



SIWARD Crystal Technology Co., Ltd.

2024 Annual Shareholders' Meeting

Handbook

June 18, 2024

SIWARD Crystal Technology Co., Ltd.

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SIWARD Crystal Technology Co., Ltd.

2024 Annual Shareholders' Meeting Procedure

- I. Calling a meeting to order
(Announcing the voting rights represented by the attending shareholders)
- II. Chairperson Remarks
- III. Reported Matters
- IV. Proposals Matters
- V. Discussion Matters
- VI. Extempore Motions
- VII. Adjournment

SIWARD Crystal Technology Co., Ltd.

2024 Annual Shareholders' Meeting Agenda

- I. Time: 9 AM, June 18, 2024
- II. Location: No. 1-1, Ln. 111, Sec. 3, Zhongshan Rd., Tanzi Dist., Taichung City
- III. Announcing the voting rights represented by the attending shareholders and calling the meeting to order
- IV. Chairperson Remarks
- V. Reported Matters
 - (I) 2023 Business report.
 - (II) Audit Committee's Review Report on the 2023 Financial Statements
 - (III) Report of 2023 employees' profit sharing bonus and directors compensation
- VI. Proposals Matters
 - Matter 1: To adopt 2023 business report and financial statements
 - Matter 2: To adopt the proposal of distribution of 2023 earnings.
- VII. Discussion Matters
 - Matter 1: Cash allotment from capital surplus.
 - Matter 2: Amendments made to some provisions of the Company's "Articles of Incorporation".
- VIII. Extempore Motions
- IX. Adjournment

Reported Matters

I. To report the business of 2023..

Description: For the 2023 Business Report, please refer to Annex 1 (p.6-9 of this Handbook)

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

Description: The 2023 Audit Committee's Review Report, please refer to Annex 2 (p.10 of the Handbook)

III. To report 2023 employees' profit sharing bonus and directors' compensation.

Description:

1. In accordance with Article 25 of the Company's "Articles of Incorporation:" Where there is a profit for the current year, the Company shall distribute 5% of the profit as remuneration to employees and not more than 3% of the profit as remuneration to directors. However, if the Company has accumulated losses, profit shall be set aside in advance to make up for the losses. According to the resolution adopted at the 6th meeting of the 13th Board, the distribution rate of the 2023 remuneration to directors is 2% of the profit for the year.
2. According to Article 235-1, Paragraph 3 of the Company Act, a company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation distributed in the form of shares or in cash; and in addition, thereto a report of such distribution shall be submitted to the shareholders' meeting. According to the resolution adopted at the 7th meeting of the 13th Board, the distribution of employees' compensation distributed in the form of cash.
3. In summary, the 2023 remuneration expenses of employees were NT\$18,403,053 and the 2023 remuneration expenses of directors were NT\$7,361,221. These amounts are consistent with the estimation in the financial statements and will be distributed in the form of cash.

Proposals Matters

Matter 1

Proposed by the Board of Directors

Proposal : To adopt 2023 business report and financial statements..

Description:

1. The Company's 2023 financial statements and business report have been prepared. The financial statements have been audited by accountants Tu, Chin-Yuan and Huang, Yu-Ting of Ernst & Young Global Limited with an unqualified audit report issued; the business report has been submitted to the Audit Committee for review and an audit report has been issued.
2. For the above business report, please refer to Annex 1 on p.6-9 of the Handbook; for the above financial statements, please refer to Annex 3 on p.11-29 of the Handbook.

Resolution:

Matter 2

Proposed by the Board of Directors

Proposal: To adopt the proposal of distribution of 2023 earnings.

Description:

1. The proposed earnings distribution table is as follows:

Earnings Distribution Table
2023

Summary	Amount	Remarks
Beginning period of undistributed earnings	839,702,878	
Adjustment items for undistributed earnings		
Disposal of equity instruments measured at fair value through other comprehensive income	-337,142	
Remeasurement of defined employee benefit plans to retained earnings	3,013,304	
Undistributed earnings after adjustment	842,379,020	
Net income after tax for 2023	260,988,274	
Statutory adjustment items		
Provision of 10% of legal surplus reserves	-26,366,442	
Provision of special reserves		
Distributable earnings	1,077,000,852	
Distribution items		
Shareholder dividends - cash dividends	-159,421,022	
Ending period of undistributed earnings	917,579,830	
1. Earnings distribution will give priority to the 2023 undistributed earnings.		
2. Actuarial gains and losses of defined benefit plans are recognized immediately in retained earnings in the period in which they arise.		

Chairman: Tseng, Ying-Tang President: Tseng, Jung-Meng Chief Accounting Officer: Huang, Ling-Ling

2. Cash dividends are rounded off to the nearest dollar. The fraction of a share falling below NT\$1 is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed. Based on the current outstanding 159,421,022 shares, a cash dividend of NT\$1 per share is to be distributed. After a resolution for cash dividend distribution is adopted by the Shareholders' General Meeting, the Board of Directors is authorized to set an ex-dividends date.

Resolution:

Discussion Matters

Matter 1

Proposed by the Board of Directors

Proposal: Cash allotment from capital surplus.

Description:

1. The Company intends to allocate NT\$79,710,511 as excess capital surplus from the issuance of shares in excess of par value. Based on the current outstanding 159,421,022 shares, NT\$0.5 per share is to be distributed in cash to all shareholders.
2. Cash allotment from capital surplus is rounded off to the nearest dollar. The fraction of a share falling below NT\$1 is adjusted from the decimal point from the largest to the smallest and the account number from the front to the back in order to meet the total amount of cash dividends distributed.
3. After a resolution is adopted by the Shareholders' General Meeting, the Board of Directors is authorized to set ex-dividends date.

Resolution:

Matter 2

Proposed by the Board of Directors

Proposal: Amendments made to some provisions of the Company's "Articles of Incorporation".

Description:

1. According to the requirements, the Company made amendments to some provisions of its "Articles of Incorporation". For the Comparison Table, please refer to Annex 4 on p.30-31 of the Handbook.
2. Please approve.

Resolution:

Extempore Motions

Meeting adjourned

2023 Business Report

I. 2023 Operating Results

(I) 2023 Operating Performance

The operation in 2023 was adversely affected by the inflation after Covid, customers' overstock, and low demand in the final markets. We expected it would take longer for the market to be back to pre-Covid level, and focused on enhancing our capabilities, improving production management, and developing new products. We believed these efforts would benefit our performance in the coming years.

The Company's 2023 operating results are stated as follows.

1. Standalone operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,191,702	3,045,329	-853,627	-28.03%
Gross profit	572,458	1,181,502	-609,044	-51.55%
Operating profit	275,894	792,899	-517,005	-65.20%
Net income after taxes	260,988	768,276	-507,288	-66.03%

Item	2023 (%)	2022 (%)
Debt ratio	20.43	26.11
Current ratio	345.39	373.82
Quick ratio	208.95	245.88
Receivables turnover	3.89	4.57
Number of days of receivables collection	94	80
Inventory turnover (times)	1.79	2.19
Days sales in inventory	204	167
Return on assets	5.06	13.89
Return on equity	6.38	18.98
Profit margin	11.91	25.23
Earnings per share (NT\$)	1.64	4.82

2. Consolidated operating results and financial income, expenditures and profitability

Unit: NT\$ thousands

Item	2023	2022	Increase (Decrease) Amount	Increase (Decrease) %
Operating income	2,355,394	3,263,584	-908,190	-27.83%
Gross profit	646,361	1,250,672	-604,311	-48.32%
Operating profit	279,149	799,556	-520,407	-65.09%
Net income after taxes	260,742	768,073	-507,331	-66.05%

Item	2023 (%)	2022 (%)
Debt ratio	22.47	27.76
Current ratio	345.74	386.02
Quick ratio	221.60	258.63
Receivables turnover	3.86	4.45
Number of days of receivables collection	95	82
Inventory turnover (times)	1.82	2.28
Days sales in inventory	201	160
Return on assets	4.96	13.46
Return on equity	6.37	18.95
Profit margin	11.07	23.53

(II) Budget execution: The Company did not announce financial forecast in 2023.

(III) Technology and R&D Overview

1. R&D expenses for the year

The Company's R&D expenditure for 2023 totaled NT\$128,924 thousand, accounting for 5.47% of revenue.

2. Technologies or products successfully developed:

- A. Miniaturized wearable devices with high frequency, quartz crystal resonator (1.0x0.8mm²).
- B. Ultra-high-speed transmission converter system module (equipment/instrument), CML output (3.2x2.5mm²) development.
- C. Development of high fundamental frequency and ultra-low noise application for GNSS/GPS market with temperature compensated quartz crystal oscillator (1.6x1.2mm²).
- D. High precision and wide temperature range are used in Space X, and the development of temperature compensated quartz crystal oscillator (2.5x2.0mm²)
- E. AT-MESA 1612/1008 development.
- F. Tuning fork chip (TF) product low impedance design and development.

G. New design and development of tuning fork type chip TF-1610 4 inches.

II. 2024 Business Plan Outline

In 2024, we will continue investing in our capacity to extend our products into applications in Wifi 7, EV, and medical equipment. We aim to reduce the sizes and increase the precision of our products further so as to increase the added value. We expect to have significant expansion of our capacity, have good performance in product development, and offer customers good product combinations.

The Company's proposed business policy, business objectives and production and sales policies:

(I) Business Policy

1. Constant capital investment to improve operational performance in pursuit of smart production management.
2. Development of innovation and transformation of new products to increase profitability.
3. Expand new markets and seek strategic partners for cooperation.

(II) Projected Sales Volume and Its Basis

The forecast of the Company's 2024 sales volume forecast of products takes into account the outcomes of factors such as historical data, the sensitivity of managers to the market, competitive market trends and the Company's increased production capacity.

Unit: In thousands

Major product	Sales volume
Quartz element	845,000

(III) Important production and marketing policies and future development strategies

1. Market strategies

- (1) Apply front-end design certification work to seize opportunities.
- (2) Increase the service value of business and technology and establish product marketing to expand new applications.
- (3) Expand the markets in Europe and the U.S. to maintain profit margins.
- (4) Develop miniature application industry and expand product sales.

2. Product R&D strategies:

- (1) Improve the speed for product development while grasping costs and quality.
- (2) Develop professional technical personnel to improve software and hardware technology power.
- (3) To proactively develop 5G/Wi-Fi7 high-end communication technology applications.
- (4) Accelerate development of chip and process technologies for small products (1.0x0.8 mm).

3. Production strategies:

- (1) Provide customers with the most competitive products with the best quality.
- (2) Move towards automation production management to increase production efficiency and yield.
- (3) Control manufacturing expenses to reduce costs and improve profitability.
- (4) Enhance process management capabilities and develop and introduce management talent.

4. Quality assurance strategies:

- (1) Meet the reasonable demand of customers and put customers first.
- (2) Optimize the management capability of process quality to provide stable products.
- (3) Pursue zero customer complaints.
- (4) In line with the quality management system and execution of automotive electronics applications.

Chairman: Tseng, Ying-Tang/ CEO: Tseng, Jung-Meng/ Accountant: Huang, Ling-Ling

SIWARD Crystal Technology Co., Ltd.

Audit Committee's Review Report

The Board of Directors submitted the Company's 2023 business report, financial statements and earnings distribution table. The 2023 financial statements have been audited by accountants Tu, Chin-Yuan and Huang, Yu-Ting of EY Taiwan with an audit report issued. The business report, financial statements and earnings distribution table have been reviewed by the Audit Committee and found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Securities and Exchange Act. A report has been respectfully submitted for your approval.

To

the 2024 Annual Shareholders' Meeting

SIWARD Crystal Technology Co., Ltd.

Audit Committee convener:

Tien, Chia-Sheng

February 29, 2024

Independent Auditor’s Report Translated from Chinese

To SIWARD Crystal Technology Co., Ltd.:

Opinion

We have audited the accompanying consolidated financial statements of SIWARD Crystal Technology Co., Ltd. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and related consolidated statements of comprehensive income, changes in equity, cash flows, and notes to consolidated financial statements (including summary of significant accounting policies) for the years ended December 31, 2023 and 2022. The independent auditor has completed the audits of these statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022 and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Shanding Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of the Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”) and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of accounts receivable

As of December 31, 2023, the carrying amounts of the accounts receivable and loss allowance of the Group were NT\$644,657 thousand and NT\$26,058 thousand, respectively. The net accounts receivable account for 12% of the total assets, which have significant influence over the Group. Because the amount of loss allowance for accounts receivable is measured by the expected credit losses during the duration, the accounts receivable should be classified into groups in the measurement process, and appropriate age ranges and the loss rates for each age range, and their forward-looking information should be determined. These activities involve management judgments or assumptions and the measurement result affects the net accounts receivable; therefore, we have identified the Impairment of accounts receivable as a key audit matter.

The audit procedures that we performed include (but not limited to) the evaluation on the effectiveness of the internal controls established by the management for accounts receivable, including the control of credit limits, the analysis on the trend of changes in accounts receivable and turnover ratio and tests in the subsequent collection of accounts receivable to assess the recoverability, the test in the readiness matrix they employ, including the assessment of whether each group of age ranges is reasonably determined and the spot check on original documents and confirm for their correctness, and recalculation of lifetime expected credit losses.

We also consider the appropriateness of accounts receivable and related risk disclosures in Notes IV、V and VI to the consolidated financial statements.

Inventory valuation

As of December 31, 2023, the carrying amounts of inventories was NT\$921,261 thousand, with net inventories accounting for 18% of the total assets, which have significant influence over the Group, and the end application of products is in the rapidly changing industry, resulting in the losses of slow-moving or obsolete inventories. Therefore, the allowance to reduce inventory to market and valuation of slow-moving inventories involve management judgments or assumptions, and thus we have judged inventory valuation as a key audit matter.

The audit procedures that we performed include, but not limited to, understanding and testing the effectiveness of the internal controls established by the management for inventories, including the evaluation procedures for the identification of obsolete or defective inventories; the evaluation on the management's stocktaking plan and on-site observation of inventory counting to verify the quantity and status of inventory; selection of samples to test the correctness and completeness of inventory age; selection of samples to re-calculating the unit cost of inventories; and evaluating net realizable value adopted by management.

We also consider the appropriateness of inventory related disclosures in Notes IV、V and VI to the consolidated financial statements.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Shanding Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards of Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Group. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the Group for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of SIWARD Crystal Technology Co., Ltd. As of and for the years ended December 31, 2023 and 2022.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chin-Yuan and Huang, Yu-Ting.

Ernst & Young Taiwan

February 29, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have 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-language independent auditors' report and financial statements shall prevail.

SIWARD Crystal Technology Co., Ltd. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes IV and VI.1)	\$1,005,700	19	\$1,330,202	24
Current financial assets at amortised cost(Notes IV and VI.2)	17,000	-	17,000	-
Notes receivable, net (Notes IV)	104	-	4,230	-
Accounts receivable, net (Notes IV and VI.3)	599,899	12	552,346	10
Accounts receivable due from related parties, net (Notes IV and VI.3 and VII.3)	18,700	-	45,946	1
Other receivables (Notes IV)	14,074	-	12,360	-
Current tax assets	1,336	-	-	-
Inventories (Notes IV and VI.4)	921,261	18	958,171	17
Prepayments	4,442	-	4,987	-
Other current assets	2,444	-	3,338	-
Total current assets	<u>2,584,960</u>	<u>49</u>	<u>2,928,580</u>	<u>52</u>
Non-current assets				
Non-current financial assets at fair value through other comprehensive income (Notes IV and VI.5)	678,696	13	563,031	10
Investments accounted for using equity method (Notes IV and VI.6)	205,747	4	195,252	3
Property, plant and equipment (Notes IV and VI.7 and VIII)	1,508,063	28	1,641,924	29
Right-of-use assets (Notes IV and VI.16)	107,845	2	135,013	2
Investment property, net (Notes IV and VI.8)	51,852	1	53,560	1
Intangible assets (Notes IV and VI.9)	49,916	1	58,603	1
Deferred tax assets (Notes IV and VI.20)	45,035	1	37,862	1
Other non-current assets (Notes IV and VI.10)	42,571	1	65,639	1
Total non-current assets	<u>2,689,725</u>	<u>51</u>	<u>2,750,884</u>	<u>48</u>
Total assets	<u>\$5,274,685</u>	<u>100</u>	<u>\$5,679,464</u>	<u>100</u>
LIABILITIES AND EQUITY				
Current liabilities				
Current contract liabilities (Notes VI.14)	\$8,292	-	\$18,058	-
Notes payable	6,404	-	9,602	-
Accounts payable	192,446	4	142,111	3
Accounts payable to related parties (Notes VII.4)	-	-	1,426	-
Other payables	193,522	4	246,699	4
Current tax liabilities	87,568	2	119,973	2
Current lease liabilities (Notes IV and VI.16)	28,978	-	29,737	1
Other current liabilities	13,058	-	10,855	-
Current portion of long-term borrowings (Notes VI.11)	217,387	4	180,190	3
Total current liabilities	<u>747,655</u>	<u>14</u>	<u>758,651</u>	<u>13</u>
Non-current liabilities				
Long-term borrowings (Notes IV and VI.11)	163,399	3	531,096	10
Deferred tax liabilities (Notes IV and VI.20)	141,699	3	115,397	2
Non-current lease liabilities (Notes IV and VI.16)	75,746	1	109,784	2
Defined benefit liabilities, net (Notes IV and VI.12)	50,105	1	61,325	1
Other non-current liabilities	6,403	-	113	-
Total non-current liabilities	<u>437,352</u>	<u>8</u>	<u>817,715</u>	<u>15</u>
Total liabilities	<u>1,185,007</u>	<u>22</u>	<u>1,576,366</u>	<u>28</u>
Equity attributable to owners of parent (Note IV.13)				
Share capital				
Ordinary share	1,594,210	30	1,594,210	28
Capital surplus	802,473	15	802,473	14
Retained earnings				
Legal reserve	290,911	6	212,637	4
Unappropriated retained earnings (accumulated deficit)	1,103,367	21	1,268,703	22
Other equity interest				
Exchange differences on translation of foreign financial statements	(124,035)	(2)	(104,848)	(2)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	416,306	8	323,217	6
Total equity attributable to owners of parent	<u>4,083,232</u>	<u>78</u>	<u>4,096,392</u>	<u>72</u>
Non-controlling interests (Note VI.13)	6,706	-	6,706	-
Total equity	<u>4,089,938</u>	<u>78</u>	<u>4,103,098</u>	<u>72</u>
Total liabilities and equity	<u>\$5,274,945</u>	<u>100</u>	<u>\$5,679,464</u>	<u>100</u>

(The accompanying notes are an integral part of the consolidated financial statements)

SIWARD Crystal Technology Co., Ltd. and Subsidiaries
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2023		2022	
	Amount	%	Amount	%
REVENUE (Note IV and VI.14)	\$2,355,394	100	\$3,263,584	100
COST OF GOODS SOLD (Note VI.4 and VI.17)	(1,709,033)	(73)	(2,012,912)	(62)
GROSS PROFIT	<u>646,361</u>	<u>27</u>	<u>1,250,672</u>	<u>38</u>
OPERATING EXPENSES (Note VI.17)				
Selling and marketing expenses	(99,798)	(4)	(107,932)	(3)
General and administrative expenses	(138,703)	(6)	(183,101)	(6)
Research and development expenses	(128,924)	(5)	(134,061)	(4)
Expected credit loss reversed on trade receivables (Note VI.15)	212	-	(26,022)	(1)
Total operating expenses	<u>(367,213)</u>	<u>(15)</u>	<u>(451,116)</u>	<u>(14)</u>
PROFIT FROM OPERATIONS	<u>279,148</u>	<u>12</u>	<u>799,556</u>	<u>24</u>
NON-OPERATING INCOME AND EXPENSES (Note IV, VI.18)				
Interest income	17,023	1	6,297	-
Other income	31,081	1	23,446	1
Other gains and losses	6,342	-	141,779	4
Finance costs	(13,375)	-	(13,687)	-
Share of profits of associates and joint ventures (Note VI.6)	23,138	1	25,951	1
Total non-operating income and expenses	<u>64,209</u>	<u>3</u>	<u>183,786</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	343,357	15	983,342	30
INCOME TAX EXPENSE (Note IV and VI.20)	(82,615)	(4)	(215,269)	(7)
NET PROFIT FOR THE YEAR	<u>260,742</u>	<u>11</u>	<u>768,073</u>	<u>23</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	3,700	-	17,895	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	116,025	5	(545,980)	(17)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	53	-	144	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(24,013)	(1)	105,617	3
Item that maybe reclassified subsequently to profit or loss:				
Exchange differences on translation	(23,959)	(1)	(10,142)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(21)	-	(29)	-
Income tax related to components of other comprehensive income	4,779	-	2,050	-
Other comprehensive income, net (Note VI.19)	<u>76,564</u>	<u>3</u>	<u>(430,445)</u>	<u>(13)</u>
Total comprehensive income	<u>\$337,306</u>	<u>14</u>	<u>\$337,628</u>	<u>10</u>
Profit (loss), attributable to:				
Owners of parent	\$260,988		\$768,276	
Non-controlling interests	<u>(246)</u>		<u>(203)</u>	
	<u>\$260,742</u>		<u>\$768,073</u>	
Comprehensive income, attributable to:				
Owners of parent	\$337,566		\$337,808	
Non-controlling interests	<u>(260)</u>		<u>(180)</u>	
	<u>\$337,306</u>		<u>\$337,628</u>	
Earnings per share				
Basic earnings per share	<u>\$1.64</u>		<u>\$4.82</u>	
Diluted earnings per share	<u>\$1.63</u>		<u>\$4.77</u>	

(The accompanying notes are an integral part of the consolidated financial statements)

SIWARD Crystal Technology Co., Ltd. and Subsidiaries

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)**

	Total equity attributable to owners of parent									Non-controlling interests	Total equity
	Common stock	Capital surplus	Retained earnings			Other		Total equity attributable to owners of parent			
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income				
BALANCE AT JANUARY 1,2022	\$1,594,210	\$802,473	\$164,010	\$ -	\$773,725	\$(96,704)	\$760,001	\$3,997,913	\$6,886	\$4,004,799	
Appropriation of 2021 earnings											
Legal reserve appropriated			48,627		(48,627)			-		-	
Special reserve appropriated/Reversal of special reserve				0	0			-		-	
Net profit (loss) for the year ended December 31,2022					768,276			768,276	(203)	768,073	
Other comprehensive income for the year ended December 31,2022					14,460	(8,144)	(436,784)	(430,468)	23	(430,445)	
Total comprehensive income					782,736	(8,144)	(436,784)	337,808	(180)	337,628	
Disposal of investments in equity instruments designated at fair value through other comprehensive income					0		0	-			
BALANCE AT DECEMBER 31,2022	\$1,594,210	\$802,473	\$212,637	\$ -	\$1,268,703	\$(104,848)	\$323,217	\$4,096,590	\$6,706	\$4,103,296	
BALANCE AT JANUARY 1,2023	\$1,594,210	\$802,473	\$212,637	\$0	\$1,268,703	\$(104,848)	\$323,217	\$4,096,590	\$6,706	\$4,103,296	
Appropriation of 2022 earnings											
Legal reserve appropriated			78,274		(78,274)			-		-	
Cash dividends of ordinary share					(350,726)			(350,726)		(350,726)	
Net profit (loss) for the year ended December 31,2023					260,988			260,988	(246)	260,742	
Other comprehensive income for the year ended December 31, 2023					3,013	(19,187)	92,752	76,578	(14)	76,564	
Total comprehensive income					264,001	(19,187)	92,752	337,566	(260)	337,306	
Disposal of investments in equity instruments designated at fair value through other comprehensive income					(337)		337	-			
BALANCE AT DECEMBER 31,2023	\$1,594,210	\$802,473	\$290,911	\$ -	\$1,103,367	\$(124,035)	\$416,306	\$4,083,430	\$6,446	\$4,089,876	

(The accompanying notes are an integral part of the consolidated financial statements)

SIWARD Crystal Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities		
Profit before tax	\$343,357	\$983,342
Adjustments for :		
Depreciation expense	221,392	226,931
Amortization expense	16,289	15,100
Expected credit loss recognized on trade receivables	(212)	26,022
Interest expense	13,375	13,687
Interest income	(17,023)	(6,297)
Share of profit of associates and joint ventures accounted for using equity method	(23,138)	(25,951)
Dividend income	(8,199)	(202)
Loss on disposal of property, plan and equipment	(231)	350
Write-down of inventories	9,312	409
Changes in operating assets and liabilities		
Decrease in notes receivable	4,126	407
Decrease (increase) in accounts receivable	(47,341)	214,364
Decrease in accounts receivable due from related parties	27,246	39,818
Decrease (increase) in other receivable	(1,714)	23,037
Decrease (increase) in inventories	27,598	(149,244)
Decrease in prepayments	545	144
Decrease in other current assets	894	5,951
Increase in contract liabilities	(3,472)	(11,055)
Increase in notes payable	(3,198)	(6,096)
Decrease (increase) in accounts payable	50,335	(142,124)
Decrease in accounts payable to related parties	(1,426)	(4,315)
Decrease (increase) in other payable	(50,512)	34,328
Increase in other current liabilities	2,203	3,741
Decrease in net defined benefit liability	(7,520)	(7,797)
Cash inflow generated from operations	552,686	1,234,550
Interest received	17,023	6,297
Dividends received	20,874	8,844
Interest paid	(13,465)	(13,537)
Income taxes paid	(116,461)	(206,404)
Net cash flows from operating activities	460,657	1,029,750

(Continued)

SIWARD Crystal Technology Co., Ltd. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities :		
Proceeds from disposal of financial assets at fair value through other comprehensive income	353	-
Proceeds from disposal of financial assets at amortised cost	-	86,812
Acquisition of property, plant and equipment	(58,027)	(235,623)
Proceeds from disposal of property, plant and equipment	334	11
Acquisition of intangible assets	(5,282)	(5,261)
Decrease in other non-current assets	1,717	537
Net cash used in investing activities	<u>(60,905)</u>	<u>(153,524)</u>
Cash flows from (used in) financing activities :		
Proceeds from long-term borrowings	-	32,260
Repayments of long-term borrowings	(330,077)	(69,399)
Payments of lease liabilities	(28,756)	(27,658)
Decrease in other non-current liabilities	(4)	(2)
Cash dividends paid	(350,726)	(239,131)
Net cash used in financing activities	<u>(709,563)</u>	<u>(303,930)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(14,691)</u>	<u>(5,333)</u>
Net increase in cash and cash equivalents	(324,502)	566,963
Cash and cash equivalents at beginning of period	1,330,202	763,239
Cash and cash equivalents at end of period (Note IV.1)	<u><u>\$1,005,700</u></u>	<u><u>\$1,330,202</u></u>

(Concluded)

(The accompanying notes are an integral part of the consolidated financial statements)

Independent Auditor’s Report Translated from Chinese

To SIWARD Crystal Technology Co., Ltd.:

Opinion

We have audited the accompanying parent company only financial statements of SIWARD Crystal Technology Co., Ltd. (the “Company”), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and related parent company only statements of comprehensive income, changes in equity, cash flows, and notes to parent company only financial statements (including summary of significant accounting policies) for the years ended December 31, 2023 and 2022. The independent auditor has completed the audits of these statements.

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with The Norm of the Professional Ethics for Certified Public Accountant of the Republic of China (the “Norm”), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of accounts receivable

As of December 31, 2023, the carrying amounts of the accounts receivable and loss allowance of the Company were NT\$570,923 thousand and NT\$16,620 thousand, respectively. The net accounts receivable account for 11% of the total assets, which have significant influence over the Company.

Because the amount of loss allowance for accounts receivable is measured by the expected credit losses during the duration, the accounts receivable should be classified into groups in the measurement process, and appropriate age ranges and the loss rates for each age range, and their forward-looking information should be determined. These activities involve management

judgments or assumptions and the measurement result affects the net accounts receivable; therefore, we have identified the Impairment of accounts receivable as a key audit matter.

The audit procedures that we performed include (but not limited to) the evaluation on the effectiveness of the internal controls established by the management for accounts receivable, including the control of credit limits, the analysis on the trend of changes in accounts receivable and turnover ratio and tests in the subsequent collection of accounts receivable to assess the recoverability, the test in the readiness matrix they employ, including the assessment of whether each group of age ranges is reasonably determined and the spot check on original documents and confirm for their correctness, and recalculation of lifetime expected credit losses.

We also consider the appropriateness of accounts receivable and related risk disclosures in Notes IV、V and VI to the parent company only financial statements.

Inventory valuation

As of December 31, 2023, the carrying amounts of inventories of the Company were NT\$902,199 thousand, with net inventories accounting for 18% of the total assets, which have significant influence over the Company and the end application of products is in the rapidly changing industry, resulting in the losses of slow-moving or obsolete inventories. Therefore, the allowance to reduce inventory to market and valuation of slow-moving inventories involve management judgments or assumptions, and thus we have judged inventory valuation as a key audit matter.

The audit procedures that we performed include, but not limited to, understanding and testing the effectiveness of the internal controls established by the management for inventories, including the evaluation procedures for the identification of obsolete or defective inventories; the evaluation on the management's stocktaking plan and on-site observation of inventory counting to verify the quantity and status of inventory; selection of samples to test the correctness and completeness of inventory age; selection of samples to re-calculating the unit cost of inventories; and evaluating net realizable value adopted by management.

We also consider the appropriateness of inventory related disclosures in Notes IV、V and VI to the parent company only financial statements.

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

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

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

Those charged with governance (including the audit committee) are responsible for overseeing the financial reporting process of the Company.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of the Company for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Tu, Chin-Yuan and Huang, Yu-Ting.

Ernst & Young Taiwan

February 29, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have 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-language independent auditors' report and financial statements shall prevail.

SIWARD Crystal Technology Co., Ltd.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023		2022	
	Amount	%	Amount	%
ASSETS				
Current assets				
Cash and cash equivalents (Notes IV and VI.1)	\$843,156	16	\$1,193,318	22
Accounts receivable, net (Notes IV, VI.2 and VI.14)	524,016	10	510,558	9
Accounts receivable due from related parties, net (Notes IV, VI.3, VI.14 and VII.3)	30,287	1	61,697	1
Inventories (Notes IV and VI.4)	902,199	18	907,180	16
Other current assets (Notes IV)	10,393	-	11,445	-
Total current assets	<u>2,310,051</u>	<u>45</u>	<u>2,684,198</u>	<u>48</u>
Non-current assets				
Non-current financial assets at fair value through other comprehensive income (Notes IV and VI.4)	678,696	13	562,334	10
Investments accounted for using equity method (Notes IV and VI.5)	579,274	11	583,965	10
Property, plant and equipment (Notes IV, VI.7 and VIII)	1,376,123	27	1,494,533	27
Right-of-use assets (Notes IV and VI.15)	30,876	1	38,934	1
Investment property, net (Notes IV and VI.7)	47,322	1	48,694	1
Intangible assets (Notes IV and VI.8)	48,079	1	56,373	1
Deferred tax assets (Notes IV and VI.19)	41,763	1	34,107	1
Other non-current assets (Notes IV and VI.9)	19,141	-	40,510	1
Total non-current assets	<u>2,821,274</u>	<u>55</u>	<u>2,859,450</u>	<u>52</u>
TOTAL ASSETS	<u>\$5,131,325</u>	<u>100</u>	<u>\$5,543,648</u>	<u>100</u>
LIABILITIES AND EQUITY				
Current liabilities				
Current contract liabilities (Notes VI.13)	\$8,160	-	\$17,917	-
Notes payable	2,130	-	2,518	-
Accounts payable	81,596	2	51,419	1
Accounts payable to related parties (Notes VII.4)	66,416	1	89,945	2
Other payables	195,769	4	250,876	5
Current tax liabilities	87,124	2	117,092	2
Current lease liabilities (Notes IV and VI.15)	8,143	-	8,027	-
Other current liabilities	4,437	-	2,576	-
Current portion of long-term borrowings (Notes VI.10)	215,040	4	177,680	3
Total current liabilities	<u>668,815</u>	<u>13</u>	<u>718,050</u>	<u>13</u>
Non-current liabilities				
Long-term borrowings (Notes IV and VI.10)	161,280	3	526,320	9
Deferred tax liabilities (Notes IV and VI.19)	141,699	3	115,397	2
Non-current lease liabilities (Notes IV and VI.15)	23,768	-	31,912	1
Defined benefit liabilities, net (Notes IV and VI.11)	46,182	1	55,522	1
Other non-current liabilities	6,349	-	55	-
Total non-current liabilities	<u>379,278</u>	<u>7</u>	<u>729,206</u>	<u>13</u>
Total liabilities	<u>1,048,093</u>	<u>20</u>	<u>1,447,256</u>	<u>26</u>
Equity attributable to owners of parent (Notes VI.12)				
Share capital				
Ordinary share	1,594,210	31	1,594,210	29
Capital surplus	802,473	16	802,473	14
Retained earnings				
Legal reserve	290,911	6	212,637	4
Unappropriated retained earnings (accumulated deficit)	1,103,367	21	1,268,703	23
Other equity interest				
Exchange differences on translation of foreign financial statements	(124,035)	(2)	(104,848)	(2)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	416,306	8	323,217	6
Total equity	<u>4,083,232</u>	<u>80</u>	<u>4,096,392</u>	<u>74</u>
TOTAL LIABILITIES AND EQUITY	<u>\$5,131,325</u>	<u>100</u>	<u>\$5,543,648</u>	<u>100</u>

(The accompanying notes are an integral part of the parent company only financial statements)

SIWARD Crystal Technology Co., Ltd.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
REVENUE (Note IV and VI.13)	\$2,191,702	100	\$3,045,329	100
COST OF GOODS SOLD (Note VI.16)	(1,619,244)	(74)	(1,863,827)	(61)
GROSS PROFIT	<u>572,458</u>	<u>26</u>	<u>1,181,502</u>	<u>39</u>
OPERATING EXPENSES (Note VI.16)				
Selling and marketing expenses	(91,372)	(4)	(105,430)	(3)
General and administrative expenses	(112,707)	(5)	(160,291)	(6)
Research and development expenses	(92,485)	(4)	(96,848)	(3)
Expected credit loss reversed on trade receivables (Note VI.14)	-	-	(26,034)	(1)
Total operating expenses	<u>(296,564)</u>	<u>(13)</u>	<u>(388,603)</u>	<u>(13)</u>
PROFIT FROM OPERATIONS	<u>275,894</u>	<u>13</u>	<u>792,899</u>	<u>26</u>
NON-OPERATING INCOME AND EXPENSES (Note IV and VI.17)				
Interest income	16,578	1	6,073	-
Other income	21,643	1	19,883	1
Other gains and losses	6,991	-	141,874	4
Finance costs	(11,043)	-	(10,846)	-
Share of profits of associates and joint ventures (Note VI.5)	32,234	1	30,050	1
Total non-operating income and expenses	<u>66,403</u>	<u>3</u>	<u>187,034</u>	<u>6</u>
PROFIT BEFORE INCOME TAX	342,297	16	979,933	32
INCOME TAX EXPENSE (Note IV and VI.19)	(81,309)	(4)	(211,657)	(7)
NET PROFIT FOR THE YEAR	<u>260,988</u>	<u>12</u>	<u>768,276</u>	<u>25</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss:				
Gains (losses) on remeasurements of defined benefit plans	3,700	-	17,895	1
Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	116,025	5	(545,980)	(18)
Share of other comprehensive income of associates and joint ventures accounted for using equity method	53	-	144	-
Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(24,013)	(1)	105,617	3
Item that maybe reclassified subsequently to profit or loss:				
Exchange differences on translation	(23,945)	(1)	(10,165)	-
Share of other comprehensive income of associates and joint ventures accounted for using equity method	(21)	-	(29)	-
Income tax related to components of other comprehensive income	4,779	-	2,050	-
Other comprehensive income, net (Note VI.18)	<u>76,578</u>	<u>3</u>	<u>(430,468)</u>	<u>(14)</u>
Total comprehensive income	<u>\$337,566</u>	<u>15</u>	<u>\$337,808</u>	<u>11</u>
Earnings per share (Note IV and VI.20)				
Basic earnings per share	<u>\$1.64</u>		<u>\$4.82</u>	
Diluted earnings per share	<u>\$1.63</u>		<u>\$4.77</u>	

(The accompanying notes are an integral part of the parent company only financial statements)

SIWARD Crystal Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	Ordinary share	Capital surplus	Retained earnings		Other		Total equity
			Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income	
BALANCE AT JANUARY 1,2022	\$1,594,210	\$802,473	\$164,010	\$773,725	\$(96,704)	\$760,001	\$3,997,715
Appropriation of 2021 earnings							
Legal reserve appropriated			48,627	(48,627)			-
Cash dividends of ordinary share				(239,131)			(239,131)
Net profit (loss) for the year ended December 31,2022				768,276			768,276
Other comprehensive income for the year ended December 31,2021				14,460	(8,144)	(436,784)	(430,468)
Total comprehensive income				782,736	(8,144)	(436,784)	337,808
BALANCE AT DECEMBER 31,2022	\$1,594,210	\$802,473	\$212,637	\$1,268,703	\$(104,848)	\$323,217	\$4,096,392
BALANCE AT JANUARY 1,2023	\$1,594,210	\$802,473	\$212,637	\$1,268,703	\$(104,848)	\$323,217	\$4,096,392
Appropriation of 2022 earnings							
Legal reserve appropriated			78,274	(78,274)			-
Cash dividends of ordinary share				(350,726)			(350,726)
Net profit (loss) for the year ended December 31,2023				260,988			260,988
Other comprehensive income for the year ended December 31,2022				3,013	(19,187)	92,752	76,578
Total comprehensive income				264,001	(19,187)	92,752	337,566
Disposal of investments in equity instruments designated at fair value through other comprehensive income				(337)		337	-
BALANCE AT DECEMBER 31,2022	\$1,594,210	\$802,473	\$290,911	\$1,103,367	\$(124,035)	\$416,306	\$4,083,232

(The accompanying notes are an integral part of the parent company only financial statements)

SIWARD Crystal Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) operating activities		
Profit (loss) before tax	\$342,297	\$979,933
Adjustments for :		
Depreciation expense	200,043	206,322
Amortization expense	15,917	14,884
Expected credit loss recognized on trade receivables	-	26,034
Interest expense	11,043	10,846
Interest income	(16,578)	(6,073)
Share of profit of associates and joint ventures accounted	(32,234)	(30,050)
Dividend income	(8,199)	(202)
Loss (gain) on disposal of property, plant and equipment	(174)	361
Loss (gain) on disposal of investments	-	-
Write-down of inventories	9,312	409
Changes in operating assets and liabilities		
Decrease in notes receivable	-	1,117
Decrease (increase) in accounts receivable	(13,458)	145,621
Decrease (increase) in accounts receivable due from related parties	31,410	35,473
Increase in inventories	(4,331)	(114,333)
Decrease (increase) in other current assets	1,052	4,392
Increase (decrease) in contract liabilities	(3,463)	(9,455)
Increase (decrease) in notes payable	(388)	1,775
Decrease in accounts payable	30,177	(65,113)
Increase (decrease) in accounts payable to related parties	(23,529)	28,650
Increase in other payable	(52,442)	40,784
Increase (decrease) in other current liabilities	1,861	2,344
Decrease in net defined benefit liability	(5,610)	(7,468)
Cash inflow generated from operations	482,706	1,266,251
Interest received	16,578	6,073
Dividends received	20,874	8,844
Interest paid	(11,133)	(10,696)
Income taxes paid	(111,865)	(204,794)
Net cash flows from operating activities	397,160	1,065,678

(Continued)

SIWARD Crystal Technology Co., Ltd.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Cash flows from (used in) investing activities :		
Proceeds from disposal of financial assets at amortised cost	-	86,812
Acquisition of property, plant and equipment	(55,989)	(225,980)
Proceeds from disposal of property, plant and equipment	277	-
Acquisition of intangible assets	(5,163)	(3,521)
Decrease in other non-current assets	17	13
Net cash used in investing activities	(60,858)	(142,676)
Cash flows from (used in) financing activities :		
Proceeds from long-term borrowings	-	32,260
Repayments of long-term borrowings	(327,680)	(66,400)
Payments of lease liabilities	(8,028)	(7,912)
Cash dividends paid	(350,726)	(239,131)
Net cash used in financing activities	(686,434)	(281,183)
Net increase (decrease) in cash and cash equivalents	(350,132)	641,819
Cash and cash equivalents at beginning of period	1,193,318	551,499
Cash and cash equivalents at end of period	\$843,186	\$1,193,318

(Concluded)

(The accompanying notes are an integral part of the parent company only financial statements)

SIWARD Crystal Technology Co., Ltd.

Comparison Table of “Articles of Incorporation”

Articles after amendment	Current Articles	Explanation
<p>Article 2: The Company’s businesses are as follows:</p> <ol style="list-style-type: none"> 1. <u>CC01080 Electronics Components Manufacturing</u> 2. <u>C901990 Other Non-Metallic Mineral Products Manufacturing</u> 3. <u>CB01010 Mechanical Equipment Manufacturing</u> 4. <u>CC01070 Wireless Communication Mechanical Equipment Manufacturing</u> 5. <u>CC01110 Computer and Peripheral Equipment Manufacturing</u> 6. <u>CC01990 Other Electrical Engineering and Electronic Machinery Equipment Manufacturing</u> 7. <u>CE01010 General Instrument Manufacturing</u> 8. <u>CE01030 Optical Instruments Manufacturing</u> 9. <u>F115020 Wholesale of Ores</u> 10. <u>F107200 Wholesale of Chemical Feedstock</u> 11. <u>F108031 Wholesale of Medical Devices</u> 12. <u>F113030 Wholesale of Precision Instruments</u> 13. <u>F119010 Wholesale of Electronic Materials</u> 14. <u>F207070 Retail Sale of Veterinary Drugs</u> 15. <u>F208031 Retail Sale of Medical Apparatus</u> 16. <u>F213040 Retail Sale of Precision Instruments</u> 17. <u>IG01010 Biotechnology Services</u> 18. <u>F401010 International Trade</u> 	<p>Article 2: The Company’s businesses are as follows:</p> <ol style="list-style-type: none"> 1. Manufacturing and processing of quartz crystals. 2. Manufacturing and processing of quartz crystal filters and oscillators. 3. Manufacturing and processing of quartz raw materials. 4. CC01080 Electronics components manufacturing 5. Trading of machinery and equipment and parts for the above businesses. 6. Import and export trading business. 7. ZZ999999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval. 	<p>The amendment is to add the the business item code of the Article of Incorporation</p>

<p><u>19. ZZ99999</u> All business activities that are not prohibited or restricted by law, except those that are subject to special approval.</p>		
<p>Article 30: The Articles of Incorporation were established on January 19, 1988; the 1st amendment was made on November 12, 1990; ; The 24th amendment was made on June 12, 2020; The 25th amendment was made on June 18, 2024.</p>	<p>Article 30: The Articles of Incorporation were established on January 19, 1988; the 1st amendment was made on November 12, 1990; ; The 24th amendment was made on June 12, 2020.</p>	<p>The amendment is to add the amendment date of the Article of Incorporation for the above amended Articles.</p>

SIWARD Crystal Technology Co., Ltd. –

Articles of Incorporation

Chapter 1 General Provisions

- Article 1: The Company has been organized in accordance with the requirements stipulated in the Company Act in the name of SIWARD Crystal Technology Co., Ltd.
- Article 2: The Company's businesses are as follows:
1. Manufacturing and processing of quartz crystals.
 2. Manufacturing and processing of quartz crystal filters and oscillators.
 3. Manufacturing and processing of quartz raw materials.
 4. CC01080 Electronics components manufacturing
 5. Trading of machinery and equipment and parts for the above businesses.
 6. Import and export trading business.
 7. ZZ99999All business activities that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3: The Company is headquartered in Taichung, Taiwan. If necessary, the Company may establish branches in foreign countries in accordance with the law and subject to a resolution adopted by the Board of Directors.

Chapter 2 Shares

- Article 4: The total capital of the Company is set at NT\$2,300,000,000 divided into 230,000,000 shares for NT\$10 per share, issued in installments. The unissued shares are subject to be issued by resolution adopted by the Board of Directors depending on actual needs. 8 million shares among the above total shares have been reserved for the conversion of shares to be issued as employee stock options.
- Article 5: The Company's shares are issued after being signed or sealed by the director who represents the Company and certified by the competent authority or its approved issuing registration institutions in accordance with law. The Company's issued shares are exempted from printing any share certificate; however, they shall be registered with a centralized securities depository enterprise.
- Article 6: The Company's stock affairs are handled in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" promulgated by the competent authorities.
- Article 7: Registration for transfer of shares shall be suspended sixty (60) days immediately before the date of regular meeting of shareholders, and thirty (30)

days immediately before the date of any special meeting of shareholders, or within five (5) days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Company.

Chapter 3 Shareholders' Meeting

- Article 8: The shareholders' meeting is divided into general meeting and special meeting. The general meeting shall be held once a year within 6 months after the end of fiscal year. The special meeting shall be held in accordance with the relevant laws when necessary.
- Article 9: When a shareholder is unable to attend a shareholders meeting for any reason, he/she may appoint a proxy by executing a power of attorney to attend the meeting with his/her signature or seal, clearly stating the scope of authorization. For the method of shareholders to delegate their attendance, except for complying with Article 177 of the Company Act, it shall be subject to the "Regulations Governing the Use of Proxies for Attendance at the Shareholders' Meetings of Public Companies" published by the competent authority.
- Article 10: A shareholders' meeting shall be convened and presided over by the chairman. If the chairman is on leave, he/she shall appoint one of the directors to act on his/her behalf. Where the chairman fails to make such appointment, the directors shall select one of the directors to act on behalf of the chairman. If a shareholders' meeting is convened by any person who has the right to do so, other than the Board of Directors, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select only one to preside over the meeting.
- Article 11: A shareholder shall have one voting right for each share held, unless otherwise provided by law.
- Article 12: Unless otherwise provided by the Company Act, resolutions of the shareholders meeting shall be attended by shareholders who represent more than one-half of the total number of issued and outstanding shares.
- Article 13: Resolutions adopted at a shareholders meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders within 20 days after the close of the meeting. The preparation and distribution of the minutes of the shareholders meeting may be affected by means of public announcement. The minutes of the shareholders meeting shall record a summary of the essential points of the proceedings and the results of the meeting. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept in the

Company.

Chapter 4 Board of Directors

- Article 14: The Company has seven to eleven directors. The number of directors is determined by the board of directors. The directors are elected under a candidate nomination system by the shareholders' meeting from a list of candidates. The directors may be reelected for consecutive terms. The total shareholdings of all directors are subject to the regulations of the securities authorities.
- Article 14-1: In accordance with Article 14-2 of the Securities and Exchange Act, the Company shall have at least three independent directors among the directors. The professional competence, shareholdings, restrictions on concurrent positions, methods of nomination and election and other requirements of such independent directors shall be subject to the applicable regulations of the competent authority of securities.
- Article 14-2: The Company shall establish an Audit Committee consisting of all the independent directors, responsible for supervisory duties as stipulated in the Company Act, the Securities and Exchange Act and other laws and regulations.
- Article 15: Where at least one-third of the seats of directors are vacant, the Board of Directors shall convene a special shareholders' meeting within 30 days in accordance with the time limit stipulated in Article 201 or Article 217-1 of the Company Act. The term of each director elected as such shall be limited to the remaining term of his/her predecessor.
- Article 16: In case no election of new directors is expected after the existing directors' term of office expire, the term of office of out-going directors shall be extended until the time new directors have been elected and assumed their office. However, the competent authority may, ex officio, order the company to elect new directors within a given time limit; and if no re-election is affected after expiry of the given time limit, the out-going directors shall be discharged from such expiration date.
- Article 17: The directors shall organize a board of directors and shall elect a chairperson of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors. The chairman shall execute all affairs of the Company in accordance with the regulations, the Articles of Incorporation, the resolutions adopted by the shareholders' meeting and board meeting. The chairperson represents the Company externally. If the chairman is unable to perform his/her duties for some reason, he/she shall appoint one of the directors to act on his/her behalf. Where the

chairman fails to make such an appointment, the directors shall select one of the directors to act on behalf of the chairman.

Article 17-1: A notice of the reasons for convening a board meeting shall be given to each director and supervisor 7 days before the meeting is convened. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be affected in writing, E-mail or fax.

Article 18: The Company's business policies and other important matters are resolved by the Board of Directors. Except for the first board meeting of each term which is convened in accordance with Article 203 of the Company Act, the rest of the meetings are convened by the chairman presided over by the chairman. If the chairman is unable to perform his/her duties, he/she shall appoint one person to act on his/her behalf. Where the chairman fails to make such an appointment, the directors shall select one of the directors to act on behalf of the chairman.

Article 19: Unless otherwise provided for in the Company Act, any resolution of the Board of Directors shall be adopted by a majority of the directors attending a meeting of the Board of Directors at which a majority of directors are present. A director who appoints another director to attend a board meeting shall issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting. The proxy may be the appointed proxy of only one person. In case a meeting of the board of directors is proceeded via videoconference, then the directors taking part in such a videoconference meeting shall be deemed to have attended the meeting in person.

Article 20: The resolutions of the Board shall be tracked as minutes of meeting on record, affixed with the authorized signature/seal of the presiding officer, and circulated among the Directors within 20 days after the session. The summary and result of the motions in discussion and voting shall be noted in the minutes of meeting on record. The minutes of meeting on record, the sign-in book for tracking attendance of the directors and the power of attorney for appointment of proxies shall be kept by the Company.

Article 21: The Company's remuneration to directors is determined by the Board of Directors based on the degree of the director's involvement in the Company's operations as well their contribution and value, with reference to standard remuneration paid by peers.

Chapter 5 Managers and Employees

Article 22: The Company shall have 1 General Manager and a number of managers. Their appointment, discharge and remuneration shall be subject to Article 29 of the

Company Act.

Article 23: By resolution of the Board of Directors, the Company may hire consultants and important employees.

Chapter 6 Final Accounts

Article 24: At the end of each fiscal year, the Company's Board of Directors shall prepare the following which are to be submitted to the shareholders' general meeting for ratification in accordance with the law.

1. Business report.
2. Financial statements.
3. Proposals for earnings distribution or making up losses.

Article 25: Where there is a profit for the current year, the Company shall distribute 5% of the profit as remuneration to employees and not more than 3% of the profit as remuneration to directors. However, if the Company has accumulated losses, profit shall be set aside in advance to make up for the losses. Profit refers to the net income before deducting remuneration to employees and remuneration to directors.

Article 25-1: As the industrial environment of the Company is volatile, the dividend policy must take into account the Company's future capital needs and long-term financial planning in order to meet the needs of shareholders for cash inflows. The Company's earnings, if any, in its annual final account shall be first used to pay income taxes and make up for its accumulated losses and then 10% of the said profits shall be set aside as Special reserves, as required by law or the competent authority. Where there is surplus, dividends may be paid to shareholders. Among them, cash dividends shall be no less than 10% of the total dividends to shareholders. The Board of Directors shall prepare a distribution proposal based on the actual profit and capital for the year. The proposal is submitted to the shareholders' meeting for resolution. If there is a reduction in accumulated shareholders' equity in the current year but there is not sufficient net income, a special reserve of the same amount should be set aside from the accumulated undistributed earnings of the previous year and deducted prior to the provision for distribution.

Chapter 7 Supplementary Provisions

Article 26: The Company may provide external guarantees.

Article 27: The Company is not subject to the 40% limit of Article 13 of the Company Act when making foreign investments and the implementation is authorized to the Board of Directors.

Article 28: The Company's Articles of Incorporation and Regulations shall be separately established by the Board of Directors.

Article 29: Matters not set forth for in these Articles shall be handled in accordance with the Company Act and other relevant laws and regulations.

Article 30: The Articles of Incorporation were established on January 19, 1988; the 1st amendment was made on November 12, 1990; the 2nd amendment was made on March 16, 1992; the 3rd amendment was made on June 15, 1992; the 4th amendment was made on August 23, 1992; the 5th amendment was made on March 31, 1994; the 6th amendment was made on June 28, 1994; the 7th amendment was made on September 15, 1994; the 8th amendment was made on July 10, 1995; the 9th amendment was made on May 18, 1996; the 10th amendment was made on May 31, 1997; the 11th amendment was made on April 11, 1998; the 12th amendment was made on May 2, 2000; the 13th amendment was made on March 27, 2001; the 14th amendment was made on June 11, 2002; the 15th amendment was made on June 27, 2003; the 16th amendment was made on June 25, 2004; the 17th amendment was made on June 27, 2008; the 18th amendment was made on June 17, 2010; the 19th amendment was made on June 15, 2011; the 20th amendment was made on June 13, 2012; the 21st amendment was made on June 6, 2014; The 22nd amendment was made on June 22, 2016; The 23rd amendment was made on June 15, 2017; The 24th amendment was made on June 12, 2020.

SIWARD Crystal Technology Co., Ltd.
Chairman: Tseng, Ying-Tang

SIWARD Crystal Technology Co., Ltd.
Rules of Procedure for Shareholders' Meetings

- I. The rules of procedures for the Company's shareholders' meetings, shall be as provided in these Rules.
- II. The shareholders referred to in these Rules are shareholders themselves as recorded in the register of shareholders and proxies appointed by the shareholders to attend the meeting.
- III. Shareholders (or their proxies) attending shareholders' meeting may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.
- IV. Any shareholders' meeting convened by the Board of Directors shall be presided over by the chairman. If the chairman is on leave or unable to perform his/her duties for whatever reason, the chairman shall appoint one of the directors to act on his/her behalf. Where the chairman fails to make such an appointment, the directors shall select one of them to act on behalf of the chairman. If a shareholders' meeting is convened by any person who has the right to do so, other than the Board of Directors, the meeting shall be presided over by that person. Where there are two or more such persons, they shall select only one to preside over the meeting.

The chair shall call the meeting to order when a majority of the total outstanding shares is present. If the meeting is overdue and the total number of shares present is insufficient, the chair may postpone the meeting. If the quorum is not met after two postponements (20 minutes for the first one and 10 minutes for the second one) and the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted based on a majority of the voting rights presented by the attending shareholders. If the quorum represented by the attending shareholders is met at the time of the tentative resolution of the preceding paragraph, the chair may call the meeting to order at any time and the tentative resolution is submitted to the meeting for ratification.
- V. If a shareholders' meeting is convened by the Board of Directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution from the shareholders' meeting.

If a shareholders' meeting is convened by someone with the right to do so, other than the Board of Directors, the meeting shall be presided over by that person.

The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extempore motions), except by a resolution of the shareholders meeting. In the event of a violation, a new chair may be elected by a majority of the voting rights

held by the attending shareholders to continue the meeting.

- VI. Before speaking, an attending shareholder must specify on a speaker's slip the name of the shareholder, attendance card number and the subject of the speech. The order in which shareholders speak will be set by the chair. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of a speech does not follow the subject given on the speaker's slip, the spoken content shall prevail.
- VII. Except with the consent of the chair, a single speech made by a shareholder may not exceed five minutes, but with the permission of the chairman, he or she may extend the time by three minutes and limited to one time.
- VIII. A shareholder may not speak more than twice on the same proposal. The chair may stop the speech if it is out of time or beyond the topic. When a shareholder is delivering his/her statement, another shareholder may not interrupt with his/her own statement without consent from both the chairperson and the shareholder delivering statement. The chairperson shall stop any such interruptions. Where any shareholder who is a juristic person is represented by two or more persons at the shareholders' meeting, only one of them may be selected to deliver a statement on a proposal. After the attending shareholders have delivered their statements, the chairperson may give or have designated persons give responses.
- IX. During the discussion of the motion, the chair may declare the end of the discussion at an appropriate time, and if necessary, the chair may declare that the discussion has ceased. After discussion is declared concluded, the chair should immediately put the motion to vote. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel are shareholders of the Company. The results of the voting shall be announced on-site at the meeting and a record made of the vote.
- X. Except as otherwise provided in the Company Act, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. If there is no objection by any shareholders present following an inquiry by the chair, the proposal shall be deemed passed with the same effect as a poll.
- XI. When the Company holds a shareholders' meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. The shareholder will have waived his/her rights with respect to the extempore motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoids the submission of extempore motions and amendments to original proposals. A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days prior to the date of the shareholders meeting. When

duplicate declarations of intent are delivered, the one received earliest shall prevail, except when a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised voting rights by correspondence or electronic means, in the event the shareholder intends to attend the shareholders meeting in person or online, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by the same means by which the voting rights were exercised, before two business days prior to the date of the shareholders meeting. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.

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

- XII. Shares held by shareholders with no voting right shall not be counted in the total number of issued shares while adopting a resolution at a meeting of shareholders. In passing a resolution at a shareholders' meeting, shares for which voting rights cannot be exercised shall not be counted in the number of votes of shareholders present at the meeting.
- XIII. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.
- XIV. A shareholder who has a personal interest in the matter under discussion at a meeting, which may impair the interest of the company, shall not vote nor exercise the voting right on behalf of another shareholder.
- XV. When a meeting is in progress, the chair may announce a break based on time considerations.
- XVI. When a meeting is in progress, if there is an air-raid warning drill, the meeting shall be suspended and the attendees evacuated. The meeting shall continue an hour after the warning has been lifted.
- XVII. The minutes of proceedings shall record the main points of the proceedings and the results thereof. The minutes shall be kept by the Company together with the signature book of the directors present and the proxy form for attendance. The attendance list bearing the signatures of shareholders present at the meeting and the powers of attorney of the proxies shall be kept by the company for a minimum period of at least one year. The minutes of meeting on record, the sign-in book for tracking attendance of the shareholders and the power of attorney for appointment of proxies shall be kept by the Company.
- XVIII. If for some reason, the shareholders' meeting cannot be convened at the time of notice or the agenda cannot be continued during a meeting, the chairman is authorized to postpone the meeting for not more than, or to reconvene the meeting

within, five days in accordance with Article 182 of the Company Act. The provisions of Article 172 of the Company Act shall not apply where a meeting of shareholders resolves to postpone the meeting for not more than, or to reconvene the meeting within, five days.

- XIX. Matters not set forth for in these Rules shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and other relevant laws and regulations.
- XX. These Rules shall come into effect after the approval of the shareholders' meeting and the same is true of amendments.

Shareholdings by the Directors of SIWARD Crystal Technology Co., Ltd.

April 20, 2024

Title	Name	Shareholding	Shareholding ratio (%)
Chairman	Tseng, Ying-Tang	4,276,593	2.682
Director	Tseng, Jung-Meng	3,585,983	2.249
Director	Liu, Ping-Feng	4,177,183	2.260
Director	Ku, Chih-Yun	2,002,473	1.256
Director	Liao, Lu-Li	60,000	0.038
Director	Chiang, Hung-Yu	0	-
Director	Liao, Pen-Lin	708	-
Independent Director	Tien, Chia-Sheng	0	-
Independent Director	Liu, Chien-Cheng	0	-
Independent Director	Lee, Shu-Min	0	-

Note: According to Article 26 of the Securities and Exchange Act: the minimum number of shares to be held by all directors of the Company other than independent directors shall be the total number of shares*7.5%*80%: 9,565,262 shares.