



Stock Code: 5289

Innodisk Corporation

2026 Annual General Shareholders' Meeting

Meeting Manual

Meeting Date: May 27, 2026

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

Innodisk Corporation
Meeting Manual for the 2026 Annual General
Shareholders Meeting
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Innodisk Corporation

2026 Annual General Shareholders' Meeting Agenda

Date & Time: 9:00 am, May 27, 2026 (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. 2025 Business Report.
 - (II) Audit Committee's Review Report.
 - (III) Report on the distribution of remuneration to employees and directors for 2025.
- IV. Ratification items
 - (I) 2025 business report and financial statements.
 - (II) 2025 earnings distribution.
- V. Discussion items
 - (I) Capital increase from earnings with new shares issued in 2025.
 - (II) Revision of the Company's "Procedures for Acquisition or Disposal of Assets".
- VI. Extraordinary motions
- VII. Adjournment

Report Items

Motion 1 (Proposed by the Board)

Summary: Please review the 2025 business report.

Description: Please refer to Attachment I (pages 7 to 18) of the meeting manual for the Company's 2025 business report.

Motion 2 (Proposed by the Board)

Summary: Please review the Audit Committee's review report.

Description: Please refer to Attachment II, page 19 of the meeting manual for the Audit Committee's Review Report.

Motion 3 (Proposed by the Board)

Summary: Please review the distribution of 2025 remuneration to 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\$2,638,300,417. NT\$149,100,000 and NT\$23,700,000 were appropriate for employee and director remunerations, respectively, according to the Articles of Incorporation. All payments were made in cash.

II. There is no difference between said amounts and the amounts estimated in 2025.

Ratification Items

Motion 1 (Proposed by the Board)

Summary: Please ratify the 2025 business report and financial statements.

Description: I. The Board of Directors has resolved the Company's 2025 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 Tsui-Miao Yeh, CPA and Chan-Yuan Tu, CPA of PricewaterhouseCoopers Taiwan, audited by the Audit Committee, and a written audit report was issued for reference.

II. Please refer to pages 7-18 of Attachment I and pages 20-41 of Attachment V in this manual for a list of various reports in this case.

III. The documents are submitted for ratification.

Resolution

Motion 2 (Proposed by the Board)

Summary: Please ratify the 2025 earnings distribution.

Description: I. In accordance with the Company's Articles of Incorporation, the distribution of the Company's 2025 earnings is shown in the table below:

Innodisk Corporation
2025 Earnings Distribution Table

Unit: NTD

Item	Amount	Remarks
Beginning undistributed earnings	2,859,298,156	
Add: Net income after tax for the year	2,035,644,286	
Less: 10% as legal reserve	203,564,429	
Earnings available for distribution	4,691,378,013	
Distributions:		
Stock dividends	19,208,140	0.02 share per share
Cash dividends	1,623,088,117	Distribution of NT\$16.9 per share
Ending undistributed earnings	3,049,081,756	

Chairman:

Manager:

Head of Accounting:

- II. The proposed cash dividend distribution to shareholders is NT\$16.9 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 Chairman is authorized to determine the record date for the dividend and other related matters.
- III. 20 shares shall be distributed free of charge as stock dividends to shareholders per thousand shares held. The Board of Directors is authorized to set another base date for allotment after the declaration becomes effective.
- IV. In the event that 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

Motion 1 (Proposed by the Board)

Summary: Please discuss the Company's capital increase from earnings with new shares issued in 2025.

Description: I. Considering future business development needs, the Company intends to distribute NT\$19,208,140 in shareholder stock dividends from distributable earnings in 2025, execute a capital increase, and issue 1,920,814 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 shareholder service 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 fraction stock payment may be applied to offset against the transfer fee, for those transferring the fund with their central depository passbooks). The Chairman shall contact a specific person to purchase them in cash at face value.

II. A total of 1,920,814 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 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:

Motion 2 (Proposed by the Board)

Summary: Please discuss the revision of the Company's "Procedures for Acquisition or Disposal of Assets."

Description: I. The amendments to some articles of the Company's "Procedures for the Acquisition and Disposal of Assets" are proposed in response to the Company Act and the Company's actual needs. Enclosed please find the amendment comparison table, which can be found in Attachment IV on pages 42~53 of the manual.

II. The proposal is submitted for discussion.

Resolution:

Extraordinary motions

Adjournment

[Attachment I]

Innodisk Corporation Business Report

Dear shareholders:

In 2025, global AI applications continued to accelerate, driving significant growth in computing demand and simultaneously boosting structural demand for memory and storage equipment. From data centers and on-premise AI architectures in enterprises to edge AI applications deployed in industries, the market presented both opportunities and challenges, requiring companies to balance supply stability, technological advancements, and long-term strategy.

Faced with the rapid changes in the industrial environment, Innodisk continued to advance both its existing core business and new ventures. Corresponding to market fluctuations driven by changes in wafer foundry supply and demand, the Company remained committed to mutual growth and prosperity with its industry partners. While maintaining stable business operations, we implemented flexible supply strategies to ensure our long-term partners and customers receive consistent and reliable support, and to fulfill our commitments to the supply chain and the market. Simultaneously, we continued to invest in key technologies for next-generation computing and AI applications, and did not slow the pace of innovation despite market volatility.

In terms of innovative business development, Innodisk leveraged an edge AI strategy as a key driver for group growth. The Company was actively partnering with international leaders including NVIDIA, Intel, and Qualcomm, as well as system integrators and vertical-industry partners. By focusing on productization and software-hardware integration, Innodisk brought advanced computing architectures and accelerator technologies to real-world applications. Meanwhile, Innodisk continued to strengthen its position in computer vision and image sensing, aiming to be the intelligent eye for applications such as autonomous mobile robots and humanoid robots with its

high-speed camera modules and related solutions, providing essential AI sensing capabilities.

In 2025, Innodisk relentlessly demonstrated growth momentum and further strengthened the Group's global market position in the AI era. Looking to the future, Innodisk will persist in driving the Group's long-term growth through three core pillars: "core data computing and storage, edge AI systems and solutions, and computer vision AI sensing". Building on a foundation of sound operations, the Company will expand the practical impact of edge AI applications in industrial and enterprise settings.

The Company's operating results for 2025 and the operating outlook for 2026 are as follows

I. The previous year's business plan implementation results:

(I) The previous year's business plan implementation results:

In 2025, Innodisk continued to build on its "Architect Intelligence" brand proposition, further deepening its core strategy of AI-driven industry solutions. Moreover, with the expansion of the Group's product lines and solution portfolio, Innodisk will further advance a comprehensive upgrade of its brand system. Within the year, Innodisk completed the construction of a new brand identity system, and the new version of its global official website officially launched. By clarifying product positioning and restructuring its service framework, and integrating global multilingual content with localized information, the Company strengthened global market communication efficiency and service depth. By taking this approach, we have laid a more solid foundation for the Group's international expansion and the establishment of its edge AI brand.

In terms of products and business development, we joined forces with key international partners including NVIDIA, Intel, and Qualcomm to co-host the "AI Beyond the Edge: Cross-Domain Synergy and Intelligent Innovation" AI industry forum. The event gathered over 1,200 industry experts and

professionals both online and offline to explore the practical applications of AI in the industry. Through cross-core, cross-platform technical discussions and case studies, we further solidified our role as an integrator within the edge AI ecosystem and reinforced the Group’s strategic positioning.

Meanwhile, in the field of computer vision, the Company continued to deepen the integration of visual sensing camera modules and edge AI computing platforms into professional applications, developing scalable AI solutions adaptable to diverse computing architectures and driving AI from proof-of-concept to practical implementation. Furthermore, we collaborated with global leaders in industrial PCs and partners in vertical markets, combining our respective strengths in products and technology. By doing so, we successfully created deployable turn-key solutions – including those for heavy machinery and smart fleet management – helping customers accelerate AI adoption and reduce integration complexity. As part of this process, Innodisk further clarified its “keystone” position within the edge AI ecosystem and strengthened market understanding of the Company’s role and value.

In terms of market performance, Innodisk consistently ranks first globally in market share for industrial-grade SSDs and is among the top ten global DRAM brands. Furthermore, its product innovations have received numerous accolades both domestically and internationally, including the Embedded World – Best in Show and the Taiwan Excellence Award. Our achievements demonstrate the Company’s overall competitiveness in product quality, technological innovation, and application value.

In terms of corporate governance and sustainable operations, Innodisk has continued to deepen its ESG practices and fully implement its strategies. The biodiversity and migratory bird conservation initiative launched in 2024 has now been expanded to include the Group’s supplier partners, broadening the mutually beneficial value chain and strengthening its sustainability impact. Regarding information

security and compliance, the Company has officially obtained IEC 62443-4-1 international certification, completing an upgrade to industrial control system cybersecurity. This allows us to provide security safeguards covering “full product lines and full life cycles” in edge AI and industrial control applications, and to proactively prepare for future regulations such as the EU’s CRA requirements.

Innodisk's sustainability efforts have also received widespread recognition. In 2025, we were honored with the "CommonWealth Magazine Sustainable Citizen Award", the "CommonWealth Magazine Sustainable Talent Award", and the "Parenting Magazine Friendly Family Workplace Award", showcasing our long-term dedication and continuous improvement in governance, talent development, and workplace culture. Meanwhile, the Group officially established the “Sustainable Development and Information Security Committee”, formally integrating sustainability and information security strategies into its core corporate governance framework. This systematic approach ensures close alignment between sustainability goals and operational decisions, further strengthening the Company’s resilience in the face of global sustainability trends and evolving industry dynamics.

(II) Budget implementation status:

The Company did not issue public financial forecasts for 2025, therefore there is no need to disclose budget implementation status.

(III) Analysis on financial revenue & expenditure and profitability:

Last year, the Company’s operating revenue was NT\$14,261,262 thousand, a significant 60% increase from the previous year. Net income attributable to owners of the parent company was NT\$2,035,643 thousand, with earnings per share of NT\$21.72, demonstrating strong profitability. The net receivable balance was NT\$3,292,313 thousand at the end of last year, an increase of NT\$2,108,193 thousand compared to the end

of the previous year, due to revenue growth. Last year, in response to rising upstream chip prices and increased market demand, the Company began building up its inventory. Year-end inventory totaled NT\$5,385,202 thousand, up NT\$3,741,427 thousand from the end of the previous year. The current liabilities at the end of last year increased by NT\$3,372,857 thousand from the end of the previous year. Long-term liabilities remained relatively stable, and the overall debt-to-equity ratio increased by 16% year-over-year to 37%. The financial structure remains healthy. Overall, last year revenues and net profits increased significantly, driven by growth in both product prices and market demand. The Company will continue to develop core product technologies and optimize supply chain management, while also prioritizing work-life balance for employees and maximizing value for stakeholders.

(IV) R&D:

Innodisk consistently prioritizes technological innovation, employing the NPDP R&D process standard in the international electronics industry. By adhering to principles of rigorous quality management and forward-looking innovation, the Company continues to increase investment in R&D resources and funding, strengthen its key technology development, and enhance its software and hardware integration capabilities. This differentiated, high-intensity R&D approach serves as a crucial foundation for the Company's long-term, stable growth. At the same time, the Company has implemented the Taiwan Intellectual Property Management System (TIPS). Through a comprehensive intellectual property management framework and strategic patent portfolio, we are strengthening the protection and efficient utilization of our R&D outcomes. This enhances our overall innovation capabilities and corporate competitiveness.

In response to the next generation of system requirements driven by AI and high-performance computing, Innodisk will continue to deepen its R&D efforts in memory and storage technology. In terms of new memory architectures, the Company

has taken the lead in deploying and launching CAMM2 and LPCAMM2 memory modules. Notably, LPCAMM2 received a Taiwan Excellence Award for its innovative flat-mount design, which greatly simplifies motherboard routing, saves installation space, and effectively eliminates residual signal issues common in traditional slots, thereby enhancing signal integrity. Combined with the high bandwidth and low voltage of LPDDR5X, it provides key memory solutions for thin and light edge AI systems and rugged devices. In addition, Innodisk has also been the first to launch industrial-grade DDR5 7200 RDIMM memory, addressing the critical need for high-speed, stable, and consistently supplied memory in AI and data center applications. This further strengthens the Company's technology leadership in the high-end industrial and enterprise markets. In the storage field, the Company continues to invest in high-performance PCIe Gen5 technology and is launching E3.L data center SSDs to address future market scalability needs. These SSDs balance high data transfer speeds, thermal design, and enterprise-level reliability to meet the demands of high-density, high-stability applications in AI and cloud computing environments.

In terms of computer vision and AI sensing technology, Innodisk continues to expand its embedded camera module product line. Beyond its exclusive, Taiwan Excellence Award-winning MIPI over Type-C patented technology, the Company has further launched a GMSL2™ camera module and paired it with custom adapter board designs to enhance long-distance, high-stability image transmission capabilities. Through modular design and cross-platform compatibility, we assist system integrators and end customers in deploying image sensing systems faster and improving overall application flexibility.

As for the integration of edge AI systems and heterogeneous computing, Innodisk and its subsidiary, Aetina, have continuously launched a number of highly integrated edge AI solutions. Among them, the APEX-P200 edge AI system integrates high-performance GPU computing and industrial-grade reliability in a compact form factor, delivering multiple

image streaming and AI inference capabilities. The system supports applications in smart manufacturing, transportation, and retail, among others. The AIP-FR68S AI agent edge computing workstation breaks through traditional architectural limitations by supporting both data center- and workstation-class GPUs, and is compatible with NVIDIA and Qualcomm AI accelerator cards. The workstation enables the deployment of large language models and combines cloud and out-of-band management for faster enterprise AI adoption. The AIP-MURE multi-accelerator card edge AI inference system utilizes a fanless design to support multiple M.2 AI accelerator cards for stacked computing, achieving high performance and scalability in an extremely compact volume, showcasing the Group's R&D achievements in heterogeneous integration and sustainable design.

Overall, Innodisk will continue to focus its R&D efforts on memory, storage, edge AI systems, and image sensing. The Company will combine its software-hardware integration capabilities and cross-platform compatibility design to meet new market demands for high computing power and novel computing architectures. This not only strengthens the Group's existing leadership in the industrial control market but also accelerates its expansion into edge AI and enterprise AI applications, laying a solid R&D foundation for the Group's long-term growth.

II. The business plan of this year is outlined as following:

(I) The current business policy:

For the upcoming year, Innodisk will focus its business on three key pillars: “core data computation and storage, edge AI systems and solutions, and computer vision AI sensing”. We will continue to leverage our software-hardware integration capabilities and high degree of customization to strengthen our differentiated positioning. For brand management, the Company has deepened its focus on the “Architect Intelligence” brand communication strategy and remains consistently ranked among Taiwan's top international brands by the Industrial Development

Administration, Ministry of Economic Affairs. At the same time, the Company will broaden its solution offerings – encompassing storage, vision sensing, edge AI computing, model inference, and remote management – to reinforce collaboration with global tech giants and vertical market partners on key technologies and real-world applications. By focusing on two core application markets – Industry AI and Enterprise AI – Innodisk will continue to collaborate with ecosystem partners to elevate its edge AI capabilities, enhance brand visibility and recognition in international markets, and drive simultaneous growth in brand value and business performance.

(II) Expected sales volume and basis thereof, and important production and marketing policy:

Our company has compiled sales forecasts for 2026 based on historical product line and regional market sales performance, taking into account existing orders for this year, delivery plans provided by customers, and project requirements. These forecasts have been approved by the Board of Directors. Our manufacturing units then arrange capacity and production schedules according to these expected sales targets.

In business development, Innodisk not only upholds a spirit of professional, highly customized service excellence to continue deepening cooperation with global partners and existing customers, but also extensively serves local markets through 25 locations spanning Asia, Europe, and the Americas. The abundant production capacity at the Manufacturing Centers-Phase I and II in Yilan allows the company to fully respond to market changes and global large-scale project needs, ensuring a stable supply. This also provides strong support for the group and its subsidiaries as they pursue niche markets like edge AI and computer vision applications.

III. The Company’s future development strategies:

At present, global edge AI development has moved from the technology introduction phase to a stage of large-scale deployment and value validation. Looking ahead to 2026, the

core challenge for industry and businesses has shifted from "whether to adopt AI" to "how to reliably and scalably adopt AI while balancing performance, cost, security, and data sovereignty." As the AI framework gradually extends from the cloud to the edge and on-premises environments, two major application markets – Industry AI and Enterprise AI – are rapidly taking shape.

With 20 years of deep experience in the industrial control and embedded markets, and leveraging its long-term software and hardware integration capabilities, Innodisk has successfully transformed from a data-centric company to an AI leader. As edge AI becomes increasingly prevalent, Innodisk has clearly positioned itself as a “key cornerstone” for application implementation. The Company integrates AI architectures and accelerator technologies from leading international manufacturers such as Intel, NVIDIA, and Qualcomm. Through productization and system integration, we help customers overcome the barriers to AI adoption and accelerate the transition of applications from proof of concept to practical deployment.

In terms of market layout, Innodisk will continue to focus on these two high-potential application areas. In the Industry AI market, we are deepening partnerships with global industry leaders, developing high-value industry applications, and expanding into vertical sectors including smart manufacturing, transportation, automation, smart healthcare, retail, and smart cities. This strengthens real-time identification, real-time AI services, and remote monitoring capabilities, helping to optimize operational efficiency at the edge. In the Enterprise AI market, we focus on network communications, switches, data centers, enterprise on-premises AI, LLMs, VLMs, and multi-modal application architectures, helping enterprises enhance decision quality and operational resilience while maintaining data security and compliance.

High-performance data processing, storage, and sensing capabilities are essential foundations for deploying AI. Innodisk

will continue to invest in next-generation memory and high-speed interface technologies, including CXL memory architecture and PCIe Gen5, among other industrial-grade solutions, to help customers overcome system performance bottlenecks and sustain the growth of AI workloads. In response to the rapid expansion of computer vision applications, Innodisk will also accelerate the development of new products related to embedded cameras and image sensors, and integrate the Group's edge AI computing platform to create a comprehensive, one-stop AI machine vision solution encompassing sensing, computing, and analysis.

For the Group's AI development strategy, Innodisk will continue to focus on three core values: 1. Scalable edge AI architecture through point-to-area deployment and flexible adaptation; 2. Enhancing technology value and increasing the added value of overall solutions by investing in software and firmware; and 3. Promoting ecological prosperity through heterogeneous integration and collaboration with international AI technology leaders and industry partners to expand the ecosystem's influence.

In light of the rapid development of generative AI, Agentic AI, and multi-modal applications, Innodisk will collaborate with its ecosystem partners to help customers steadily expand from proof-of-concept (POC) to large-scale deployments, continuously building a track record and securing long-term order momentum to create stable and sustainable corporate value.

IV. Impact from competitive environment, regulatory environment and overall operating environment:

While continuing to promote operational growth and profit improvement, the Company also highly values corporate sustainability, fully implementing ESG principles across areas including environmental sustainability, talent development, social participation, corporate governance, green products, and information security. The Company has passed third-party verification and obtained ISO 9001 quality management system

certification, as well as IECQ: QC080000 hazardous substance process management, ISO14001 environmental management system, ISO 45001 occupational safety and health management, ISO 27001 information security management, and ISO 14064-1 greenhouse gas inventory, along with other related certifications, continuously enhance operational resilience and management systems.

In terms of the environment, the Company references the TNFD framework and has developed a three-year biodiversity action plan for Wuwei River in Yilan County. This plan involves collaboration with supplier partners and the local Wuwei River Cultural and Educational Promotion Association in tree-planting activities to establish windbreaks. The Company also participated in the “Ocean Sustainability Action Awards” organized by the Ocean Conservation Administration of the Ocean Affairs Council and was recognized as an “Ocean Conservation ESG Company”. We will continue to safeguard the environment with sincerity and enthusiasm, practice sustainability in giving back to society, and actively participate in ecological conservation and natural capital management. In terms of social responsibility, since the establishment of the Innodisk Foundation in 2016, we have long focused on the education of disadvantaged students. Through the promotion of the “Future Talent Dream Building Program”, we invite professional experts to share their knowledge with students to inspire their career paths and dreams, and serve as a guide and support system on their educational journey. In addition, we have also collaborated with local schools and community organizations, embodying a spirit of proactive thinking, to conduct electricity safety education and small appliance maintenance for elderly and solitary seniors at home. We foster a “horizontal network of social care” through local public welfare initiatives. Regarding corporate governance, the Company has established a “Sustainable Development and Information Security Committee” in accordance with the corporate governance 3.0 blueprint promoted by the competent authority. The chairman serves as the committee chair to drive

internal improvements in sustainability and strengthen corporate governance. The results of the Committee are also reflected in the corporate governance evaluation results of the competent authority, enabling the Company to consistently rank among the top performers among the listed companies. The Company also demonstrates its strong competitiveness in board operations, information transparency, shareholder rights protection, and sustainable governance.

Faced with intensifying industry competition and a rapidly changing regulatory environment, the Company not only ensures compliance with relevant laws and regulations but also continuously monitors domestic and international industry trends and policy development. At the same time, the Company maintains the flexibility to adjust its operating strategies to respond to potential risks and opportunities promptly, thereby strengthening its long-term competitive advantage. In the future, the Company will continue to adhere to the business philosophy of "innovation, discipline, and sharing" and steadily advance towards its goal of becoming a globally competitive benchmark enterprise.

Chairman:
Chuan-Sheng Chien

Manager:
Chuan-Sheng Chien

Head of Accounting:
Wen-Kui Hsiao

[Attachment II]

Innodisk Corporation
Audit Committee's Review Report

Among the 2025 business reports, financial statements, and profit distribution proposals prepared by the Company's Board of Directors, the financial statements were audited by PricewaterhouseCoopers Taiwan and a written audit report was issued for reference.

The Audit Committee is in charge of supervising the Company's financial reporting process. The independent auditors have certified the Company's 2025 annual financial statements and communicated with the Audit Committee on the following matters:

1. The independent auditors have not found any significant deficiencies within the planned scope and timing of the audit.
2. The independent directors 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 independent directors.
3. The independent auditors 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 2026 General Shareholders' Meeting

Convener of the Audit Committee: Kai-Charn Young

Audit Committee Member: Yin-Tien Wang

Audit Committee Member: Wei-Li Lin

Audit Committee Member: Su-Shun Lo

February 26, 2026

Independent Auditor's Report

(115) Tsai-Shen-Bao-Zi No. 25004308

To Innodisk Corporation:

Opinions

We have duly audited the consolidated balance sheet of Innodisk Corporation and subsidiaries (the “Group”) as of December 31, 2025 and 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows from January 1 to December 31, 2025 and 2024, 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, 2025 and 2024, and the consolidated financial performance and consolidated cash flows from January 1 to December 31, 2025 and 2024.

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 audit of the consolidated financial statements of Innodisk Corporation and its subsidiaries for 2025. 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 2025 consolidated financial statements are as follows:

Inventory Valuation

Description of Key Audit Matters

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

Our corresponding audit procedures performed on the above issue are described as follows:

1. Understand the inventory allowance evaluation and appropriation policy, and confirm the adoption of the appropriation policy for the inventory evaluation loss during the financial statement period.
2. Conduct period-end physical inventory count to identify whether there is any inactive, damaged or unsaleable inventory.
3. Obtain an inventory aging report to conduct inventory aging test. Randomly sample the inventory and confirm inventory transaction records to confirm the classification of aging intervals, so as to evaluate the impact on inventory valuation.
4. Obtain the net realizable value report of each inventory to confirm the calculation logic and test relevant parameters such as source data of sales files and the relevant supporting valuation documents. Recalculate loss in valuation allowance of each item number at the lower of cost and net realizable value.
5. Compare the differences in provisions of inventory allowance for the current period and the most recent year to estimate the valuation loss in inventory allowance.

Existence of Sales Income

Description of Key Audit Matters

For the accounting policy of income recognition, please refer to Note 4 (30) of the consolidated financial statements. For the description of accounting subjects of sales income, please refer to Note 6 (22).

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

Our corresponding audit procedures performed on the above issue are described as follows:

1. Understand the process and basis of sales revenue recognition and cash 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 with 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. Sample check the sales details of the top ten customers and verify the related vouchers and status of subsequent payment collection.
5. Obtain details of subsequent sales returns of the top ten customers and examine the status of sales returns.

Other Matters -- Parent Company Only Financial Report

We have audited and expressed an unqualified opinion on the parent company only financial report of Innodisk Corporation for the years ended 2025 and 2024.

Responsibilities of the Management and the Governance Unit 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.

As part of an audit conducted in accordance with ROC AS, we exercise professional judgment and professional skepticism throughout the audit. We also conduct the following tasks:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to the 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 for 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

- audit 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 their notes, and whether the consolidated financial statements fairly represent relevant transactions.
 6. Obtain sufficient appropriate audit evidences regarding the financial information of the entities 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 2025. We describe these matters in our auditor's 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.

PricewaterhouseCoopers, Taiwan

Tsui-Miao Yeh

Accountant

Chan-Yuan Tu

Previously Securities and Futures Bureau of Financial
Supervisory Commission under Executive Yuan
Approval Number: Jin-Guan-Zheng-Liu-Zi No.
0960058737
Financial Supervisory Commission
Approval number: Jin-Guan-Cheng-Shen-Zi No.
1120348565

February 26, 2026

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: Thousand NTD

Assets	Note	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,645,410	11	\$ 3,000,257	31
1136	Current financial assets at amortised cost	6 (3)	150,000	1	157,898	1
1150	Notes receivable, net	6 (4)	3,529	-	902	-
1170	Accounts receivable, net	6 (4)	3,292,313	23	1,184,120	12
1180	Accounts receivable -- related parties	6 (4) and 7 (2)	3	-	44	-
1200	Other receivables		23,720	-	12,378	-
1210	Other receivables -- related parties	7 (2)	31	-	32	-
1220	Current income tax assets	6 (29)	35,265	-	6,021	-
130X	Inventories	6 (5)	5,385,202	37	1,643,775	17
1410	Prepayments	6 (6)	341,181	3	91,062	1
11XX	Total Current Assets		<u>10,876,654</u>	<u>75</u>	<u>6,096,489</u>	<u>62</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current	6 (2)	29,837	-	29,071	-
1535	Financial assets measured at amortized cost - non-current	6 (3) and 8	11,206	-	11,206	-
1550	Investments accounted for using equity method	6 (7)	29,753	-	35,586	-
1600	Property, plant and equipment	6 (8) and 8	3,010,757	21	2,866,833	30
1755	Right-of-use assets	6 (9)	206,434	2	211,693	2
1760	Investment property, net	6 (11)	176,532	1	334,719	4
1780	Intangible assets	6 (12)	47,398	-	52,760	1
1840	Deferred income tax assets	6 (29)	152,325	1	106,871	1
1920	Refundable deposit		7,367	-	6,965	-
1990	Other non-current assets - others		300	-	3,800	-
15XX	Total Non-Current Assets		<u>3,671,909</u>	<u>25</u>	<u>3,659,504</u>	<u>38</u>
1XXX	Total Assets		<u>\$ 14,548,563</u>	<u>100</u>	<u>\$ 9,755,993</u>	<u>100</u>

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
December 31, 2025 and 2024

Unit: Thousand NTD

Liabilities and Equity	Note	December 31, 2025		December 31, 2024	
		Amount	%	Amount	%
Current liabilities					
2100 Short-term borrowings	6 (14)	\$ 1,735,790	12	\$ -	-
2130 Current contract liabilities	6 (22)	42,267	-	39,501	-
2170 Accounts payable		1,852,180	13	745,114	8
2180 Accounts payable - related parties	7 (2)	478	-	372	-
2200 Other payables	6 (13)	779,286	5	533,613	6
2230 Current income tax liabilities	6 (29)	363,599	3	100,893	1
2250 Provisions for liabilities - current	6 (18)	17,386	-	21,302	-
2280 Current lease liabilities		28,535	-	27,217	-
2320 Long-term liabilities -- current portion	6 (15)	37,280	-	17,877	-
2399 Other current liabilities - others		10,737	-	8,792	-
21XX Total Current Liabilities		<u>4,867,538</u>	<u>33</u>	<u>1,494,681</u>	<u>15</u>
Non-current liabilities					
2540 Long-term loans	6 (15)	307,633	2	344,081	4
2550 Provision for non-current liabilities	6 (18)	53,775	1	42,972	-
2570 Deferred income tax liabilities	6 (29)	18,401	-	7,916	-
2580 Lease liabilities - Non-current		183,610	1	189,367	2
2645 Guarantee deposit received	7 (2)	4,041	-	3,821	-
25XX Total Non-Current Liabilities		<u>567,460</u>	<u>4</u>	<u>588,157</u>	<u>6</u>
2XXX Total liabilities		<u>5,434,998</u>	<u>37</u>	<u>2,082,838</u>	<u>21</u>
Equity attributable to owners of parent					
Share capital					
3110 Share capital - common stock	6 (19)	960,407	7	914,561	9
Capital surplus					
3200 Capital surplus	6 (20)	2,196,806	15	1,654,047	18
Retained earnings					
3310 Legal reserve	6 (21)	1,177,229	8	1,066,612	11
3350 Unappropriated retained earnings		4,894,942	34	3,847,894	39
Other equity interests					
3400 Other equity interests		(288,597)	(2)	8,029	-
31XX Total equity attributable to owners of parent		<u>8,940,787</u>	<u>62</u>	<u>7,491,143</u>	<u>77</u>
36XX Non-controlling interest		<u>172,778</u>	<u>1</u>	<u>182,012</u>	<u>2</u>
3XXX Total equity		<u>9,113,565</u>	<u>63</u>	<u>7,673,155</u>	<u>79</u>
Material contingent liabilities and unrecognized contractual commitments					
	9				
Material Events Subsequent to the Balance Sheet Date					
	11				
3X2X Total Liabilities and Equity		<u>\$ 14,548,563</u>	<u>100</u>	<u>\$ 9,755,993</u>	<u>100</u>

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD
(Except for earnings per share)

Item	Note	2025		2024	
		Amount	%	Amount	%
4000 Operating revenue	6 (22) and 7 (2)	\$ 14,261,262	100	\$ 8,915,642	100
5000 Operating costs	6 (5) and 7 (2)	(9,829,334)	(69)	(6,090,393)	(68)
5950 Gross profit before unrealized gross profit on sales to subsidiaries		<u>4,431,928</u>	<u>31</u>	<u>2,825,249</u>	<u>32</u>
Operating expenses	6 (27) and 7 (2)				
6100 Selling expenses		(881,909)	(6)	(712,587)	(8)
6200 General and administrative expenses		(597,876)	(4)	(444,121)	(5)
6300 Research and development expenses		(562,076)	(4)	(495,548)	(6)
6450 Expected credit profit (loss)	12 (2)	(639)	-	5,503	-
6000 Total operating expenses		(2,042,500)	(14)	(1,646,753)	(19)
6900 Operating profit		<u>2,389,428</u>	<u>17</u>	<u>1,178,496</u>	<u>13</u>
Non-operating income and expenses					
7100 Interest income	6 (23)	26,446	-	37,718	1
7010 Other income	6 (24) and 7 (2)	28,827	-	28,516	-
7020 Other gains and losses	6 (25)	39,724	-	125,142	1
7050 Finance cost	6 (26)	(21,280)	-	(17,785)	-
7060 Shares of losses of associates and joint ventures accounted for using equity method	6 (7)	(5,833)	-	(2,948)	-
7000 Total non-operating income and expenses		<u>67,884</u>	<u>-</u>	<u>170,643</u>	<u>2</u>
7900 Profit before income tax		<u>2,457,312</u>	<u>17</u>	<u>1,349,139</u>	<u>15</u>
7950 Income tax expense	6 (29)	(436,050)	(3)	(244,595)	(3)
8200 Net income for the year		<u>\$ 2,021,262</u>	<u>14</u>	<u>\$ 1,104,544</u>	<u>12</u>
Other comprehensive income (net)					
Components of other comprehensive income that will not be reclassified to profit or loss					
8316 Unrealized gains or losses of equity instruments measured at fair value through other comprehensive income		\$ 766	-	\$ 966	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss		<u>766</u>	<u>-</u>	<u>966</u>	<u>-</u>
Items that may be reclassified to profit or loss					
8361 Financial statements translation differences of foreign operations		<u>1,712</u>	<u>-</u>	<u>(1,278)</u>	<u>-</u>
8360 Components of other comprehensive loss that will be reclassified to profit or loss		<u>1,712</u>	<u>-</u>	<u>(1,278)</u>	<u>-</u>
8300 Other comprehensive profit (loss) for the period, net of tax		<u>\$ 2,478</u>	<u>-</u>	<u>(\$ 312)</u>	<u>-</u>
Total comprehensive income for the year		<u>\$ 2,023,740</u>	<u>14</u>	<u>\$ 1,104,232</u>	<u>12</u>
Profit attributable to:					
8610 Owners of the parent		\$ 2,035,643	14	\$ 1,106,172	12
8620 Non-controlling interest		(14,381)	-	(1,628)	-
Net income for the year		<u>\$ 2,021,262</u>	<u>14</u>	<u>\$ 1,104,544</u>	<u>12</u>
Comprehensive income attributable to:					
8710 Owners of the parent		\$ 2,038,163	14	\$ 1,105,712	12
8720 Non-controlling interest		(14,423)	-	(1,480)	-
Total comprehensive income for the year		<u>\$ 2,023,740</u>	<u>14</u>	<u>\$ 1,104,232</u>	<u>12</u>
Basic earnings per share	6 (30)				
9750 Net income for the year		<u>\$</u>	<u>21.72</u>	<u>\$</u>	<u>11.97</u>
Diluted earnings per share	6 (30)				
9850 Net income for the year		<u>\$</u>	<u>21.57</u>	<u>\$</u>	<u>11.79</u>

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD

	Note	Equity attributable to owners of parent					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	Employee Unearned Remuneration	Total	Non-controlling interest	
January 1 to December 31, 2024												
Balance on January 1, 2024		\$ 883,977	\$ 1,416,781	\$ 951,850	\$ 924	\$ 3,774,896	\$ 10,354	(\$ 1,865)	\$ -	\$ 7,036,917	\$ 106,368	\$ 7,143,285
Net income for the year		-	-	-	-	1,106,172	-	-	-	1,106,172	(1,628)	1,104,544
Other comprehensive profit and loss for the year		-	-	-	-	-	(1,426)	966	-	(460)	148	(312)
Total comprehensive profit and loss for the year		-	-	-	-	1,106,172	(1,426)	966	-	1,105,712	(1,480)	1,104,232
Appropriation and distribution of retained earnings for 2023	6 (21)	-	-	114,762	-	(114,762)	-	-	-	-	-	-
Legal reserve		-	-	114,762	-	(114,762)	-	-	-	-	-	-
Special reserve		-	-	-	(924)	924	-	-	-	-	-	-
Stock dividends	6 (19)	17,680	-	-	-	(17,680)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(901,656)	-	-	(901,656)	-	(901,656)	-
Share-based payment	6 (17)	-	36,468	-	-	-	-	-	-	36,468	-	36,468
Employees exercise options	6 (19)	12,904	178,788	-	-	-	-	-	-	191,692	-	191,692
Changes in shareholders' equity in subsidiaries not recognized proportionately to ownership	6 (33)	-	22,010	-	-	-	-	-	22,010	(22,010)	-	-
Subsidiary share-based payment transactions	6 (17)	-	-	-	-	-	-	-	-	4,342	4,342	-
Capital increase in cash by subsidiaries		-	-	-	-	-	-	-	-	94,792	94,792	-
Balance as of December 31, 2024		\$ 914,561	\$ 1,654,047	\$ 1,066,612	\$ -	\$ 3,847,894	\$ 8,928	(\$ 899)	\$ -	\$ 7,491,143	\$ 182,012	\$ 7,673,155
January 1 to December 31, 2025												
Balance on January 1, 2025		\$ 914,561	\$ 1,654,047	\$ 1,066,612	\$ -	\$ 3,847,894	\$ 8,928	(\$ 899)	\$ -	\$ 7,491,143	\$ 182,012	\$ 7,673,155
Net income for the year		-	-	-	-	2,035,643	-	-	-	2,035,643	(14,381)	2,021,262
Other comprehensive profit and loss for the year		-	-	-	-	-	1,754	766	-	2,520	(42)	2,478
Total comprehensive profit and loss for the year		-	-	-	-	2,035,643	1,754	766	-	2,038,163	(14,423)	2,023,740
Appropriation and distribution of retained earnings for 2024	6 (21)	-	-	110,617	-	(110,617)	-	-	-	-	-	-
Legal reserve		-	-	110,617	-	(110,617)	-	-	-	-	-	-
Stock dividends	6 (19)	18,291	-	-	-	(18,291)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(859,687)	-	-	(859,687)	-	(859,687)	-
Share-based payment	6 (17)	-	11,471	-	-	-	-	-	-	11,471	-	11,471
Employees exercise options	6 (19)	15,765	206,569	-	-	-	-	-	-	222,334	-	222,334
Proposal for the company to issue restricted employee stock awards.	6 (17)	11,790	324,719	-	-	-	-	(336,509)	-	-	-	-
Issuance Plan for New Restricted Employee Shares	6 (17)	-	-	-	-	-	-	37,363	37,363	-	-	37,363
Subsidiary share-based payment transactions	6 (17)	-	-	-	-	-	-	-	-	5,189	5,189	-
Balance as of December 31, 2025		\$ 960,407	\$ 2,196,806	\$ 1,177,229	\$ -	\$ 4,894,942	\$ 10,682	(\$ 133)	(\$ 299,146)	\$ 8,940,787	\$ 172,778	\$ 9,113,565

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flows from operating activities</u>			
Profit before income tax for the year		\$ 2,457,312	\$ 1,349,139
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (27)	152,223	122,694
Depreciation charges on right-of-use assets	6 (27)	32,652	29,132
Amortization charges on the intangible assets and deferred assets	6 (27)	25,177	26,905
Depreciation charges on investment property	6 (25)	3,303	3,858
Expected credit (profit) loss	12 (2)	639	(5,503)
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6 (5)	147,458	28,114
Loss on scrapping inventory	6 (5)	16,043	21,925
Gain on lease modifications	6 (9)	(8)	(17)
Interest income	6 (23)	(26,446)	(37,718)
Dividend income	6 (24)	(1,349)	(1,349)
Interest expense	6 (26)	21,280	17,785
Issuance Plan for New Restricted Employee Shares	6 (17)	37,363	-
Compensation cost of employee stock options	6 (17)	16,660	40,810
Shares of losses of associates accounted for using equity method	6 (7)	5,833	2,948
Loss (gain) on disposal of property, plant and equipment	6 (25)	(32,751)	18
Gains (losses) on disposal of investment property	6 (25)	(6,573)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		(2,627)	115
Accounts receivable, net		(2,108,830)	154,858
Accounts receivable -- related parties		41	(13)
Other receivables		(12,050)	5,720
Other receivables -- related parties		1	(1)
Inventories		(3,904,928)	(534,566)
Prepayments		(250,089)	(24,578)
Changes in operating liabilities			
Current contract liabilities		2,766	11,953
Accounts payable		1,107,066	14,141
Accounts payable - related parties		106	185
Other payables		246,143	31,863
Other payables -- Related parties		-	(114)
Current provisions		(3,916)	(930)
Non-current provisions		10,803	5,635
Other current liabilities - others		1,945	1,618
Cash (outflow) inflow from operations		(2,064,753)	1,264,627
Interest received		27,154	38,072
Dividends received		1,349	1,349
Income taxes paid		(237,554)	(449,572)
Net cash (outflow) inflow from operating activities		(2,273,804)	854,476

(Continued)

Innodisk Corporation and Subsidiaries

Consolidated Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from investing activities</u>			
Decrease (increase) in current financial assets at amortized cost		\$ 7,898	(\$ 157,898)
Acquisition of property, plant and equipment	6 (31)	(213,855)	(314,864)
Disposal of property, plant and equipment		90,735	-
Acquisition of investment property	6 (11)	-	(220,156)
Disposal of investment property		18,092	-
Acquisition of intangible assets	6 (12)	(16,497)	(39,550)
(Increase) in refundable deposits		(1,156)	(966)
Decrease in refundable deposits		730	472
(Increase) in other non-current assets - others		(300)	(3,674)
Net cash used in investing activities		(114,353)	(736,636)
<u>Cash flow from financing activities</u>			
Proceeds from short-term borrowings	6 (32)	3,117,980	-
Repayment of short-term debt	6 (32)	(1,382,190)	-
Repayment of long-term debt	6 (32)	(17,945)	(7,600)
Increase in guarantee deposits received	6 (32)	2,264	3,308
Decrease in guarantee deposit	6 (32)	(1,680)	(2,816)
Cash dividends paid	6 (32)	(859,687)	(901,656)
Employees exercise options		222,334	191,692
Interest paid		(17,928)	(18,206)
Capital increase in cash by subsidiaries		-	94,792
Payment of lease liabilities	6 (32)	(31,655)	(27,523)
Net cash inflow (outflow) from financing activities		1,031,493	(668,009)
Effects of changes in foreign exchange rates		1,817	(6,596)
Decrease in cash and cash equivalents in the current period		(1,354,847)	(556,765)
Cash and cash equivalents at beginning of year		3,000,257	3,557,022
Ending cash and cash equivalents		\$ 1,645,410	\$ 3,000,257

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

Chairman:
Chuan-Sheng Chien

Manager:
Chuan-Sheng Chien

Head of Accounting:
Wen-Kui Hsiao

Independent Auditor's Report

(115) Tsai-Shen-Bao-Zi No. 25004017

To Innodisk Corporation:

Opinions

We have audited the accompanying parent-only balance sheets on December 31, 2025 and 2024 and the parent-only statements of comprehensive income, changes in equity and cash flows from January 1 to December 31, 2025 and 2024, as well as the notes to the parent-company only financial statements (including the summary of significant accounting policies), for Innodisk Corporation.

In our opinion, the parent-company only financial statements referred to above present fairly, in all material respects, the financial position of the Company on December 31, 2025 and 2024, and its financial performance and cash flows from January 1 to December 31, 2025 and 2024 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 Financial Statements section of our report. We are independent of Innodisk Corporation in accordance with the 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, in our professional judgment, were of most significance in the audit of the 2025 parent-only financial statements of Innodisk Corporation. 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 2025 parent-only financial statements are as follows:

Inventory Valuation

Description of Key Audit Matters

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

Our corresponding audit procedures performed on the above issue are described as follows:

1. Understand the inventory allowance evaluation and appropriation policy, and confirm the adoption of the appropriation policy for the inventory evaluation loss during the financial statement period.
2. Conduct period-end physical inventory count to identify whether there is any inactive, damaged or unsaleable inventory.
3. Obtain an inventory aging report to conduct inventory aging test. Randomly sample the inventory and confirm inventory transaction records to confirm the classification of aging intervals, so as to evaluate the impact on inventory valuation.
4. Obtain the net realizable value report of each inventory to confirm the calculation logic and test relevant parameters such as source data of sales files and the relevant supporting valuation documents. Recalculate loss in valuation allowance of each item number at the lower of cost and net realizable value.
5. Compare the differences in provisions of inventory allowance for the current period and the most recent year to estimate the valuation loss in inventory allowance.

Existence of Sales Income

Description of Key Audit Matters

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(21).

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

Our corresponding audit procedures performed on the above issue are described as follows:

1. Understand the process and basis of sales revenue recognition and cash 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 with 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. Sample check the sales details of the top ten customers and verify the related vouchers and status of subsequent payment collection.
5. Obtain details of subsequent sales returns of the top ten customers and examine the status of sales returns.

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

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

In preparing the parent-only financial statements, management is responsible for assessing Innodisk Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate 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 Innodisk Corporation's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent-only financial statements as a whole are free from material misstatement, whether due to fraud or error, and

to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ROC AS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Matters 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-only financial statements.

As part of an audit conducted in accordance with ROC AS, we exercise professional judgment and professional skepticism throughout the audit. We also conduct the following tasks:

1. Identify and assess the risks of material misstatement of the parent-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 Innodisk's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-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 audit report. However, future events or conditions may cause Innodisk to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-only financial statements, including the disclosures, and whether the 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 Innodisk to express an opinion on the parent-only financial statements. We are responsible for the direction, supervision and performance of the audit for the parent entity. 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 Innodisk's parent-only financial statements for 2025 and are therefore the key audit matters. We describe these matters in our auditor's 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.

PricewaterhouseCoopers, Taiwan

Tsui-Miao Yeh

Accountant

Chan-Yuan Tu

Previously Securities and Futures Bureau of Financial
Supervisory Commission under Executive Yuan

Approval Number: Jin-Guan-Zheng-Liu-Zi No.
0960058737

Financial Supervisory Commission

Approval number: Jin-Guan-Cheng-Shen-Zi No.
1120348565

February 26, 2026

Innodisk Corporation
Parent Company Only Balance Sheet
December 31, 2025 and 2024

Unit: Thousand NTD

Assets	Note	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current assets						
1100	Cash and cash equivalents	6 (1)	\$ 1,148,365	8	\$ 2,481,740	26
1136	Current financial assets at amortised cost	6 (3)	150,000	1	157,898	2
1150	Notes receivable, net	6 (4)	3,529	-	902	-
1170	Accounts receivable, net	6 (4)	2,598,006	19	846,528	9
1180	Accounts receivable -- related parties	6 (4) and 7 (2)	793,940	6	519,529	6
1200	Other receivables		1,241	-	3,325	-
1210	Other receivables -- related parties	7 (2)	1,227	-	7,458	-
1220	Current income tax assets	6 (28)	32,842	-	1,397	-
130X	Inventories	6 (5)	5,181,078	37	1,410,852	15
1410	Prepayments	6 (6)	305,041	2	69,218	1
11XX	Total Current Assets		<u>10,215,269</u>	<u>73</u>	<u>5,498,847</u>	<u>59</u>
Non-Current Assets						
1517	Financial assets measured at fair value through other comprehensive income - non-current	6 (2)	29,837	-	29,071	-
1535	Financial assets measured at amortized cost - non-current	6 (3) and 8	10,706	-	10,706	-
1550	Investments accounted for using equity method	6 (7)	562,434	4	565,117	6
1600	Property, plant and equipment	6 (8)	2,547,940	18	2,480,666	27
1755	Right-of-use assets	6 (9)	174,339	1	185,343	2
1760	Investment property, net	6 (11)	371,055	3	448,039	5
1780	Intangible assets		31,249	-	38,023	-
1840	Deferred income tax assets	6 (28)	112,019	1	83,437	1
1920	Refundable deposit		2,790	-	2,543	-
1990	Other non-current assets - others		300	-	1,800	-
15XX	Total Non-Current Assets		<u>3,842,669</u>	<u>27</u>	<u>3,844,745</u>	<u>41</u>
1XXX	Total Assets		<u>\$ 14,057,938</u>	<u>100</u>	<u>\$ 9,343,592</u>	<u>100</u>

(Continued)

Innodisk Corporation
Parent Company Only Balance Sheet
December 31, 2025 and 2024

Unit: Thousand NTD

Liabilities and Equity	Note	December 31, 2025		December 31, 2024		
		Amount	%	Amount	%	
Current liabilities						
2100	Short-term borrowings	6 (13)	\$ 1,735,790	12	\$ -	-
2130	Current contract liabilities	6 (21)	18,145	-	24,790	1
2170	Accounts payable		1,783,124	13	729,070	8
2180	Accounts payable - related parties	7 (2)	513	-	2,408	-
2200	Other payables	6 (12)	681,625	5	455,302	5
2220	Other payables - related parties	7 (2)	18,124	-	20,187	-
2230	Current income tax liabilities	6 (28)	353,015	3	97,671	1
2250	Provisions for liabilities - current	6 (17)	16,926	-	19,801	-
2280	Current lease liabilities		14,372	-	13,204	-
2320	Long-term liabilities -- current portion	6 (14)	28,625	-	9,542	-
2399	Other current liabilities - others		6,085	-	4,846	-
21XX	Total Current Liabilities		<u>4,656,344</u>	<u>33</u>	<u>1,376,821</u>	<u>15</u>
Non-current liabilities						
2540	Long-term loans	6 (14)	190,833	1	219,458	2
2550	Provision for non-current liabilities	6 (17)	52,867	1	42,437	1
2570	Deferred income tax liabilities	6 (28)	10,263	-	3,914	-
2580	Lease liabilities - Non-current		165,610	1	177,047	2
2645	Guarantee deposit received		2,495	-	4,297	-
2670	Other non-current liabilities, others	6 (7)	38,739	-	28,475	-
25XX	Total Non-Current Liabilities		<u>460,807</u>	<u>3</u>	<u>475,628</u>	<u>5</u>
2XXX	Total liabilities		<u>5,117,151</u>	<u>36</u>	<u>1,852,449</u>	<u>20</u>
Equity						
Share capital						
3110	Share capital - common stock	6 (18)	960,407	7	914,561	10
Capital surplus						
3200	Capital surplus	6 (19)	2,196,806	15	1,654,047	18
Retained earnings						
3310	Legal reserve	6 (20)	1,177,229	9	1,066,612	11
3350	Unappropriated retained earnings		4,894,942	35	3,847,894	41
Other equity interests						
3400	Other equity interests		(288,597)	(2)	8,029	-
3XXX	Total equity		<u>8,940,787</u>	<u>64</u>	<u>7,491,143</u>	<u>80</u>
Material contingent liabilities and unrecognized contractual commitments						
Material Events Subsequent to the Balance Sheet Date						
3X2X	Total Liabilities and Equity		<u>\$ 14,057,938</u>	<u>100</u>	<u>\$ 9,343,592</u>	<u>100</u>

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation
Parent-Only Statement of Comprehensive Income
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD
(Except for earnings per share)

Item	Note	2025		2024		
		Amount	%	Amount	%	
4000	Operating revenue	6 (21) and 7(2)	\$ 13,052,946	100	\$ 8,030,236	100
5000	Operating costs	6 (5) and 7 (2)	(9,130,313)	(70)	(5,626,652)	(70)
5900	Gross profit		<u>3,922,633</u>	<u>30</u>	<u>2,403,584</u>	<u>30</u>
5910	Unrealized gain on sales		(63,757)	-	(12,789)	-
5920	Realized gain on sales		12,789	-	8,573	-
5950	Gross profit before unrealized gross profit on sales to subsidiaries		<u>3,871,665</u>	<u>30</u>	<u>2,399,368</u>	<u>30</u>
	Operating expenses	6 (26) and 7 (2)				
6100	Selling expenses		(610,207)	(5)	(474,603)	(6)
6200	General and administrative expenses		(453,702)	(3)	(307,705)	(4)
6300	Research and development expenses		(474,988)	(4)	(411,974)	(5)
6450	Expected credit profit (loss)	12 (2)	(530)	-	38	-
6000	Total operating expenses		<u>(1,539,427)</u>	<u>(12)</u>	<u>(1,194,244)</u>	<u>(15)</u>
6900	Operating profit		<u>2,332,238</u>	<u>18</u>	<u>1,205,124</u>	<u>15</u>
	Non-operating income and expenses					
7100	Interest income	6 (22)	23,264	-	33,944	1
7010	Other income	6 (23) and 7 (2)	45,864	1	36,752	1
7020	Other gains and losses	6 (24)	45,688	-	112,697	1
7050	Finance cost	6 (25)	(17,822)	-	(5,367)	-
7070	Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6 (7)				
			<u>36,267</u>	<u>-</u>	<u>(59,273)</u>	<u>(1)</u>
7000	Total non-operating income and expenses		<u>133,261</u>	<u>1</u>	<u>118,753</u>	<u>2</u>
7900	Profit before income tax		<u>2,465,499</u>	<u>19</u>	<u>1,323,877</u>	<u>17</u>
7950	Income tax expense	6 (28)	(429,856)	(3)	(217,705)	(3)
8200	Net income for the year		<u>\$ 2,035,643</u>	<u>16</u>	<u>\$ 1,106,172</u>	<u>14</u>
	Other comprehensive income (net)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealized gains or losses of equity instruments measured at fair value through other comprehensive income		\$ 766	-	\$ 966	-
	Items that may be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		<u>1,754</u>	<u>-</u>	<u>(1,426)</u>	<u>-</u>
8360	Components of other comprehensive loss that will be reclassified to profit or loss		<u>1,754</u>	<u>-</u>	<u>(1,426)</u>	<u>-</u>
8300	Other comprehensive income (net)		<u>\$ 2,520</u>	<u>-</u>	<u>(\$ 460)</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 2,038,163</u>	<u>16</u>	<u>\$ 1,105,712</u>	<u>14</u>
	Basic earnings per share	6 (29)				
9750	Net income for the year		<u>\$</u>	<u>21.72</u>	<u>\$</u>	<u>11.97</u>
	Diluted earnings per share	6 (29)				
9850	Net income for the year		<u>\$</u>	<u>21.57</u>	<u>\$</u>	<u>11.79</u>

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation
Parent-Only Statement of Changes in Equity
January 1 to December 31, 2025 and 2024

Unit: Thousand 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	Employee Unearned Remuneration	
<u>2024</u>										
Balance on January 1, 2024		\$ 883,977	\$ 1,416,781	\$ 951,850	\$ 924	\$ 3,774,896	\$ 10,354	(\$ 1,865)	\$ -	\$ 7,036,917
Net income for the year		-	-	-	-	1,106,172	-	-	-	1,106,172
Other comprehensive profit and loss for the year		-	-	-	-	-	(1,426)	966	-	(460)
Total comprehensive profit and loss for the year		-	-	-	-	1,106,172	(1,426)	966	-	1,105,712
Appropriation and distribution of retained earnings for 2023	6 (20)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	114,762	-	(114,762)	-	-	-	-
Special reserve		-	-	-	(924)	924	-	-	-	-
Stock dividends		17,680	-	-	-	(17,680)	-	-	-	-
Cash dividends		-	-	-	-	(901,656)	-	-	-	(901,656)
Share-based payment	6 (16)	-	36,468	-	-	-	-	-	-	36,468
Employees exercise options	6 (18)	12,904	178,788	-	-	-	-	-	-	191,692
Changes in shareholders' equity in subsidiaries not recognized proportionately to ownership		-	22,010	-	-	-	-	-	-	22,010
Balance as of December 31, 2024		\$ 914,561	\$ 1,654,047	\$ 1,066,612	\$ -	\$ 3,847,894	\$ 8,928	(\$ 899)	\$ -	\$ 7,491,143
<u>2025</u>										
Balance on January 1, 2025		\$ 914,561	\$ 1,654,047	\$ 1,066,612	\$ -	\$ 3,847,894	\$ 8,928	(\$ 899)	\$ -	\$ 7,491,143
Net income for the year		-	-	-	-	2,035,643	-	-	-	2,035,643
Other comprehensive profit and loss for the year		-	-	-	-	-	1,754	766	-	2,520
Total comprehensive profit and loss for the year		-	-	-	-	2,035,643	1,754	766	-	2,038,163
Appropriation and distribution of retained earnings for 2024	6 (20)	-	-	-	-	-	-	-	-	-
Legal reserve		-	-	110,617	-	(110,617)	-	-	-	-
Stock dividends		18,291	-	-	-	(18,291)	-	-	-	-
Cash dividends		-	-	-	-	(859,687)	-	-	-	(859,687)
Share-based payment	6 (16)	-	11,471	-	-	-	-	-	-	11,471
Employees exercise options	6 (18)	15,765	206,569	-	-	-	-	-	-	222,334
Proposal for the company to issue restricted employee stock awards.	6 (16)	11,790	324,719	-	-	-	-	-	(336,509)	-
Issuance Plan for New Restricted Employee Shares	6 (16)	-	-	-	-	-	-	-	37,363	37,363
Balance as of December 31, 2025		\$ 960,407	\$ 2,196,806	\$ 1,177,229	\$ -	\$ 4,894,942	\$ 10,682	(\$ 133)	(\$ 299,146)	\$ 8,940,787

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

Chairman: Chuan-Sheng Chien

Manager: Chuan-Sheng Chien

Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation
Parent-Only Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flows from operating activities</u>			
Profit before income tax for the year		\$ 2,465,499	\$ 1,323,877
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (26)	132,966	105,875
Depreciation charges on right-of-use assets	6 (26)	14,847	12,449
Amortization on intangible assets and deferred assets	6 (26)	22,888	23,136
Depreciation charges on investment property	6 (24)	7,873	5,366
Expected credit (profit) loss	12 (2)	530	(38)
Loss on decline in (gain from reversal of) market value and obsolete and slow-moving inventories	6 (5)	136,225	30,179
Loss on scrapping inventory	6 (5)	12,465	17,731
Profit and loss of subsidiaries, associates and joint ventures recognized using equity method	6 (7)		
(Gain) loss on disposal of property, plant and equipment	6 (24)	(36,267)	59,273
Gains (losses) on disposal of investment property	6 (24)	90	-
Interest expense	6 (25)	(39,440)	-
Interest income	6 (22)	17,822	5,367
Dividend income	6 (23)	(23,264)	(33,944)
Issuance Plan for New Restricted Employee Shares	6 (16)	(1,349)	(1,349)
Compensation cost of employee stock options	6 (16)	37,363	-
Unrealized gain on sales		11,471	36,468
Realized gain on sales		63,757	12,789
Changes in operating assets and liabilities		(12,789)	(8,573)
Changes in operating assets			
Notes receivable, net		(2,627)	90
Accounts receivable, net		(1,752,008)	125,464
Accounts receivable -- related parties		(274,411)	(101,640)
Other receivables		1,405	(1,403)
Other receivables - related parties		6,231	(6,618)
Inventories		(3,918,916)	(398,282)
Prepayments		(235,793)	(24,259)
Changes in operating liabilities			
Current contract liabilities		(6,645)	7,796
Accounts payable		1,054,054	33,131
Accounts payable - related parties		(1,895)	2,220
Other payables		226,797	18,970
Other payables - related parties		(2,063)	10,809
Provisions for liabilities - current		(2,875)	(1,685)
Provision for non-current liabilities		10,430	5,612
Other current liabilities		1,239	943
Cash (outflow) inflow from operations		(2,086,390)	1,259,754
Interest received		23,943	34,324
Dividends received		1,349	1,349
Income tax paid		(228,190)	(419,089)
Net cash (outflow) inflow from operating activities		(2,289,288)	876,338

(Continued)

Innodisk Corporation
Parent-Only Statement of Cash Flows
January 1 to December 31, 2025 and 2024

Unit: Thousand NTD

	Note	January 1 to December 31, 2025	January 1 to December 31, 2024
<u>Cash flow from investing activities</u>			
Decrease (increase) in current financial assets at amortized cost		\$ 7,898	(\$ 157,898)
Long-term investments accounted for using equity method	6 (7)	-	(43,208)
Acquisition of property, plant and equipment	6 (30)	(204,318)	(308,956)
Disposal of property, plant and equipment		136	-
Acquisition of intangible assets		(14,314)	(38,564)
Acquisition of investment property	6 (11)	-	(220,156)
Disposal of investment property		108,551	-
(Increase) in refundable deposits		(380)	(400)
Decrease in refundable deposits		133	164
(Increase) in other non-current assets - others		(300)	(1,800)
Net cash used in investing activities		<u>(102,594)</u>	<u>(770,818)</u>
<u>Cash flow from financing activities</u>			
Proceeds from short-term borrowings	6 (31)	3,117,980	-
Repayment of short-term debt	6 (31)	(1,382,190)	-
Repayment of long-term debt	6 (31)	(9,542)	-
Increase in guarantee deposits received	6 (31)	567	3,270
Decrease in guarantee deposit	6 (31)	(2,369)	(2,444)
Cash dividends paid	6 (31)	(859,687)	(901,656)
Employees exercise options		222,334	191,692
Interest paid		(14,474)	(5,361)
Payment of lease liabilities	6 (31)	(14,112)	(11,599)
Net cash inflow (outflow) from financing activities		<u>1,058,507</u>	<u>(726,098)</u>
Decrease in cash and cash equivalents in the current period		(1,333,375)	(620,578)
Cash and cash equivalents at beginning of year		<u>2,481,740</u>	<u>3,102,318</u>
Ending cash and cash equivalents		<u>\$ 1,148,365</u>	<u>\$ 2,481,740</u>

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

Chairman:
Chuan-Sheng Chien

Manager:
Chuan-Sheng Chien

Head of Accounting:
Wen-Kui Hsiao

[Attachment IV]

Innodisk Corporation
Comparison Table of Amendments to Procedures for Acquisition or
Disposal of Assets

Articles after amendments	Original articles	Descriptions
<p>Article 9: Authority of approval</p> <p>For the acquisition or disposal of real estate, the Company shall refer to the announced present value, the appraised value, the actual transaction price of the adjacent real estate, final transaction conditions and transaction price, and file an analysis report to the President and Chairman. If the amount is less than NT\$<u>50</u> million, it shall be submitted to the Chairman for approval and reported afterwards to the next board meeting for recordation; if the amount exceeds NT\$<u>50</u> million, it shall be submitted to the board meeting for approval before implementation.</p> <p>The acquisition or disposal of other fixed assets shall be made by inquiry, price comparison, price negotiation or bidding. If the amount is less than NT\$1 million (exclusive), it shall be approved by the President; if between NT\$1 million and NT\$5 million (inclusive), it shall be approved by the Vice Chairman; if more than NT\$5 million, it shall be approved by the Chairman; if more than NT\$<u>50</u> million, it</p>	<p>Article 9: Authority of approval</p> <p>For the acquisition or disposal of real estate, the Company shall refer to the announced present value, the appraised value, the actual transaction price of the adjacent real estate, final transaction conditions and transaction price, and file an analysis report to the President and Chairman. If the amount is less than NT\$30 million, it shall be submitted to the Chairman for approval and reported afterwards to the next board meeting for recordation; if the amount exceeds NT\$30 million, it shall be submitted to the board meeting for approval before implementation.</p> <p>The acquisition or disposal of other fixed assets shall be made by inquiry, price comparison, price negotiation or bidding. If the amount is less than NT\$1 million (exclusive), it shall be approved by the President; if between NT\$1 million and NT\$5 million (inclusive), it shall be approved by the Vice Chairman; if more than NT\$5 million, it shall be approved by the Chairman; if more than NT\$20 million, it</p>	<p>Amended in response to the Company's actual needs.</p>

<p>shall be submitted to the board meeting for approval before implementation. For investment or disposal of long-term and short-term securities, if the amount is less than NT\$10 million, it may be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$50 million, it shall be submitted to the board meeting for approval before implementation.</p>	<p>shall be submitted to the board meeting for approval before implementation. For investment or disposal of long-term and short-term securities, if the amount is less than NT\$10 million, it may be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$30 million, it shall be submitted to the board meeting for approval before implementation.</p>	
<p>Article 15: Procedures for acquiring or disposing of derivatives</p> <p>I. Transaction types When the Company is engaged in derivatives trading, the types of transaction are limited to forward foreign exchange of foreign currency and derivatives with options.</p> <p>II. Risk Hedging Strategy The foreign exchange operations carried out through the products mentioned in paragraph 1 are only to avoid the exchange risk in working and financing; the Company shall not engage in any speculative transactions, and the currencies held must be consistent with the foreign currency demand of the Company's actual import and export transactions.</p> <p>III. Division of Powers and</p>	<p>Article 15: Procedures for acquiring or disposing of derivatives</p> <p>I. Transaction types When the Company is engaged in derivatives trading, the types of transaction are limited to forward foreign exchange of foreign currency and derivatives with options.</p> <p>II. Risk Hedging Strategy The foreign exchange operations carried out through the products mentioned in paragraph 1 are only to avoid the exchange risk in working and financing; the Company shall not engage in any speculative transactions, and the currencies held must be consistent with the foreign currency demand of the Company's actual import and export transactions.</p> <p>III. Division of Powers and</p>	<p>Amended in response to the Company's actual needs.</p>

<p>Responsibilities The Finance Department is responsible for the formulation and implementation of policies related to derivative trading, as well as the regular evaluation and report of holding positions; the board meeting shall designate a senior executive responsible for the measurement, supervision and control of relevant risks.</p> <p>IV. Performance Evaluation and Measurement (I) Hedging-purpose operation: The Finance Department shall evaluate the positions held at least twice a month, and provide the evaluation report to the senior manager.</p> <p>(II) Financial-purpose operation: The Company does not engage in financial operation.</p> <p>V. Total Contract Amount (I) Hedging operation: The total contract amount for the avoidance of foreign exchange risk shall not exceed the total import and export amount of the current year.</p> <p>(II) Financial operation:</p>	<p>Responsibilities The Finance Department is responsible for the formulation and implementation of policies related to derivative trading, as well as the regular evaluation and report of holding positions; the board meeting shall designate a senior executive responsible for the measurement, supervision and control of relevant risks.</p> <p>IV. Performance Evaluation and Measurement (I) Hedging-purpose operation: The Finance Department shall evaluate the positions held at least twice a month, and provide the evaluation report to the senior manager.</p> <p>(II) Financial-purpose operation: The Company does not engage in financial operation.</p> <p>V. Total Contract Amount (I) Hedging operation: The total contract amount for the avoidance of foreign exchange risk shall not exceed the total import and export amount of the current year.</p> <p>(II) Financial operation:</p>	
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<p>The Company does not engage in financial operation.</p> <p>VI. Maximum amount of loss for All and Individual Contracts The maximum loss amount of all contracts for derivative trading is US\$250,000; the maximum loss amount of an individual contract is 5% of the individual contract amount and shall not exceed US\$250,000.</p> <p>VII. Authorized Amount, Level and Executing Unit The Finance Department shall select the financial institution offering better conditions, sign a credit line contract with it after submitting it to the President and the Chairman for approval, and engage in derivative trading within the credit limit according to the nature of derivatives trading. If the nature of the transaction does not require the use of the credit line, it shall be handled in accordance with paragraph 5 of this article. If the transaction amount is less than NT\$10 million, it shall be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$50 million, it shall</p>	<p>The Company does not engage in financial operation.</p> <p>VI. Maximum amount of loss for All and Individual Contracts The maximum loss amount of all contracts for derivative trading is US\$250,000; the maximum loss amount of an individual contract is 5% of the individual contract amount and shall not exceed US\$250,000.</p> <p>VII. Authorized Amount, Level and Executing Unit The Finance Department shall select the financial institution offering better conditions, sign a credit line contract with it after submitting it to the President and the Chairman for approval, and engage in derivative trading within the credit limit according to the nature of derivatives trading. If the nature of the transaction does not require the use of the credit line, it shall be handled in accordance with paragraph 5 of this article. If the transaction amount is less than NT\$10 million, it shall be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$30 million, it shall</p>	
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<p>be submitted to the board meeting for approval before implementation.</p> <p>VIII. Operating Procedures</p> <p>(I) The authorized trading personnel shall place orders with the bank by telephone, fill in the "Application Form for Forward Exchange Pre-sale" indicating the transaction name, transaction amount, period, fee and trading counterparty. <u>Such transactions are subject to the approval of the head of the Finance & Accounting Division and the chairman.</u></p> <p>(II) After receiving the confirmation email from the bank, the confirmation personnel shall immediately confirm the transaction content with the trading counterparty by telephone or email. If any defects are found, immediately clarify with the trading personnel.</p> <p>(III) After confirmation by the confirmation personnel, the</p>	<p>be submitted to the board meeting for approval before implementation.</p> <p>VIII. Operating Procedures</p> <p>(I) The authorized trading personnel shall place orders with the bank by telephone, fill in the "Application Form for Forward Exchange Pre-sale" indicating the transaction name, transaction amount, period, fee and trading counterparty and submit it to the senior executive designated by the board meeting for signature and approval.</p> <p>(II) After receiving the confirmation email from the bank, the confirmation personnel shall immediately confirm the transaction content with the trading counterparty by telephone or email. If any defects are found, immediately clarify with the trading personnel.</p> <p>(III) After confirmation by the confirmation personnel, the settlement personnel shall</p>	
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<p>settlement personnel shall handle settlement matters according to the "Application Form for Forward Exchange Pre-sale."</p> <p>(IV) Accounting personnel shall produce accounting entries and vouchers according to relevant transaction vouchers, and complete accounting records.</p> <p>(V) When engaging in derivatives trading, the Company shall establish a reference book, which shall record in detail the type and amount of derivatives trading, the date of approval by the board meeting and the matters that should be carefully evaluated in accordance with the regulations.</p> <p>IX. Accounting Treatment</p> <p>(I) The Finance Department shall immediately hand over the cash receipts and payments arising from foreign exchange operations to the Accounting</p>	<p>handle settlement matters according to the "Application Form for Forward Exchange Pre-sale."</p> <p>(IV) Accounting personnel shall produce accounting entries and vouchers according to relevant transaction vouchers, and complete accounting records.</p> <p>(V) When engaging in derivatives trading, the Company shall establish a reference book, which shall record in detail the type and amount of derivatives trading, the date of approval by the board meeting and the matters that should be carefully evaluated in accordance with the regulations.</p> <p>IX. Accounting Treatment</p> <p>(I) The Finance Department shall immediately hand over the cash receipts and payments arising from foreign exchange operations to the Accounting Department for entry.</p>	
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<p>Department for entry.</p> <p>(II) Except as provided in these Procedures, the accounting treatment of derivative transactions of the Company shall be handled in accordance with the relevant provisions of the accounting system.</p> <p>X. Internal Control</p> <p>(I) Personnel engaged in derivative trading, confirmation and settlement shall not concurrently serve each other's function.</p> <p>(II) Scope of risk management:</p> <ol style="list-style-type: none"> 1. Credit risk: The trading counterparty shall be an internationally renowned bank with good debt and credit ratings. 2. Market risk: The Company shall focus on financial products generally traded internationally, and reduce the use of specially designed products. 3. Liquidity risk: 	<p>(II) Except as provided in these Procedures, the accounting treatment of derivative transactions of the Company shall be handled in accordance with the relevant provisions of the accounting system.</p> <p>X. Internal Control</p> <p>(I) Personnel engaged in derivative trading, confirmation and settlement shall not concurrently serve each other's function.</p> <p>(II) Scope of risk management:</p> <ol style="list-style-type: none"> 1. Credit risk: The trading counterparty shall be an internationally renowned bank with good debt and credit ratings. 2. Market risk: The Company shall focus on financial products generally traded internationally, and reduce the use of specially designed products. 3. Liquidity risk: select banks with large trading 	
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<p>select banks with large trading volume and strong quotation ability.</p> <p>4. Operational risk: Operate in accordance with the transaction procedures to avoid operational risk.</p> <p>5. Legal risk: The documents signed with the trading counterparty shall be general contracts in the market, and any unique contract must be inspected by the Legal Department or lawyer.</p> <p>6. Cash flow risk: In order to ensure the stability of the Company's working capital turnover, the source of funds is limited to its own funds, with the capital demand predicted by future cash receipts and payments as the basis.</p> <p>(III) The risk measurement, supervision and</p>	<p>volume and strong quotation ability.</p> <p>4. Operational risk: Operate in accordance with the transaction procedures to avoid operational risk.</p> <p>5. Legal risk: The documents signed with the trading counterparty shall be general contracts in the market, and any unique contract must be inspected by the Legal Department or lawyer.</p> <p>6. Cash flow risk: In order to ensure the stability of the Company's working capital turnover, the source of funds is limited to its own funds, with the capital demand predicted by future cash receipts and payments as the basis.</p> <p>(III) The risk measurement, supervision and control personnel shall belong to</p>	
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<p>control personnel shall belong to different departments from the personnel in subparagraph 1 of this paragraph, and shall report to the board meeting or senior executives who are not responsible for trading or position decision-making.</p> <p>(IV) The derivative position held shall be evaluated at least once a week, but if it is a hedging transaction for business needs, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior executive authorized by the board meeting.</p> <p>(V) The senior executive authorized by the board meeting shall pay attention to the supervision and control of derivative trading risks at any time, and regularly evaluate whether the performance of derivative trading is in line with the established business policies and whether the</p>	<p>different departments from the personnel in subparagraph 1 of this paragraph, and shall report to the board meeting or senior executives who are not responsible for trading or position decision-making.</p> <p>(IV) The derivative position held shall be evaluated at least once a week, but if it is a hedging transaction for business needs, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior executive authorized by the board meeting.</p> <p>(V) The senior executive authorized by the board meeting shall pay attention to the supervision and control of derivative trading risks at any time, and regularly evaluate whether the performance of derivative trading is in line with the established business policies and whether the risks undertaken are within the</p>	
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<p>risks undertaken are within the allowable range of the Company. In addition, he shall regularly evaluate whether the currently used risk management procedures are appropriate, and strictly follow relevant provisions of these Procedures.</p> <p>(VI) The senior executive authorized by the board meeting shall supervise the trading and profit and loss situation. If any abnormality is found, he shall take necessary countermeasures and immediately report to the board meeting. If independent directors have been established, the board meeting shall have independent directors present and express their opinions.</p> <p>(VII) Where relevant personnel are authorized to handle various derivative transactions in accordance with these Procedures, it</p>	<p>allowable range of the Company. In addition, he shall regularly evaluate whether the currently used risk management procedures are appropriate, and strictly follow relevant provisions of these Procedures.</p> <p>(VI) The senior executive authorized by the board meeting shall supervise the trading and profit and loss situation. If any abnormality is found, he shall take necessary countermeasures and immediately report to the board meeting. If independent directors have been established, the board meeting shall have independent directors present and express their opinions.</p> <p>(VII) Where relevant personnel are authorized to handle various derivative transactions in accordance with these Procedures, it shall be reported to the next board</p>	
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<p>shall be reported to the next board meeting afterwards.</p> <p>XI. Internal Control Internal auditors shall regularly understand the appropriateness of the internal control of derivative trading, and monthly audit the compliance of the financial planning team with the procedures for dealing with derivative trading, analyze the trading cycle and prepare an audit report accordingly. If any major violation is found, they shall notify the Audit Committee in writing and punish the relevant personnel according to the violation.</p> <p>XII. Announcement and Declaration After the derivative transaction is completed and confirmed by the transaction confirmation personnel, it shall be handled in accordance with relevant regulations. In addition, the Company shall enter the derivative transactions of its own and its subsidiaries which are not domestic public companies as of the end of the previous month, into the information reporting website designated by</p>	<p>meeting afterwards.</p> <p>XI. Internal Control Internal auditors shall regularly understand the appropriateness of the internal control of derivative trading, and monthly audit the compliance of the financial planning team with the procedures for dealing with derivative trading, analyze the trading cycle and prepare an audit report accordingly. If any major violation is found, they shall notify the Audit Committee in writing and punish the relevant personnel according to the violation.</p> <p>XII. Announcement and Declaration After the derivative transaction is completed and confirmed by the transaction confirmation personnel, it shall be handled in accordance with relevant regulations. In addition, the Company shall enter the derivative transactions of its own and its subsidiaries which are not domestic public companies as of the end of the previous month, into the information reporting website designated by the FSC before the 10th day of each month in</p>	
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<p>the FSC before the 10th day of each month in accordance with the prescribed format.</p>	<p>accordance with the prescribed format.</p>	
<p>Article 22: The Procedures were established on September 1, 2010.</p> <p>1st amendments hereto were made on May 25, 2012.</p> <p>2nd amendments hereto were made on December 17, 2012.</p> <p>3rd amendments hereto were made on June 21, 2013.</p> <p>4th revision was made on June 20, 2014.</p> <p>5th revision was made on June 7, 2017.</p> <p>6th revision was made on June 6, 2019.</p> <p>7th revision was made on May 31, 2022.</p> <p><u>8th revision was made on May 27, 2026.</u></p>	<p>Article 22: The Procedures were established on September 1, 2010.</p> <p>1st amendments hereto were made on May 25, 2012.</p> <p>2nd amendments hereto were made on December 17, 2012.</p> <p>3rd amendments hereto were made on June 21, 2013.</p> <p>4th revision was made on June 20, 2014.</p> <p>5th revision was made on June 7, 2017.</p> <p>6th revision was made on June 6, 2019.</p> <p>7th revision was made on May 31, 2022.</p>	<p>Add the dates of revision.</p>

[Appendix I]

Innodisk Corporation

Procedures for Acquisition or Disposal of Assets (Before Revision)

Article 1: Purpose

The Procedures are formulated to protect assets and implement information disclosure.

Article 2: Legal Basis

These Procedures are formulated in accordance with Article 36-1 of the Securities and Exchange Act and the relevant provisions of the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" promulgated by the Financial Supervisory Commission (hereinafter referred to as the FSC) of the Executive Yuan. However, where other laws and regulations provide otherwise, such provisions shall prevail.

Article 3: Scope of Assets

- I. Marketable securities: stocks, bonds, corporate bonds, financial bonds, securities representing funds, depository receipts, call (put) warrants, beneficiary securities and asset-based securities.
- II. Real estate (including land, housing and construction, investment real estate, and inventory of construction) and equipment.
- III. Membership cards.
- IV. Intangible assets: patents, copyrights, trademarks, franchises and other intangible assets.
- V. Right-of-use assets.
- VI. Creditor's rights of financial institutions (including receivables, foreign exchange discounts, loans and receivables on demand).
- VII. Derivatives.
- VIII. Assets acquired or disposed of by merger, division, acquisition or share transfer in accordance with the law.
- IX. Other important assets.

Article 4: Definitions

- I. Derivative product: It refers to a trading contract (such as a forward contract, option contract, futures contract, leveraged margin contract, exchange contract, portfolio of the contracts above, portfolio contract with embedded derivatives or structured product) whose value is derived from a specific interest rate, financial instrument price, commodity price, exchange rate, price or rate index, credit rating or credit number, or other variables. The forward contracts referred to in this Procedures do not include insurance contracts, performance contracts, after-sales service contracts, long-term lease contracts and long-term purchase (sale) contracts.
- II. Assets acquired or disposed of by merger, division, acquisition or share transfer according to law: assets acquired or disposed of in accordance with the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institutions Merger Act or other laws, or issuance of new shares in exchange for the shares of other companies in accordance with Article 156-3 of the Company Act (hereinafter referred to as share transfer).
- III. Related party and subsidiary: refers to the party recognized in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.
- IV. Professional appraiser: refers to a real estate appraiser or a person who may be engaged in the appraisal business of real estate or equipment in compliance with the law.
- V. Date of occurrence: refers to the date of signing, payment, entrusted transaction, ownership transfer, resolution of a board meeting or a date on which the trading counterparty and transaction amount may be determined, whichever is earlier. For investors who need

to be approved by the competent authority, the earlier of the dates above or the date of receipt of approval by the competent authority shall prevail.

VI. Investment in mainland China: refers to investment conducted in mainland China in accordance with the Licensing Measures for Investment or Technical Cooperation in Mainland China by the Investment Commission of the Ministry of Economic Affairs.

VII. The term "most recent financial statements" refers to the financial statements that are legally disclosed and audited or reviewed by a CPA before the Company acquires or disposes of assets.

VIII. Stock exchange: For a domestic stock exchange, it refers to the Taiwan Stock Exchange Corporation; for a foreign stock exchange, it refers to any organized securities exchange managed by the competent securities authority of the country.

IX. Business premises of a securities firm: The business premises of a domestic securities firm refer to the place where the securities firm sets up special counters for trading in accordance with the law governing the trading of securities on the business premises of securities firms; the business premises of a foreign securities firm refer to the business premises of a financial institution that is supervised by the competent foreign securities authority and operates securities business.

Article 5: The limits of the Company's investment in real estate not for business purposes and its right-of-use assets or securities investment

I. The total amount of real estate the Company purchases for non-business purposes shall not be higher than 30% of the net value of the Company; the total amount of real estate purchased by each subsidiary of the Company for non-business use shall not exceed 30% of the net value of the Company.

II. The total amount of the Company's securities investment shall not be higher than 20% of the net value of the Company; the total amount of securities investment of the Company's subsidiaries shall not be higher than 20% of the net value of the Company.

III. The investment individual securities investment of the Company shall not be higher than 10% of the net value of the Company, and the total investment amount of the Company and its subsidiaries shall not be higher than 20% of the net value of the Company; the individual securities investment of each of the Company's subsidiaries shall not be higher than 10% of its net value.

Article 6: For the appraisal report or opinion of accountants, lawyers or securities underwriters obtained by the Company, the professional appraiser and its appraising staff, accountants, lawyers or securities underwriters shall comply with the following requirements:

I. Having not been sentenced to fixed-term imprisonment of more than one year for violating the Regulations Governing the Acquisition and Disposal of Assets by Public Companies, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, and the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery or business crimes. However, this restriction shall not apply if three years have passed after the completion of execution or expiration of probation or after a pardon.

II. Not a related party of or having a substantial relationship with the transaction counterparty.

III. If the Company should obtain the appraisal reports of two or more professional appraisers, the different appraisers or appraising staff shall not be related to each other or have a substantial relationship with each other.

When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the self-discipline norms of their trade associations and the following matters:

- I. Carefully evaluate its own professional ability, practical experience and independence before undertaking a case.
- II. When executing cases, appropriate operating procedures should be properly planned and implemented to form conclusions and issue a report or opinion; the procedures, information collected and conclusions shall be detailed in the working paper of the case.
- III. The appropriateness and rationality of the data sources, parameters and information used shall be evaluated item by item as the basis for issuing the appraisal report or opinion.
- IV. The statement shall include the professional and independent nature of the relevant personnel, and that the information used in the evaluation is appropriate and reasonable and in compliance with relevant laws and regulations.

Article 7: Evaluation procedure

- I. Acquisition or disposal of securities that are not traded in a centralized trading market or a securities firm's business premises shall be negotiated in consideration of their net value per share, profitability, future development potential, market interest rates, bond coupon rates, debtors' credit and current transaction prices.
- II. The price for acquisition or disposal of securities that have been traded in the centralized trading market or the business premises of securities firms shall be determined based on the prevailing equity or bond prices.
- III. To acquire or dispose of the other assets mentioned in the preceding two paragraphs, a method shall be selected from inquiry, price comparison, price negotiation and public bidding, with reference

to the current value of the publicly announced current value, current assessed value, the actual transaction price of neighboring real estate and equipment, etc. For those which meet the announcement and declaration requirements of the procedures, the valuation report of a professional appraiser shall be referred to.

Article 8: Asset acquisition or disposal procedures

- I. All asset acquisition or disposal shall be handled only after being approved in accordance with the "Authorization Level for Requisition and Purchase." Real estate or other fixed assets shall be handled in accordance with the fixed asset circulation procedure of the internal control system of the Company.
- II. To acquire or dispose of assets, the undertaking unit shall assess the reasons for the proposed acquisition or disposal, the subject matter, the counterparty of the transaction, the transfer price, the conditions of receipt and payment, and the price reference basis, etc., and then a decision shall be sought from the responsible unit, and the execution is carried out by the Management Department. Relevant matters are handled in accordance with the relevant operating regulations of the Company's internal control system and these Procedures.
- III. The execution unit of the Company's long- and short-term securities investment is the Finance Department, and the execution unit of real estate and fixed asset is the user department and related responsible units. Other assets that are not securities investment, real estate or fixed assets can only be acquired after evaluation by the relevant unit.
- IV. The related insurance shall be purchased upon acquisition of any real estate.
- V. The acquisition or disposal of assets shall be handled in accordance

with the relevant regulations of the Company's internal control system. If any major violation is found, the relevant personnel shall be punished according to the violation situation.

Article 9: Authority of approval

For the acquisition or disposal of real estate, the Company shall refer to the announced present value, the appraised value, the actual transaction price of the adjacent real estate, final transaction conditions and transaction price, and file an analysis report to the President and Chairman. If the amount is less than NT\$30 million, it shall be submitted to the Chairman for approval and reported afterwards to the next board meeting for recordation; if the amount exceeds NT\$30 million, it shall be submitted to the board meeting for approval before implementation.

The acquisition or disposal of other fixed assets shall be made by inquiry, price comparison, price negotiation or bidding. If the amount is less than NT\$1 million (exclusive), it shall be approved by the President; if between NT\$1 million and NT\$5 million (inclusive), it shall be approved by the Vice Chairman; if more than NT\$5 million, it shall be approved by the Chairman; if more than NT\$20 million, it shall be submitted to the board meeting for approval before implementation.

For investment or disposal of long-term and short-term securities, if the amount is less than NT\$10 million, it may be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$30 million, it shall be submitted to the board meeting for approval before implementation.

Article 10: For the Company's acquiring or disposing of real estate, equipment or its right-of-use assets, other than the transactions with domestic government agencies, commissioned construction of self-own land, commissioned construction of leased land, or acquisition or disposal of

equipment or its right-of-use assets for business purposes, if the transaction amount reaches 20% of the paid-in capital of the Company or exceeds NT\$300 million, the Company shall obtain the appraisal report issued by a professional appraiser before the date of occurrence and comply with the following:

- I. If a limited price, specific price or special price is used as the reference basis for the transaction price due to special reasons, the transaction shall be submitted to the board meeting for resolution first; the same procedure shall be followed if the transaction conditions are changed later.
- II. If the transaction amount reaches NT\$1 billion or more, two or more professional appraisers shall be invited to evaluate the transaction.
- III. In case of any of the following circumstances, except that the appraisal results of the assets obtained are higher than the transaction amount, or the appraisal results of the disposed assets are lower than the transaction amount, the accountant shall be requested to express a concrete opinion about the reasons for the difference and the fairness of the transaction price:
 - (I) The difference between the appraisal result and the transaction amount is more than 20% of the transaction amount.
 - (II) The difference between the appraisal results of two or more professional appraisers is more than 10% of the transaction amount.
- IV. The interval between the date of the professional appraiser's report and the establishment date of the contract shall not exceed three months. However, if the announced current value of the same period is applicable and the announcement date was less than six months ago, the original professional appraiser may issue a written opinion.

Article 11: Procedures for acquiring or disposing of securities investment

- I. The Company shall acquire or dispose of securities in accordance with the relevant operating regulations of the Company's internal control system and these procedures.
- II. When acquiring or disposing of securities, the latest audited and certified or checked financial statements of the target company shall be taken as the reference for evaluating the trading price before the date of occurrence. In addition, if the transaction amount reaches 20% of the Company's paid-in capital or NT\$300 million or more, the Company shall consult an accountant for a fair opinion on the transaction price before the date of occurrence. However, this restriction does not apply if the securities are publicly quoted in an active market or there are other applicable requirements by the Financial Supervisory Commission.
- III. The Company shall not give up the rights issues of Innodisk USA Corporation, Innodisk Japan Corporation and Innodisk Global-M Corporation, and Innodisk Global-M Corporation shall not give up the rights issue of Innodisk (Shenzhen) Corporation in future years. In the future, if the Company is required to abandon the rights issues or disposal of the above-mentioned companies due to strategic alliance considerations or other reasons approved by the Taipei Exchange, it shall be approved by a special resolution of the Company's board meeting.

If there is any amendment to these procedures, it should be entered in the significant information disclosure of the MOPS, and a letter shall be submitted to the Taipei Exchange for recordation.

Article 12: Procedures for handling related party transactions

- I. If the Company acquires or disposes of assets from a substantive

related party, in addition to the handling procedures set forth in Articles 10, 11 and 13, the Company shall handle the relevant resolution procedures and evaluate the rationality of the trading conditions in accordance with the following provisions. If the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report issued by a professional appraiser or an opinion of a CPA in accordance with the provisions of the preceding requirements. The calculation of the transaction amount in the preceding two articles shall be handled in accordance with the provisions of subparagraph 5, paragraph 1 of Article 19. The said one-year period is based on the date of the occurrence of the transaction, and is calculated retroactively for one year. The part for which an appraisal report of a professional appraiser or a CPA opinion is already obtained is exempted from being included in. In addition, when judging whether a counterparty is a related party, attention shall be paid to not just its legal form, but also the substantive relationship.

- II. (I) When acquiring real estate or its right-of-use assets from a related party, the company shall assess the fairness of transaction costs according to the following methods:
 1. The transaction price of the related party plus the necessary capital interest and the cost that the buyer should bear according to law. The interest cost of necessary funds referred to shall be calculated on the basis of the weighted average interest rate of the loan in the year the company purchases the assets, provided that it shall not be higher than the maximum interest rate of non-financial institutions as announced by the Ministry of

Finance.

2. The total appraised value of the subject matter by the financial institution if the related party has set up a mortgage loan with the subject matter from a financial institution, provided that the financial institution's actual accumulated loan value for the subject matter shall be more than 70% of the total appraised value, and the loan period shall be more than one year. However, the above is not applicable if the financial institution and one of the parties to the transaction are related parties to each other.
- (II) In the case of joint purchase or joint lease of the land and housing of the same subject matter, the transaction costs may be assessed by either of the methods listed in subparagraph 1 above.
- (III) When the Company acquires real estate or its right-of-use assets from a related party, it shall evaluate the cost of the real estate or its right-of-use assets in accordance with the provisions of subparagraphs 1 and 2 above, and shall consult an accountant for review and a specific opinion.
- (IV) When the Company acquires real estate or its right-of-use assets from a related party, in any of the following circumstances, the provisions of paragraph 3 of this Article shall be followed, and the provisions of subparagraphs 1, 2 and 3 of the paragraph above shall not apply:
1. The related party acquired real estate or its right-of-use assets by inheritance or gift.
 2. The time when the related party acquired the real estate or its right-of-use assets was more than five years ago.

3. The real estate is acquired by signing a joint construction contract with the related party, or inviting the related party to build the real estate with local or leased land.

4. The right-of-use assets for business purpose is acquired between the Company and its subsidiary, or between its subsidiaries in which the Company directly or indirectly holds 100% of their issued shares or total capital.

(V) When the Company acquires real estate from a related party, if the appraisal result is lower than the transaction price in accordance with the provisions of subparagraphs 1 and 2 of the paragraph, it shall be handled in accordance with paragraph 4 of this article. This restriction does not apply if objective evidence is provided and a specific fair opinion of a professional real estate appraiser or an accountant is obtained due to the following circumstances:

1. If the related party acquires plain land or leased land for redevelopment, relevant evidence may be provided to prove that it meets any of the following conditions:

(1) The plain land is evaluated according to the methods specified in subparagraphs 1 to 4, the building price is calculated at the construction cost of the related party plus a reasonable construction profit, and the sum exceeds the actual transaction price. The reasonable construction profit shall be the lower of the average gross operating profit rate of the construction department of the related party in the last three years, or the most recent gross

profit rate of the construction industry announced by the Ministry of Finance.

(2) The transaction cases of other floors of the same subject property or of other non-related parties in the adjacent area within one year have similar areas, and the transaction conditions after evaluation are equivalent according to the reasonable floor or area price difference based on real estate sales or leasing practices.

2. The Company provides evidence that the transaction conditions of the real estate purchased from the related party or the real estate right-of-use assets acquired by leasing are similar to those of other non-related party transactions in the adjacent area within one year.

The transaction cases in neighboring areas mentioned in 1. and 2. above shall be based on the principle that the transaction objects are on the same street or adjacent streets less than 500 meters away from the subject matter of the transaction, or the announced present values are similar; the above-mentioned similar areas shall be based on the principle that the areas of other non-related parties' transaction cases are not less than 50% of the area of the subject matter of the transaction; the above-mentioned one-year period shall be based on the date of occurrence of the acquisition of the real estate or its right-of-use assets, and retrospectively calculated for one year in the past.

III. Evaluation and Operation Procedures

When the Company acquires or disposes of real estate or its

right-of-use assets from related parties, or acquires or disposes of assets other than real estate or its right-of-use assets with related parties, and the transaction amount reaches 20% of the Company's paid-in capital, 10% of the total assets or NT\$300 million, except the trading of domestic government bonds, bonds with repurchase or resale conditions, and the subscription to or redemption of money market funds issued by domestic securities investment trust enterprises, the following information shall be submitted to the Audit Committee for approval and then submitted to the board meeting for approval before the Company signs off the transaction contract and makes the payment.

- (I) The purpose, necessity and expected benefits of acquisition or disposal of the assets.
- (II) Reasons for selecting the related party as the trading counterparty.
- (III) For the acquisition of real estate or its right-of-use assets from a related party, evaluate the rationality of the predetermined trading conditions in accordance with the provisions of paragraph 2 of the article.
- (IV) The original acquisition date and price of the related party, and the trading counterparty and its relationship with the Company and the related party, etc.
- (V) A forecast statement of cash receipts and payments for each month of the next year from the beginning of the contract month, and an assessment of the necessity of the transaction and the rationality of the use of funds.
- (VI) The appraisal report issued by a professional appraiser or the opinion of an accountant is obtained in accordance with paragraph 1 of this article.

(VII) Restrictions and other important agreements of this transaction.

Where the Company or its subsidiary that is not a domestic public company has a transaction referred to above and the transaction amount reaches 10% or more of the total assets of the Company, the Company shall submit the information listed above to the shareholders' meeting for approval before signing the transaction contract and making the payment. However, this restriction does not apply to transactions between the Company and its subsidiaries.

The calculation of the transaction amount above shall be handled in accordance with the provisions of subparagraph 5, paragraph 1 of Article 19. The said one-year period is based on the date of the occurrence of the transaction, and is calculated retroactively for one year. The part that has been submitted to and approved by the shareholders' meeting Audit Committee and then the board meeting in accordance with these standards is exempted from being included.

If the Company engages in the following transactions with its subsidiary or a company of which its subsidiary directly or indirectly holds 100% of the issued shares or total capital, the board meeting may authorize the Chairman of the board of directors to make a decision within a certain amount in accordance with Article 9, and then submit it to the latest board meeting for ratification:

(I) Acquisition or disposal of equipment or its right-of-use assets for business use.

(II) Acquisition or disposal of real estate or its right-of-use assets for business use.

IV. Assessment of the Fairness of Transaction Costs

When the Company acquires real estate or its right-of-use assets from a related party, if the appraisal result is lower than the transaction price in accordance with the provisions of paragraph 2 of this article, then the following shall be handled:

- (I) The Company shall, in accordance with the provisions of paragraph 1, Article 41 of the Securities and Exchange Act, set aside a special reserve for the difference between the transaction price of the real estate or its right-of-use assets and the appraised cost. The special reserve shall not be distributed or converted into rights offering. If the investor who adopts the equity method to evaluate its investment in the Company is a public company, it shall also set aside a special reserve for the allocated amount based on the shareholding ratio in accordance with paragraph 1 of Article 41 of the Securities and Exchange Act.
- (II) The Audit Committee shall handle the case in accordance with Article 218 of the Company Act.
- (III) The handling situation in subparagraphs 1 and 2 of the paragraph shall be reported to the shareholders' meeting, and the details of the transaction shall be disclosed in the annual report and the prospectus.

If the Company has set aside a special reserve in accordance with the aforementioned provisions, the special reserve may be used with the consent of the FSC only after a falling price loss has been recognized for the assets purchased or leased at a high price, or such assets have been disposed of, or the lease has been terminated, or appropriate compensation is made, or such assets have been restored to the original state, or there are other

evidence confirming that the price is no unreasonable.

If the Company acquires real estate or its right-of-use assets from a related party, and there is other evidence showing that the transaction is not in accordance with regular business practices, it shall also be handled in accordance with the two paragraphs above.

Article 13: Procedures for acquisition or disposing of membership cards or intangible assets

Other than dealing with domestic government agencies, if the transaction amount of intangible assets or its right-of-use assets or membership cards acquired or disposed of by the company reaches 20% of the company's paid-in capital or NT\$300 million or more, the Company shall, before the date of occurrence, consult the accountant to express an opinion on the fairness of the transaction price.

Article 14: Where the Company acquires or disposes of assets through court auction procedures, the supporting documents issued by the court may substitute the appraisal report or CPA's opinion.

Article 15: Procedures for acquiring or disposing of derivatives

I. Transaction types

When the Company is engaged in derivatives trading, the types of transaction are limited to forward foreign exchange of foreign currency and derivatives with options.

II. Risk Hedging Strategy

The foreign exchange operations carried out through the products mentioned in paragraph 1 are only to avoid the exchange risk in working and financing; the Company shall not engage in any speculative transactions, and the currencies held must be consistent with the foreign currency demand of the Company's actual import and export transactions.

III. Division of Powers and Responsibilities

The Finance Department is responsible for the formulation and implementation of policies related to derivative trading, as well as the regular evaluation and report of holding positions; the board meeting shall designate a senior executive responsible for the measurement, supervision and control of relevant risks.

IV. Performance Evaluation and Measurement

(I) Hedging-purpose operation: The Finance Department shall evaluate the positions held at least twice a month, and provide the evaluation report to the senior manager.

(II) Financial-purpose operation: The Company does not engage in financial operation.

V. Total Contract Amount

(I) Hedging operation: The total contract amount for the avoidance of foreign exchange risk shall not exceed the total import and export amount of the current year.

(II) Financial operation: The Company does not engage in financial operation.

VI. Maximum amount of loss for All and Individual Contracts

The maximum loss amount of all contracts for derivative trading is US\$250,000; the maximum loss amount of an individual contract is 5% of the individual contract amount and shall not exceed US\$250,000.

VII. Authorized Amount, Level and Executing Unit

The Finance Department shall select the financial institution offering better conditions, sign a credit line contract with it after submitting it to the President and the Chairman for approval, and engage in derivative trading within the credit limit according to the nature of derivatives trading. If the nature

of the transaction does not require the use of the credit line, it shall be handled in accordance with paragraph 5 of this article. If the transaction amount is less than NT\$10 million, it shall be approved by the Vice Chairman; if more than NT\$10 million, it shall be approved by the Chairman; if more than NT\$30 million, it shall be submitted to the board meeting for approval before implementation.

VIII. Operating Procedures

- (I) The authorized trading personnel shall place orders with the bank by telephone, fill in the "Application Form for Forward Exchange Pre-sale" indicating the transaction name, transaction amount, period, fee and trading counterparty and submit it to the senior executive designated by the board meeting for signature and approval.
- (II) After receiving the confirmation email from the bank, the confirmation personnel shall immediately confirm the transaction content with the trading counterparty by telephone or email. If any defects are found, immediately clarify with the trading personnel.
- (III) After confirmation by the confirmation personnel, the settlement personnel shall handle settlement matters according to the "Application Form for Forward Exchange Pre-sale."
- (IV) Accounting personnel shall produce accounting entries and vouchers according to relevant transaction vouchers, and complete accounting records.
- (V) When engaging in derivatives trading, the Company shall establish a reference book, which shall record in detail the

type and amount of derivatives trading, the date of approval by the board meeting and the matters that should be carefully evaluated in accordance with the regulations.

IX. Accounting Treatment

- (I) The Finance Department shall immediately hand over the cash receipts and payments arising from foreign exchange operations to the Accounting Department for entry.
- (II) Except as provided in these Procedures, the accounting treatment of derivative transactions of the Company shall be handled in accordance with the relevant provisions of the accounting system.

X. Internal Control

- (I) Personnel engaged in derivative trading, confirmation and settlement shall not concurrently serve each other's function.
- (II) Scope of risk management:
 - 1. Credit risk: The trading counterparty shall be an internationally renowned bank with good debt and credit ratings.
 - 2. Market risk: The Company shall focus on financial products generally traded internationally, and reduce the use of specially designed products.
 - 3. Liquidity risk: select banks with large trading volume and strong quotation ability.
 - 4. Operational risk: Operate in accordance with the transaction procedures to avoid operational risk.
 - 5. Legal risk: The documents signed with the trading counterparty shall be general contracts in the market, and any unique contract must be inspected by the Legal

Department or lawyer.

6. Cash flow risk: In order to ensure the stability of the Company's working capital turnover, the source of funds is limited to its own funds, with the capital demand predicted by future cash receipts and payments as the basis.

- (III) The risk measurement, supervision and control personnel shall belong to different departments from the personnel in subparagraph 1 of this paragraph, and shall report to the board meeting or senior executives who are not responsible for trading or position decision-making.
- (IV) The derivative position held shall be evaluated at least once a week, but if it is a hedging transaction for business needs, it shall be evaluated at least twice a month, and the evaluation report shall be submitted to the senior executive authorized by the board meeting.
- (V) The senior executive authorized by the board meeting shall pay attention to the supervision and control of derivative trading risks at any time, and regularly evaluate whether the performance of derivative trading is in line with the established business policies and whether the risks undertaken are within the allowable range of the Company. In addition, he shall regularly evaluate whether the currently used risk management procedures are appropriate, and strictly follow relevant provisions of these Procedures.
- (VI) The senior executive authorized by the board meeting shall supervise the trading and profit and loss situation. If any abnormality is found, he shall take necessary

countermeasures and immediately report to the board meeting. If independent directors have been established, the board meeting shall have independent directors present and express their opinions.

(VII) Where relevant personnel are authorized to handle various derivative transactions in accordance with these Procedures, it shall be reported to the next board meeting afterwards.

XI. Internal Control

Internal auditors shall regularly understand the appropriateness of the internal control of derivative trading, and monthly audit the compliance of the financial planning team with the procedures for dealing with derivative trading, analyze the trading cycle and prepare an audit report accordingly. If any major violation is found, they shall notify the Audit Committee in writing and punish the relevant personnel according to the violation.

XII. Announcement and Declaration

After the derivative transaction is completed and confirmed by the transaction confirmation personnel, it shall be handled in accordance with relevant regulations. In addition, the Company shall enter the derivative transactions of its own and its subsidiaries which are not domestic public companies as of the end of the previous month, into the information reporting website designated by the FSC before the 10th day of each month in accordance with the prescribed format.

Article 16: Procedures for Merger, Division, Acquisition or Share Transfer

I. Evaluation and Operation Procedures

- (I) Before carrying out a merger, division, acquisition or share transfer, the Company shall, prior to the resolution of the board meeting, appoint accountants, lawyers or securities underwriters to express their opinions on the reasonableness of the share exchange ratio, the purchase price or the distribution of cash or other property to shareholders', and submit them to the board meeting for discussion and approval. However, the Company may be exempted from obtaining reasonableness opinions issued by the previous experts in the case of a merger of its subsidiary in which the Company directly or indirectly holds 100% of the issued shares or total capital, or a merger between its subsidiaries in which the Company directly or indirectly holds 100% of their issued shares or total capital.
- (II) The Company shall prepare a public document to the shareholders' prior to the shareholders' meeting on the important contents and relevant matters of the merger, division or acquisition, and deliver the expert opinion in subparagraph 1, paragraph 1 of this article together with the notice of the shareholders' meeting to the shareholders as a reference for whether to agree to the merger, division or acquisition. However, this restriction does not apply where the convening of a shareholders' meeting to resolve matters of a merger, division or acquisition may be waived in accordance with other laws and regulations. In addition, for the companies participating in the merger, division or acquisition, if the shareholders' meeting of either party cannot be held, a resolution cannot be made, or the proposal is rejected by the shareholders' meeting due to insufficient

attendance, voting rights or other legal restrictions, the company participating in the merger, division or acquisition shall immediately publicly explain the reasons for the occurrence, subsequent handling procedures and the expected date of the shareholders' meeting.

- (III) All personnel who participate in or are aware of the Company's merger, division, acquisition or share transfer plan shall issue a written confidentiality commitment. Before the information is made public, they shall not disclose the contents of the plan, nor shall they buy or sell the shares and other equity securities of all companies related to the merger, division, acquisition or share transfer either in their own names or in the name of others.

II. Other Matters to Be Noted

Unless otherwise provided by laws or there are special factors that are reported to and approved by the FSC in advance, the Company shall convene the board meeting and shareholders' meeting on the same day to resolve matters related to a merger, division or acquisition. Unless otherwise provided by laws or there are special factors which are reported to and approved by the FSC in advance, the other companies participating in the transfer of shares shall convene a board meeting on the same day. When the Company participates in a merger, division, acquisition or share transfer, it shall make a complete written record of the following information and keep it for five years for reference.

- (I) Basic information of personnel: including the title, name and ID card number (passport number in case of foreigners) of all persons involved in the merger, division, acquisition or share transfer plan or the implementation of the plan before

the disclosure of the information.

- (II) Date of important matters: including the date of signing the letter of intent or memorandum, entrusting financial or legal counsel, signing the contract and the board meeting.
- (III) Important documents and minutes: including the merger, division, acquisition or share transfer plan, letter of intent or memorandum, important contracts and minutes of the board meeting.
- (IV) When the Company participates in a merger, division, acquisition or share transfer, it shall, within two days from the date when the resolution of the board meeting is made, report the information in subparagraphs 1 and 2 of this paragraph to the FSC via the Internet information system in the prescribed format for recordation.
- (V) Where a company participating in a merger, division, acquisition or share transfer of the Company is not listed or its shares are traded on the premises of a securities firm, the Company shall enter into an agreement with it and handle the case in accordance with the provisions of the first four subparagraphs of this paragraph.

Article 17: I. For the Company's participation in a merger, division, acquisition or share transfer, except for the following circumstances, the share conversion ratio or purchase price shall not be changed arbitrarily, and any changes shall be stipulated in the merger, division, acquisition or share transfer contract:

- (I) Issuing rights shares, convertible corporate bonds, free share allotment, issuing corporate bonds with stock options, special shares with stock options, stock options and other securities with an equity nature.

- (II) Acts that affect the Company's finances and businesses, such as disposing of major assets of the Company.
- (III) Occurrence of major disasters, major technological changes, etc. which affect the Company's shareholders' rights or securities price.
- (IV) Any party participating in the merger, division, acquisition or share transfer buys back treasury shares in accordance with the law.
- (V) Change in the number of entities or companies participating in the merger, division, acquisition, or share transfer.
- (VI) Other conditions which can be changed as stipulated in the contract and have been publicly disclosed.

The Company's merger, division, acquisition or share transfer contract shall specify relevant matters in accordance with the regulations to protect the rights and interests of participating companies.

II. For the merger, division, acquisition or share transfer in which the Company participates, the contract shall specify the rights and obligations of the companies participating in the merger, division, acquisition or share transfer, as well as the following:

- (I) Treatment of breach of contract.
- (II) Principles for dealing with securities with an equity nature issued by the company that has been eliminated or divided due to merger or repurchased treasury shares.
- (III) The number of treasury shares that the participating companies may buy back according to law and the principle for handling them after the base date of calculating the share conversion ratio.
- (IV) Treatment of changes in the number of participating entities

or companies.

(V) Expected plan execution progress and expected completion date.

(VI) When the plan is not completed before the deadline, relevant processing procedures such as the scheduled date for the shareholders' meeting are to be held according to law.

III. If any of the companies participating in the merger, division, acquisition or share transfer plans to merge, divide, acquire or transfer shares with other companies after the information is made public, except that the number of participants has decreased and the shareholders' meeting has a resolution and authorized the board meeting to change the authority, this participating company may be exempted from convening the shareholders' meeting for a new resolution. In addition, the procedures or legal acts that have been completed in the original merger, division, acquisition or share transfer case shall be redone by all the participating companies.

IV. Where a company participating in the merger, division, acquisition or share transfer is not a public company, the Company shall enter into an agreement with it and handle the case in accordance with subparagraph 3, paragraph 1 of Article 16, paragraph 2 of Article 16 and paragraph 3 of this article.

Article 18: Subsidiaries of the Company shall comply with the following provisions:

I. The acquisition or disposal of assets by subsidiaries shall also be handled in accordance with the provisions of the parent company.

II. Where a subsidiary is not a public company and the acquisition or disposal of assets meets the public announcement and declaration standards set out in the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies," the parent

company shall handle the public announcement and declaration on its behalf.

III. In the announcement and declaration standards for subsidiaries, the paid-in capital or total assets of the parent company shall prevail.

Article 19: Information disclosure procedures

I. Items to be declared and declaration standards

(I) Acquisition or disposal of real estate or its right-of-use assets from related parties, or acquisition or disposal of other assets other than real estate or its right-of-use assets with related parties, and the transaction amount reaches 20% of the company's paid-in capital, 10% of the total assets or NT\$300 million or more. However, this restriction does not apply to the trading of domestic government bonds, bonds with repurchase or resale conditions, and the subscription to or redemption of money market funds issued by domestic securities investment trust enterprises.

(II) Merger, division, acquisition or share transfer.

(III) Derivative trading, which reaches the loss limit of all or individual contracts specified in the prescribed handling procedures.

(IV) Acquisition or disposal of equipment or its right-of-use assets for business use, where the transaction counterparty is not a related party, and the transaction amount is more than NT\$500 million.

(V) The company obtains real estate by means of entrusted construction of its own land, entrusted construction of leased land, joint construction and sharing, and joint construction and sub-sale, where the trading counterparty is not a related party, and the company expects to invest more than NT\$500

million in the transaction.

(VI) Any assets transaction, disposal of creditor's rights by a financial institution or investment in mainland China other than those mentioned in the preceding five paragraphs, where the transaction amount reaches 20% of the company's paid-in capital or NT\$300 million or more. However, the following cases shall not apply:

1. Trading of domestic government bonds or foreign government bonds with a credit rating not lower than the sovereign rating of our country.
2. Those who specialize in investment trading securities on the Taiwan Stock Exchange or at the business premises of securities firms, or subscribing to foreign government bonds or common corporate bonds or general financial bonds (excluding subordinated bonds) not involving equity issued in the primary market, or subscribing to or resell securities investment trust funds or futures trust funds, or subscribing to or reselling index investment securities; securities firms subscribing to securities in accordance with the regulations of the Taipei Exchange due to the needs of underwriting business or acting as recommending securities firms for emerging stock companies.
3. Trading of bonds with repurchase or resale conditions, and subscription to or redemption of money market funds issued by domestic securities investment trust enterprises.
4. Acquisition or disposal of equipment for business use, where the transaction counterparty is not a related party, and the transaction amount is less than NT\$500 million.

5. The Company obtains real estate by means of entrusted construction of its own land, entrusted the construction of leased land, joint construction and sharing, and joint construction and sub-sale, where the trading counterparty is not a related party, and the Company expects to invest less than NT\$500 million in the transaction.

(VII) The calculation method of the transaction amount in the first six subparagraphs of this paragraph is as follows, and the said one-year period is based on the date of the occurrence of the transaction, which is calculated retroactively one year backward, and the part that has been announced in accordance with the provisions of these procedures is exempt from inclusion.

1. The amount of each transaction.
2. The cumulative amount of transactions of acquisition or disposal of subjects of the same nature by the same counterparty within one year.
3. The cumulative amount of acquisition or disposal (amount accumulated separately) of real estate of the same development plan or its right-of-use assets within one year.
4. The cumulative amount of the same securities acquired or disposed of (amount accumulated separately) within one year.

II. Time Limit for Announcement and Declaration

If the Company acquires or disposes of assets that contain items to be announced as in the previous paragraph of this article, and the transaction amount reaches any of the announcement and declaration standards in this article, it shall file an announcement and declaration within two days from the day of the occurrence.

III. Announcement and Declaration Procedure

- (I) The Company shall submit relevant information to the website designated by the FSC for announcement and declaration.
- (II) The Company shall enter the derivative transactions as of the end of the previous month of its own and its subsidiaries which are not domestic public companies, into the information reporting website designated by the FSC before the 10th day of each month in accordance with the prescribed format.
- (III) If there are errors or omissions in the Company's declared items that should be amended in accordance with the regulations, all items should be declared again within two days from the date of awareness.
- (IV) When the Company acquires or disposes of assets, unless otherwise provided by law, it shall keep relevant contracts, minutes, reference books, appraisal reports, and opinions of accountants, lawyers or securities underwriters in the Company for at least five years.
- (V) After the Company announces and declares its transactions in accordance with the regulations in this article, it shall file an announcement and declaration of the relevant information of any of the following circumstances on the FSC's designated website within two days from the date of occurrence:
 - 1. The relevant contract originally signed for the transaction is changed, terminated or rescinded.
 - 2. The merger, division, acquisition or share transfer is not completed according to the schedule of the contract.
 - 3. The contents of the original declaration have been changed.

Article 20: Penalties

If relevant personnel violate these procedures or its provisions, they shall be dealt with in accordance with the relevant provisions of the Company.

Article 21: Implementation and Revision

The Company's "Procedures for Acquisition or Disposal of Assets" shall be approved by the Audit Committee, submitted to the board meeting for approval, and then submitted to the shareholders' meeting for approval. The same shall apply to the amendment. When submitting the "Procedures for Acquisition or Disposal of Assets" to the board meeting for discussion in accordance with the provisions above, the opinions of each independent director shall be fully considered, and the opinions and reasons for independent directors' consent or objection shall be included in the minutes of the meeting. The Company has established an Audit Committee; when formulating or amending the Procedures for Acquisition or Disposal of Assets, the consent of more than half of all members of the Audit Committee shall be obtained, and submission to the board meeting for resolution is required.

If the matter in the preceding paragraph is not approved by more than half of the members of the Audit Committee, it may be approved by more than two-thirds of all directors, and the resolution of the Audit Committee shall be recorded in the minutes of the board meeting.

All the members of the Audit Committee referred to in paragraph 2 and all the directors referred to in the preceding paragraph shall be the actual number of incumbents.

Article 22:

The Procedures were established on September 1, 2010.
1st amendments hereto were made on May 25, 2012.

2nd amendments hereto were made on December 17, 2012.

3rd amendments hereto were made on June 21, 2013.

4th revision was made on June 20, 2014.

5th revision was made on June 7, 2017.

6th revision was made on June 6, 2019.

7th revision was made on May 31, 2022.

[Appendix II]

Innodisk Corporation's Articles of Incorporation

Chapter One General Principles

- Article 1: The Company is organized in accordance with the provisions of the Company Act and is named 宜鼎國際股份有限公司 (Innodisk Corporation in English).
- 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 Electronics 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 Two Shares

- Article 5: The total rated capital of the Company is NT\$1.2 billion, divided into 120 million shares with a par value of NT\$10 per share. Said 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.
- The recipients of the new shares issued by the Company for employee subscription, employee stock options, new restricted employee shares, or treasury shares repurchased and transferred to employees may include employees of the Company's parent or subsidiaries who meet the criteria prescribed by the Board of Directors.
- 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. The printing of share certificates of the Company may be exempted but the shares 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 annual general meeting, 30 days before the special shareholders' meeting, or 5 days before the book-closure 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 Three Shareholders' Meeting

Article 8: The shareholders' meeting is divided into the annual general meeting and the special shareholders' meeting. The annual general 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. The special shareholders' meeting, when necessary, are held in accordance with laws.

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 presents.

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, 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 of the same Act.

Article 11: Unless otherwise specified in relevant laws, any resolution of a shareholder's meeting shall be adopted by a majority of the shareholders present representing more than half of the total number of the Company's outstanding shares, and shall be executed based on the majority of the voting rights of attending shareholders.

Article 12: The shareholders' meetings of the Company can be held by means of visual communication network (including virtual-only and hybrid shareholders' meetings) or other methods promulgated by the central competent authority.

Chapter Four Directors

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 a shareholders' meeting 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 during a shareholders' meeting, each share will have voting rights in an amount equal to the number of directors to be elected, and may be cast for a single candidate or split among multiple candidates. Candidates to whom the ballots are cast represent a prevailing number of votes shall be elected as the directors. Among said directors, there should be at least three independent directors, accounting for no less than one-fifth of the board seats. Regarding independent directors' professional qualifications, shareholding, part-time restrictions, nomination and selection methods, and other compliance matters, they shall be handled in accordance with the regulations of the securities competent 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 regulations thereof shall be established by the board of directors.

Article 14: The Board of Directors consists of directors. The Chairman of the Board shall be elected from among the directors with a consent of a majority of the directors present at a meeting attended by more than two-third of the directors. The Chairman represents the Company

externally. A Vice Chairman is also appointed to assist the Chairman.

For the convening of a board of directors meeting, the reasons for convening shall be indicated clearly, and all directors shall be informed of the meeting seven days in advance. The notices for convening the board of directors meeting may be made in writing or via email or facsimile.

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 proxy of the Chairman 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 Five Managerial Officer

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 Six 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, and these statements and reports must be submitted to the annual general meeting for ratification.

(I) Business report.

(II) Financial statements.

(III) Earnings distribution proposal or deficit compensation proposal.

Article 19: If the Company has any balance after making up the losses according to the pre-tax profit of the current year minus the profit before distributing the remuneration of employees and directors, the following allocation shall be made:

(I) More than 3% as employee remuneration.

(II) Less than 2% as directors' remuneration.

At least 25% of the aforesaid employee compensation shall be set aside for distributing to non-executive employees. Employee compensation and non-executive employee compensation may 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 paid-in capital, no further allocations will be conducted. A special reserve is also allocated or reversed in accordance with laws and regulations or the competent authority's requirements.
- (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 total earnings distribution to shareholders shall not be less than 30% of the current year's earnings.

Chapter Seven Supplementary Provisions

Article 20: (Deleted)

Article 21: Any matters not covered herein shall be handled in accordance with the Company Act and relevant laws and regulations.

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

1st amendments hereto were made on March 28, 2006.

2nd amendments hereto were made on May 29, 2008.

3rd amendments hereto were made on June 8, 2010.

4th amendments hereto were made on April 19, 2011.

5th amendments hereto were made on June 15, 2011.

6th amendments hereto were made on May 25, 2012.

7th amendments hereto were made on June 21, 2013.

8th amendments hereto were made on June 9, 2015.

9th amendments hereto were made on June 8, 2016.

10th amendments hereto were made on June 7, 2017.

11th amendments hereto were made on May 29, 2020.

12th amendments hereto were made on May 31, 2024.

13th amendments hereto were made on May 26, 2025.

[Appendix III]

Innodisk Corporation Rules of Procedure for Shareholders' Meeting

Article 1. These Rules are 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 compile an electronic file that contains meeting notice, proxy letter form, motions for ratification, motions for discussion, election or dismissal of directors, etc. and post it on the MOPS before 30 days before the date of an annual general meeting or before 15 days before the date of a special shareholders' meeting. At least 21 days before an annual general meeting, or 15 days before a special shareholders' meeting, an electronic copy of the shareholders' meeting manual and supplementary information shall be prepared and posted onto MOPS. Within 15 days before the date of the shareholders' meeting, the Company shall also have prepared the shareholders' meeting manual and supplementary information and made them available for review by shareholders at any time. The same shall also be displayed at the premises of the Company and the professional shareholder services agent designated by the Company.

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

Election or dismissal of directors, amendments to the Articles of Incorporation, capital reduction, application for the approval of ceasing its status as a public company, approval of competing with the Company by directors, surplus profit distributed in the form of new shares, reserve distributed in the form of new shares, the dissolution, merger, or demerger of the Company, or any matter under Paragraph 1 of Article 185 of the Company Act, Article 26-1 and Article 43-6 of the Securities and Exchange Act, and Article 56-1 and Article 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the essential contents explained in the notice of the reasons for convening the meeting. None of the above matters may be raised as an extraordinary motion. The essential contents may be posted on the website designated by the competent

authority in charge of securities affairs or the Company, and such website shall be indicated in the above notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or any other procedure at the same meeting.

Shareholder(s) holding 1% or more of the total number of outstanding shares of the Company may propose to the Company motions for discussion at an annual general meeting, provided that only one matter shall be allowed in each single motion as proposed, and in case the proposal contains more than one matter, such proposal shall not be included as a motion. Additionally, when the circumstances of any subparagraph of Paragraph 4 of Article 172-1 of the Company Act apply to a proposal by a shareholder, the board of directors may exclude it as a motion at the meeting. Any shareholder may submit any suggestive proposal to urge the Company to promote public interests or fulfill its social responsibilities. Procedurally, the shareholder is allowed to submit no more than one proposal pursuant to Article 172-1 of the Company Act. Any additional proposal will not be included as a motion.

Prior to the book closure date before an annual general meeting is held, the Company shall publicly announce its acceptance of shareholder proposals in writing or electronically, and the location and time period for their submission. The period for submission of shareholder proposals may not be less than ten days.

Any proposal submitted by a shareholder is limited to 300 words, and no proposal containing more than 300 words will be included in as a motion at the meeting. The shareholder making the proposal shall be present in person or by proxy at the annual general meeting and take part in discussion of the proposal.

Prior to the date for issuance of notice of a shareholders' meeting, the Company shall inform the shareholders who submit the proposal of the relevant resolution, and shall list in the meeting notice the agenda that conform to the provisions of this article. With regard to the proposals submitted by shareholders but not included as motions at the meeting, the cause of exclusion of such proposals and explanation shall be made by the board of directors at the shareholders' meeting.

Article 4. For each shareholders' meeting, a shareholder may appoint a proxy to attend the meeting by issuing the power of attorney printed by the Company and stating the scope of the proxy's authorization.

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 start earlier than 9am or later than 3pm. Independent directors' opinions on the meeting place and time shall also be fully considered.

The restrictions on the place of the meeting referred to in the preceding paragraph shall not apply when the Company convenes a shareholders' meeting by means of visual communication network only.

For virtual shareholders' meetings, shareholders may begin to register on the virtual meeting platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders' meeting in person.

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 presents. 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. The recordings referred to in the preceding paragraph shall 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. Where a virtual shareholders' meeting is held, the Company shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the Company, and continuously audio and video record, without interruption, the proceedings of the virtual meeting from beginning to end. The data and recordings referred to in the preceding paragraph shall be kept properly for as long as the Company exists; a copy of the recording shall also be retained by the video conference service provider.
- Article 9. Attendance at a shareholders' meeting shall be calculated based on shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book or sign-in cards handed in, and the shares checked in on the virtual meeting platform, plus the number of shares whose voting rights are exercised

by correspondence or electronically.

Where a shareholders' meeting is convened by means of visual communication network and any shareholder intends to attend the virtual shareholders' meeting, the shareholder shall register with the Company within 2 days prior to the shareholders' meeting.

The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders represent less than a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements and the attending shareholders still represent less than one-third of the total number of issued shares, the chair shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one-third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to 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 one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to 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, an attending shareholder must specify on a speaker

slip the gist of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. In the event where the content of the statement is inconsistent with the speech note, the content of the statement should prevail.

Except with the consent of the chairperson, a shareholder may not speak more than twice on the same motion, and a single speech may not exceed five minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda, the chairperson may terminate the speech.

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

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

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

Where a virtual shareholders' meeting is convened, shareholders attending the virtual meeting online may raise questions in writing at the virtual meeting platform from the time when the chairperson declares the meeting open until the chairperson declares the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in Paragraphs 1~5 do not apply.

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 shares exceeding three percent of the total voting shares. The exceeded voting rights will not be counted.

Article 13. A shareholder shall be entitled to one vote for each share held, except

when the shares are RSAs or are deemed non-voting shares under Paragraph 2, Article 179 of the Company Act.

When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders' meeting notice. Shareholders who have voted in writing or using the electronic method are considered to have attended the shareholders' meeting in person. However, they are 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.

Instructions to exercise written and electronic votes shall be delivered to the Company at least 2 days before the shareholder meeting. In the event of duplicate submissions, the earliest submission shall be taken into record. However, this excludes situations where the shareholder has issued a proper declaration to withdraw the previous instruction.

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 or a virtual shareholders' meeting, 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, at least 2 days before the date of the shareholders' meeting. If the notice of retraction is submitted after this due date, the voting rights already exercised by correspondence or electronic means shall prevail. If the voting right is exercised in writing or by electronic means and the agent entrusted via a power of attorney is present at the shareholders' meeting, the voting right of the entrusted agent shall prevail.

Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a motion shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, for each motion, the chair or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.

For motions that have no objections from the present shareholders upon the inquiry of the chair, it shall be as having been passed and the effect shall be the same as casting votes for resolution. For motions that triggered objections, a decision shall be made by voting as stated in preceding paragraphs.

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

The chair will appoint a ballot examiner and a ballot counter, provided that the ballot examiner must be a shareholder.

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.

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

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

If, before the parliamentary procedure is accomplished in accordance with the agenda (including extraordinary motions), the meeting venue cannot be occupied any longer, participants may resolve to continue the meeting at an alternative location.

Shareholders may also resolve to postpone or resume the meeting within the next 5 days, according to Article 182 of The Company Act.

In the event of a virtual shareholders' meeting, when declaring the meeting open, the chair shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies, if the virtual meeting platform or participation in the virtual meeting is obstructed due to natural disasters, accidents or other force majeure events before the chair has announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date, in which case Article 182 of the Company Act shall not apply.

When the Company postpones or reconvenes a shareholders' meeting as set out in preceding paragraph, no redundant discussion or resolution is required for proposals, or for lists of elected directors, for which the votes have already been cast and counted and the results have been announced.

When postponing or resuming a meeting according to Paragraph 4, the Company shall handle the preparatory work based on the date of the original shareholders' meeting and in accordance with the requirements listed under Paragraph 7 of Article 44-20 of the Regulations Governing the Administration of Shareholder Services of Public Companies. Meanwhile, the shareholders recorded in the roster of shareholders who are required to suspend registration of transfer on the date of the

original shareholders' meeting shall be entitled to attend the shareholders' meeting.

When the Company convenes a hybrid shareholders' meeting, and the meeting cannot continue as described in Paragraph 4, if the total number of shares represented at the meeting, after deducting those represented by shareholders' attending the virtual shareholders meeting online, still meets the minimum legal requirement for a shareholders' meeting, then the shareholders' meeting shall continue, and no postponement or resumption thereof under Paragraph 4 is required.

When the Company convenes a virtual-only shareholders' meeting, it shall make appropriate alternative measures available to shareholders who have difficulty taking part in the virtual-only shareholders' meeting.

Article 19. The Rules shall be enforced upon approval by a shareholders' meeting. The same shall apply where the Rules are amended

Article 20. The Rules were established on April 15, 2011.

1st amendments hereto were made on May 25, 2012.

2nd amendments hereto were made on December 17, 2012.

3rd amendments hereto were made on June 21, 2013.

4th amendments hereto were made on June 9, 2015.

5th amendments hereto were made on May 29, 2020.

6th amendments hereto were made on July 8, 2021.

7th amendments hereto were made on May 31, 2024.

[Appendix IV]

Directors' Shareholding Position

- I. The Company's paid-in capital is NT\$963,552,170, and the number of shares issued is 96,355,217.
- II. All directors of the Company are legally required to hold a minimum of 7,708,417 shares.
- III. As of the account transfer closing date of the shareholders' meeting (March 29, 2026), 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 and Exchange Act.

Title	Name	Shareholding as recorded in the shareholder roster on the book closure date (March 29, 2026)	Ownership
Chairman	Chuan-Sheng Chien	1,674,163	1.74%
Director	Chung-Liang Lee	2,062,283	2.14%
Director	Shan-Ke Hsu	0	0.00%
Director	Cing-Jhong Jhu	1,758,710	1.83%
Director	Rui Ding Investment Co., Ltd. Representative: Xi-Xi Wu	7,096,550	7.37%
Independent Director	Yin-Tien Wang	0	0.00%
Independent Director	Wei-Li Lin	0	0.00%
Independent Director	Kai-Charn Young	0	0.00%
Independent Director	Su-Shun Lo	0	0.00%
Whole Directors' Shareholding Position		12,591,706	13.08%

[Appendix V]

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

Item	Year	2025 (estimated)	
Opening Paid-In Capital		960,407,170	
Stock and Cash Dividends for the Year	Cash dividend per share	16.9 (Note 1)	
	Allotment per share for capital increase through earnings (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 tax		
	Year-on-year % increase (decrease) in net income after tax		
	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 (%)	
	In the event of not implementing capital surplus and retained earnings capitalization, distributions will be made as cash dividends instead.	Pro forma earnings per share	
		Pro forma annual average return on investment (%)	

Note 1: To be resolved at the 2026 general shareholders' meeting

Note 2: Not applicable as the Company has not yet released the 2026 financial forecast information.