

Stock Code: 2495

Infortrend Technology Inc.

INFORTREND TECHNOLOGY INC.

2024 Annual Shareholders' Meeting

Meeting Handbook

(Translation)

Date of Shareholders' Meeting: June 14, 2024

Location: RSL Hotel Taipei Zhonghe

(Northwest Room), 3F, No. 631 Zhongzheng Road, Zhonghe District, New Taipei City 235, Taiwan

Notice to Readers:

For the convenience of readers, the Meeting Handbook has been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese version shall prevail.

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I. Meeting Procedure

Method of convening meetings: Personally Present

Time: 9:00 a.m. on Friday, June 14, 2024

Location: RSL Hotel Taipei Zhonghe (Northwest Room), 3F, No. 631 Zhongzheng Road, Zhonghe District, New Taipei City 235, Taiwan

I. Call the Meeting to Order

II. Chairperson Remarks

III. Management Presentations:

(I) 2023 Business Report.

(II) 2023 Audit Committee's Review Report.

(III) 2023 Distribution of Remuneration to Employees and Directors Report.

(IV) Report of the 2024 Promotion Plan for Sustainable Development Programs.

IV. Proposals:

(I) Adoption of the 2023 Business Report and Financial Statements.

(II) Adoption of the Proposal for Distribution of 2023 Profit.

V. Elections:

General Re-elections of the Board of Directors

VI. Other Matters:

Proposal for Lifting the Non-competition Ban on the Newly Elected Director

VII. Questions and Motions

VIII. Adjournment

II. Management Presentations

Report 1.

Summary: 2023 Business Report.

Explanation: please refer to page 8~13 of this handbook for the 2023 Business Report.

Report 2.

Summary: 2023 Audit Committee's Review Report.

Explanation: please refer to page 14 of this handbook for the 2023 Audit Committee's Review Report.

Report 3.

Summary: 2023 Distribution of Remuneration to Employees and Directors Report.

Explanation:

- (I) If the Company has earnings, it shall set aside at least 1% of the balance as remuneration to the employees and no greater than 0.5% of the balance as remuneration to the directors according to the Articles of Incorporation. The so-called earnings shall mean the annual pre-tax earnings before deduction of the remuneration to employees and the directors.
- (II) In 2023, the Company appropriated an amount of NT\$38,000,000 as remuneration to the employees, accounting for 11.67% of the earnings. The entire amount was distributed in cash to employees who met certain qualifications. In addition, an amount of NT\$1,400,000 was appropriated as remuneration to the directors, accounting for 0.43% of the earnings, and was fully distributed in cash.
- (III) This does not differ from the amount of expenses recognized in 2023.

Report 4.

Summary: Report of the 2024 Promotion Plan for Sustainable Development Programs.

Explanation: Pursuant to the requirements of the "Corporate Governance Evaluation Indicators" and "Code of Practice for Sustainable Development," the Company has formulated the "2024 Promotion Plans for Sustainable Development Programs" to implement relevant practical items. Please refer to page 15 of this handbook for the plan details.

III. Proposals

Proposal 1.

Summary: Adoption of the 2023 Business Report and Financial Statements. (proposed by the board of directors)

Explanation:

- I. Please refer to page 8~13 of this handbook for the 2023 Business Report.
- II. The 2023 Financial Statements are sealed by the Chairman, Manager, and Accounting Supervisor, and have been further reviewed and endorsed by KPMG's CPAs, Shu-Ling Lien and Chao-Jen Wu, whose unqualified opinion expresses that said financial statements referred to above present fairly, in all material respects.
- III. The said financial statements and records are compiled in accordance with Article 228 of the Company Act (please refer to page 16~30 of this handbook); and
- IV. After being submitted to the Audit Committee for review, the said financial statements and records have been endorsed by the Audit Committee.

Resolution:

Proposal 2.

Summary: Adoption of the Proposal for Distribution of 2023 Profit. (proposed by the board of directors)

Explanation:

- I. Please refer to page 31 of this handbook for the Profit Distribution Table.
- II. If the number of outstanding shares on the dividend record date increases or decreases as a result of the subsequent repurchase of the shares or the assignment, conversion, cancellation or other circumstances that cause increase or decrease of shares after the aforementioned earnings distribution resolution, the cash dividend distribution rate shall, pursuant to the total amount of cash dividends taken in said earnings distribution resolution, be adjusted according to the actual number of outstanding shares on the dividend record date, the management planning to request the shareholder meeting to authorize the Chairman to adequately adjust said cash dividend distribution rate, and handle relevant change matters according to regulations; and
- III. the cash dividends are calculated on a pro rata basis up to NT\$1 and rounded off below NT\$1, and the total amount of the deficiency of less than NT\$1 distributed is transferred to the Company's Employee Welfare Committee.

Resolution:

IV. Elections

Summary: General Re-elections of the Board of Directors . (proposed by the board of directors)

Explanation:

- I. With the term of office of current directors going to expire on July 18, 2024, the Company plans to hold general re-elections of the board of directors at this Annual Shareholders' Meeting, where pursuant to the Articles of Incorporation, there ought to be five to seven directors, but currently there are seven (including four independent directors), there are seven directors in total to be elected(including four independent directors); and
- II. The directors to be elected by the shareholders are from the nominees in the nomination list prepared by the Company, whose personal information is as follows:

Type of Nominees	Name of Nominee	Education / Experience	Shareholding
Director	Shih-Tung Lo	Education: M.S. in Electrical Engineering, National Taiwan University of Science and Technology, Taiwan Experience: Current Chairman/General Manager of Infortrend Technology, Inc. Manager, R&D Department, Acer Inc.	38,948,816
Director	Li-Wei Chen	Education: M.S. in Industrial Engineering, University of Pittsburgh, USA Experience: Current Director/Vice General Manager, Quality Assurance and Production Division of Infortrend Technology, Inc. Senior Manager, Quality Assurance Department, Micro-Star International Co., Ltd.	0
Director	Chun-Tsai Sung	Education: Master's degree in Business Management, Dayeh University. Experience: Current Assistant Manager in the Asia-Pacific Department of Infortrend Technology, Inc. Senior Manager in APAC of PROMISE Technology, Inc.	0

Type of Nominees	Name of Nominee	Education / Experience	Shareholding
Independent Director	Guang-Wei Sun	Education: Master's degree in Financial Management, University of Memphis, Tennessee Experience: Current Independent Director of Infortrend Technology, Inc. Current Financial Assistant Manager of YAGEO Corporation	0
Independent Director	Liang-Yin Chen	Education: Bachelor's degree of the Finance Department of Chung Hsing University Experience: Current Independent Director of Infortrend Technology, Inc. Current Accountant of Yuanfu Certified Public Accountants	0
Independent Director	Pin-Yu Hou	Education: Bachelor's degree in the Department of Accounting from Soochow University. Experience: Current Accountant of RuiHua Certified Public Accountants	0
Independent Director	Chi-Chao Huang	Education: M.S. in Electronic Engineering, National Taiwan University of Science and Technology, Taiwan Experience: Vice Manager of Mega International Commercial Bank	0

III. The newly elected director will serve a three-year term from June 14, 2024 to June 13, 2027.

Voting Results:

V. Other Matters

Summary: Proposal for Lifting the Non-competition Ban on the Newly Elected Director. (proposed by the board of directors)

Explanation:

1. For business purposes, the Company plans to lift the non-competition ban on the newly elected directors and their proxies at this Annual Shareholders' Meeting that they can also serve as other companies' directors with the business scope similar to that of the Company, which is subject to Article 209 of the Company Act; and
2. After getting the approval of said proposal by the board of directors, the management will according to the law submit said proposal to this Annual Shareholders' Meeting for resolution, and supplement explanations on the content of the non-competition ban at the scene prior to discussing said proposal at this Annual Shareholders' Meeting.

Resolution:

VI. Questions and Motions

VII. Adjournment

Infortrend Technology Inc.**Business Report****Dear shareholders:**

In 2023, central banks worldwide maintained tight monetary policies, with the global economy continuing to be influenced by high-interest rates and inflation. Additionally, the expansion of the US curbs on the China chip, the Russo-Ukrainian War, and the ongoing tensions in the Middle East have led to a trend of geopolitical bloc confrontation. This has weakened global demand for end products, resulting in a slowdown in manufacturing activities in various countries, thereby affecting global economic development and stability. Infortrend's consolidated revenue for the year 2023 was NT\$1.391 billion, representing a 4.9% decrease from fiscal year 2022. The net profit after tax increased by NT\$27 million to reach NT\$241 million compared to fiscal year 2022. The earnings per share also increased by 12.8% to NT\$0.88, up from NT\$0.78 in fiscal year 2022.

EonStor GS is an enterprise-level integrated storage system that integrates the high-availability solutions of NAS, SAN, and cloud gateway functions, supports scale-out on a complete series basis, and can improve data storage performance and capacity according to needs, helping enterprises to flexibly expand performance and capacity, creating a single namespace file system, allowing easy file sharing between departments and meeting the needs of office file sharing. In 2023, Infortrend introduced the GS 4U 90 tank integrated storage system and the 4U 90 tank JBOD. This system offers a high-density design, allowing for large storage capacity while occupying minimal space. It also reduces overall ownership costs. With both horizontal and vertical expansion capabilities, it can provide over 70 PB of storage space, effectively meeting customers' diverse needs for capacity and performance.

EonStor GS also supports U.2 SSD all-flash models to expand GS clusters. With strong performance, it can meet various high-load applications and is the most suitable storage solution for enterprises to access unstructured data. It can simplify data organization and management, easily access files, expand storage space and improve performance. To enhance the system's continuous operation capability, we have added the HA Service feature to EonStor GS, ensuring uninterrupted operation and achieving near-zero Recovery Time Objective (RTO) and zero Recovery Point Objective (RPO). As a result, the probability of system service interruption is significantly reduced when facing unexpected events. Infortrend's development of the 4U 48-bay model in the EonStor GS U.2 NVMe expansion hybrid flash memory storage system offers enterprises a solution with larger storage capacity. This enables the integration of their storage hardware infrastructure while reducing management complexity. It is particularly suitable for data-intensive applications such as VMware and VDI. By utilizing the 4U48, administrators can

effectively manage a reduced number of storage systems, leading to improved storage maintenance efficiency and a decrease in the overall management burden. The 4U 48-bay model allows for the use of fewer cables, switches, peripheral devices, and lower power consumption, thereby significantly reducing operational costs.

The entire product line of Infortrend Technology has the characteristics of variety, quick speed and reliability and can choose the most suitable storage device according to the application performance or budget. In terms of hardware design, it provides a variety of chassis, flexible host interface cards and stable and reliable mechanisms; In terms of software, it has a complete data service value-added function and an easy-to-use management interface.

Infortrend Technology was founded in 1993, specializing in the research and development (R&D), manufacturing and marketing of network storage systems. With the spirit of vertical integration, advanced product R&D capacity and customer-oriented marketing, we have developed the core technology for storage system and continuously provide high-performance and high-quality rack-mounted redundant storage systems. Our users include small and medium enterprises as well as large companies and organizations such as government bodies, multinational corporations, and financial institutions.

I. Operating Report for 2023

(I) Results of operations based on our 2023 business plan

Unit: NT\$ Thousands; %

Item	2023	2022	Increase (Decrease)	Change in Percentage
Consolidated operating revenue	1,390,974	1,462,630	(71,656)	(4.90%)
Consolidated gross profit	710,791	720,169	(9,378)	(1.30%)
Consolidated net profit before tax	287,604	265,167	22,437	8.46%
Consolidated net profit after tax	241,446	214,003	27,443	12.82%

(II) Budget execution status

The Company has not prepared a financial forecast for the year 2023.

(III) Profitability analysis

Item		2023	2022
Return of assets		4.18%	3.85%
Return on equity		5.78%	5.24%
Percentage of Paid-up capital	Net operating income	7.26%	8.07%
	Pre-tax Profit	10.51%	9.69%
Profit Margin		17.36%	14.63%
Earnings per share		NT\$0.88	NT\$0.78

(IV) Research and development status

Today's businesses face a significant challenge in increasing storage capacity within existing server cabinets due to the growth of digital content. Infortrend has introduced the GS 4U 90-bay integrated storage system and 4U 90-bay JBOD in 2023. Not only does it provide a large storage capacity and occupy minimal space through its high-density design, but it also reduces the overall cost of ownership. The 4U 90-bay offers a maximum data storage space of 1.8 PB. By combining it with the 4U 90-bay JBOD, the storage capacity can be doubled to 3.6 PB, all while occupying just 8U of rack space. Moreover, by implementing horizontal expansion and vertical scaling, this solution can offer more than 70 PB of storage capacity, effectively meeting the diverse requirements of customers in terms of both capacity and performance.

Meanwhile, to fulfill the extensive backup requirements, GS not only supports enterprise-level backup software but also provides built-in backup services for file servers, personal computers, and the cloud. With the new built-in backup service, GS can now directly back up data from file servers, personal computers, and the cloud without the need for additional backup software. Enterprise organizations will be able to back up the aforementioned data sources easily and efficiently. This not only saves time but also eliminates the expenses associated with acquiring and maintaining additional backup solutions. In addition to its built-in backup services, GS also supports mainstream enterprise backup software, including Veeam, Veritas, and Commvault. Businesses can leverage their preferred backup solutions to achieve efficient data protection thanks to this compatibility.

In response to the U.2 NVMe hybrid flash storage series, the first 4U 48-bay model is launched. The new 4U 48-bay solution's advantage lies in the significant reduction in hardware equipment. One 4U 48-bay is equivalent to two 2U storage systems. The required wiring, switches, power consumption, and peripheral devices during

deployment are all reduced. As a result, operating costs are significantly lowered. Furthermore, by using the 4U 48-bay storage system, the number of devices that system administrators have to manage is reduced, thus easing the management burden and improving the maintenance efficiency of the storage system.

II. Outline of 2024 Business Plan

(I) Business strategies

1. Hyper-converged Private K8s Cloud Platform

The Enterprise Cloud Platform, which is tailored for enterprise users, offers computing capabilities and storage space for each host. It supports a range of internal applications within the enterprise, including both legacy and cloud-native applications. It can run and manage containers by Kubernetes, and it also has built-in virtualization capabilities. This allows for the creation of virtual machines (VMs) to install the required operating systems and applications as well as supports GPU computing acceleration, simplifying enterprise infrastructure deployment.

2. GSx Parallel File System

Our high-performance parallel file system storage is specifically designed for HPC and AI applications. Users can access the storage space of multiple storage units and coordinate input/output operations (IOPS) between the user and storage nodes through a parallel file system. Moreover, the system will utilize regions to label data, enhancing the convenience and efficiency for users in accessing information. To meet the growing demand for big data, each GSx can be scaled vertically, while a GSx cluster can be scaled horizontally up to 20 units to accommodate the necessary space.

3. GS5000 Series U.2 NVMe Hybrid Flash Storage

With the continuous improvement in SSD performance, a single SSD can now deliver read/write throughput of over 5GB/s and 12GB/s. However, a typical 2U24bay storage array is no longer capable of fully utilizing the performance of all the SSDs housed within the chassis. Therefore, there is a demand for a faster all-flash storage. The flagship model GS 5024U utilizes the fifth-generation Intel Xeon Scalable processor, along with DDR5 memory and a high-speed, low-latency PCIe Gen5 interface. It also supports 400GbE and NVMe-oF, enabling the system to deliver high performance to meet a wide range of application requirements.

4. Comprehensive services and training programs

In order to help customers understand how to use the products correctly in various applications, we would prepare more detailed training on product selection criteria for each solution, so that distributors can have a clear understanding of product performance and its application methods, facilitating the promotion of various

products. We believe that by offering a wide range of services, such as extended warranty, advanced replacement and repair services, 24/7 specialist consultation and on-site service, we can solve all kinds of problems quickly and increase customer satisfaction and loyalty.

(II) Sales volume forecast and basis

Product Type	Sales
RAID controller and system	50,170
Total	50,170

Based on the industry environment and market supply and demand, and with reference to estimates from various research institutions, the sales of RAID controllers and systems are projected to be 50,170 units this year, representing an increase of 3,710 units compared to 46,460 units in 2023.

(III) Key production and sales policy

We will streamline our supply chain management system. In terms of sales, we aim to shorten delivery times and increase customer satisfaction. In respect of production, we will strengthen the management of procurement and suppliers; improve production efficiency and quality management; and plan, implement and control the efficient movement and storage of inventory based on international trends in order for sales/production forecasts, material preparation, orders and transportation to meet operation requirements, thereby establishing a global operation management model to achieve the goal of continuous cost reduction and product competitiveness enhancement.

III. Future Company Development Strategies

1. Strengthened proprietary brand marketing through regular press releases and eDM, allowing more users to know about Infortrend's products. More success stories are shared to show users know how Infortrend's products can solve the storage problems encountered by many enterprises and strengthen users' confidence. Conduct product demonstrations and presentations with distribution partners to help users better understand the advantages and features of Infortrend's products.
2. Vertical Market Support: The product design will vary based on the different data storage requirements in various vertical markets. For example, virtual machines and databases require high IOPS, while HPC and M&E require high throughput. Infortrend offers comprehensive solutions and test reports for various vertical markets to meet diverse market application needs. These solutions and reports showcase the exceptional performance of Infortrend products across different industries. Certifications from

well-known software providers like VMware and Veeam guarantee problem-free usage of different applications.

IV. Impacts of the External Competitive Environment, Regulatory Environment, and Macroeconomic Conditions

Infortrend Technology is a professional network storage equipment provider with products sold worldwide. Our customers include businesses and government agencies. The rapid development of technology today has led to an explosive growth in data volume, driven by various applications such as big data and AI. Consequently, there will be a continuous increase in the demand for storage system capacity and performance in enterprises year after year. In response to this trend, Infortrend will continue to introduce high-density storage devices and high-performance flash storage products. We will also continuously optimize our related products for various vertical market applications.

In order to maintain the sustainable development of the company, Infortrend Technology continues to develop products that reduce energy consumption, and has launched a power supply design that complies with the energy-saving design directive standard (Eco-design), and meets the EU Lot 9 power efficiency requirements.

Infortrend Technology will continue to enhance R&D capabilities, develop new products in line with current trends, and strengthen brand recognition. We hope to create a wonderful future with our partners.

With support and care, we hope you can continue to take part in our future developments.

Thank you!

We hereby wish all our shareholders Good health and All the Best!

Infortrend Technology Inc.

Responsible Person: Shih-Tung Lo

Manager: Shih-Tung Lo

Accounting Supervisor: Shu-Hua Liu

Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. The financial statements were audited by KPMG with independent auditors' reports issued. The above-mentioned business report, financial statements, and earnings distribution proposal have been reviewed and determined to be accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Sincerely,

2024 Annual Shareholders' Meeting

Infotrend Technology Inc.

Convener of Audit Committee: Ruey-Fu Hou

March 7, 2024

Infortrend Technology Inc.

2024 Promotion Plan for Sustainable Development Programs

I. Regulatory Basis:

The “Corporate Governance Evaluation Indicators” and “Code of Practice for Sustainable Development of Infortrend Technology, Inc.” are abided to implement the items necessary.

II. Plan Content:

Item	Types	No.	Item Planned for Implementation	Planned Schedule
Enterprise Development	Environmental Sustainability	1	Implementing and tracking 2024/energy and carbon reduction programs	2024 - Q1~Q4
		2	Greenhouse Gas Inventory: Education and training for internal seeded personnel on greenhouse gas inventory.	2024 - Q1~Q4
		3	Business waste disposal operation	2024 - Q1~Q4
	Social Welfare	1	Organizing social welfare events	2024 - Q1~Q4
		2	Organizing donation events	2024 - Q1~Q4
Risk management		1	Consolidation of annual risk assessment operations and operations of each unit, and submission to the Board of Directors	2024 - Q4
Corporate governance	Corporate governance	1	Complete the 2023 Sustainable Development Report	2024 - Q1&Q2
		2	Convening Remuneration Committee/Audit Committee regularly	2024 - Q1&Q4
		3	Arranging training courses for directors regularly	2024 - Q1&Q3
		4	Conduct performance evaluations of directors, the board of directors, and functional committees in 2023	2024- Q1
		5	Disclosing information related to sustainable development plans and explanations of execution (including annual reports) regularly	2024 - Q1~Q4
		6	Disclosing the status of communication with stakeholders and reporting to the board of directors.	2024 - Q4
		7	Organizing institutional investor conferences	2024 - Q4
	Employee Care	1	Holding labor-management meetings and labor safety and health meetings regularly	2024 - Q1~Q4
		2	Developing and implementing the 2024 Labor Safety and Health Plan (including education and training)	2024 - Q1~Q4
		3	Arranging "Employee Health Seminar" and "Employee Health Advisory Service Given by Resident Physician" regularly	2024 - Q1~Q4
		4	Conducting annual employee health examination	2024 - Q4
		5	Holding employee recreational activities	2024 - Q1~Q4
Integrity management		1	Conducting corporate integrity policies, code of ethical conduct, and insider trading prevention promotion	2024 - Q1~Q4
		2	Disclosing the operation and status of the annual integrity management, and reporting to the board of directors.	2024 - Q4

Tabulated by Administrative Department of Infortrend Technology, Inc.

Independent Auditors' Report

To the Board of Directors of Infortrend Technology Inc.:

Auditor's Opinion

The Balance Sheet as of December 31, 2023 and 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity, and Statement of Cash Flow for the period from January 1 to December 31, 2023 and 2022, as well as the Notes on Parent Company Only Financial Statements (including the Summary of Significant Accounting Policies) of Infortrend Technology Inc., have been audited and attested by us.

In our opinion, the aforementioned Parent Company Only Financial Statements are prepared in all material respects in accordance with the "Regulations Governing the Preparation of Financial statements by Securities Issuers," which properly present the financial position of Infortrend Technology Inc. as of December 31, 2023 and 2022, and the financial performance and cash flows for the period from January 1 to December 31, 2023 and 2022.

Basis of Auditor's Opinion

We performed the audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the Auditing Standards. Our responsibility under those standards will be further described in the section titled "CPA's responsibility for the audit on the Parent Company Only Financial Statements." We, subject to the codes of independence of the accounting firm which we are affiliated with, have kept absolute independent relationship with Infortrend Technology Inc. in accordance with the CPA Code of Professional Ethics, and have performed other obligations under this Code. 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 refer to those matters that, in our professional judgment, are of most significance for our audit on the Parent Company Only Financial Statements for 2023 of Infortrend Technology Inc. These matters have been addressed in the course of our audit of the Parent Company Only Financial Statements as a whole and in forming our opinion thereon. We do not express a separate opinion on such matters individually. In our judgment, the key audit matters to be communicated in the audit report are as follows:

Timing of Sales Revenue Recognition

For the accounting policy regarding the recognition timing of sales revenue, please see Note 4 (14) in the individual financial statements. For an explanation of revenue, please refer to Note 6 (17) on customer contract revenue in the individual report.

Description of key audit matters:

Infortrend Technology, Inc. is primarily engaged in the research, development, manufacturing, and trading of computer peripherals, with a particular emphasis on overseas sales. The timing of recognizing export revenue is a key focus area for the audit team of Infortrend Technology, Inc. due to the uncertainties arising from the longer shipping period and the risk and reward associated with ownership of the goods. The audit team will scrutinize whether the timing of revenue recognition aligns with the terms of the transactions. After considering the aforementioned factors, it has been determined that the timing of revenue recognition from sales is a significant audit matter for the current year.

Our main audit procedures regarding the aforementioned key audit matters included the following:

The assessment of the accounting policy regarding revenue recognition timing and the appropriateness of related internal control system design for Infortrend Technology, Inc.; execution of internal control testing to confirm the effectiveness of internal controls; conducting cutoff tests of revenue recognition for transactions before and after the reporting date to evaluate the reasonableness of sales revenue recognition timing

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

It is the responsibility of management to prepare and fairly present the Parent Company Only Financial Statements in accordance with the "Regulations Governing the Preparation of Financial statements by Securities Issuers," and to maintain internal controls which are necessary for the preparation of the Parent Company Only Financial Statements to ensure that there are no material misrepresentations that are attributed to fraud or error therein.

In the preparation of the Parent Company Only Financial Statements, it is also the responsibility of management to assess the ability of Infortrend Technology Inc. to continue as a going concern, to disclose relevant matters, and to adopt the accounting basis for going concern, unless the management intends to liquidate Infortrend Technology Inc., Ltd. or discontinue operations, or has to do so without any other practical alternatives.

The governing body of Infortrend Technology Inc. (including the audit committee) has the responsibility to supervise the reporting process of financial statement.

CPA's responsibility for the audit on the Parent Company Only Financial Statements

Our audit on the Parent Company Only Financial Statements aims to obtain reasonable assurance on whether the Parent Company Only Financial Statements as a whole are free from material misstatement arising from fraud or error, and to issue an audit report. Reasonable assurance refers to high level of assurance. However, our audit conducted in accordance with Auditing Standards does

not guarantee that material misrepresentations in the Parent Company Only Financial Statements will be detected. Misrepresentations may be attributable to fraud or error. A misrepresentation of an individual amount or amount in aggregate is considered as materiality if it is reasonably expected to affect the economic decisions made by users on the basis of the Parent Company Only Financial Statements.

When conducting audits in accordance with auditing standards, the auditor utilizes professional judgment and professional skepticism. The accountant also performs the following tasks:

1. Identified and assessed the risk of a material misrepresentation attributable to fraud or errors in the Parent Company Only Financial Statements; designed and carried out appropriate countermeasures for the assessed risks; and obtained sufficient and appropriate evidence as the basis for the audit opinion. Because fraud may involve collusion, forgery, intentional omissions, false statements, or circumvention of internal controls, the risk of material misstatement due to fraud is higher than that due to error.
2. To gain a necessary understanding of internal controls relevant to the audit and design appropriate audit procedures in the circumstances, however, the purpose is not to express an opinion on the effectiveness of internal controls of Infortrend Technology Inc.
3. Assessed the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Based on the audit evidence obtained, conclusions are drawn regarding the appropriateness of management's use of the going concern basis of accounting and whether events or conditions exist that may cast significant doubt on Infortrend Technology, Inc.'s ability to continue as a going concern. If, in our opinion, there is material uncertainty about such events or circumstances, we are required to remind the user of the Parent Company Only Financial Statements of the relevant disclosure therein, or amend our audit opinion if such disclosure is inappropriate. The accountant's conclusion is based on the audit evidence obtained as of the date of the audit report. However, future events or circumstances may result in that Infortrend Technology Inc. may cease to continue as a going concern.
5. Evaluated the overall presentation, structure and content of the Parent Company Only Financial Statements (including relevant notes), and whether the Parent Company Only Financial Statements present the relevant transactions and events fairly.
6. Obtained sufficient and appropriate audit evidence of the financial information of the investee using the equity method to express an opinion on the Parent Company Only Financial Statements. We are responsible for the direction, supervision and performance of the audit and the formation of our audit opinion on Infortrend Technology Inc.

We communicated matters with the governing body, including the planned scope and timing of the audit, as well as the material audit findings (including material deficiencies in internal control identified during our audit).

We also provided the governing body the declaration of independence of the CPA subject to the codes of independence of the accounting firm which the CPA is affiliated with, that we have complied with

the CPA Code of Professional Ethics concerning independence, and communicated with the governing body all the relationships and other matters that may be considered to affect our independence (including relevant preventive measures).

From the matters communicated with the governing body, we determined the key audit matters for the Parent Company Only Financial Statements in 2023 of Infortrend Technology Inc. We have stated such matters in the audit report. Unless public disclosure of a particular matter is prohibited by law or, in very rare circumstances, we determined not to communicate such matter in the audit report where it can reasonably be expected that the negative impact of such communication will outweigh the public benefits.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 7, 2024

68F, TAIPEI 101 TOWER, No.7, Sec. 5, Xinyi Rd., Taipei City 11049, Taiwan (R.O.C.)

Infotrend Technology Inc.
Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousands

		2023.12.31		2022.12.31				2023.12.31		2022.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 4 and 6 (a))	\$ 240,499	4	428,411	7	2100	Short-term loans (Note 4, 6 (j) and 8)	\$ 2,002,000	30	1,707,000	27
1110	Financial assets at fair value through profit or loss - current (Note 4, 6 (b) and 8)	4,741,075	71	4,034,121	64	2130	Contract liabilities - current (Note 4, 6 (q) and 7)	33,219	1	66,008	1
1170	Net trade receivables (Note 4 and 6 (c))	98,933	2	115,892	2	2170	Trade payables	94,974	2	118,175	2
1180	Net trade receivables - related parties (Note 4, 6 (c) and 7)	89,149	1	81,068	1	2200	Other payables (Note 7)	169,043	3	166,448	3
1200	Other receivables (Note 6 (d) and 7)	41,295	1	25,562	-	2230	Current tax liabilities	32,856	-	36,963	-
1220	Current tax assets	-	-	77	-	2280	Lease liabilities - current (Note 4 and 6 (k))	5,939	-	5,537	-
130X	Inventory (Note 4 and 6 (e))	551,970	8	574,351	9	2300	Other current liabilities	945	-	864	-
1476	Other financial assets - current (Note 8)	-	-	158,789	3			2,338,976	36	2,100,995	33
1479	Other current assets - others	15,625	-	16,456	-						
		5,778,546	87	5,434,727	86						
Non-current assets:						Non-current liabilities:					
1510	Financial assets measured at fair value through profit or loss - non-current (Note 4 and 6 (b))	162,947	2	151,698	2	2527	Contract liabilities - non-current (Note 4, 6 (q) and 7)	41,006	1	26,864	1
1550	Equity-accounted investees (Note 4 and 6(f))	93,954	1	104,278	2	2550	Provisions - non-current (Note 4 and 6 (l))	2,657	-	2,657	-
1600	Property, plant, and equipment (Note 4, 6 (g) and 8)	566,430	9	574,220	9	2570	Deferred tax liabilities (Note 4 and 6 (n))	67	-	313	-
1755	Right-of-use assets (Note 4 and 6 (h))	14,890	-	10,819	-	2580	Lease liabilities - non-current (Note 4 and 6 (k))	9,020	-	5,389	-
1780	Intangible assets (Note 4 and 6 (i))	481	-	770	-	2640	Net defined benefit liabilities - non-current (Note 4 and 6 (m))	18,770	-	20,095	-
1840	Deferred tax assets (Note 4 and 6 (n))	34,179	1	34,569	1	2650	Investment credit balance accounted for using equity method (Note 4 and 6 (f))	27,829	-	17,874	-
1980	Other financial assets - non-current (Note 8)	3,698	-	3,448	-	2670	Other non-current liabilities-others	7	-	7	-
		876,579	13	879,802	14			99,356	1	73,199	1
								2,438,332	37	2,174,194	34
Total assets		\$ 6,655,125	100	6,314,529	100	Total liabilities					
						Equity:					
						3100	Share capital (Note 6 (o))	2,735,515	41	2,735,515	43
						3200	Capital surplus (Note 6 (o))	88,860	2	88,849	2
							Retained earnings:				
						3310	Legal reserve (Note 6 (o))	1,088,775	16	1,067,004	17
						3350	Unappropriated earnings (Note 6 (o))	291,582	4	237,778	4
						3400	Other equity (Note 6 (o))	12,061	-	11,189	-
							Total equity	4,216,793	63	4,140,335	66
							Total liabilities and equity	\$ 6,655,125	100	6,314,529	100

Infotrend Technology Inc.
Statement of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6 (q) and 7)	\$ 1,259,923	100	1,314,480	100
5000	Operating costs (Note 4 and 6 (e))	640,217	51	695,560	53
	Gross operating profit	619,706	49	618,920	47
5910	Less: unrealized profit and loss on sales (Note 7)	10,103	1	15,078	1
5920	Add: realized profit and loss on sales (Note 7)	15,078	1	8,848	1
		624,681	49	612,690	47
	Operating expenses (Note 6 (r) and 7):				
6100	Marketing expenses	41,356	3	41,296	3
6200	Administrative expenses	89,420	7	83,067	7
6300	Research and development expenses	296,055	23	297,765	23
6450	Expected credit loss (Note 4 and 6 (c))	-	-	1,400	-
		426,831	33	423,528	33
	Net operating profit	197,850	16	189,162	14
	Non-operating income and expenses (Note 6 (s) and 7):				
7100	Interest income	60,161	5	40,159	3
7010	Other income	178,019	14	154,470	12
7020	Other gains and losses	(88,262)	(7)	(130,909)	(10)
7050	Financial costs	(35,955)	(3)	(18,781)	(2)
7070	Recognized share of subsidiaries, associates and joint ventures accounted for equity method.	(25,628)	(2)	21,821	2
		88,335	7	66,760	5
7900	Net profit before tax	286,185	23	255,922	19
7950	Less: income tax expense (Note 4 and 6 (n))	44,739	4	41,919	3
8200	Net profit in the current period	241,446	19	214,003	16
	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(2,175)	-	4,629	-
8349	Less: Income tax related to components income that will not be reclassified to profit or loss	435	-	(926)	-
		(1,740)	-	3,703	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange Differences on Translation of Foreign Financial Statements	423	-	6,951	1
8370	Shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using equity method items that may be reclassified into profit or loss	449	-	36	-
8399	Less: income tax relating to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		872	-	6,987	1
	Other comprehensive income	(868)	-	10,690	1
8500	Total comprehensive income	\$ 240,578	19	224,693	17
	Earnings per share(NT\$) (Note 4 and 6 (p))				
9750	Basic earnings per share(unit: NT\$)	\$ 0.88		0.78	
9850	Diluted earnings per share(unit: NT\$)	\$ 0.88		0.78	

Infortrend Technology Inc.
Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

	<u>Share capital</u>		<u>Retained earnings</u>		<u>Other equity items</u>	
	<u>Common Stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated earnings</u>	<u>Exchange Differences on Translation of Foreign Financial Statements</u>	<u>Total equity</u>
Balance as of January 1, 2022	\$ 2,735,515	88,804	1,052,617	143,880	4,202	4,025,018
Net profit	-	-	-	214,003	-	214,003
Other comprehensive income	-	-	-	3,703	6,987	10,690
Total comprehensive income	-	-	-	217,706	6,987	224,693
Appropriation and distribution of retained earnings:						
Provision for legal reserve	-	-	14,387	(14,387)	-	-
Cash dividends on ordinary shares	-	-	-	(109,421)	-	(109,421)
Generated from donations	-	45	-	-	-	45
Balance as of December 31, 2022	2,735,515	88,849	1,067,004	237,778	11,189	4,140,335
Net profit	-	-	-	241,446	-	241,446
Other comprehensive income	-	-	-	(1,740)	872	(868)
Total comprehensive income	-	-	-	239,706	872	240,578
Appropriation and distribution of retained earnings:						
Provision for legal reserve	-	-	21,771	(21,771)	-	-
Cash dividends on ordinary shares	-	-	-	(164,131)	-	(164,131)
Generated from donations	-	11	-	-	-	11
Balance as of December 31, 2023	<u>\$ 2,735,515</u>	<u>88,860</u>	<u>1,088,775</u>	<u>291,582</u>	<u>12,061</u>	<u>4,216,793</u>

Infortrend Technology Inc.
Statement of Cash Flow
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

	<u>2023</u>	<u>2022</u>
Cash flow from operating activities:		
Net profit before tax for the current period	\$ 286,185	255,922
Reconciliation items:		
Income and expenses items		
Depreciation expenses	21,041	23,544
Amortization expenses	289	394
Interest expenses	35,955	18,781
Interest income	(60,161)	(40,159)
Dividend income	(142,269)	(136,734)
Valuation profit on financial assets measured at fair value through profit or loss	93,979	181,192
Recognized share of associates and joint ventures accounted for equity method	25,628	(21,821)
Gain on disposal of property, plant and equipment	(1,310)	(706)
Expected credit losses	-	1,400
Others	(4,979)	6,216
Total income and expense items	(31,827)	32,107
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Trade receivables	8,878	48,634
Other receivables	(631)	7,347
Inventories	22,381	(223,080)
Other current assets	831	(7,417)
Total net changes in assets related to operating activities	31,459	(174,516)
Net change in liabilities related to operating activities:		
Contract liabilities	(18,647)	58,136
Trade payables	(23,201)	45,248
Other payables	3,725	8,531
Other current liabilities	81	(63)
Net defined benefit liabilities	(3,500)	(4,600)
Total net changes in liabilities related to operating activities	(41,542)	107,252
Total net changes in assets and liabilities related to operating activities	(10,083)	(67,264)
Total adjustments	(41,910)	(35,157)
Cash inflow generated from operations	244,275	220,765
Interest received	54,128	37,705
Interest paid	(35,543)	(18,619)
Refund (paid) income tax	(48,190)	(5,514)
Net cash inflow from operating activities	<u>214,670</u>	<u>234,337</u>
Cash flow from investing activities:		
Purchase of financial assets at fair value through profit or loss	(1,440,433)	(1,492,846)
Disposal of financial assets at fair value through profit or loss	617,198	911,714
Acquisition of property, factories and equipment	(6,984)	(13,482)
Disposal of property, factories and equipment	1,310	706
Acquisition of intangible assets	-	(866)
Other financial assets	158,539	(37,000)
Dividends received	142,767	136,734
Net cash outflow from investment activities	<u>(527,603)</u>	<u>(495,040)</u>
Net cash flow from financing activities:		
Increase in short-term loans	295,000	507,000
Repayment of leasing principal	(5,859)	(6,262)
Cash dividends paid	(164,131)	(109,421)
Unclaimed dividends after the expiration date received	11	45
Net cash inflows from financing activities	<u>125,021</u>	<u>391,362</u>
Increase (decrease) in cash and cash equivalents	(187,912)	130,659
Cash and cash equivalents at beginning of year	428,411	297,752
Cash and cash equivalents at end of year	<u><u>\$ 240,499</u></u>	<u><u>428,411</u></u>

Independent Auditors' Report

To the Board of Directors of Infortrend Technology Inc.:

Auditor's Opinion

The Consolidated Balance Sheet as of December 31, 2023 and 2022, and the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity, and Consolidated Statement of Cash Flow for the period from January 1 to December 31, 2023 and 2022, as well as the Notes to the Consolidated Financial Statements (including the Summary of Significant Accounting Policies) of Infortrend Technology Inc. and its subsidiaries, have been audited and attested by us.

In our opinion, the aforementioned Consolidated Financial Statements are prepared in all material respects in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretation Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and issued to take effect by the Financial Supervisory Commission (FSC), which properly present the consolidated financial position of Infortrend Technology Inc. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the period from January 1 to December 31, 2023 and 2022.

Basis of Auditor's Opinion

We performed the audit in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the Auditing Standards. Our responsibility under those standards will be further described in the section titled "CPA's responsibility for the audit on the Consolidated Financial Statements." We, subject to the codes of independence of the accounting firm which we are affiliated with, have kept absolute independent relationship with Infortrend Technology Inc. and its subsidiaries in accordance with the CPA Code of Professional Ethics, and have performed other obligations under this Code. 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 refer to those matters that, in our professional judgment, are of most significance for our audit on the Consolidated Financial Statements for 2023 of Infortrend Technology Inc. and its subsidiaries. These matters have been addressed in the course of Consolidated Financial Statements as a whole and in forming our opinion thereon. We do not express a separate opinion on such matters individually. In our judgment, the key audit matters to be communicated in the audit report are as follows:

Recognition Timing of Revenue from Sales

Regarding the timing of revenue recognition from sales, please refer to Note 4(n) in the consolidated financial statements for accounting policies. For details on revenue, please see Note 6(p) on customer contract revenue in the consolidated report.

Description of key audit matters:

Infortrend Technology Inc. and its subsidiaries primarily engage in the research, development, manufacturing, and trading of computer peripherals, sales transactions mainly occur through exports. The timing of revenue recognition for export sales by Infortrend Technology Inc. and its subsidiaries may be a focus area for the audit team due to the longer shipping periods and the uncertainty surrounding the transfer of risks and rewards of ownership of the goods. Based on the reasons stated above, the

determination of the timing of revenue recognition for sales is considered a key audit matter for the current year.

Our main audit procedures regarding the aforementioned key audit matters included the following:

Evaluate the appropriateness of the accounting policies and related internal control system design of Infortrend Technology Inc. and its subsidiaries regarding the timing of revenue recognition; conduct internal control testing to confirm the effectiveness of internal controls; perform cutoff testing before and after the reporting date to assess the reasonableness of revenue recognition timing for sales transactions.

Other matters

Infortrend Technology Inc. has prepared its Parent Company Only Financial Statements for 2023 and 2022, with the audit report issued by our CPA without any unqualified opinion for future reference.

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

It is the responsibility of management to prepare and fairly present the Consolidated Financial Statements in accordance with the "Regulations Governing the Preparation of Financial Statements by Securities Issuers," as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), and Interpretations developed by the International Financial Reporting Interpretation Committee (IFRIC) or the former Standing Interpretations Committee (SIC) as endorsed and issued to take effect by the Financial Supervisory Commission (FSC), and to maintain internal controls which are necessary for the preparation of the Consolidated Financial Statements to ensure that there are no material misrepresentations that are attributed to fraud or error therein.

In the preparation of the Consolidated Financial Statements, it is also the responsibility of management to assess the ability of Infortrend Technology Inc. and its subsidiaries to continue as a going concern, to disclose relevant matters, and to adopt the accounting basis for going concern, unless the management intends to liquidate Infortrend Technology Inc., Ltd. and its subsidiaries or discontinue operations, or has to do so without any other practical alternatives.

The governing body of Infortrend Technology Inc. and its subsidiaries (including the audit committee) has the responsibility to supervise the reporting process of financial statement.

CPA's responsibility for the audit on the Consolidated Financial Statements

Our audit on the Consolidated Financial Statements aims to obtain reasonable assurance on whether the Consolidated Financial Statements as a whole are free from material misstatement arising from fraud or error, and to issue an audit report. Reasonable assurance refers to high level of assurance. However, our audit conducted in accordance with Auditing Standards does not guarantee that material misrepresentations in the Consolidated Financial Statements will be detected. Misrepresentations may be attributable to fraud or error. A misrepresentation of an individual amount or amount in aggregate is considered as materiality if it is reasonably expected to affect the economic decisions made by users on the basis of the Consolidated Financial Statements.

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

1. Identified and assessed the risk of a material misrepresentation attributable to fraud or errors in the Consolidated Financial Statements; designed and carried out appropriate countermeasures for the assessed risks; and obtained sufficient and appropriate evidence as the basis for the audit opinion. As fraud may involve collusion, forgery, intentional omission, misrepresentation, or override of internal control, the risk of a material misrepresentation that is not attributable to fraud is higher than that which is attributable to error.
2. Obtained necessary understanding of internal controls pertaining to the audit in order to develop audit procedures appropriate for the circumstances. Nevertheless, the purpose of such understanding is not to express an opinion on the effectiveness of the internal controls of Infortrend Technology Inc. and its subsidiaries.
3. Assessed the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Concluded, based on the audit evidence available, on the appropriateness of management's adoption of the accounting

basis for going concern and whether material uncertainties exist where events or circumstances that may cause material doubt on the ability of Infortrend Technology Inc. and its subsidiaries to continue as a going concern. If, in our opinion, there is material uncertainty about such events or circumstances, we are required to remind the user of the Consolidated Financial Statements of the relevant disclosure therein, or amend our audit opinion if such disclosure is inappropriate. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or circumstances may result in that Infortrend Technology Inc. and its subsidiaries may cease to continue as a going concern.

5. Evaluated the overall presentation, structure and content of the Consolidated Financial Statements (including relevant notes), and whether the Consolidated Financial Statements present the relevant transactions and events fairly.
6. Obtained sufficient and appropriate audit evidence of 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 performance of the audit of and the formation of our audit opinion on the Group.

We communicated matters with the governing body, including the planned scope and timing of the audit, as well as the material audit findings (including material deficiencies in internal control identified during our audit).

We also provided the governing body the declaration of independence of the CPA subject to the codes of independence of the accounting firm which the CPA is affiliated with, that we have complied with the CPA Code of Professional Ethics concerning independence, and communicated with the governing body all the relationships and other matters that may be considered to affect our independence (including relevant preventive measures).

From the matters communicated with the governing body, we determined the key audit matters for the Consolidated Financial Statements for 2023 of Infortrend Technology Inc. and its subsidiaries. We have stated such matters in the audit report. Unless public disclosure of a particular matter is prohibited by law or, in very rare circumstances, we determined not to communicate such matter in the audit report where it can reasonably be expected that the negative impact of such communication will outweigh the public benefits.

KPMG Taiwan

Taipei, Taiwan (Republic of China)

March 7, 2024

68F, TAIPEI 101 TOWER, No.7, Sec. 5, Xinyi Rd., Taipei City 11049, Taiwan (R.O.C.)

Infortrend Technology, Inc. and its Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NT\$ Thousands

		2023.12.31		2022.12.31				2023.12.31		2022.12.31	
Assets		Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (Note 6 (a))	\$ 314,236	5	487,389	8	2100	Short-term loans (Note 6 (i) and 8)	\$ 2,002,000	30	1,707,000	27
1110	Financial assets at fair value through profit or loss - current (Note 6 (b) and 8)	4,741,075	72	4,034,121	64	2130	Contract liabilities - current (Note 6 (p))	18,806	-	26,255	-
1170	Net notes and trade receivables (Note 6 (c))	147,418	2	176,549	3	2170	Trade payables	96,497	1	120,531	2
1200	Other receivables (Note 6 (d))	41,800	-	27,741	-	2200	Other payables	174,204	3	170,030	3
1220	Current tax assets	4,601	-	77	-	2230	Current tax liabilities	32,856	1	36,986	1
130X	Inventory (Note 6 (e))	569,462	9	606,902	10	2280	Lease liabilities - current (Note 6 (j))	8,333	-	9,130	-
1476	Other financial assets - current (Note 8)	100	-	158,789	3	2300	Other current liabilities	2,055	-	1,545	-
1479	Other current assets - others	16,752	-	19,089	-			<u>2,334,751</u>	<u>35</u>	<u>2,071,477</u>	<u>33</u>
		<u>5,835,444</u>	<u>88</u>	<u>5,510,657</u>	<u>88</u>	Non-current liabilities:					
Non-current assets:						2527	Contract liabilities - non-current (Note 6 (p))	41,006	1	41,742	1
1510	Financial assets at fair value through profit or loss - non-current (Note 6 (b))	162,947	2	151,698	2	2550	Provisions - non-current (Note 6 (k))	5,300	-	5,944	-
1600	Property, plant, and equipment (Note 6 (f) and 8)	571,712	9	577,554	9	2570	Deferred tax liabilities (Note 4 and 6 (13))	67	-	544	-
1755	Right-of-use assets (Note 6 (g))	18,434	-	17,302	-	2580	Lease liabilities - non-current (Note 6 (j))	10,185	-	8,435	-
1780	Intangible assets (Note 6 (h))	481	-	770	-	2640	Net defined benefit liabilities - non-current (Note 6 (l))	18,770	-	20,095	-
1840	Deferred tax assets (Note 4 and 6 (13))	34,912	1	34,569	1	2670	Other non-current liabilities - others	2,501	-	9,264	-
1980	Other financial assets - non-current (Note 8)	5,189	-	5,003	-			<u>77,829</u>	<u>1</u>	<u>86,024</u>	<u>1</u>
1990	Other non-current assets - others	254	-	283	-	Total liabilities		<u>2,412,580</u>	<u>36</u>	<u>2,157,501</u>	<u>34</u>
		<u>793,929</u>	<u>12</u>	<u>787,179</u>	<u>12</u>	Equity attributable to the owners of the parent company (Note 6(14)):					
						3100	Share capital	2,735,515	41	2,735,515	43
						3200	Capital surplus	88,860	1	88,849	2
							Retained earnings:				
						3310	Legal reserve	1,088,775	17	1,067,004	17
						3350	Unappropriated earnings	291,582	5	237,778	4
						3400	Other equity	12,061	-	11,189	-
							Total equity	<u>4,216,793</u>	<u>64</u>	<u>4,140,335</u>	<u>66</u>
Total assets		<u>\$ 6,629,373</u>	<u>100</u>	<u>6,297,836</u>	<u>100</u>	Total liabilities and equity		<u>\$ 6,629,373</u>	<u>100</u>	<u>6,297,836</u>	<u>100</u>

Infortrend Technology, Inc. and its Subsidiaries
Consolidated Statement of Comprehensive Income
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Note 6 (p))	\$ 1,390,974	100	1,462,630	100
5000	Operating costs (Note 6 (e))	680,183	49	742,461	51
	Gross operating profit	710,791	51	720,169	49
	Operating expenses (Note 6 (q)):				
6100	Selling and marketing expenses	49,352	4	52,051	4
6200	Administrative expenses	165,509	12	148,997	10
6300	Research and development expenses	296,055	21	297,765	20
6450	Expected credit losses (profit)	1,249	-	581	-
		512,165	37	499,394	34
	Net operating profit	198,626	14	220,775	15
	Non-operating income and expenses (Note 6 (r)):				
7100	Interest income	60,605	4	40,382	2
7010	Other income	152,001	11	161,238	11
7020	Other gains and losses	(87,601)	(6)	(138,368)	(9)
7050	Financial costs	(36,027)	(3)	(18,860)	(1)
		88,978	6	44,392	3
7900	Net profit before tax	287,604	20	265,167	18
7950	Less: income tax expense (Note 4 and 6 (m))	46,158	3	51,164	3
8200	Net profit in the current period	241,446	17	214,003	15
	Other comprehensive income:				
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(2,175)	-	4,629	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	435	-	(926)	-
		(1,740)	-	3,703	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on financial statements of foreign operations	872	-	6,987	-
8399	Less: income tax relating to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
		872	-	6,987	-
	Other comprehensive income in current period (net after tax)	(868)	-	10,690	-
8500	Total comprehensive income for the current period	\$ 240,578	17	224,693	15
	Earnings per share(NT\$) (Note 6 (o))				
9750	Basic earnings per share(unit: NT\$)	\$ 0.88		0.78	
9850	Diluted earnings per share(unit: NT\$)	\$ 0.88		0.78	

Infortrend Technology, Inc. and its Subsidiaries
Consolidated Statement of Changes in Equity
From January 1 to December 31, 2023 and 2022

Unit: NT\$ Thousands

	Equity attributable to owners of the parent company					
	<u>Share capital</u>		<u>Retained earnings</u>		<u>Other equity items</u>	
	<u>Common Stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Unappropriated earnings</u>	<u>Exchange Differences on Translation of Foreign Financial Statements</u>	<u>Total equity</u>
Balance as of January 1, 2022	\$ 2,735,515	88,804	1,052,617	143,880	4,202	4,025,018
Net profit	-	-	-	214,003	-	214,003
Other comprehensive income	-	-	-	3,703	6,987	10,690
Total comprehensive income	-	-	-	217,706	6,987	224,693
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	14,387	(14,387)	-	-
Cash dividends	-	-	-	(109,421)	-	(109,421)
Generated from donations	-	45	-	-	-	45
Balance as of December 31, 2022	2,735,515	88,849	1,067,004	237,778	11,189	4,140,335
Net profit	-	-	-	241,446	-	241,446
Other comprehensive income	-	-	-	(1,740)	872	(868)
Total comprehensive income	-	-	-	239,706	872	240,578
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	21,771	(21,771)	-	-
Cash dividends	-	-	-	(164,131)	-	(164,131)
Generated from donations	-	11	-	-	-	11
Balance as of December 31, 2023	\$ 2,735,515	88,860	1,088,775	291,582	12,061	4,216,793

Infortrend Technology, Inc. and its Subsidiaries
Consolidated Statement of Cash Flow
From January 1 to December 31, 2023 and 2022

	Unit: NT\$ Thousands	
	2023	2022
Cash flow from operating activities:		
Net profit before tax	\$ 287,604	265,167
Reconciliation items:		
Income and expenses items		
Depreciation expenses	28,547	30,618
Amortization expenses	289	394
Expected credit impairment losses	1,249	581
Interest expenses	36,027	18,860
Interest income	(60,605)	(40,382)
Dividend income	(142,269)	(136,734)
Net loss on financial assets and liabilities measured at fair value through profit or loss	93,979	181,192
Gain on disposal of property, plant and equipment	(1,310)	(706)
Others	(4)	(15)
Total income and expense items	<u>(44,097)</u>	<u>53,808</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities		
Notes receivables	2,984	(2,988)
Trade receivables	25,214	53,340
Other receivables	1,049	1,676
Inventories	37,911	(219,762)
Other current assets	(15,970)	(5,235)
Total net changes in assets related to operating activities	<u>51,188</u>	<u>(172,969)</u>
Net change in liabilities related to operating activities:		
Contract liabilities	10,085	7,550
Trade payables	(21,954)	46,858
Other payables	5,360	6,773
Other current liabilities	536	(4,748)
Net defined benefit liabilities	(3,500)	(4,600)
Provisions	(654)	298
Total net changes in liabilities related to operating activities	<u>(10,127)</u>	<u>52,131</u>
Total net changes in assets and liabilities related to operating activities	<u>41,061</u>	<u>(120,838)</u>
Total adjustments	<u>(3,036)</u>	<u>(67,030)</u>
Cash generated from operations	284,568	198,137
Interest received	54,571	37,925
Interest paid	(35,615)	(18,603)
Income tax paid	(54,803)	(15,121)
Net cash inflow from operating activities	<u>248,721</u>	<u>202,338</u>
Cash flow from investing activities:		
Purchase of financial assets at fair value through profit or loss	(1,440,433)	(1,492,846)
Disposal of financial assets at fair value through profit or loss	617,198	911,714
Acquisition of property, plant and equipment	(12,186)	(16,160)
Disposal of property, plant and equipment	1,310	706
Acquisition of intangible assets	-	(866)
Other financial assets	158,439	(36,900)
Decrease in other non-current assets	23	431
Dividends received	142,269	136,734
Net cash outflow from investment activities	<u>(533,380)</u>	<u>(497,187)</u>
Net cash flow from financing activities		
Increase in short-term loans	295,000	507,000
Repayment of leasing principal	(10,022)	(11,087)
Decrease in other non-current liabilities	(7,040)	-
Cash dividends paid	(164,131)	(109,421)
Unclaimed dividends after the expiration date received	11	45
Net cash inflows from financing activities	<u>113,818</u>	<u>386,537</u>
Effects of exchange rate changes on the balance of cash held in foreign currencies	(2,312)	3,181
Increase (decrease) in cash and cash equivalents	(173,153)	94,869
Cash and cash equivalents at beginning of year	487,389	392,520
Cash and cash equivalents at end of year	<u><u>\$ 314,236</u></u>	<u><u>487,389</u></u>

Infortrend Technology Inc.**Profit Distribution Table****2023**

Unit: NT\$

Item	Amount
Unappropriated earnings at the beginning of the period	\$ 51,875,897
Add (less): Changes in remeasurement of defined benefit plans in the current period	(1,739,654)
Net profit in the current period	241,445,730
Provision for legal reserve	(23,970,608)
Distributable profits in the current period	267,611,365
Distributable items	
Shareholder dividend	(191,486,077)
Unappropriated earnings at the end of the period	\$ 76,125,288

Note: Cash dividend of NT\$0.7 per share is distributed to shareholders as their dividends

Chairman: Shih-Tung Lo

Manager: Shih-Tung Lo

Accounting Supervisor: Shu-Hua Liu

Infortrend Technology, Inc.**Rules of Procedure for Shareholders' Meetings**

Last formulated/amended on July 19, 2021

Article 1: To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, the Rules are adopted pursuant to the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies."

Unless otherwise prescribed by laws and regulations or the Company's Articles of Incorporation, the Company shall duly convene the shareholders' meeting exactly in accordance with these Rules.

Article 2: Unless otherwise provided by laws and regulations, the Company's shareholders meetings shall be convened by the board of directors.

The board of directors, or a person other than the board of directors, having the authority to convene a company's shareholders' meeting, may require the Company or its shareholder service agent to provide a shareholders roster. The shareholders shall be notified 30 days or 15 days in advance of the convening of an annual or a special shareholders' meeting respectively. For those shareholders holding less than 1,000 registered shares, the Company may notify them of the convening of aforesaid meetings by means of a public announcement made through the MOPS.

The cause or subject of a shareholders' meeting to be convened shall be indicated in the individual notice to be given to shareholders; and the notice may, as an alternative, be given by means of electronic transmission, after obtaining a prior consent from the recipient thereof.

Election or dismissal of directors, changes to the Articles of Incorporation, reduction of capital, application for suspension of public offering, permission for directors to compete for business, earnings transferred to common stock, capital surplus transferred to common stock, dissolution, merger and division of the Company, or all items pertaining to Paragraph 1 of Article 185 of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, shall be listed as reasons to convene the meeting, with their essential contents specified, and shall not be raised as extempore motions.

Where the notice of the reasons for convening the shareholders meeting already specifies the election of all directors and the date elected directors take office, once the election is

completed in the shareholders' meeting, the date the elected directors take office are not allowed to be changed by extempore motions or other methods in the same meeting.

The Company shall provide an attendance register for attending shareholders to sign in, or require the attending shareholders to submit their sign-in cards in lieu of signing the register, from which their equity are calculated.

Article 3: The venue for a shareholders' meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9:00 am and no later than 3:00 pm. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of said meeting.

Article 4: Shareholders' attendance and voting at shareholders' meetings shall be duly calculated based on the number of shares they hold. The calculation of the number of shares present shall be based on the attendance register or sign-in cards submitted by the shareholders, and those shares whose voting powers are exercised by in writing or by way of electronic transmission.

The chairperson shall call the meeting to order at the time scheduled for the meeting, as well as announcing information such as the number of shares with no voting right and shares present.

In the event that the meeting is attended by shareholders representing less than half of the total issued shares, the chairperson may announce a postponement of the meeting, however, there may not be more than two postponements in total and the total time accumulated in the postponement(s) shall not exceed one hour. If, after two postponements, the number of shares present does not constitute more than one-third or more of the total number of issued shares, but those present represent one-third or more of the total number of issued shares, a tentative resolution may be adopted in accordance with Paragraph 1, Article 175 of the Company Act. A notice of such tentative resolution shall be given to each of the shareholders, and reconvene a shareholders' meeting within one month. In the event that the total number of shares represented by attending shareholders reaches more than one half of the total issued shares before that same shareholder meeting is closed, the chairperson may resubmit the tentative resolution(s) adopted to the shareholders' meeting for a vote in accordance with Article 174 of the Company Act.

Article 5: The shareholders' meeting shall be duly presided over by the chairperson if convened by the board of directors. In the event that the vice chairperson is absent or unavailable as well, the chairperson shall, in advance, designate a director to act in his place. In the event that the chairperson does not designate his proxy, the director shall elect one to act for them. If a shareholders' meeting is convened by a person other than the board of directors, having the authority to convene said meeting, such person shall act as the chairperson at that meeting.

Article 6: the Corporation may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting. Staff at the shareholders' meetings shall wear ID badges or arm badges.

Article 7: The Company shall record audio or video all the way from the shareholder attendance registrations to the shareholders' meeting, and to the voting and ballot counting processes uninterruptedly. Said audio and video recording shall be retained for at least one year. In the event that a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, those ballots shall be archived until the lawsuit has been concluded finally and bindingly.

Article 8: If a shareholders' meeting is convened by the board of directors, the agenda of which shall be set by the board of directors, and the relevant proposals (including extraordinary proposals and amendments to original proposals) shall be decided on a case-by-case basis, and said meeting shall proceed in accordance with the scheduled agenda, which is not allowed to change without a resolution of said meeting.

The preceding Paragraph shall apply *mutatis mutandis* if a shareholders' meeting is convened by a person other than the board of directors, having the authority to convene said meeting.

The chairperson shall not declare the meeting adjourned prior to the completion of deliberation on the meeting agenda of the preceding two Paragraphs (including extempore motions), except by a resolution of the shareholders' meeting. If the chairperson declares the meeting adjourned in violation of the rules of meeting procedure, other members of the board of directors shall promptly assist the attending shareholders to elect a new chairperson in accordance with the statutory procedures, by agreement of more than one half of the votes represented by the attending shareholders, and then continue the meeting.

Article 9: An attending shareholder shall submit a speech note before speaking at a shareholders' meeting. The speech note shall expressly describe the subject of his/her opinions, and his/her shareholder account number and name so that the chairperson can specify the order of speech to be delivered by said attending shareholder.

An attending shareholder who just submits his/her speech note but does not speak at said meeting is deemed to have not spoken. In the event of any inconsistency between the contents of a shareholder's speech and those recorded on his/her speech note, the contents of said shareholder's speech shall prevail.

When an attending shareholder is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the chairperson and such speaking shareholder; the chairperson shall stop any such violations.

- Article 10:** The shareholder's speech is limited to five minutes each time and may be extended by three more minutes upon consent of the chairperson. Such extension is allowed for once only.
- Article 11:** A shareholder may not speak more than twice on the same proposal.
- Article 12:** The chairperson may stop a shareholder who violates the specified requirements or has spoken beyond the scope of the subject at issue.
- Article 13:** All attending shareholders are obliged to comply with the Rules Governing the Proceedings of Shareholder Meetings, comply with decisions resolved and maintain sound order of the arena of the meeting.
- Article 14:** In the event that a corporate shareholder is entrusted to attend a shareholders' meeting, said shareholder may designate only one representative to attend said meeting. In the event that a corporate shareholder designates two or more representatives to attend a shareholders' meeting, only one representative may speak on the same proposal.
- Article 15:** Upon a completion of shareholder's speech, the chairperson may reply in person or designate the relevant personnel to reply.
- Article 16:** No discussion or vote for non-proposals. No discussion or vote for non-proposals. Upon the discussion of proposals, the chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extempore motions put forward by the shareholders; where the chairperson believes an issue has been discussed in the meeting up to the level for voting, the chairperson may announce discontinuance of the discussion process and bring that issue to a vote, and arrange a sufficient voting time.
- Article 17:** The person(s) supervising the casting of the ballots and the person(s) counting the ballots are designated by the chairperson, provided that the person(s) supervising the casting of the ballots shall be a shareholder. The counting of votes for resolutions to proposals or election matters at a shareholders' meeting shall be conducted in an open site at the shareholders' meeting venue, and the voting results, including the number of votes counted, shall be announced and recorded at the spot after the counting of votes is completed.

A meeting minutes shall be made to record the resolutions decided at a shareholders' meeting. Said meeting minutes shall be signed or sealed by the chairperson and distributed to all shareholders within 20 days after said meeting is closed. Th Company may distribute the meeting minutes by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chair's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their results (including the counted number of voting rights), and upon an election for the directors, the number of voting rights received by each candidate shall be disclosed. The foregoing records shall be kept permanently as long as the Company exists.

- Article 18:** While a shareholders' meeting is in progress, the chairperson may declare a break at his discretion. Where events of force majeure arise, the chairperson may declare that said meeting is adjourned tentatively, and announce the time for resuming said meeting depending on the situation, or by resolution of said meeting resume said meeting within 5 days without making notice and announcement to all the shareholders.
- Article 19:** A shareholder shall have one voting right in respect of each share; however, such limit is not applicable to those who are restricted, or who do not have the right to vote.
- Unless otherwise provided for in the Company Act and the Company's Articles of Incorporation, a decision at a shareholders' meeting shall be resolved by more than one half of the voting rights represented by the attending shareholders of said shareholders' meeting. Upon deciding by vote, the total number of voting rights of attending shareholders shall be declared by the chairperson or his/her designated person on a case-by-case basis, and said shareholders shall then vote on each case on a poll. The results of shareholders' approval, disapproval and abstention shall be entered into the MOPS on the day upon the convening of said shareholders' meeting.
- Article 20:** In the event that there is an amendment to or a replacement for the original proposal, the chairperson shall decide on the order in which such proposal will be voted along with the original proposal, and provided that if one of such proposal has been approved, the other proposals will be deemed to be vetoed and there is no need to vote again.
- Article 21:** The chairperson may direct patrol personnel (or security personnel) to assist in maintaining the order of the meeting. Such patrol personnel (or security personnel) shall wear arm badges marked "Patrol Personnel" while assisting in maintaining the order of the meeting.
- Article 22:** Matters not specified in said Rules shall be governed by the Company's Articles of Incorporation and relevant provisions in the Company Act.
- Article 23:** The Rules and any amendments thereafter shall become effective upon resolution(s) at the shareholders' meeting.

Infortrend Technology, Inc.**Articles of Incorporation****Chapter 1 General Provisions**

- Article 1:** The Company is organized in accordance with the Company Act and is named as 普安科技股份有限公司(The Company's English name is Infortrend Technology, Inc.)
- Article 2:** The business to be operated by the Company is as follows:
1. (CC01080) Electronic Parts and Components Manufacturing.
 2. (CC01110) Computers and Computing Peripheral Equipment Manufacturing
 3. (F401010) International Trade.
 4. (I301010) Software Design Services.
 5. (I301020) Data Processing Services.
 6. (ZZ99999) In addition to the permitted business, other business not prohibited or restricted by laws and regulations may be carried on.
- Article 3:** The total reinvestment of the Company shall not be limited to less than forty percent of paid-up capital and the Company may provide endorsement and guarantee to external parties.
- Article 4:** The Company shall have its head office in New Taipei City, Taiwan, and may establish branches in Taiwan and abroad if necessary by resolution of the board of directors.

Chapter 2 Capital Stock

- Article 5:** The capital of the Company shall be set at NT\$3,120 million, divided into 312 million shares, all of which shall be ordinary shares of NT\$10 each, to be issued in installments.
- An amount of NT\$150 million out of the aforesaid capital is reserved to be served as share subscription warrants for employees.
- Article 6:** The Company may issue shares without certificates, and such shares shall be registered with a central securities depository. The same applies to other marketable securities.
- Article 7:** The Company's share affairs shall be handled according to the "Regulations Governing the Administration of Shareholder Service of Public Companies" prescribed by the competent authority.

Chapter 3 Shareholders' Meeting

- Article 8:** Shareholders' meeting shall be of two kinds, namely shareholders' meeting and special shareholders' meeting, where the former shall be convened within six months after close of each fiscal year, and the latter convened when necessary in accordance with laws and regulations.
- Article 9:** A shareholder who is unable to attend the shareholders' meeting may authorize another person to attend as proxy using the form provided by the Company, which sets forth the scope of the authorization.
- Article 10:** A shareholder of this company shall have one voting right in respect of each share in his/her/its possession. The shares shall have no voting right under any of the circumstances stipulated in Article 179 of the Company Act.
- Article 11:** The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of the total number of issued shares.
- Article 12:** A shareholders' meeting shall be convened by the board of directors, with the chairperson of the board acting as the chairperson of said shareholders' meeting. In the absence of the chairperson of the board, he/she shall designate a director to act for him/her, or in the absence of such designation, the directors shall elect a person to act for them. If a person other than the board of directors, having the authority to convene a shareholders' meeting, said person shall act as the chairperson at said meeting; if there are more than one person with the authority to convene said meeting, one of them shall be elected from among themselves.
- Article 13:** A meeting minutes shall be made to record the resolutions decided at a shareholders' meeting. Said meeting minutes shall be signed or sealed by the chairperson and distributed to all shareholders within 20 days after said meeting is closed.

The Company may distribute the meeting minutes by means of a public announcement.

Chapter 4 Directors and Audit Committee

- Article 14:** The Company shall have five to seven directors, who shall be elected from legally competent persons at a shareholders' meeting and hold office for three years; re-elected directors may serve consecutive terms.

The aggregate shareholding ratios of all directors in this company shall comply with the regulations of the competent authority; the Company's directors shall be duly elected from a list of candidates based on the candidate nomination system during a shareholders' meeting.

Among the aforementioned number of directors, the number of independent directors shall be no less than 3 (with at least one independent director having accounting or financial expertise) and one-fifth of the number of directors. The restrictions on professional qualifications, share ownership, concurrent positions held, the manner of nomination, the election of the independent directors, and other related matters shall comply with applicable laws and regulations prescribed by the competent authority.

When the Company's directors perform their duties, the Company may pay them remuneration and traffic allowance regardless of whether the Company's business is at profit or loss. The board of directors is authorized by the Company to determine and agree the amount of remuneration and traffic allowance to be paid to said directors by considering their involvement in and contribution to the Company's business.

The Company may, upon a resolution decided by the board of directors, purchase liability insurance for said directors in respect of the scope of business they carry out during their term of office.

Article 15: The board of directors shall be constituted by all the directors thereof. The chairperson of the board of directors, acting on behalf of the Company to external parties, shall be elected by and from among a majority of the directors present who occupy at least two-thirds of the total number of the directors. If the chairperson of the board is unable to exercise his or her authority due to any reason, his or her proxy shall be determined in accordance with the provisions of Article 208 of the Company Act.

The convening notice of the board of directors of the Company may be made through by e-mail or fax; other related matters shall be governed by the "Rules of Procedures for the Board of Directors."

Article 16: Except as otherwise provided by the Company Act, a resolution of the board of directors shall be adopted by more than one half of the directors present who occupy more than one half of the total number of the directors. If a director is unable to attend a board meeting for any reason, he/she may issue a proxy form, listing the scope of authority of why says meeting is convened, and then entrust another director to attend said board meeting by proxy, subject to the restriction that only one trustee is entrusted by one person.

Article 17: A meeting minutes shall be made to record the resolutions decided at a meeting of the board of directors. Said meeting minutes shall be signed or sealed by the chairperson and distributed to all directors within 20 days after said meeting is closed.

Article 18: The composition, functions and powers, rules of procedure and other matters to be complied with by the Company's audit committee shall be handled in accordance with the relevant regulations of the securities competent authority.

Chapter 5 Managers

Article 19: The Company shall have a general manager whose appointment, dismissal and remuneration shall be in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 20: At the end of each fiscal year, the Company's board of directors shall prepare the reports/statements, such as (1) business report (2) financial statements (3) proposals on profit distribution or deficit compensation, and submit them to shareholders for adoption at an annual regular shareholders' meeting.

Article 21: If the Company has earnings, it shall set aside at least 1% of the balance as remuneration to the employees and no greater than 0.5% of the balance as remuneration to the directors. In the event that the accumulated losses still exist, the Company shall offset the appropriate amounts in advance for compensating said losses.

The so-called earnings shall mean the annual pre-tax earnings before deduction of the remuneration to employees and the directors.

The counterparties to whom remuneration shall be distributed in cash or share as stated in the first Paragraph in this Article may include the employees of the Company's subsidiary companies.

Article 21(1): If the Company has earnings in its annual general final accounts, it shall first pay taxes and compensate for accumulated losses, and then set aside 10% of earnings as the legal reserve, except when the legal reserve has reached the amount of the Company's paid-in capital; in addition, depending on the Company's business needs or pursuant to the provisions of laws and regulations, the Company may set aside (reversal of) the special reserve, and by doing so if earnings are still available, add them into the unappropriated earnings at the beginning of the same period, with which the board of directors shall prepare a proposal for distribution of earnings and submit it to the shareholders for resolution.

Article 22: The Company will consider the environment and growth stage of the Company to respond the Company's future capital requirements and long-term financial planning, and meet the shareholders' demand for cash inflow. The distribution of dividends to shareholders will be made in the form of share dividends and cash dividends, with cash dividends accounting for no less than 10% of the total dividends to shareholders.

Chapter 7 Additional Provisions

Article 23: Any matters inadequately provided for herein shall be subject to provisions concerned set forth in the Company Act and relevant laws and regulations.

Article 24: The Articles of Incorporation was established on Jan 9, 1993. The first amendment was made on October 1, 1994. The second amendment was made on June 12, 1998. The third amendment was made on June 17, 1999. The fourth amendment was made on May 18, 2000. The fifth amendment was made on June 27, 2002. The sixth amendment was made on June 20, 2003. The seventh amendment was made on May 28, 2004. The eighth amendment was made on June 10, 2005. The ninth amendment was made on June 14, 2006. The tenth amendment was made on June 13, 2007. The eleventh amendment was made on June 13, 2008. The twelfth amendment was made on June 10, 2009. The thirteenth amendment was made on June 17, 2010. The fourteenth amendment was made on June 18, 2012. The fifteenth amendment was made on June 13, 2014. The sixteenth amendment was made on June 17, 2015. The seventeenth amendment was made on June 8, 2016. The eighteenth amendment was made on June 13, 2017. The nineteenth amendment was made on June 11, 2018.

Infotrend Technology Inc.
Rules for Election of Directors

Last formulated/amended on July 19, 2021

Article1: Except as otherwise provided by the Company Act, the Company's Articles of Incorporation, and relevant laws and regulations, the election of the Company's directors shall comply with the Rules for Election of Directors (the "Rules" hereinafter).

Article2: The Company's directors shall be duly elected by means of the cumulative voting system of single disclosed ballot . Each share shall have the same number voting rights as the number of the directors to be elected, and said number voting rights may vote for the election of one director candidate centrally or a number of director candidates.

When the directors are elected, shareholders may choose to exercise their right to vote by means of electronic or on-site voting.

Shareholders referred to in the preceding Paragraph who exercise their rights to vote by means of electronic voting shall exercise their rights to vote on the electronic voting platform designated by the Company.

Article3: The number of directors will be as specified in the Company's Articles of Incorporation, with voting rights separately calculated for independent and non-independent directors. In the election of the Company's directors, candidates who acquire more votes should win the seats of directors. If two or more persons acquire the same number of voting rights and the number of those persons exceeds the specified seats available, those persons acquiring the same votes shall draw lots to decide who should win the seats available, and the chairperson shall draw lots on behalf of the candidate(s) not present.

Article4: The qualifications and selection of the Company's independent directors shall comply with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and shall be handled in accordance with the provisions Article 24 of the Company's "Corporate Governance Best Practice Principles."

Article5: The election of the Company's directors shall be conducted in accordance with the candidate nomination system provided in Article 192-1 of the Company Act.

In the event that a director is terminated from his position with or without cause, resulting in less than five people, the Company shall fill the vacant board seat during the next shareholders' meeting. In the event that a director's vacancy reaches one-third of the number of seats set forth in the Articles of Incorporation, the Company shall convene a special shareholders' meeting to hold a by-election within 60 days from the date of

occurrence of said event.

When the number of the independent directors falls below the provision of Paragraph 1, Article 14-2 of the Securities and Exchange Act, a by-election shall be held at the next shareholders' meeting to fill the vacancy. When the independent directors are dismissed en masse, a special shareholders' meeting shall be called within 60 days from the date of occurrence to hold a by-election to fill the vacancies.

Article6: The board of directors shall prepare the same number of ballots as the number of directors to be elected, with the ballots filled in with their corresponding number of voting rights, and distribute said ballots to the shareholders attending the shareholders' meeting. The voter's name to be disclosed on the ballot may use said voter's attendance number printed on the ballot as instead.

Article7: Before the beginning of the election, the chairperson shall designate several people to count the ballots; and a number of shareholders to supervise the casting of the ballots, each of which shall then respectively perform their relevant functions accordingly. The board of directors shall set up a ballot box, which shall be examined in public by the persons supervising the casting of ballots, before the ballots are cast.

Article8: A ballot is deemed void if any of the following circumstances occurs:

1. A ballot was not prepared by the persons with the right to convene a shareholders' meeting.
2. Any blank ballot.
3. Any ballot with illegible writing rendering it unrecognizable, or any ballot with corrections.
4. Where the names of candidates of election completed in the ballots are found to be inconsistent with those in the list of candidates for directors.
5. Other words or marks are entered in addition to the number of voting rights allocated.

Article9: Ballots shall be counted at the spot upon completion of casting the ballots, and both the newly elected directors and the ones not elected, as well as the number of voting rights they obtained shall be announced by the chairperson or a designated master of ceremony at the spot.

The ballots shall be sealed and signed off by the ballot inspectors and be kept for at least a year. In the event that a lawsuit is filed by a shareholder in accordance with Article 189 of the Company Act, those ballots shall be archived until the lawsuit has been concluded finally and bindingly.

Article10: Each of the newly elected directors is awarded with a "notice of election" issued by the Company's board of directors.

Article11: The Rules herein shall become effective as of date upon its being approved at the shareholders' meeting, while in the case of amendments to the Rules, the same requirement applies.

Current Shareholding of Directors

- I. The Company's paid-up capital is NT\$2,735,515,380 and the number of issued shares is 273,551,538 shares.
- II. The statutory number of shares owned by the Company's existing directors are as follows:
The statutory number of shares owned by all directors shall be 12,000,000 shares.
- III. As of the book closure date for this shareholders' meeting, the individual and aggregate shareholdings of the directors are set out as follows, which is in line with the percentage standards provided under Article 26 of the Securities and Exchange Act.

Book closure date: April 16, 2024

Job Title	Account Number	Account Name	Shareholding	Remarks
Director	1	Shih-Tung Lo	38,948,816	
Director	98	Tse-Han Lee	253,330	
Director	22306	Li-Wei Chen	0	
Independent Director	-----	Ruey-Fu Hou	0	
Independent Director	-----	Liang-Yin Chen	0	
Independent Director	-----	Chin-He Chung	0	
Independent Director	22921	Guang-Wei Sun	0	
Total of All Directors			39,202,146	