innodisk Corporation
Board of Directors' Meeting Procedure Rules (Before Amendment)

- Article 1: This Procedure Rules is established according to Article 2 of the “Regulations Governing the Procedure for Board of Directors Meetings of Public Companies” to establish a good board of directors governance system, improve supervision functions, and strengthen management functions of the Company.
- Article 2: The procedure rules for this Company’s board of directors meetings and the main discussion contents, operating procedures, matters that must be recorded in the meeting minutes, announcements, and other rules to be followed must be handled according to the provisions of this Procedure Rules.
- Article 3: The Company’s board of directors convenes quarterly. The board of directors shall convene for the following reasons and notify all directors 7 days in advance. However, a meeting may convene at any time during an emergency. Except during emergencies or other justifiable reasons, the matters specified by the various Subparagraphs of Paragraph 1, Article 12 of this Procedure Rules shall be specified in the meeting notice as causes for the meeting and shall not be raised as extraordinary motions. When the counterparty approves a board of directors’ meeting, the directors may be notified in writing, e-mail, or fax.
- Article 4: The unit designated by the Company’s board of directors to handle meeting affairs is the Stock Affairs unit. The meeting handling unit shall draft the board of directors meeting contents and provide sufficient meeting materials, which shall be delivered at the time of convening notice. If the directors believe the existing meeting information is insufficient, they may request supplemental information from the meeting handling unit. The directors may resolve to postpone certain agendas if they consider the information presented to them to be inadequate.
- Article 5: Attendance books shall be provided during the Company’s board meetings and signed by all directors present for future reference. Directors shall attend the board of directors meeting in person. If a director cannot attend in person, said director may delegate one of the other directors as a proxy. Directors who participate via video conferencing shall be deemed to have attended the meeting in person. When a director entrusts another director to attend the board of directors meeting by proxy, a power of attorney listing the scope of authorization and the reason for convening shall be issued.

Any proxy prescribed in the preceding 2 paragraphs shall only represent one director in the meeting.

Article 6: The place and time of the Company's board of directors meeting shall be at the location and office hours of the Company or at the place and time suitable for the directors to attend and proper for holding the board of directors meeting.

Article 7: The Company's board meetings shall be convened by the Chairman and chaired by the Chairman. However, the first meeting of each newly elected board of directors shall be called and chaired by the single director who received votes representing the largest portion of voting rights at the shareholders' meeting in which the directors were elected. If 2 or more directors are entitled to call the meeting, they shall choose one person by and from among themselves to do so.

The board of directors is convened by over half of the directors pursuant to Paragraph 4, Article 203 or Paragraph 3, Article 203-1 of the Company Act. The directors shall choose one person to serve as the chair.

If the Chairman cannot perform such duties due to a leave of absence or any reason, the Vice Chairman shall act on the Chairman's behalf. If the Vice Chairman is also unavailable or cannot perform such duties due to leave of absence or any reason, the Chairman may appoint a Managing Director to act on the Chairman's behalf. If there is no Managing Director, the Chairman shall appoint a proxy. If the Chairman has not appointed a proxy, the Managing Directors or other directors shall appoint one among them as a proxy.

Article 8: When the Company's board of directors meeting convenes, the relevant departments (or the meeting handling unit designated by the board of directors) shall prepare the relevant materials for the directors to inspect at any time.

When a board of directors meeting convenes, the Company may personnel from the relevant departments or subsidiaries shall be notified to attend according to the meeting agenda. CPAs, attorneys, or other professionals may be invited to attend and share their expert opinions when necessary. However, they must leave the meeting during discussions and voting.

The board of directors' chair shall announce that the meeting is in session immediately when over half of the directors have attended the meeting.

When the scheduled meeting time has passed, but the number of attendants is less than one-half of all directors, the Chairman may announce the postponement of the meeting. At most, 2 postponements may be made. If the number of participants remains insufficient after two postponements, the Chairperson shall reconvene the meeting according to Article 3, Paragraph 2 of the

Rules.

The “all directors” referred to in the preceding paragraph and Article 16, Paragraph 2, Subparagraph 2 shall refer to the actual number of incumbent directors.

Article 9: The Company’s board of directors meetings must be entirely recorded on audio or video tape, which shall be preserved for at least 5 years in electronic form or otherwise.

Should any litigation arise in connection with a resolution of a board of directors meeting before the end of the preservation period referred to in the preceding paragraph, the relevant audio or video recordings shall continue to be preserved until the litigation is concluded.

For meetings held via video conferencing, the recorded video and audio shall be treated as part of the meeting minutes and kept properly throughout the Company’s existence.

Article 10: The agenda items for the Company’s board of directors meetings shall include at least the following:

I. Report items:

(I) Minutes of the last meeting and implementation status.

(II) Reporting on important financial business.

(III) Reporting on internal audit activities.

(IV) Other important matters to be reported.

II. Discussion items:

(I) Discussions carried forward from the previous meeting.

(II) Discussions scheduled for the current meeting.

III. Extraordinary motions.

Article 11: A board of directors meeting shall be conducted according to the order of business on the agenda as specified in the meeting notice. However, the order may be changed with the approval of the majority of the directors present at the meeting.

The Chairman shall not declare the meeting closed without the approval of a majority of directors present at the meeting.

If the directors sitting at a board of directors meeting are less than half of the directors scheduled to attend at any time during the proceeding, then upon motion by the directors sitting at the meeting, the Chairman shall declare a suspension of the meeting; in which case Paragraph 5 of Article 8 shall apply mutatis mutandis.

Article 12: The following matters shall be submitted to the Company’s board of directors for discussion:

I. The Company’s business plan.

II. The annual financial report and the second quarter financial report are subject to verification by a CPA.

III. Establish or amend the internal control system and assess the internal control system’s performance according to Article 14-1 of the Securities and Exchange Act (hereafter

- the “Exchange Act”).
- IV. Establishment or amendment of the asset acquisition/disposal procedures, derivative trading procedures, lending procedures, endorsement and guarantee procedures, and other procedures involving major financial consequences according to Article 36-1 of the Exchange Act.
 - V. Offering, issuance, or private placement of equity securities.
 - VI. Appointment and dismissal of finance, accounting, or internal audit managers.
 - VII. Donations to related parties or major donations to non-related parties. However, a charity-related donation for emergency relief against a major natural disaster may be submitted to the next board of directors meeting for ratification.
 - VIII. Decisions that shall be resolved through a shareholders meeting or a board of directors meeting according to Article 14-3 of the Exchange Act, the Articles of Incorporation or other laws, and any major issues prompted by the competent authority.

The related parties specified in Subparagraph VII of the preceding Paragraph shall refer to the related parties regulated by the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Major donations to non-related parties shall refer to any single or cumulative donations that amount to NT\$100 million or higher in a year to the same party or amounts that accumulate to over 1% of net revenue or 5% of paid-up capital, as shown in the latest audited financial statements.

The one-year period mentioned above shall refer to the one year from the current board meeting. Amounts already passed in board meetings may be excluded from the calculation.

For foreign companies whose stock has no par value or a par value other than NTD 10, the “5 percent of paid-in capital” prescribed in Paragraph 2 above shall be calculated instead as 2.5% of shareholder equity.

At least one independent director must attend the board of directors meeting in person. In case of matters listed in Paragraph 1 that must be submitted to the board of directors meeting for resolution, all independent directors must be present at the board of directors meeting. If an independent director cannot attend in person, another independent director shall be appointed to attend by proxy. Independent directors must be recorded in the board of directors meeting minutes if they have objections or reservations. Suppose an independent director is unable to express objections or qualified

opinions personally at the board of directors meeting. In that case, the opinion shall be raised in writing in advance unless there is a justifiable reason not to do so. Such opinions shall also be recorded in the board of directors meeting minutes.

Article 13: When the chair of a board of directors meeting believes that the matter discussed can be put to the vote, the chair may announce the discussion closed and bring the matter to vote.

When a proposal comes to a vote at the Company's board of directors meeting, the matter is deemed approved if the chair puts the matter before all directors present at the meeting and none voices an objection.

If there is an objection after consultation by the chair, the matter shall be put to the vote. The chair shall determine the voting method according to the following rules. However, if the participants have objections, the decision shall be made by seeking the opinion of the majority:

- I. Vote by show of hands or the ballot machine.
- II. Vote by roll call.
- III. Vote by ballot.
- IV. Other voting methods determined by the Company.

"All directors present at the meeting" in the preceding 2 paragraphs shall not include directors prohibited from exercising voting rights pursuant to Article 15, Paragraph 1.

Article 14: Unless otherwise specified by the Securities and Exchange Act and the Company Act, a resolution on a board of directors meeting agenda shall require the approval of a majority of the directors present at the meeting attended by a majority of all directors.

For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. However, if one of these cases has already been resolved, the other cases shall be considered rejected. No further voting is required.

If it is necessary to appoint personnel to monitor or count the votes, the chair shall make such appointments accordingly. However, the monitors shall be the directors of the Company.

Voting results shall be made known on-site immediately and recorded in writing.

Article 15: If any director or a juristic person represented by a director is an interested party concerning any agenda item, the director shall state the important aspects of the interested party relationship at the respective meeting. When the relationship is likely to prejudice the interests of the Company, the director can express opinions and answer questions but may not participate in the discussion or voting on that agenda item, and shall enter recusal during discussion and voting on that item and may not act as another director's proxy to exercise voting rights on that matter.

Suppose a director's spouse, relatives of second degree, or a company with a controlling affiliation with the director has a stake in the meeting agenda item. In that case, the director shall be deemed an interested party in the agenda item.

For directors who are not allowed to exercise their voting rights during the Company's board of directors resolutions according to the 2 preceding rules; Paragraph 4, Article 206 of the Company Act shall apply; and the case shall be handled according to Paragraph 2, Article 180 of the Company Act.

Article 16: Minutes shall be taken for all of the Company's board of directors meetings. The meeting minutes shall record the following:

- I. Session (or year), time, and meeting place.
- II. Name of the chair.
- III. Attendance record for the directors at the meeting, including the names and number of members present, excused, and absent.
- IV. Names and job positions of those attending the meeting as non-voting participants.
- V. Name of the minute taker.
- VI. Report items.
- VII. Discussion matters: Including the resolution method and the outcome of the motion and a summary of the comments made by directors, supervisors, experts, or other persons. The name of any director that is an interested party as referred to in Paragraph 1 of the preceding Article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal. Objections or qualified options expressed at the meeting included in records or stated in writing, and any opinion issued in writing by an independent director under Paragraph 5, Article 12 of this Procedure Rules.
- VIII. Extraordinary motions: The proposer's name, the method of resolution and the result for each motion, and a summary of the comments made by directors, supervisors, experts, or others. The name of any director that is an interested party as referred to in Paragraph 1 of the preceding Article, an explanation of the important aspects of the relationship of interest, the reasons why the director was required or not required to enter recusal, and the status of their recusal. Opinions or qualified opinions expressed at the meeting were included in records or stated in writing.
- IX. Other details that must be recorded in the meeting minutes. Any of the following matters concerning a resolution passed at the board of directors meeting shall be recorded in the meeting minutes

and shall be published on the Market Observation Post System designated by the Financial Supervisory Commission within 2 days after the board of directors meeting:

- I. Objections or qualified opinions expressed by independent directors on record or in writing.
- II. Any issues not agreed upon by the Audit Committee but passed by over two-thirds of the directors.

The attendance book shall constitute a part of the board of directors meeting minutes and be kept properly throughout the Company's existence.

The meeting minutes shall be signed/sealed by the chairperson and the minute taker and distributed to the directors within 20 days after the meeting. The minutes shall be retained as important documents of the Company and kept during the existence of the Company.

The preparation and distribution of meeting minutes prescribed in the first paragraph may be done electronically.

Article 17: Except for the matters that must be discussed by the board of directors as listed in Paragraph 1 of Article 12, when the board of directors authorizes the chairman to exercise the functions and powers of the board of directors according to the laws and regulations or the Company's articles of incorporation, the authorization contents shall be as follows:

- I. Review and approve various important contracts.
- II. Review and approve real estate mortgage loans and other loans.
- III. Review and approve the Company's general property as well as real estate purchase and disposal.
- IV. Appointment of directors and supervisors for reinvestment companies.
- V. Determine the capital increase or decrease and cash dividend distribution base dates.

Article 18: If the Company appoints an executive director according to the Articles of Incorporation, Article 2, Paragraph 2 of Article 3, Articles 4 to 6, Articles 8 to 11, and Articles 13 to 16 shall apply mutatis mutandis to the executive board meeting procedures for directors. However, if the executive board meeting regularly convenes within 7 days, the executive directors may be notified 2 days in advance.

Article 19: The amendment and revision of this Procedure Rules shall be approved by the Company's board of directors, and a report shall be submitted to the shareholders' meeting.

Article 20: This Articles of Incorporation was established on April 15, 2011
The 1st amendment was made on 04-14-2012
The 2nd amendment was made on 10-29-2012
The 3rd amendment was made on 03-27-2013

The 4th amendment was made on 01-30-2018
The 5th amendment was made on 02-21-2020
The 6th amendment was made on 02-25-2021

[Appendix II]

Innodisk Corporation Code of Ethical Conduct (Before Amendment)

- Article 1 (Purpose and Basis of Establishment)
This Code is formulated to guide the behavior of the Company's personnel to conform to the ethical standards, and enable the Company's stakeholders to better understand the Company's ethical behavior standards.
- Article 2 (Definitions of Terms in this Code)
The term "personnel of the Company" mentioned in this Code refers to directors, managers, and other employees.
Managers mentioned in this Code include the general managers, deputy general manager levels, associate levels, and others entitled to manage the Company's affairs and sign documents.
The term "company employees" mentioned in this Code refers to managers and other employees.
- Article 3 (Code of Ethical Conduct)
The Company's employees must follow all applicable laws and regulations and this Code's provisions and maintain a high moral standard when executing their duties.
The directors and managers of the Company should lead by example to promote and implement the provisions of this Code.
- Article 4 (Teamwork and Integrity Principles)
The Company's employees shall maintain a proactive, serious, and responsible attitude in performing their duties, abandon individualism, emphasize team spirit, and adhere to the principle of honesty and integrity.
- Article 5 (Principle of Equal Appointment and Prohibition of Discrimination)
The Company shall respect social diversity, provide its employees with equal appointment and career development opportunities, and not treat them differently or discriminate. There shall be no differential treatment or discrimination of any form due to factors such as personal gender, race, religious belief, party affiliation, gender orientation, rank, nationality, or age.
- Article 6 (Work Environment Health and Safety)
The Company shall provide a healthy and safe working environment for its employees.
The Company's personnel should jointly maintain a healthy and safe working environment and shall not engage in any sexual harassment or other acts of violence, threats, or intimidation.
- Article 7 (Respect for Privacy and Prohibition of Rumors)
The Company's personnel shall respect each other's privacy and not

spread rumors to attack others.

Article 8 (Confidentiality Obligations)

The Company's personnel shall carefully manage the matters, confidential information, or client information known to them during their duties; and shall not disclose or use them for purposes other than work unless disclosed by the Company or required by law. The same shall apply after their resignation.

The confidential information stipulated in the preceding paragraph includes all unpublished information that competitors could use or cause damage to the Company or clients if it leaked.

Article 9 (Obligation to Correctly Prepare and Preserve Documents and Materials)

The Company's personnel shall ensure the correctness and completeness of all document or electromagnetic record forms under their management and must safeguard them properly. If documents or electromagnetic records are discovered to be lost, damaged, or their contents concealed or falsified, notify the unit's supervisor promptly to determine the cause.

Article 10 (Proper Protection of Company Assets)

The Company's personnel are responsible for safeguarding the Company's assets, ensuring they can be used effectively and legally for Company operations, and avoiding affecting the Company's ability to operate.

When performing their duties, Company personnel must take special care not to allow data, information systems, network equipment, and other resources to be interfered with, destroyed, or invaded by any factor. The goal is to protect the confidentiality, integrity, and availability of the Company's information.

Article 11 (Prohibition against Insider Trading)

Any information learned by Company personnel due to their duties that may significantly affect the price of securities transactions shall be kept strictly confidential according to the provisions of the Securities and Exchange Act before it is publicly disclosed, and the information shall not be used for insider trading.

Article 12 (Prohibition on Seeking Self-interest through Exploitation)

The Company's employees shall not be permitted to use their positions for personal gain.

The Company's personnel shall protect the legitimate rights and interests of the Company and avoid the following:

- I. Opportunities or actions to obtain personal gain through using Company assets and information or the convenience of one's position.
- II. Compete with the Company in violation of legal procedures, or engage in business-related behaviors for oneself or others. When the Company has profit opportunities, the Company's personnel shall strive to increase the Company's legitimate legal interests.

Article 13 (Conflicts of Interest Prohibition)

The Company's personnel shall not engage in any fund lending, major asset transactions, guarantees, or other transactions that conflict with the interests of the Company in the name of themselves or others.

Article 14 (Avoid Possible Conflict of Interest)

Directors must maintain a high level of self-discipline. A participating director shall be recused if the director believes that the proposal resolved by the board of directors may cause a conflict of interest in the director or the legal person the director represents, which may harm the Company's interests.

When a director believes he cannot handle affairs objectively or in a way that is beneficial to the Company or when a transaction or relationship may cause a conflict of interest, the director shall state the matter voluntarily and handle it legally and appropriately or be recused. Based on their position and authority, the Company's directors and managers shall take the initiative to declare whether they, their spouses, direct blood relatives, second-degree relatives, and the organizations for which they work are participating in the Company's business dealings; and handle it legally and appropriately or be recused.

Article 15 (Fair Trade and Treatment)

The Company's employees must treat the business transactions fairly and must not engage in any unfair or immoral behavior, such as:

- I. Obtaining improper benefits from each other.
- II. Spread false rumors about clients, traders, competitors, and employees.
- III. Deliberately misrepresent the quality or content of the Company's products or services.
- IV. Obtaining improper benefits by manipulating, concealing, and abusing information acquired based on one's position, making false statements about important matters, or engaging in unfair transactions.

The Company's personnel must trade with related parties or affiliated companies under the principle of fair treatment; comply with laws, regulations of competent authorities, and relevant regulations of the Company; and no special preferential treatment is permitted.

Article 16 (Prohibition of Gifts, Bribes, or Improper Advantages)

When performing their duties, the Company's personnel are not allowed to request, promise, deliver, or accept any form of gifts, entertainment, kickbacks, bribes, or other improper benefits to profit individuals, companies, or third parties. However, the gift or entertainment permitted by social etiquette and customs or company regulations is not restricted.

Article 17 (Obligation to Report Transaction Authenticity)

The Company's employees conducting transactions with others due to the performance of their duties shall, based on the principle of good

faith, truthfully report the content of the transaction. They shall not conceal or make false reports that will damage the Company's rights and interests.

Article 18 (Respect the Intellectual Property Rights of others)

The Company's employees shall respect and legally utilize the intellectual property rights of others when performing their duties.

Article 19 (Restrictions on Engaging in Political Party Activities)

The Company's employees are neither permitted to engage in political activities in the workplace or during working hours nor allowed to use Company resources to do so. However, this does not apply to public relations personnel's specific public relations activities.

Article 20 (Prohibition of Influencing the Political Party Activities of others)

Directors and managers are not permitted to persuade employees to donate to political parties, support specific political parties or candidates, or participate in other political party activities in the workplace or during working hours.

Article 21 (Compliance with Laws and Regulations)

The Company's personnel shall abide by laws and regulations, such as the Securities Exchange Act, the Money Laundering Prevention Act, the Fair Trade Act, and other laws and regulations.

Article 22 (Obligation to Report Violations)

The directors and managers of the Company must constantly promote moral principles and urge all employees to report any violations of laws, regulations, or this Code as soon as they become aware of them or have a good faith suspicion that they have occurred. However, they must not do so in a malicious manner.

The party accused of violation in the report shall not retaliate or make any threats against the violation reporter in the preceding paragraph. If the reporter encounters retaliation, threats, or harassment; the reporter shall immediately report to the superior supervisor, internal audit supervisor, or other appropriate personnel; and the Company shall deal with the matter immediately and appropriately.

Article 23 (Punishment and Remedy Procedures)

Suppose a Company's employee is involved in serious violations of relevant laws and regulations. In that case, the Company shall investigate their civil and criminal legal liabilities to protect the rights and interests of the Company and its shareholders. The Company's employees shall be subject to the personnel regulations and disciplined by the Company as necessary. The same applies to directors who failed to correct employee wrongdoing or comply with the Company's regulations.

If a Company employee violates this Code, the responsible unit shall report it and take appropriate disciplinary action. When the Company accuses an employee of wrongdoing, the employee shall present evidence to appeal, and the Company shall take appropriate action with

reference to the appeal of the accused.

For directors and managers who violated this Code and are convicted of their crimes by the court of first instance or are determined by the Company's board of directors to violate this code and a disposition has been issued, the Company shall immediately disclose information such as the date of violation, the reason for the offense, the code violated, and the disposition on the Market Observation Post System.

Article 24 (Procedures for Exemption)

Suppose directors and managers must be exempted from complying with the provisions of this Code. In that case, it must be approved by a board of directors meeting with over two-thirds of the directors present and the consent of over three-quarters of the directors present.

In the case of the preceding paragraph, the Company must immediately post information on the Market Observation Post System, including the date on which the board of directors approved the exemption, any reservations or objections from independent directors, the applicable time frame, and the criteria and justifications for the exemption.

Article 25 (Disclosure Method)

This Code shall be disclosed on the Company's website, annual report, prospectus, and the Market Observation Post System, and the same shall apply to its revisions.

Article 26 (Measure Formulation and Implementation)

The Company shall develop pertinent management rules and regulations according to the guiding principles and relevant information disclosed in this Code.

Article 27 (Announcement and Implementation of this Code)

This Code shall enter into force after approval by the board of directors and submitted to the shareholders' meeting. The same shall apply to its revisions.

Article 28 (Formulation and Revisions)

This Code of Conduct was established on 10-29-2012.

The 1st amendment was made on 03-27-2013.

The 2nd amendment was made on 03-18-2015

[Appendix III]

Innodisk Corporation's Articles of Incorporation

Chapter 1 General Rules

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named Innodisk Corporation.
- Article 2: The business scope of the Company is as follows:
- I. F113050 Wholesale of computing and business machinery equipment
 - II. F113070 Wholesale of telecom instruments
 - III. F119010 Electronic materials wholesale.
 - IV. F213030 Retail sale of computing and business machinery equipment
 - V. F213060 Retail sale of telecom instruments
 - VI. F219010 Retail sale of electronic materials.
 - VII. F401010 International trade
 - VIII. I301010 Software design services.
 - IX. I501010 Product designing.
 - X. CC01080 Electronic parts and components manufacturing.
 - XI. All businesses that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company has a head office in New Taipei City, and may set up branches at home and abroad by resolution of the board meeting when necessary.
- Article 4: The Company may provide external guarantees and reinvest in other enterprises due to business needs, and the total amount of reinvestment may exceed 40% of the paid-in share capital of the Company.

Chapter 2 Shares

- Article 5: The total rated capital of the Company is NT \$1 billion, divided into 100 million shares with a par value of NT\$10 per share. The shares include ten million shares of employee stock options for a total of NT\$100 million. The board is authorized to issue shares on an installment basis in accordance with the Company Act and the relevant regulations.
- Article 6: All shares of the Company shall be registered, numbered, signed or sealed by the director representing the Company, and then issued after being certified by the share certifying bank according to law. Shares of the Company is exempted from actual printing but shall be registered with the Taiwan Depository and Clearing Corporation.

Article 6-1: When the Company intends to cancel the public offering of shares after it goes public, it shall submit a proposal to the shareholders' meeting for resolution, and then handle it in accordance with Article 156 of the Company Act. This provision shall remain unchanged during the period when the Company is listed on the emerging market or TPEX.

Article 7 The renaming and transfer of shares shall be suspended within 60 days before the general shareholders' meeting, 30 days before the extraordinary shareholders' meeting, or five days before the book-close date of the Company's distribution of dividends, bonuses or other benefits.

Article 7-1: Unless otherwise specified by law or securities regulation, all share administration-related affairs shall proceed according to Regulations Governing the Administration of Shareholder Services of Public Companies.

Chapter 3 Shareholders' Meeting

Article 8: The shareholders' meeting is divided into the general shareholders' meeting and the extraordinary shareholders' meeting. The general shareholders' meeting is held once a year and shall be convened by the board of directors within six months after the end of each fiscal year. Extraordinary general meetings, when necessary, are held in accordance with the provisions of the Company Act.

Article 8-1: For meetings which are convened by the board of directors, the chairperson is appointed in accordance with Paragraph 3, Article 208 of the Company Act. For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by the convening authority. One person should be selected to chair the meeting if there are more than two present.

Article 8-2: Implementation the resolutions of the shareholders' meeting shall be made into minutes, signed or sealed by the chairman, and distributed to all shareholders within 20 days after the meeting. The production and the distribution of the resolution record can be made electronically or by public notice.

Article 9: If a shareholder is unable to attend a shareholders' meeting for any reason, he/she may issue a power of attorney in the format issued by the Company specifying the scope of authorization, sign or seal it and entrust a proxy to attend. Shareholders who commission their proxy to attend meetings shall comply with the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meetings of Public Companies promulgated by the securities authority, unless otherwise specified by Article 177 of the Company Act.

Article 10: Shareholders of the Company have one voting right per share; however, no voting rights are available if any of the circumstances specified in

Article 179 of the Company Act occurs to the Company or the shares held by directors meet the provisions of Article 197-1.

Article 11: Except as otherwise regulated by the Company Act or relevant laws, a shareholder meeting resolution is passed when more than 50% of all outstanding shares are represented in the meeting, and voted in favor by more than 50% of all voting rights represented at the meeting.

Article 12: (Deleted)

Chapter 4 Director

Article 13: The Company shall have seven to eleven directors, who are elected using the nomination of candidates approach in accordance with Article 192-1 of the Company Act. They are elected during general shareholder meetings from the candidate list to serve a term of three years. The term of service may be renewed if they are re-elected in the next election. In the election of the Company's directors held during the shareholders meeting, every share shall have the same voting power as the elected directors. Votes may be pooled to elect one person or distributed to vote multiple person. Those who obtain more votes are elected as directors. Among the abovementioned directors, there should be at least three independent directors, accounting no less than 1/5 of the board seats. The professional qualifications, shareholding, part-time restrictions, nominations and other rules to be followed shall be handled in accordance with laws and regulations of the securities authority.

The Company has established an audit committee in accordance with Article 14-4 of the Securities and Exchange Act to be responsible for performing the functions of supervisors specified in the Company Act, the Securities and Exchange Act and other regulations. The audit committee shall consist of all independent directors, and the organizational procedures shall be determined by the board of directors.

Article 14: A chairman representing the Company is elected in the board meeting where more than two-thirds of directors are in attendance and more than half of the attending directors agree to the vote. A vice-chairman is also appointed to assist the chairman.

Every director shall be notified at least seven days before the convening of board meetings. Meetings can be called at any time in case of emergency. The notice of the convening of board meeting can be made in writing, e-mail or fax.

Directors shall attend the board meeting in person. If a director is unable to attend the meeting, he/she may issue a proxy form detailing the scope of delegated authority and appoint another director to attend the meeting. One director may accept only one proxy form.

Article 15: If the chairman asks for leave or fails to exercise rights and responsibilities for any reason, a representative shall be assigned in accordance with the provisions of Article 208 of the Company Act.

Article 16: The remuneration of chairman and directors is authorized at board meetings based on their level of participation in and contribution to the Company's operation. The remuneration follows the standards among the industry peers both at home and abroad.

Article 16-1: The Company may purchase liability insurance for its directors during the term of their services in accordance with the law.

Chapter 5 Managers

Article 17: The Company shall establish positions of managers, and the appointment, dismissal and remuneration shall comply with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: The Company's board of directors is responsible for preparing the following statements and reports at the end of each financial year; these statements and reports must be submitted to the audit committee for review at least 30 days before the annual general meeting and presented during the annual general meeting for ratification.

(I) Business report.

(II) Financial statements.

(III) Proposal for the distribution of surplus or make-up for the loss.

Article 19: The Company shall allocate the following amounts as employee bonuses and director remunerations if the income before taxes after the deduction to make up for losses still has a balance:

(I) More than 3% as employee bonuses.

(II) Less than 2% as remunerations for directors.

Employee compensation mentioned in the preceding paragraph shall be in the form of stocks or cash and shall be determined by the board resolution and reported to the shareholders meeting. The recipients include the employees of subsidiaries in which the Company holds more than half of the shares with voting power or the total capital of the subsidiaries.

Article 19-1: The surplus income of the Company after the final accounts is distributed to the following accounts in their respective order:

(I) Withholding taxes.

(II) Make up for past losses.

(III) The profits from annual final accounts shall have 10% allocated for legal reserve, but if the legal reserve has reached the total share capital, no further allocations will be conducted. Special reserve is then allocated or reversed in

- accordance with the law or regulations of the authority.
- (IV) With respect to the balance and the accumulated undistributed surplus of the previous year, the board proposes a surplus distribution to the shareholders meeting for resolution.

The Company considers future needs for business operation, long-term financial planning and shareholders' interest in the dividend policy. As the Company is currently in the growing stage, considering the future capital expenditure budget and the need for cash, the annual cash dividends will not be less than 10% of the total of cash and stock dividends. The Company's surplus distribution and shareholders' equity shall not be less than 30% of the current year's surplus.

Chapter 7 Supplementary Provisions

Article 20: (Deleted)

Article 21: Any outstanding issues not specified in the Articles of Incorporation are to be handled in accordance with the Company Act and the relevant regulations.

Article 22: The Articles of Incorporation was established on February 16, 2005.

1st revision was made on March 28, 2006.

2nd revision was made on May 29, 2008.

3rd revision was made on June 8, 2010.

4th revision was made on April 19, 2011.

5th revision was made on June 15, 2011.

6th revision was made on May 25, 2012.

7th revision was made on June 21, 2013.

8th revision was made on June 9, 2015.

9th revision was made on June 8, 2016.

10th revision was made on June 7, 2017.

11th revision was made on May 29, 2020.

[Appendix IV]

Innodisk Corporation Shareholders Meeting Rules of Procedures

- Article 1 These Rules have been established in accordance with Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies in order to build a strong board governance system for shareholders' meetings and robust supervisory capabilities and reinforce management capabilities for the Company.
- Article 2 Unless otherwise specified by law or the Articles of Incorporation, shareholders' meetings of the Company shall proceed according to the terms of these Rules.
- Article 3 Unless otherwise specified by law, shareholders' meetings are to be convened by the board of directors.
- The Company shall prepare electronic versions of the shareholders' meeting notice and proxy forms and the origins of and explanatory materials related to all proposals, including proposals for ratification, matters for deliberation or the election or dismissal of directors or supervisors and upload them to the Market Observation Post System (MOPS) at least 30 days before the date of an annual general meeting or 15 days before the date of an extraordinary shareholders' meeting. At least 21 days before an annual general meeting or 15 days before an extraordinary shareholders' meeting, an electronic copy of the shareholders' meeting manual and supplementary information shall be prepared and posted onto the MOPS. Physical copies of the shareholders' meeting manual and supplementary information shall be prepared at least 15 days before the meeting, and made accessible to shareholders upon request. These documents must also be placed within the Company's premises and at the stock transfer agent, and distributed on-site during the shareholder meeting.
- The reasons for convening a shareholders' meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.
- Election or dismissal of directors, changes to the articles of association, capital reduction, application for suspension of public offerings, directors' competition approval, capital increase from earnings, capital increase from legal reserve, company dissolution, merger, division, or any circumstance in paragraph 1, Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, and Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be listed and explained in the reason for the convening, and shall not be proposed via an

extraordinary motion; the main content may be placed on the website designated by the securities authority or the company, and its URL shall be stated in the notice.

The notification for the convening of shareholder meeting has announced the re-election of directors and inauguration date. After the re-election at the shareholder meeting, the inauguration date shall not be changed by extraordinary motion or other means in the same meeting.

Shareholders who hold over 1% of the total issued shares may propose issues in the Company's shareholders' general meeting. Each shareholder is limited to one issue, and additional issues will not be included in the proposal discussion. Furthermore, if the issue raised by shareholders involves items in Paragraph 4, Article 172-1 of the Company Act, the board of directors can omit the proposal. A shareholder may make a proposal to promote the public interest or social responsibility of the Company. Still, the proposal shall be limited to one proposal only in accordance with Article 172-1 of the Company Act, and any proposal exceeding one shall not be included in the motion. Before the book closure date for the annual general meeting, the Company shall announce the acceptance of shareholders' proposals, the procedures in accepting proposals either in writing or electronic version and the place and time of acceptance. The period of acceptance shall not be less than 10 days.

Shareholders shall limit their proposed motions to 300 words only; proposals that exceed 300 words will not be accepted for discussion. Shareholders who have successfully proposed their motions shall attend the annual general meeting in person or through proxy attendance and participate in the discussion.

Prior to the date for issuance of notice of a shareholders meeting, this Corporation shall inform the shareholders who submitted proposals of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. During the shareholders meeting, the board of directors shall explain the reasons why certain proposed motions are excluded from the discussion.

Article 4 Shareholders attending the meeting should show the power of attorney issued by the company that specifies the scope of authorization and the commissioned representative.

Each shareholder may issue one proxy form and delegate one proxy only. All proxy forms must be received by the Company at least 5 days before the shareholders' meeting. In cases where multiple proxy forms are issued, the one that arrives first shall prevail. However, this excludes situations where the shareholder has issued a proper declaration to withdraw from the previous proxy arrangement. Should the shareholder decide to attend a shareholders' meeting

personally or exercise voting rights in writing or using electronic means after a proxy form has been received by the Company, a written notice must be sent to the Company by no later than 2 days before the meeting commences to withdraw the proxy arrangement. If the shareholder fails to withdraw proxy arrangement before the due date, the vote of the proxy attendant shall prevail.

Article 5 Shareholders' meeting should be held at the location of the Company or the place convenient for the shareholders and suitable for the meeting occasion. The meeting should not be earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered.

Article 6 The Company shall specify in the notice of meeting the time and place for acceptance of shareholders' registration and other matters to be noted.

Admission of meeting participants shall begin at least 30 minutes before the meeting commences. The reception area must be clearly labeled and stationed with competent personnel.

Shareholders shall attend shareholders' meetings by presenting valid conference pass, attendance card or other document of similar nature. The Company may not request shareholders to present additional documentary proof unless specified in advance. Proxy form acquirers are required to bring identity proof for verification.

The Company shall provide an attendance ledger for the attending shareholders to sign in, or have the attending shareholders turn in their attendance cards as to sign in.

Shareholders who attend the meeting shall be given a copy of the meeting manual, annual report, attendance pass, opinion slip, motion ballots and any information relevant to the meeting. Prepare additional ballots if director elections are also being held during the meeting.

Where the shareholder is a government agency or corporate entity, more than one proxy may attend the shareholders meeting. Corporate entities that have been designated as proxy attendants can only appoint one representative to attend a shareholders' meeting.

Article 7 The chairman should chair the meeting convened by the chairman. Vice-chairman is to chair the meeting on behalf of the chairman if the chairman takes the day off or for any reason cannot exercise the power. The chairman is to appoint a managing director on behalf of the vice-chairman if the vice-chairman cannot attend the meeting due to the aforementioned reasons. A director is assigned if there is no managing director. In the event that the chairman does not appoint anyone, the managing director or the directors are to recommend one person. The chairperson position mentioned above shall be assumed by a

managing director or director, who has been on the board for more than six months and possesses adequate understanding of the Company's financial and business performance. The same applies if the chairperson is a representative of a corporate director.

The shareholders' meeting convened by the board of directors shall be personally hosted by the chairman of the board. More than half of the directors and at least one representing member of various functional committees shall attend the meeting, and the attendance shall be recorded in the meeting minutes.

For the meeting that is convened by the ones with the convening authority outside of the board, the meeting should be chaired by convening authority. One person should be selected to chair the meeting if there are more than two present.

The Company may summon its lawyers, certified public accountants or any relevant personnel to be present at shareholder meetings.

Article 8 The Company shall make an uninterrupted audio and video recording of the entire meeting.

These recordings must be retained for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 9 Attendance at a shareholders' meeting shall be calculated based on shares. The number of shares in attendance is counted based on the attendance book or the submitted attendance card, together with the shares with the written or electronic voting rights.

The chair is to call the meeting to order at the designated meeting time, but is to announce a postponement if the attending shareholders represent less than half of the total issued shares. The number of postponement is limited to two times, totaling no more than 1 hour. The chair is to announce the meeting adjourned if still less than 1/3 of the total issued shares presented at the meeting after the postponement twice.

If the quorum is not met after two postponements but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Paragraph 1, Article 175 of the Company Act. All shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within 1 month.

If the attending shareholders representing more than half of the total issued shares before the end of the meeting, the chair is to make a tentative resolution and re-submit it for a shareholders vote in accordance with Article 174 of the Company Act.

Article 10 The board should set the agenda for the meetings that it convenes. Relevant motions (including extraordinary motions and amendments to the original motions) shall be decided on a case-by-case basis. The meeting should be carried out based on the agenda and should not be changed without the resolution of the shareholders.

For the meeting that is convened by the ones with the convening authority outside of the board, the aforementioned rule still applies.

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

The chairman shall give proposals and shareholder proposed revisions or extraordinary motions sufficient time for clarification and discussion. Once the chairman perceives that voting can proceed, the chairman shall stop the discussion and initiate the voting.

Article 11 Before speaking, the attending shareholders should first fill out speech notes clearly stating the purpose, account number (or the attendance pass number) or account name and allow the chair to determine the order to give the speech.

The attending shareholders are considered to offer no statement if they only provide speech notes without giving statements. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

Each shareholder shall not make more than two statements for the same proposals without the chairman's agreement, and each statement shall not exceed five minutes. If the shareholder's statement violates the rules or exceeds the scope of the issue, the chairman shall halt the statement.

When an attending shareholder is making a statement, other shareholders shall not speak unless given permission by the chairman and the speaking shareholder. Violators shall be halted by the chairman. The corporate shareholders who assign more than two legal representatives to attend the meeting can only have one person giving speech for a motion.

After an attending shareholder speaks, the chairman shall personally answer or designate a person to answer.

Article 12 Voting at a shareholders meeting shall be calculated based the number of shares.

The shares of the shareholders without voting rights are not counted in

the total issued shares for the resolution of the meeting.

A shareholder who has a personal interest with the agenda of the meeting which may result in a conflict of interest with the Company shall not participate in the voting, nor shall he/she act on behalf of other shareholders to exercise the voting rights of other shareholders.

The number of shares held by shareholders who are not permitted to vote shall be excluded from total voting rights represented in the meeting.

Other than the trusts or securities agencies approved by the authorities, a person representing more than two shareholders as a proxy cannot have the shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

- Article 13 Every share represents one vote unless it is restricted or deemed non-voting shares under Paragraph 2, Article 179 of the Company Act. Shareholders may exercise their voting power by electronic transmission or in correspondence in shareholder meetings, and the exercise method shall be specified in the notice of shareholders' meetings. Shareholders exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, this is also considered to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting. It is therefore recommended that the Company avoids the submission of extraordinary motions and amendments to original proposals. Shareholders exercising voting rights by correspondence or electronic means shall deliver their declaration of intent to the Company at least two days before the shareholders meeting. If there is a repetition of the declaration of intent, whichever delivered the first will be served, except when a declaration is made to cancel the earlier declaration of intent. After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders' meeting in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised 2 business days before the date of the shareholders meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail. If a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail. Unless otherwise provided in the Company Act and in the Company'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. During the voting process, the chair or the designated personnel announce the total number of the eligible voting rights of the attending shareholders case by case and then carry out the voting. On the same day of the meeting, the number of agree, disagree and abstain are entered into the Market Observation Post System.

For the motion that the chair consults every attending shareholder without any objection, it is considered passed with the same effectiveness as the voting. In case of any objection, voting should be taken in accordance with the paragraph above.

For the amendment or substitute of the same motion, the chair is to combine it with the original motion to determine the vote order. If one of the proposals has been passed, the other proposals are viewed as denied and no more voting will be conducted.

The monitoring and counting personnel for the voting should be assigned by the chair, and the monitoring personnel should have a shareholder status.

Vote counting for shareholders' meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting and made into record.

Article 14 Shareholders' meetings that involve election of directors shall proceed according to the Company's election policy. Results of the elections, including the list of elected directors and the final tally, must be announced on-site.

All ballots used in the above election shall be sealed and signed by the ballot examiner, and held in proper custody for at least one year. However, if a shareholder raises a litigious claim against the Company according to Article 189 of The Company Act, the abovementioned documents must be retained until the end of the litigation.

Article 15 The voted issues should be made into a resolution record signed or stamped by the chair and then distributed to each shareholder within twenty days after the meeting. The production and the distribution of the resolution record can be made electronically.

The distribution of the aforementioned resolutions can be entered into the Market Observation Post System to be publicly announced.

The resolution proceedings should correctly record the year, month, day, venue, name of the chair, voting method, the essentials of the proceedings and the voting results (including the statistical weights). If there is an election of directors, the votes received by each nominee shall also be disclosed. These records are to be kept permanently during the Company's existence.

- Article 16 The number of shares owned by the solicitors and the entrusted proxies is compiled into a chart with a prescribed format on the meeting day and is disclosed clearly at the meeting venue.
The Company must disclose on MOPS in a timely manner any shareholder meeting resolutions that constitute material information as defined by law or the rules of Taiwan Stock Exchange Corporation (or Taipei Exchange).
- Article 17 Staff handling administrative affairs of a shareholders meeting shall wear identification cards or armbands.
The chair may direct proctors or security personnel to help maintain order at the meeting venue. The proctors or security personnel help maintaining order at the meeting place shall wear an identification card or armband bearing the word “Proctor.”
For venues that are equipped with broadcasting equipment, the chairman shall halt any shareholder that make statements from equipment not allocated to the Company.
Shareholders in violation of the rules and disobeying correction by the chair to disrupt the meeting are asked to leave the venue and will be escorted out by the proctors or the security personnel.
- Article 18 The chair may announce a break time during the meeting at his/her discretion. The chair is to rule a meeting suspension due to force majeure and announce another time to resume the meeting as appropriate.
If the agenda scheduled for the meeting (including extraordinary motion) are not finished and the venue cannot be used, the shareholders are to find resolutions in finding a place to finish the meeting.
The shareholders may decide to postpone or continue the meeting within five days in accordance with Article 182 of the Company Act.
- Article 19 These Rules are to be announced and implemented after being approved by the shareholders’ meeting, and likewise for the revision.
- Article 20 These Rules were established on April 15, 2011.
1st revision was made on May 25, 2012.
2nd revision was made on December 17, 2012.
3rd revision was made on June 21, 2013.
4th revision was made on June 9, 2015.
5th revision was made on May 29, 2020.
6th revision was made on July 8, 2021.

[Appendix V]

Innodisk Corporation Directors' Shareholding Position

- I. The Company's paid-in capital is NT\$866,665,810; and the number of shares issued is 86,666,581.
- II. The Company's board of directors currently has 4 independent directors. According to the "Regulations Governing the Minimum Percentage Required on the Shareholding by Directors and Supervisors of Public-Listed Companies and the Implementation of Audit Procedures," the share held by independent directors elected by public companies shall not be included in the total amount. The statutory shareholding ratio of all directors shall be reduced to 80% of the shareholding ratio of all directors other than independent directors, and the Company's legal minimum shareholding ratio of all directors is 6,933,326 shares.
- III. As of the account transfer closing date of the shareholders' meeting (April 2, 2023), the directors recorded in the shareholder list individually and collectively in the table below, which complied with the percentage standard stipulated in Article 26 of the Securities Exchange Act.

Title	Name	Book-close date (April 2, 2023) Shareholding as recorded in the shareholder roster	Ownership
Chairman	Chien, Chuan-Sheng	1,473,022	1.70%
Director	Lee, Chung-Liang	1,943,480	2.24%
Director	Hsu, Shan-Ke	0	0.00%
Director	Jhu, Cing-Jhong	1,657,395	1.91%
Director	Rui Ding Invest Co., Ltd. Representative: Wu, Xi-Xi	6,687,728	7.72%
Independent Director	Wang, Yin-Tien	0	0.00%
Independent Director	Lin, Wei-Li	0	0.00%
Independent Director	Young, Kai-Charn	0	0.00%
Independent Director	Lo, Su-Shun	0	0.00%
Overall Directors' Shareholding Position		11,761,625	13.57%

[Appendix VI]

Impact of Stock Dividend on the Company's Operating Performance, Earnings Per Share and Return on Shareholders' Investment

Item		Year	2022 (estimated)
Opening Paid-In Capital			865,530,810
Stock and Cash Dividends for the Year	Cash dividend per share		13.8 (Note 1)
	Stock dividends to issue new stock (Share)		0.02 (Note 1)
	Number of shares issued due to capitalization of capital surplus (shares)		—
Changes in business performance	Operating profit		Not applicable (Note 2)
	Year-on-year % increase (decrease) in operation profits		
	Net income after taxes		
	Year-on-year % increase (decrease) in net income after taxes		
	Earnings per share		
	Year-on-year % increase (decrease) in earnings per share		
Annual average return on investment (reciprocal of annual average P/E ratio) (%)			
Pro forma earnings per share and a price-to-earnings ratio	If all of the capital increase from earnings is changed to cash dividends	Pro forma earnings per share	Not applicable (Note 2)
		Pro forma annual average return on investment (%)	
	Without capitalization of capital surplus	Pro forma earnings per share	
		Pro forma annual average return on investment (%)	
	Without capitalization of capital surplus and the Stock dividends is distributed in cash dividends	Pro forma earnings per share	
		Pro forma annual average return on investment (%)	

Note 1: Pending the approval of the 2023 general shareholders' meeting.

Note 2: Not applicable as the Company has not yet released the 2023 financial forecast information.