

Ticker symbol: 6213

ITEQ

Innovation, Teamwork, Excellence, Quality

ITEQ Corporation

2024 Annual Meeting of Shareholders

Agenda Handbook

Time: 9:00 a.m. on May 30, 2024 (Thursday)

Location: No. 17, Daluge Rd., Xinpu Township, Hsinchu County
30544, Taiwan (R.O.C.)

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.

ITEQ Corporation

Agenda Handbook for the 2024 Annual Meeting of Shareholders

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ITEQ Corporation

2024 General Shareholders' Meeting Agenda

Time: May 30, 2024 (Thursday) at 9:00 am

Place: No. 17, Daluge Rd., Xinpu Township, Hsinchu County 30544, Taiwan (R.O.C.)

Meeting Method: Physical Shareholders' Meeting

Chairperson: Chin-Tsai Chen

Call the Meeting to Order

Chairperson's Speech

I. Reported Matters

(I) 2023 Business Report.

(II) Audit Committee Report on the Amended 2022 Earnings Distribution Statement.

(III) Audit Committee's Review Report on the 2023 Financial Statements.

(IV) Report on the Distribution of Remuneration for Employees and Directors of 2023.

(V) Report on the Earnings Distribution and Cash Dividends of 2023.

(VI) Report on the Collection Status of 2023 Director Remuneration.

II. Approval Matters

(I) Amended 2022 Earnings Distribution Statement.

(II) 2023 Business Report, Financial Statements, and Profit Distribution Proposal.

III. Elections

Proposal for Electing Members of the Tenth Board of Directors.

IV. Other Agenda

Proposal to waive the non-competition restriction on newly elected directors and the representatives thereof.

V. Motions

VI. Adjournment

I. Reported Matters

Agenda 1

Subject: 2023 Business Report.

Illustration: Refer to Annex I. (P. 12-15) for the 2023 Business Report.

Agenda 2

Subject: Audit Committee Report on the Amended 2022 Earnings Distribution Statement.

Illustration:

- (I) Refer to Annex II (P. 16) for the Audit Committee Report on the Amended 2022 Earnings Distribution Statement.
- (II) The Audit Committee convener shall recite the review report.

Agenda 3

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

Illustration:

- (I) Refer to Annex III (P. 17) for the Audit Committee's Review Report.
- (II) The Audit Committee convener shall recite the review report.

Agenda 4

Subject: Report on the Distribution of Remuneration for Employees and Directors of 2023.

Illustration:

- (I) Handled in accordance with Article 27 of the Articles of Incorporation.
- (II) The Company's 2023 profit before tax is NT\$1,182,706,779 (profit before tax excluding director remuneration and employee remuneration). The total amount provisioned for director remuneration is NT\$11,827,068 (1.0% of the profit before tax) and total amount provisioned for employee remuneration is NT\$ 47,308,271 (4.0% of the profit before tax). All of the above amounts will be issued in cash and are consistent with the recognized expense.
- (III) The above amounts provisioned for remuneration were approved by the

remuneration committee on February 27, 2024 and by resolution of the board of directors on the same day.

Agenda 5

Subject: Report on the Earnings Distribution and Cash Dividends of 2023.

Illustration:

- (I) According to Article 27-1 of the Articles of Incorporation, if all or part of the dividend or bonus is issued in cash, the board of directors is authorized to process such issuance following the approval of the majority of directors present in a meeting that is attended by 2/3 or more directors, with a report to be filed to the shareholders' meeting.
- (II) The total amount of cash dividend to be distributed is NT\$544,435,827, at NT\$1.5 per share, rounded down to a minimum of NT\$1. The sum of fractional amounts ignored shall be included as other income of the Company.
- (III) This proposal has been approved by board resolution, with authorization granted to the chairperson to further determine the record date, issue date, and other relevant matters. If the ratio of issuance changes due to a change in the number of outstanding shares following repurchase of shares by the Company, transfer or cancellation of treasury shares, conversion of convertible bonds, exercise of employee stock options, or other event that increases or decreases the number of shares, the chairperson is also authorized to handle such event.

Agenda 6

Subject: Report on the Collection Status of 2023 Director Remuneration.

Illustration:

- (I) The policy, standard, and combination of remuneration paid by the Company to directors and independent directors, and procedure to determine the remuneration and connection to operating performance and future risk:
 - 1. According to Article 24 of the Articles of Incorporation, the board of directors is authorized to determine director remuneration based on common standard in the same industry, and in accordance with the level of participation in the Company's operations and the value of contribution.
 - 2. In addition to a travel allowance for directors of the Company, up to 2% of

the annual profit is also provisioned as director remuneration in accordance with the Articles of Incorporation. At the end of each year, an internal evaluation will be conducted through questionnaires in accordance with the Rules for the Board of Directors' Performance Evaluation. Review benchmarks include control over company targets and missions, awareness of directors' duties, level of participation in the Company's operations, nurturing of internal relationships and communication, directors' expertise and continued learning, and internal control, etc., which shall serve as reference to determine the individual director's performance. Also, in accordance with the Rules for Director Remuneration, reasonable remuneration shall be determined in accordance with the position served, directorship served in subsidiaries, level of participation in the Company's operations, and service as bank guarantor, etc. under general consideration and based on the accrual of different basis points. Remuneration shall be submitted to the remuneration committee for review, followed by submission to the board of directors for approval.

(II) For the status of the 2023 director remuneration collection, please refer to Annex IV of this Handbook (P. 18).

II. Approval Matters

Agenda 1

(Proposed by the Board of Directors)

Subject: Amended 2022 Earnings Distribution Statement.

Illustration:

1. Upon distribution of the 2022 profit of the Company, the difference in the amount of reserved earnings generated from the cancellation of treasury shares was not included as a debit item in the calculation of non-distributed profit of the year. As a result, there was an error in the amount of non-distributed profit at the end of 2022 (i.e., non-distributed profit at the beginning of 2023) and the amount of legal reserve. Therefore, it is proposed to amend the 2022 Earnings Distribution Statement. For the original and amended profit distribution proposal, please refer to Annex V of this Handbook (page 19).
2. The above-mentioned are hereby submitted for adoption at this shareholders'

meeting.

Resolution:

Agenda 2

(Proposed by the Board of Directors)

Subject: 2023 Business Report, Financial Statements, and Profit Distribution Proposal.

Illustration:

1. The Company's 2023 statutory financial report and consolidated financial report have been audited and certified by CPA Chia-Chien Tang and Ya-Ling Chen of KPMG Taiwan, for which a clean audit report has been issued, and approved by resolution of the board of directors and the audit committee of the Company with the Business Report and Profit Distribution Proposal. The audit committee issued the audit report.
2. Please refer to Annex I (P. 12-15) & Annex VI (P. 20-34) for the 2023 Business Report, Independent Auditors' Report, Financial Statements, and Profit Distribution Proposal.
3. The above-mentioned are hereby submitted for adoption at this shareholders' meeting.

Resolution:

III. Elections Matters

(Proposed by the Board of Directors)

Subject: Proposal for Electing Members of the Tenth Board of Directors.

Illustration:

- (I) The ninth term of directors of the Company will expire on July 1, 2024. It is proposed a Electing Members of the Tenth Board of Directors shall be carried out in the 2024 ordinary shareholders' meeting.
- (II) According to the Articles of Incorporation, nine people shall be elected for the ninth term of directors (including four independent directors), serving a term of three years from May 30, 2024 to May 29, 2027.
- (III) Directors (including independent directors) are subject to the candidate nomination system. The list of director candidates was reviewed and approved by the board of directors (including independent directors) of the

Company on 19 April 2024:

Director candidates	Education and work experience	Number of shares held as of April 1, 2024
Chin-Tsai Chen	Master, Public Administration, University of San Francisco, USA Master, Institute of Accounting, Tamkang University Current position : Chairperson of the Board, ITEQ Corporation Chairperson and President, WIN Semiconductors Corp. Vice Chairperson, HIWIN Technologies Corp. Independent Director, Kinsus Interconnect Technology Corp. Independent Director, Tong Hsing Electronic Industries, Ltd. Independent Director, Inventec Besta Co., Ltd. Corporate Director Representative, Mercuries Life Insurance Co., Ltd. Director, Taiwan New Economy Foundation Supervisor, Excellence Sports Equipment Co., Ltd. Supervisor, Comax Sporting Goods Co Ltd. Chairman / director, WIN Semiconductors Corp. and affiliated companies Experience : Director, Namchow Chemical Industrial Co., Ltd.	5,084,000
Hsin-Hui Tsai	Master of Finance, EMBA, National Taiwan University Bachelor, Department of Finance and Taxation, National Chengchi University Current position : Director, ITEQ Corporation CEO and General Manager, ITEQ Corporation Corporate Director Representative, MGC-ITEQ Technology Co., Ltd. Supervisor, Taiwan Testing and Certification Center Experience : Director of Accounting Office of EnTie Commercial Bank, Director of Secretarial Office of the Board of Directors	947,386
WIN Semiconductors Corp. representative: Ching-Chou Tseng	Bernard M. Baruch College, CUNY Current position : Financial Assistant Manager and Spokesman, WIN Semiconductors Corp. Representative of Director, Phalanx Biotech Group Director, Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd. Experience : Business Manager, Canadian Imperial Bank of Commerce (Toronto)	65,408,733
WIN Semiconductors	Masters of Laws, Cornell University Current position : Legal Deputy General Manager and Corporate Governance	65,408,733

Director candidates	Education and work experience	Number of shares held as of April 1, 2024
Corp. representative: Yun-An Yu	Supervisor, WIN Semiconductors Corp. Experience : Supervisor, Huga Optotech Inc Director, Youth Hope Foundation	
Hui-Fen Chan	LLM, Boston University, USA Bachelor in Law, NTU Current position : Independent Director, ITEQ Corporation Independent Director, Member of the Audit Committee and Member of the Nominating Committee, ChipMOS Technology Inc. Independent Director, Formosa I Wind Power Co., Ltd. Independent Director, Member of the Remuneration Committee and Audit Committee, Taiwan Mask Corporation Corporate Representative Director, Uniconn Interconnections Technology Co., Ltd. Experience : Partner Attorney at Law, hl-partners, Attorneys-at-Law Head of Legal Affairs, Siliconware Precision Industries Co., Ltd.	0

Independent Director candidates	Education and work experience	Number of shares held as of April 1, 2024
Zhao-Rong Yang	Bachelor, Accounting, National Chengchi University Accounting Department, National Chengchi University Current position : Independent Director, ITEQ Corporation Independent Director, Tigerair Taiwan Co., Ltd. Director, TSAA Experience : Chairperson, Hua Nan Securities Co., Ltd. Deputy General Manager & Listing Scrutiny Member & Convener of Surveillance Report, Taiwan Stock Exchange Corporation General Secretary of OTC Certified Public Accountant, Diwan & Company	0
Po-Chiao Chou	Bachelor, Department of Accounting, National Cheng Kung University Current position : Independent Director, ITEQ Corporation Independent Director, Clevo Co. Experience : Managing Director and General Manager, First Bank; Director and Deputy General Manager, First Financial Holding Passed the Civil Service Senior Examination of Auditing	2,417

Independent Director candidates	Education and work experience	Number of shares held as of April 1, 2024
	Officers	
Cheng-En Ko	DBA (Accounting), University of Minnesota MBA, USC BBA, NTU Current position : Honorary Professor, Department of Management, NTU Visiting Professor at Keio University Institute of Technology, Japan Visiting Professor at Biomedical Translation Research Center of Academia Sinica, Taiwan Chairman, APAAIC Distinguished Expert at Institute Technology Research Institute (ITRI) Chairman, Taiwan Finance and Industrial Development Association Member of the Review Committee of National Taiwan University Hospital Managing Director of Taiwan Corporate Governance Association Independent Director, Far Eastern New Century Corp. Independent Director, Chang Type Industrial Co., Ltd. Independent Director, Everlight Electronics., Ltd. Experience : Dean of Management, NTU Chairperson and Director of Department of Accounting, NTU Assistant Professor at the University of Southern California Visiting Professor at School of Management of Kyoto University, Japan Visiting scholars at Yale University (USA), University of Washington (USA) and Technical University of Munich (Germany) Member and Scientific Advisor, Board of Science and Technology, Executive Yuan Chairman and President, Chung-Hua Institution for Economic Research Member, Council for Economic Planning and Development Supervisor, Central Bank of the Republic of China Chairman of Taiwan Corporate Governance Association Supervisor and Director, TWSE Supervisor and Director, Taipei Exchange Supervisor, Far Eastone Telecommunications Co., Ltd. Independent Director, Novatek Microelectronics Corp. Independent Director, E.SUN FHC	0
Wei-Lung Chen	MBA, NTU Bachelor of Law (Finance), NCCU Current position : Independent Director, IBF Financial Holdings Co., Ltd. Independent Director, A.G.V. Products Corp. Independent Director, Janfusun Fancyworld Corp.	0

Independent Director candidates	Education and work experience	Number of shares held as of April 1, 2024
	Independent Director, Ocean Plastics Co., Ltd. Director, TSAA Experience : Member, Legal Affairs Committee, Executive Yuan Deputy Director General, Insurance Bureau, Financial Supervisory Commission Deputy Director General, Securities and Futures Bureau, Financial Supervisory Commission Director, Chang Hwa Bank Director, TAIFEX General Manager, Securities & Futures Institute Chairperson, SinoPac SITC Chairperson, SinoPac Securities Corp.	

(IV) Please proceed with the election.

Election results:

IV. Other Agenda

(Proposed by the Board of Directors)

Subject: Proposal to waive the non-competition restriction on newly elected directors and the representatives thereof.

Illustration:

- (I) In accordance with the applicable provisions of Article 209 of the Company Act.
- (II) Some directors of the Company invest in or operate other companies of a scope of business that is the same or similar to the Company and serve as their directors. However, their participation in such operations is favorable to the diversified development of the Company. To meet the requirements of the operating strategy and to take advantage of their expertise and relevant experience, it is proposed that the shareholders' meeting agrees to waive the non-competition restriction that prevents directors from acting for their own companies and other entities within the Company's scope of business, provided that it does not jeopardize the interests of the Company.
- (III) Competition details of the directors (including independent directors) candidates are as follows:

Candidate category	Name	Key titles held at other companies
Director	Chin-Tsai Chen	Chairperson and President, WIN Semiconductors Corp. Vice Chairperson, HIWIN Technologies Corp. Independent Director, Kinsus Interconnect Technology Corp. Independent Director, Tong Hsing Electronic Industries, Ltd. Independent Director, Inventec Besta Co., Ltd. Corporate Director Representative, Mercuries Life Insurance Co., Ltd. Chairman / director, WIN Semiconductors Corp. and affiliated companies
Director	Hsin-Hui Tsai	Corporate Director Representative, MGC-ITEQ Technology Co., Ltd.
Director	WIN Semiconductors Corp. representative: Ching-Chou Tseng	Financial Assistant Manager, WIN Semiconductors Corp. Representative of Director, Phalanx Biotech Group Director, Chainwin Biotech and Agrotech (Cayman Islands) Co., Ltd.
Director	WIN Semiconductors Corp. representative: Yun-An Yu	Legal Deputy General Manager , WIN Semiconductors Corp.
Director	Hui-Fen Chan	Independent Director, ChipMOS Technology Inc. Independent Director, Formosa I Wind Power Co., Ltd. Independent Director, Taiwan Mask Corporation Corporate Representative Director, Uniconn Interconnections Technology Co., Ltd.
Independent Director	Zhao-Rong Yang	Independent Director, Tigerair Taiwan Co., Ltd.
Independent Director	Po-Chiao Chou	Independent Director, Clevo Co.
Independent Director	Cheng-En Ko	Independent Director, Far Eastern New Century Corp. Independent Director, Chang Type Industrial Co., Ltd. Independent Director, Everlight Electronics, Ltd.
Independent Director	Wei-Lung Chen	Independent Director, IBF Financial Holdings Co., Ltd. Independent Director, A.G.V. Products Corp. Independent Director, Janfusun Fancyworld Corp.

Resolution:

V. Motions

VI. Adjournment

2023 Business Report

I. Management Principles

- (I) With the focus on our existing business on "High-end Electronic Materials" and extending to integrate high-density interconnect copper foil laminate and carrier board's copper foil laminate, we are committed to becoming the leader of high-speed, high-frequency, and low-loss materials, high-reliability automotive materials, and halogen-free and environmentally friendly materials manufacturer. The applications of our products include AI server applications, 5G infrastructure, network communications, data centers, automotive electronics, smartphones, consumer electronics, and other related products. We are confident we can increase our market share in the high-end electronic copper foil laminate market.
- (II) Quality has been the foundation of our sustainable business development. We will continue to strengthen and improve the quality control system of the supply chain, including raw material supplier management, controlling the factory's manufacturing processes and center of the quality control group, continuously improving yield, and the quality and reliability monitoring of output to comply with international regulations and customers' incoming material regulations and standards. We have established a comprehensive manufacturing and quality assurance system and capabilities for the Group, and enhanced our capabilities in manufacturing high-end products. At the same time, we have reduced the production costs of mature products and minimized quality anomalies, aiming to strengthen the company's manufacturing quality and increase stable profitability.
- (III) Facing volatile geopolitical development, the division of technologies, and the post-pandemic era, global mainstream hardware markets are still expected to develop towards high-end going forward. The development will be led by high-speed computing and automotive electronics. For high-speed computing, the generation of the processor chip will be upgraded, and bandwidth and speed increased, while for automotive electronics, electric vehicle policies are being promoted around the world, which will significantly stimulate the growth of electronic components; both will accelerate the growth of high-end electronic materials. ITEQ Corporation will continue to research and develop high-end materials, position itself globally based on geoeconomic strategies, and employ economies of scale to meet the enormous demand for high-end electronic materials.
- (IV) To converge with international trends, ITEQ adheres to a corporate culture featuring the spirit of ESG, continually engages in the research and development of green products, low-carbon manufacturing and procurement, and green energy

transformation, and exerts efforts in corporate governance, social care, and environmental protection in its implementation of sustainable management goals.

II. Implementation Overview

In 2023, the Company realized a consolidated operating revenue of NT\$ 25.1 billion, down by 13.91% compared with that of the same period last year. Despite continued global geopolitics, scientific and technological differentiation, a slow decline of inflation, and post-pandemic consumption reduction in 2023, AI commercial servers and automotive electronics became major growth drivers; although the inventory levels of the electronic industrial chain have returned to normal, the output value of the overall circuit board market continued to decline due to sluggish consumption. As the upstream industry of the electronic industrial chain, copper foil laminate and electronic circuit boards continually faced a significant impact, resulting in a decline of both operating revenue and gross profit margin; specifically, the gross profit margin decreased from 13.53% in 2022 to 12.38% in 2023, and operating expenses remained basically unchanged. Non-operating revenue mainly derived from the insurance claims of manufacturers in Taiwan came to a conclusion in 2023, with revenue from insurance claims decreasing by NT\$ 332 million compared to that in 2022. Additionally, the supplementary estimation of tax provisions for earnings repatriated from subsidiaries in the Chinese mainland resulted in an increase of the effective tax rate by 21.4%. As a result, the net profit margin after tax dropped from 6.37% in the same period last year to 2.70% this year.

III. Business Plan Implementation Results (Consolidated Statement)

Currency Unit: NT\$1,000

Item	2022	2023	YoY (%)
Operating Revenue	29,129,710	25,079,039	(13.91)
Operating Gross Profit	3,939,903	3,105,637	(21.17)
Operating Income	1,896,419	994,869	(47.54)
Non-operating Income (or Expenses)	418,706	157,427	(62.40)
Net Income After Tax	1,855,173	676,626	(63.53)
Net Profit Margin (%)	6.37%	2.70%	—

IV. Performance of Operating Budget

The Corporation did not make public its forecast for 2023, so there is no need to disclose the operating budget performance. However, the overall actual operating conditions and performance are generally in line with the Corporation's internal operating plan.

V. Profitability Analysis (Consolidated Statement)

Item	2022	2023
Return on Assets (ROA) (%)	5.57	2.37
Return on Equity (ROE) (%)	8.96	3.42
Ratio of Income to Paid-in Capital (%)	52.25	27.41
Ratio of Net Profit Before Tax to Paid-in Capital (%)	63.79	31.75
Net Profit Margin (%)	6.37	2.70
Earnings Per Share After Tax (NT\$)	4.94	1.86

VI. Research Development Status

With the focus on the development of "High-end Electronic Materials", ITEQ has unremittingly developed multiple high-density interconnected copper foil laminates and carrier plate copper foil laminate materials, and applied them in diversified fields, including the latest AI servers, switches, and new-energy automotive electronics. Relying on its core technologies, ITEQ has developed a new glass-free resin coated copper (RCC) printed circuit board (PCB) material. Resin coating has been directly applied for compression curing of this material, reducing the use of glass fiber, making PCB lighter and thinner, further lowering carbon emissions, and integrating the thinking of green product; the advantages of this material, including being lightweight, high conductivity, low transmission loss, and high thermal conductivity, making it applicable to the design of high-speed, high-frequency, and high-density circuits.

In addition to the attentive efforts exerted in the development of new materials, the Company will continue to improve the performance of high-frequency, high-speed, and low-loss transmission products, and deploy them in next-generation communication infrastructure, e.g., AI data centers, intelligent automotive electronics, smartphones, AI PC/laptops, and other relevant products, aiming to consolidate its leading position as a global high-end laminate material supplier.

With respect to flexible PCBs, ITEQ will place continual emphasis on consumer electronics and new energy automotives. For consumer electronics, the Company will further improve existing low-loss materials and ion-migration-resistant materials, and introduce suitable laminates and cover films with high bending resistance on this basis in consideration of the gradual increase of application needs for foldable screens, etc. As for new energy automotives, the Company will develop high-reliability laminate and cover film products to meet the high graded requirements of material reliability for vehicles and energy storage.

ITEQ will further promote the research and development of ESG. In response to increasingly strict environmental regulations of each country, the Company will integrate the thinking of green products early in the selection stage of new raw materials during research and development, and further reduce or eliminate the use of materials that contain hazardous substances; in addition, considering the global Net Zero by 2050 trend, the Company will continue to review, reduce, and optimize the carbon footprint of raw materials in the hope that we can realize our commitment to corporate social responsibility and set a good example.

Chairperson of the Board:	Chin-Tsai Chen
Managerial Officer:	Hsin-Hui Tsai
Finance and Accounting Supervisor:	Jung-Tsan Chou

Annex II.

ITEQ Corporation
Audit Committee's Review Report

To: Shareholders' Annual General Meeting for Year 2024

The Board of Directors has compiled and submitted the 2023 amended Profit Distribution Proposal. The aforesaid table thereof has been examined by the Audit Committee with the opinion that they are not yet inconsistent. We hereby report the above in accordance with the provisions of the Taiwan Securities and Exchange Act and Taiwan Company Act for the review and approval of all our shareholders.

All the best,

ITEQ Corporation

2024 Annual Meeting of Shareholders

Convener of the Audit Committee: Po-Chiao Chou

February 27, 2024

ITEQ Corporation
Audit Committee's Review Report

The Board of Directors has prepared and submitted to the undersigned, the Audit Committee of ITEQ Corporation, the 2023 financial statements (including consolidated and individual financial reports), profit distribution, business report, and proposals thereof, wherein the 2023 financial statements have been reviewed by Chia-Chien Tang and Ya-Ling Chen, CPAs of KPMG Taiwan, and concluded with an audit report without reservation. The aforesaid financial statements, profit distribution, business report, and proposals thereof have been examined by the Audit Committee with the opinion that they are not yet inconsistent, hence we hereby report the above in accordance with the provisions in the Taiwan Securities and Exchange Act and Taiwan Company Act for the review and approval of all our shareholders.

All the best,

ITEQ Corporation

2024 Annual Meeting of Shareholders

Convener of the Audit Committee: Po-Chiao Chou

February 27, 2024

Annex IV.

ITEQ Corporation

2023 Remuneration for Ordinary Directors

Unit: %, NT\$ Thousand

Title Name	Title Name	Remuneration to directors (Note 1)								Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (Note 4)		Remuneration received from investee enterprises other than subsidiaries or from the parent company		
		Base compensation (A)		Retirement pay (B) (Note 2)		Director profit sharing compensation (C) (Note 3)		Expenses and perquisites (D)		Sum of A+B+C+D and ratio to net income (Note 4)		Salary, rewards, and special disbursements(E)		Retirement pay and pension (F) (Note 2)		Employee profit-sharing compensation (G) (Note 3)						
		The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company	All Consolidated entities	The Company		All Consolidated entities			The Company	All Consolidated entities
																Amount in cash	Amount in stock	Amount in cash	Amount in stock			
Chairperson of the Board	Chin-Tsai Chen	-	-	-	-	3,547	3,547	30	30	3,577 0.53%	3,577 0.53%	4,847	4,847	-	-	-	-	-	-	8,424 1.24%	8,424 1.24%	None
Director	Hsin-Hui Tsai	-	-	-	-	2,365	2,365	30	30	2,395 0.35%	2,395 0.35%	2,692	5,192	-	-	4,501	-	4,501	-	9,588 1.42%	12,088 1.79%	None
Director	WIN Semiconductors Corp. Representative: Ching-Chou Tseng	-	-	-	-	1,183	1,183	30	30	1,213 0.18%	1,213 0.18%	-	-	-	-	-	-	-	-	1,213 0.18%	1,213 0.18%	None
	Sub-total	-	-	-	-	7,095	7,095	90	90	7,185 1.06%	7,185 1.06%	7,539	10,039	-	-	4,501	-	4,501	-	19,225 2.84%	21,725 3.21%	None
Independent Director	Zhao-Rong Yang	-	-	-	-	1,183	1,183	30	30	1,213 0.18%	1,213 0.18%	-	-	-	-	-	-	-	-	1,213 0.18%	1,213 0.18%	None
	Po-Chiao Chou	-	-	-	-	1,183	1,183	30	30	1,213 0.18%	1,213 0.18%	-	-	-	-	-	-	-	-	1,213 0.18%	1,213 0.18%	None
	Xiu-Zong Liang	-	-	-	-	1,183	1,183	30	30	1,213 0.18%	1,213 0.18%	-	-	-	-	-	-	-	-	1,213 0.18%	1,213 0.18%	None
	Hui-Fen Chan	-	-	-	-	1,183	1,183	30	30	1,213 0.18%	1,213 0.18%	-	-	-	-	-	-	-	-	1,213 0.18%	1,213 0.18%	None
	Sub-total	-	-	-	-	4,732	4,732	120	120	4,852 0.72%	4,852 0.72%	-	-	-	-	-	-	-	-	4,852 0.72%	4,852 0.72%	None

1. Please describe the remuneration payment policy, system, standard, and structure of Independent Directors, and describe the connectivity with the amount of the remuneration paid according to factors such as duties, risks assumed, and time invested: According to Article 24 of the Company's Articles of Association, the remunerations of directors and supervisors shall be determined by the Board of Directors according to their level of involvement in the Company's operations and the value of their contributions, with reference to the usual standard of the industry.

2. Except for the information disclosed above, remuneration paid for services rendered by directors of the Company to all companies in the financial report (e.g., those serving as non-employee consultants) in the most recent fiscal year: None

Note 1. When all directors and supervisors receive more than 2% of net income after tax of all directors and supervisors of all companies listed the financial statements, and when the remuneration paid to each individual director or supervisor exceeds NT\$15 million, the remuneration of that individual director or supervisor shall be disclosed.

Note 2. This is the retirement pension paid in accordance with the law; no pension was actually paid in the most recent year. Confirmed pension contributions for the year 2023 was NT\$13,462 thousand (for all employees).

Note 3. For earning distributions in 2023, the Board of Directors adopted a resolution on February 27, 2024 to distribute the annual surplus of NT\$11,827 thousand to directors, and NT\$47,308 thousand to employees, which was reported at the regular meeting of the shareholders in 2024.

Note 4. The net profit after tax refers to the Company's net profit after tax of NT\$676,626 thousand for the year 2023, and the individual statement's net profit after tax of NT\$676,626 thousand for the year 2023.

In 2023, director and employee remunerations were calculated and distributed to shareholders and employees this year (2024) based on the actual 2022 profit distribution percentage amount distributed in 2023 (for reference only).

Annex V.

ITEQ Corporation
2022 Earnings Distribution Statement (Before/After Amendment)

Currency Unit: NT\$

Item	Before amendment	After amendment	Difference
	Amount	Amount	Amount
Beginning balance of retained earnings	3,680,036,403	3,680,036,403	0
Current net profit after tax	1,855,173,572	1,855,173,572	0
Add: Remeasurements of defined benefit plans recognized in retained earnings	6,221,775	6,221,775	0
Less: Treasury stock trading		(694,390,589)	(694,390,589)
Current net profit after tax plus other items other than the current net profit after tax is counted into the amount of the current unappropriated retained earnings	1,861,395,347	1,167,004,758	(694,390,589)
Less: Legal reserve (10%)	(186,139,535)	(116,700,476)	69,439,059
Add: Reversal of special reserve	232,843,406	232,843,406	0
Current earnings available for distribution	5,588,135,621	4,963,184,091	(624,951,530)
Distributable items:			0
Shareholders' cash dividends (NT\$3.0 per share)	(1,088,871,654)	(1,088,871,654)	0
Unappropriated retained earnings	4,499,263,967	3,874,312,437	(624,951,530)

Annex VI.

Independent Auditors' Report

To the Board of Directors of ITEQ Corporation:

Opinion

We have audited the consolidated financial statements of ITEQ Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023, the consolidated statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

- Inventory valuation

Please refer to note 4(h) for "Inventories" , note 5 for " Significant accounting assumption and judgments, and major sources of estimation uncertainty" , as well as note 6(d) for the disclosure of valuation of inventory.

Description of key audit matter:

The Group' s slow-moving inventories, whose valuation requires the subjective judgment of the management, may experience fluctuations in sales volume due to declining market demand that may result in the Group to be incompetent within the same industry. Therefore, the valuation for slow moving inventories has been identified as our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management's estimates on inventories provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management's methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

Other Matter

The consolidated financial statements of the Group as of December 31, 2022 were audited by other Certified Public Accountant who expressed an unmodified opinion dated March 7, 2023.

ITEQ Corporation has prepared its parent-company-only financial statements as of and for the year ended December 31, 2023, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing 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 are (including the Audit Committee) responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partners on the audit resulting in this independent auditors' report are Tang, Chia-Chien and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2024

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
ITEQ CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	vi. December 31, 2023				December 31, 2022					viii. December 31, 2023				ix. December 31, 2022			
	vii.	Amount	%		Amount	%				x.	Amount	xi.	%	Amount	xiii.	%	
Assets																	
Current assets:																	
1100		Cash and cash equivalents (note 6(a))	\$	5,594,270	17		5,213,819	16	2100		Short-term borrowings (note 6(j))	\$	2,646,225	8		2,465,577	7
1110		Current financial assets at fair value through profit or loss (note 6(b))		3,654	-		3,273	-	2110		Short-term notes and bills payable (note 6(j))		-	-		149,915	1
1136		Current financial assets at amortised cost (note 6(b))		86,704	-		-	-	2120		Current financial liabilities at fair value through profit or loss (note 6(b))		-	-		7,681	-
1170		Accounts and notes receivable, net (notes 6(c) and (s))		11,497,719	35		12,119,285	36	2170		Accounts payable		5,991,383	18		5,926,422	18
1200		Other receivables (note (c))		51,147	-		269,426	1	2219		Other payables (note 6(r))		1,178,211	4		1,635,974	5
1220		Current tax assets		8,327	-		32,381	-	2230		Current tax liabilities		326,845	1		550,684	2
130X		Inventories (note 6(d))		3,014,243	9		2,731,351	8	2250		Current provisions		3,429	-		14,539	-
1470		Other current assets (note 6(h))		1,050,357	3		1,099,406	3	2280		Current lease liabilities (notes 6(l) and 7)		61,884	-		55,120	-
		Total current assets		<u>21,306,421</u>	<u>64</u>		<u>21,468,941</u>	<u>64</u>	2320		Long-term liabilities, current portion (notes 6(k) and 8)		274,947	1		17,086	-
Non-current assets:																	
1517		Non-current financial assets at fair value through other comprehensive income (note 6(b))		36,279	-		32,684	-	2399		Other current liabilities (note 6(s))		56,909	-		60,037	-
1550		Investments accounted for using equity method (note 6(e))		42,122	-		47,603	-			Total current liabilities		<u>10,539,833</u>	<u>32</u>		<u>10,883,035</u>	<u>33</u>
1600		Property, plant and equipment (notes 6(f), 8 and 9)		7,775,916	23		6,556,717	20	2540		Non-current liabilities:		2,346,190	7		1,676,771	5
1755		Right-of-use assets (notes 6(g), 7 and 9)		298,313	1		298,374	1	2570		Long-term borrowings (notes 6(k) and 8)		800,758	2		460,976	1
1780		Intangible assets (note 6(i))		9,052	-		9,141	-	2580		Deferred tax liabilities (note 6(n))		210,116	1		213,861	1
1840		Deferred tax assets (note 6(n))		371,093	1		285,385	1	2645		Non-current lease liabilities (notes 6(l) and 7)		42,895	-		37,980	-
1900		Other non-current assets (notes 6(h), (m), 7 and 8)		3,540,444	11		4,684,764	14			Guarantee deposits received		3,399,959	10		2,389,588	7
		Total non-current assets		<u>12,073,219</u>	<u>36</u>		<u>11,914,668</u>	<u>36</u>			Total non-current liabilities		<u>13,939,792</u>	<u>42</u>		<u>13,272,623</u>	<u>40</u>
											Total liabilities						
Equity attributable to owners of parent (notes 6(b), (m), (o), (q) and 7):																	
									3100		Ordinary shares		3,629,572	11		3,629,572	11
									3200		Capital surplus		9,214,696	28		9,201,666	27
									3300		Retained earnings		7,148,718	21		7,561,086	23
									3400		Other equity interest		(553,138)	(2)		(281,338)	(1)
											Total equity		<u>19,439,848</u>	<u>58</u>		<u>20,110,986</u>	<u>60</u>
											Total liabilities and equity		<u>\$ 33,379,640</u>	<u>100</u>		<u>\$ 33,383,609</u>	<u>100</u>
		Total assets		<u>\$ 33,379,640</u>	<u>100</u>		<u>33,383,609</u>	<u>100</u>									

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ITEQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	xiv. 2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (note 6(s))	\$ 25,079,039	100	29,129,710	100
5000 Operating costs (notes (d), (f), (g), (l), (n), (r), 7 and 12)	21,973,402	88	25,189,807	86
Gross profit from operations	<u>3,105,637</u>	12	<u>3,939,903</u>	14
Operating expenses (notes 6(c), (f), (g), (l), (m), (n), (q), (r), 7 and 12):				
6100 Selling expenses	790,411	3	652,520	2
6200 Administrative expenses	789,448	3	857,993	3
6300 Research and development expenses	518,416	2	531,022	2
6450 Expected credit loss	12,493	-	1,949	-
Total operating expenses	<u>2,110,768</u>	8	<u>2,043,484</u>	7
Net operating income	<u>994,869</u>	4	<u>1,896,419</u>	7
Non-operating income and expenses (notes 6(b), (e), (f), (g), (l), (t) and 7):				
7100 Interest income	53,771	-	22,453	-
7060 Share of loss of associates and joint ventures accounted for using equity method	(5,481)	-	(1,397)	-
7010 Other income	242,533	1	160,800	-
7020 Other gains and losses	10,022	-	343,726	1
7050 Finance costs	(143,418)	-	(106,876)	-
Total non-operating income and expenses	<u>157,427</u>	1	<u>418,706</u>	1
7900 Profit before tax	1,152,296	5	2,315,125	8
7950 Tax expenses (note 6(n))	475,670	2	459,952	2
Profit	<u>676,626</u>	3	<u>1,855,173</u>	6
8300 Other comprehensive income (notes 6(b), (m), (n), (o) and (u)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(122)	-	6,222	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	10,261	-	4,097	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(1,482)	-	(1,406)	-
Total components of other comprehensive income that will not be reclassified to profit or loss	<u>8,657</u>	-	<u>8,913</u>	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(350,724)	(1)	287,691	1
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	70,145	-	(57,538)	-
Total components of other comprehensive income that will be reclassified to profit or loss	<u>(280,579)</u>	(1)	<u>230,153</u>	1
8300 Other comprehensive income (net of tax)	<u>(271,922)</u>	(1)	<u>239,066</u>	1
Total comprehensive income	<u>\$ 404,704</u>	<u>2</u>	<u>\$ 2,094,239</u>	<u>7</u>
Profit attributable to:				
Owners of parent	<u>\$ 676,626</u>	<u>3</u>	<u>\$ 1,855,173</u>	<u>6</u>
Comprehensive income attributable to:				
Owners of parent	<u>\$ 404,704</u>	<u>2</u>	<u>\$ 2,094,239</u>	<u>7</u>
9750 Basic earnings per share (expressed in New Taiwan dollars) (note 6(p))	<u>\$ 1.86</u>		<u>\$ 4.94</u>	
9850 Diluted earnings per share (expressed in New Taiwan dollars) (note 6(p))	<u>\$ 1.86</u>		<u>\$ 4.91</u>	

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

ITEQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance on January 1, 2022	\$ 3,829,572	9,690,481	1,885,194	444,936	5,978,737	8,308,867	(505,008)	(9,174)	(514,182)	-	21,314,738
Profit	-	-	-	-	1,855,173	1,855,173	-	-	-	-	1,855,173
Other comprehensive income	-	-	-	-	6,222	6,222	230,153	2,691	232,844	-	239,066
Total comprehensive income	-	-	-	-	1,861,395	1,861,395	230,153	2,691	232,844	-	2,094,239
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	314,669	-	(314,669)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	69,245	(69,245)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,914,786)	(1,914,786)	-	-	-	-	(1,914,786)
Share-based payments	-	16,404	-	-	-	-	-	-	-	-	16,404
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(1,399,609)	(1,399,609)
Retirement of treasury shares	(200,000)	(505,219)	-	-	(694,390)	(694,390)	-	-	-	1,399,609	-
Balance on December 31, 2022	3,629,572	9,201,666	2,199,863	514,181	4,847,042	7,561,086	(274,855)	(6,483)	(281,338)	-	20,110,986
Profit	-	-	-	-	676,626	676,626	-	-	-	-	676,626
Other comprehensive income	-	-	-	-	(122)	(122)	(280,579)	8,779	(271,800)	-	(271,922)
Total comprehensive income	-	-	-	-	676,504	676,504	(280,579)	8,779	(271,800)	-	404,704
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	116,700	-	(116,700)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,088,872)	(1,088,872)	-	-	-	-	(1,088,872)
Reversal of special reserve	-	-	-	(232,843)	232,843	-	-	-	-	-	-
Share-based payments	-	13,030	-	-	-	-	-	-	-	-	13,030
Balance on December 31, 2023	\$ 3,629,572	9,214,696	2,316,563	281,338	4,550,817	7,148,718	(555,434)	2,296	(553,138)	-	19,439,848

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

ITEQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,152,296	2,315,125
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,078,746	1,069,173
Amortization expense	84,010	92,004
Expected credit loss	12,493	1,949
Net losses on financial assets or liabilities at fair value through profit or loss	6,166	6,495
Interest expense	143,418	106,876
Interest income	(53,771)	(22,453)
Share-based payments	13,030	16,404
Share of loss of associates and joint ventures accounted for using equity method	5,481	1,397
Losses on disposal of property, plant and equipment	4,871	4,884
Reversal of losses on impairment of property, plant and equipment and prepayments for business facilities	147,986	73,318
Losses on valuation of inventories	(1,186)	(17,475)
Other adjustments	(11,093)	(20,053)
Total adjustments to reconcile profit (loss)	<u>1,430,151</u>	<u>1,312,519</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	790,443	(1,250,673)
Accounts receivable	(176,094)	3,700,129
Other receivable	218,049	(38,259)
Inventories	(434,824)	2,784,260
Other current assets	49,408	283,929
Total changes in operating assets	<u>446,982</u>	<u>5,479,386</u>
Changes in operating liabilities:		
Financial liabilities held for trading	(14,228)	2,531
Accounts payable	65,615	(1,858,324)
Other payable	(525,683)	(253,059)
Other current liabilities	(2,927)	7,860
Total changes in operating liabilities	<u>(477,223)</u>	<u>(2,100,992)</u>
Total changes in operating assets and liabilities	<u>(30,241)</u>	<u>3,378,394</u>
Total adjustments	<u>1,399,910</u>	<u>4,690,913</u>
Cash inflow generated from operations	2,552,206	7,006,038
Interest paid	(140,219)	(97,881)
Income taxes paid	(314,886)	(479,031)
Net cash flows from operating activities	<u>2,097,101</u>	<u>6,429,126</u>
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,666	1,100
Acquisition of financial assets at amortised cost	(88,624)	-
Acquisition of investments accounted for using equity method	-	(49,000)
Acquisition of property, plant and equipment	(567,174)	(1,325,048)
Proceeds from disposal of property, plant and equipment	3,067	2,955
Decrease in refundable deposits	17,100	5,136
Increase in other non-current assets	(112,800)	(50,917)
Increase in prepayments for business facilities	(559,549)	(1,827,006)
Interest received	52,639	21,332
Net cash used in investing activities	<u>(1,248,675)</u>	<u>(3,221,448)</u>
Cash flows from (used in) financing activities:		
Cash dividends paid	(1,088,872)	(1,914,786)
Payments to acquire treasury shares	-	(1,399,609)
Increase in short-term borrowings	170,671	147,552
Increase (decrease) in short-term notes and bills payable	(149,915)	149,620
Proceeds from long-term borrowings	5,671,961	1,679,062
Repayments of long-term borrowings	(4,717,144)	-
Increase in guarantee deposits received	4,984	3,826
Payment of lease liabilities	(63,113)	(60,438)
Net cash used in financing activities	<u>(171,428)</u>	<u>(1,394,773)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(296,547)</u>	<u>(1,022,364)</u>
Net increase in cash and cash equivalents	380,451	790,541
Cash and cash equivalents at beginning of period	5,213,819	4,423,278
Cash and cash equivalents at ending of period	<u>\$ 5,594,270</u>	<u>5,213,819</u>

Independent Auditors’ Report

To the Board of Directors of ITEQ Corporation:

Opinion

We have audited the financial statements of ITEQ Corporation(“the Company”), which comprise the balance sheet as of December 31, 2023, the statement of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

- **Inventory valuation**

Please refer to note 4(g) for “Inventories” , note 5 for “ Significant accounting assumption and judgments, and major sources of estimation uncertainly” , as well as note 6(d) for the disclosure of valuation of inventory.

Description of key audit matter:

The Company’ s slow-moving inventories, whose valuation requires the subjective judgment of the management, may experience fluctuations in sales volume due to declining market demand that may result in the Company to be incompetent within the same industry. Therefore, the valuation for slow moving inventories has been identified as our key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included understanding the policies adopted by the management in valuating the slow-moving inventories; assessing the historical reasonableness of the management's estimates on inventories provisions; selecting samples to verify the accuracy of the inventory aging report; evaluating the appropriateness of management's methodology to determine inventory reserve percentages; as well as recalculating the inventory reserve for the application of the reserve percentages with the inventory aging categories.

Other Matter

The financial statements of the Company as of December 31, 2022 were audited by other Certified Public Accountant who expressed an unmodified opinion dated March 7, 2023.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management' s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company' s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditor' s 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on these financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Tang, Chia-Chien and Chen, Ya-Ling.

KPMG

Taipei, Taiwan (Republic of China)
February 27, 2024

Notes to Readers

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

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

(English Translation of Parent-Company-Only Financial Statements and Report Originally Issued in Chinese)
ITEQ CORPORATION

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 133,627	-	344,406	2	2100	Short-term borrowings (note 6(i))	\$ 2,520,000	10	1,650,000	7
1170	Accounts and notes receivable, net (notes 6(c) and (r))	391,589	2	522,831	2	2110	Short-term notes and bills payable (note 6(i))	-	-	149,915	1
1180	Accounts receivable due from related parties, net (notes 6(c), (r) and 7)	202,566	1	271,479	1	2120	Current financial liabilities at fair value through profit or loss (note 6(b))	-	-	7,681	-
1200	Other receivables (note (c))	11,827	-	213,905	1	2170	Accounts payable	460,156	2	377,272	1
1210	Other receivables due from related parties (note 7)	192,402	1	185,153	1	2180	Accounts payable to related parties (note 7)	146,361	1	207,976	1
1220	Current tax assets	-	-	32,381	-	2200	Other payables (note 6(q))	283,418	1	577,317	2
130X	Inventories (note 6(d))	259,363	1	215,885	1	2220	Other payables to related parties (note 7)	108,824	-	7,257	-
1470	Other current assets (note 6(h))	79,957	-	93,345	-	2280	Current lease liabilities (notes 6(k) and 7)	28,785	-	28,103	-
	Total current assets	<u>1,271,331</u>	<u>5</u>	<u>1,879,385</u>	<u>8</u>	2399	Other current liabilities (note 6(r))	50,759	-	56,981	-
Non-current assets:							Total current liabilities	<u>3,598,303</u>	<u>14</u>	<u>3,062,502</u>	<u>12</u>
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	5,221	-	2,371	-		Non-current liabilities:				
1550	Investments accounted for using equity method (note 6(e))	21,400,367	85	20,812,109	83	2540	Long-term borrowings (note 6(j))	1,200,000	5	1,200,000	5
1600	Property, plant and equipment (notes 6(f) and 9)	940,416	4	833,619	3	2570	Deferred tax liabilities (note 6(m))	750,563	3	460,976	2
1755	Right-of-use assets (notes 6(g) and 7)	148,833	1	174,021	1	2580	Non-current lease liabilities (notes 6(k) and 7)	119,820	1	144,347	-
1840	Deferred tax assets (note 6(m))	301,040	1	234,876	1	2645	Guarantee deposits received	1,500	-	900	-
1915	Prepayments for business facilities	876,649	3	865,590	3		Total non-current liabilities	<u>2,071,883</u>	<u>9</u>	<u>1,806,223</u>	<u>7</u>
1900	Other non-current assets (notes 6(h), (l), 7 and 8)	166,177	1	177,740	1		Total liabilities	<u>5,670,186</u>	<u>23</u>	<u>4,868,725</u>	<u>19</u>
	Total non-current assets	<u>23,838,703</u>	<u>95</u>	<u>23,100,326</u>	<u>92</u>		Equity (notes 6(b), (e), (l), (n), (p) and 7):				
						3100	Ordinary shares	3,629,572	14	3,629,572	15
						3200	Capital surplus	9,214,696	37	9,201,666	37
						3300	Retained earnings	7,148,718	28	7,561,086	30
						3400	Other equity	(553,138)	(2)	(281,338)	(1)
							Total equity	<u>19,439,848</u>	<u>77</u>	<u>20,110,986</u>	<u>81</u>
							Total liabilities and equity	<u>\$ 25,110,034</u>	<u>100</u>	<u>\$ 24,979,711</u>	<u>100</u>
	Total assets	<u>\$ 25,110,034</u>	<u>100</u>	<u>24,979,711</u>	<u>100</u>						

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

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (notes 6(r) and 7)	\$ 1,458,677	100	1,946,161	100
5000 Operating costs (notes (d), (f), (g), (k), (q), 7 and 12)	1,575,008	108	2,060,888	106
5900 Gross profit from operations	(116,331)	(8)	(114,727)	(6)
5910 Realized (unrealized) profit from sales	(1,233)	-	3,816	-
5950 Gross loss from operations	(117,564)	(8)	(110,911)	(6)
6000 Operating expenses (notes 6(c), (f), (g), (k), (l), (q), 7 and 12):				
6100 Selling expenses	102,850	7	101,312	5
6200 Administrative expenses	297,559	20	327,400	17
6300 Research and development expenses	211,972	15	201,549	10
6450 Expected credit loss (gain)	(161)	-	(2,951)	-
Total operating expenses	612,220	42	627,310	32
6900 Net operating income (loss)	(729,784)	(50)	(738,221)	(38)
7000 Non-operating income and expenses (notes 6(b), (e), (f), (k), (s) and 7):				
7100 Interest income	3,850	-	2,409	-
7070 Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	1,798,654	123	2,036,603	105
7010 Other income	25,915	2	15,197	1
7020 Other gains and losses	82,928	6	576,936	30
7050 Finance costs	(57,992)	(4)	(20,541)	(1)
Total non-operating income and expenses	1,853,355	127	2,610,604	135
7900 Profit before tax	1,123,571	77	1,872,383	97
7950 Income tax expenses (note 6(m))	446,945	31	17,210	1
Profit	676,626	46	1,855,173	96
8300 Other comprehensive income (notes 6(b), (e), (l), (m), (n) and (t)):				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
8311 Gains (losses) on remeasurements of defined benefit plans	(122)	-	6,222	-
8316 Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	2,850	-	(2,933)	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	5,929	1	5,624	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Total components of other comprehensive income that will not be reclassified to profit or loss	8,657	1	8,913	-
8360 Components of other comprehensive income that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	(350,724)	(24)	287,691	15
8399 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	70,145	5	(57,538)	(3)
Total components of other comprehensive income that will be reclassified to profit or loss	(280,579)	(19)	230,153	12
8300 Other comprehensive income	(271,922)	(18)	239,066	12
8500 Total comprehensive income	<u>\$ 404,704</u>	<u>28</u>	<u>2,094,239</u>	<u>108</u>
9750 Basic earnings per share (expressed in New Taiwan dollars) (note 6(o))	<u>\$ 1.86</u>		<u>4.94</u>	
9850 Diluted earnings per share (expressed in New Taiwan dollars) (note 6(o))	<u>\$ 1.86</u>		<u>4.91</u>	

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

Statements of Changes in Equity
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Treasury shares	Total equity
Balance on January 1, 2022	\$ 3,829,572	9,690,481	1,885,194	444,936	5,978,737	8,308,867	(505,008)	(9,174)	(514,182)	-	21,314,738
Profit	-	-	-	-	1,855,173	1,855,173	-	-	-	-	1,855,173
Other comprehensive income	-	-	-	-	6,222	6,222	230,153	2,691	232,844	-	239,066
Total comprehensive income	-	-	-	-	1,861,395	1,861,395	230,153	2,691	232,844	-	2,094,239
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	314,669	-	(314,669)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	69,245	(69,245)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,914,786)	(1,914,786)	-	-	-	-	(1,914,786)
Change in equity of subsidiaries accounted for using equity method	-	16,404	-	-	-	-	-	-	-	-	16,404
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	(1,399,609)	(1,399,609)
Retirement of treasury shares	(200,000)	(505,219)	-	-	(694,390)	(694,390)	-	-	-	1,399,609	-
Balance on December 31, 2022	3,629,572	9,201,666	2,199,863	514,181	4,847,042	7,561,086	(274,855)	(6,483)	(281,338)	-	20,110,986
Profit	-	-	-	-	676,626	676,626	-	-	-	-	676,626
Other comprehensive income	-	-	-	-	(122)	(122)	(280,579)	8,779	(271,800)	-	(271,922)
Total comprehensive income	-	-	-	-	676,504	676,504	(280,579)	8,779	(271,800)	-	404,704
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	116,700	-	(116,700)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,088,872)	(1,088,872)	-	-	-	-	(1,088,872)
Reversal of special reserve	-	-	-	(232,843)	232,843	-	-	-	-	-	-
Change in equity of subsidiaries accounted for using equity method	-	13,030	-	-	-	-	-	-	-	-	13,030
Balance on December 31, 2023	\$ 3,629,572	9,214,696	2,316,563	281,338	4,550,817	7,148,718	(555,434)	2,296	(553,138)	-	19,439,848

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

ITEQ CORPORATION

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	<u>2023</u>	<u>2022</u>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,123,571	1,872,383
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	205,694	197,632
Amortization expense	9,112	9,473
Expected credit loss (gain)	(161)	(2,951)
Net losses on financial assets or liabilities at fair value through profit or loss	6,547	5,150
Interest expense	57,992	20,541
Interest income	(3,850)	(2,409)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(1,798,654)	(2,036,603)
Losses on disposal of property, plant and equipment	3,438	1,162
Losses on valuation of inventories	3,920	29,799
Reversal of losses on impairment of property, plant and equipment and prepayments for business facilities	-	(17,856)
Unrealized (realized) profit from sales	1,233	(14,413)
Other adjustments	-	(17,582)
Total adjustments to reconcile profit (loss)	<u>(1,514,729)</u>	<u>(1,828,057)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(9,823)	41,883
Accounts receivable	141,226	12,916
Accounts receivable due from related parties	68,913	374,651
Other receivable	202,078	(36,012)
Other receivable due from related parties	(7,249)	(26,064)
Inventories	(47,398)	312,518
Other current assets	13,388	(27,175)
Total changes in operating assets	<u>361,135</u>	<u>652,717</u>
Changes in operating liabilities:		
Financial liabilities held for trading	(14,228)	2,531
Accounts payable	82,884	(319,229)
Accounts payable to related parties	(61,615)	(174,242)
Other payable	(103,531)	(623,431)
Other payable to related parties	(7,051)	569,016
Other current liabilities	(8,370)	773
Total changes in operating liabilities	<u>(111,911)</u>	<u>(544,582)</u>
Total changes in operating assets and liabilities	<u>249,224</u>	<u>108,135</u>
Total adjustments	<u>(1,265,505)</u>	<u>(1,719,922)</u>
Cash inflow (outflow) generated from operations	(141,934)	152,461
Interest paid	(58,244)	(16,979)
Income taxes refund (paid)	24,421	(6,499)
Net cash flows from (used in) operating activities	<u>(175,757)</u>	<u>128,983</u>
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(586,083)	(49,000)
Acquisition of property, plant and equipment	(134,147)	-
Proceeds from disposal of property, plant and equipment	13,289	543
Decrease (increase) in refundable deposits	(181)	2,525
Decrease (increase) in other non-current assets	3,643	(28,753)
Increase in prepayments for business facilities	(246,709)	(568,092)
Interest received	2,718	1,288
Dividends received	1,309,550	149,900
Net cash flows from (used in) investing activities	<u>362,080</u>	<u>(491,589)</u>
Cash flows from (used in) financing activities:		
Cash dividends paid	(1,088,872)	(1,914,786)
Payments to acquire treasury shares	-	(1,399,609)
Increase in short-term borrowings	870,000	1,650,000
Increase (decrease) in short-term notes and bills payable	(149,915)	149,618
Proceeds from long-term borrowings	-	1,200,000
Increase (decrease) in guarantee deposits received	600	(1,600)
Payment of lease liabilities	(28,915)	(28,391)
Net cash flows from (used in) financing activities	<u>(397,102)</u>	<u>(344,768)</u>
Net increase in cash and cash equivalents	(210,779)	(707,374)
Cash and cash equivalents at beginning of period	344,406	1,051,780
Cash and cash equivalents at ending of period	<u>\$ 133,627</u>	<u>344,406</u>

ITEQ Corporation
Profit Distribution Proposal

2023

Currency Unit: NT\$

Item	Amount
Beginning balance of retained earnings	3,874,312,437
Current net profit after tax	676,625,599
Less: Remeasurements of defined benefit plans recognized in retained earnings	(121,326)
Current net profit after tax plus other items other than the current net profit after tax is counted into the amount of the current unappropriated retained earnings	676,504,273
Less: Legal reserve (10%)	(67,650,427)
Less: Special reserve	(271,800,309)
Current earnings available for distribution	4,211,365,974
Distributable items:	
Shareholders' cash dividends (NT\$1.5 per share)	(544,435,827)
Unappropriated retained earnings	3,666,930,147

Notes:

1. The above-mentioned dividend distribution ratio is based on the 362,957,218 shares outstanding as of February 27, 2024.
2. The 2023 profit distribution shall take the first priority.

Chairperson of the Board: Chin-Tsai Chen
 Managerial Officer: Hsin-Hui Tsai
 Finance and Accounting Supervisor: Jung-Tsan Chou

Appendix I.

ITEQ Corporation

Rules and Procedures of the Shareholders' Meeting

Adopted by the shareholders' meeting held on June 14, 2022.

1 Purpose

These Rules and Procedures are established in order to provide for compliance with the convening, procedures, resolutions and records related to the Meetings held by the Corporation and to comply with the provisions of relevant laws and regulations.

2 Applicable Scope

Unless otherwise prescribed by relevant laws and ordinances, the Corporation shall duly convene the Meetings exactly in accordance with these Rules and Procedures, including matters relating to the convening, proceedings, resolutions and minutes of the Meetings.

3 Operating Rules

3.1 Convening of the Meetings

3.1.1 If the meeting is convened by the board of directors, the one presiding over the meeting shall be the chairperson of the board of directors. If the chairperson of the board of directors is absent from work or is unable to perform his or her duties for any reason, the chairperson of the board of directors shall designate a director to act on his or her behalf. If the chairperson of the board of directors does not designate such a person, the directors shall elect one of them from amongst themselves to act on his/her behalf. If the meeting is convened by a person with the authority to convene other than the board of directors, such person shall act as the chairperson to preside over that meeting.

3.1.2 The meeting shall be held in the city or county where the corporation is located or at any other place that is convenient for the shareholders to attend and appropriate to convene such meeting, and shall commence at a time no earlier than 9:00 a.m. And no later than 3:00 p.m.

The restrictions on the place of the meeting shall not apply when the corporation convenes a shareholder video conference.

3.1.3 Shareholders meeting may be held with video conferencing or other methods promulgated by the central competent authority. The shareholders meeting held with video conferencing shall be subject to prescriptions provided for by the competent authority in charge of securities affairs, including the prerequisites, procedures, and other compliance matters.

3.1.4 Changes to how this corporation convenes its shareholders meeting shall be resolved by the board of directors, and shall be made no later than mailing of the shareholders meeting notice.

3.2 Attendance of the meetings

- 3.2.1 Shareholders or their proxies (collectively "shareholders") attending the meeting shall sign in and the sign-in procedure shall be replaced by submitting their sign-in cards. The calculation of the number of shares present shall be based on the sign-in cards submitted by the shareholders and the shares checked in on the video conferencing platform. Those shares whose votes are exercised by correspondence or electronically.
- 3.2.2 Attendance and voting at shareholders' meetings shall be based on shares.
- 3.2.3 The corporation may appoint the retained attorney(s)-at-law, certified public accountant(s) or relevant personnel attend the meeting as non-voting delegates. Staff at the meetings shall wear id badges or arm badges.
- 3.2.4 In the event of a shareholder video conference, shareholders wishing to attend the meeting with video conferencing shall register with the corporation two days before the meeting date.
- 3.2.5 When the corporation convenes a hybrid shareholders meeting, if shareholders who have registered to attend the meeting with video conferencing in accordance with preceding paragraph decide to attend the physical shareholders meeting in person, they shall revoke their registration two days before the shareholders meeting in the same manner as they registered. If their registration is not revoked within the time limit, they may only attend the shareholders meeting with video conferencing.
- 3.2.6 For shareholders video conference, shareholders may begin to register on the video conferencing platform 30 minutes before the meeting starts. Shareholders completing registration will be deemed as attend the shareholders meeting in person. The corporation shall upload the meeting agenda book, annual report and other meeting materials to the video conferencing platform at least 30 minutes before the meeting starts, and keep this information disclosed until the end of the conference.
- 3.2.7 When convening a shareholders' meeting with video conferencing, the corporation shall provide appropriate alternative measures available to shareholders with difficulties in attending a shareholder video conference.

3.3 Proceedings and resolutions of the meeting

- 3.3.1 Upon the meeting time, the meeting's chairperson shall declare a meeting open immediately, and shall at the same time announce the information on the number of shares without voting rights and the number of shares present. However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement shall not exceed one hour. 3.3.1. upon the meeting time, the meeting's chairperson shall declare a meeting open immediately. However, if not enough shareholders representing more than half of the total number of issued shares are present, said chairperson may declare a postponement of the meeting for not more than two times and the total time of the postponement

shall not exceed one hour. In the event that the meeting is attended by shareholders not up to the specified quorum but representing more than one-third of the total issued shares after two postponements, a tentative resolution may be passed in accordance with the provisions of the company act. Upon passing of the preceding tentative resolution, if the number of shares represented by the shareholders or proxies present reaches more than one-half of the total number of issued shares, the meeting chairperson may re-submit said tentative resolution to the meeting for a vote.

- 3.3.2 When the corporation convenes a shareholders' meeting with video conferencing, when the meeting is called to order, the total number of shares represented by shareholders attending the meeting shall be disclosed on the video conferencing platform. The same shall apply whenever a new tally of the total number of shares represented at the meeting and the number of voting rights thereof is made during the meeting.
- 3.3.3 The agenda for the meeting shall be set by the board of directors if such meeting is convened by the board of directors. Unless otherwise resolved by a resolution at the meeting, the meeting shall be carried out in accordance with the scheduled agenda. The preceding paragraph shall apply mutatis mutandis to the meeting convened by any person other than the board of directors, with the authority to convene such meeting. The meeting chairperson shall not adjourn the meeting until the proceedings (including interim motions) scheduled in the preceding agenda are completed unless a resolution is duly resolved in the meeting. Upon the adjournment of the meeting, the shareholders are not entitled to elect another meeting chairperson to continue the meeting at the same place or another venue; however, if the prior meeting chairperson violates the rules and procedures and adjourns the meeting, another meeting chairperson may be elected by a majority of the voting rights of the shareholders present to continue the meeting.

Election or dismissal of directors; changes in the articles of association; capital reduction; application for halting public offering; permission for directors to compete with the company; capitalization of retained earnings; capitalization of capital reserves; dissolution, merging or demerger of the company; or all items pertaining to article 185, paragraph 1 of the company act; article 26-1 and article 43-6 of the securities and exchange act; and article 56-1 and article 60-2 of the regulations governing the offering and issuance of securities by securities issuers shall be listed as reasons to convene the meeting, with their essential contents specified, and may not be raised as motions.

Shareholders holding at least 1% of the total number of issued shares may submit a proposal to the corporation for discussion at the regular meeting, limited to only one proposal, and if the number of proposals submitted exceeds one, they shall be all excluded from the agenda. In addition, when any one of the circumstances listed in article 172-1, paragraph 4 of the Taiwan company act applies to a proposal put forward by a shareholder, the board of directors may exclude said proposal from the agenda. Shareholders may submit a suggestive proposal to urge the corporation to promote the public interest or fulfill its social responsibilities, procedurally limited to only one proposal, limited to only

one proposal, and if the number of proposals submitted exceeds one, they shall be all excluded from the agenda.

The order of discussion and voting on each of the proposal proposed by the shareholders in the interim motions shall be determined by the meeting chairperson.

- 3.3.4 Before a shareholder or one with his/her authorization speaks at the meeting, he/she must fill in a speech note stating the gist of his/her speech, the shareholder's account number (or attendance card number) and the name of the account, and the order of his/her speech shall be determined by the meeting chairperson. A shareholder or one with his/her authorization at the meeting who submits only a speech note but does not speak at the meeting is deemed to have not spoken. If there is any discrepancy between the contents of the shareholder's speech and the gist recorded on the note, the contents of the speech shall prevail. When a shareholder present is speaking at the meeting, no other shareholder shall interrupt the speaking shareholder unless otherwise permitted by the meeting chairperson and said speaking shareholder; the meeting chairperson shall stop any such violations.
- 3.3.5 No shareholder or one with his/her authorization may speak more than twice on the same proposal, and each time for not more than five minutes, without the consent of the meeting chairperson. The meeting chairperson may stop the speech of any shareholder that is in violation of the preceding provisions or exceeds the scope of the proposal.
- 3.3.6 In the event that a juristic (corporate) person is entrusted to attend a meeting, said juristic (corporate) person may appoint only one representative to attend said meeting. In the event that a juristic (corporate) person shareholder appoints two or more representatives to attend a meeting, only one representative of them is allowed to speak for the same proposal.
- 3.3.7 After a shareholder present speaks on the floor; the meeting chairperson may answer either in person or designate relevant personnel to reply. Where a shareholder video conference is convened, shareholders attending the video conference may raise questions in writing at the video conferencing platform from the meeting's chairperson declaring the meeting open until the chairperson declaring the meeting adjourned. No more than two questions for the same proposal may be raised. Each question shall contain no more than 200 words. The regulations in paragraphs 3.3.4. to 3.3.6. do not apply. As long as questions so raised in accordance with the preceding paragraph are not in violation of the regulations or beyond the scope of a proposal, it is advisable the questions be disclosed to the public at the video conferencing platform.
- 3.3.8 When the meeting chairperson considers that the discussion on a proposal has reached the point where a vote can be taken, he/she may announce that the discussion has ceased and a vote is taken. The result of a vote shall be announced on-site and recorded in writing when the corporation convenes a shareholders' meeting with video conferencing, after the meeting's chairperson declares the meeting open, shareholders attending the meeting online shall cast

votes on proposals and elections on the video conferencing platform before the chairperson announces the voting session ends or will be deemed abstained from voting. In the event of a shareholder video conference, votes shall be counted at once after the meeting's chairperson announces the voting session ends, and results of votes and elections shall be announced immediately.

- 3.3.9 The meeting chairperson shall designate the person(s) to monitor the votes and count the votes, but the person(s) to monitor the votes shall be a shareholder and the results of the voting shall be reported on the spot and recorded.
- 3.3.10 During the meeting, the meeting chairperson may announce a break at his/her discretion.
- 3.3.11 Unless otherwise provided in the company act and the corporation's articles of incorporation, a proposal resolution is adopted by a majority of voting rights owned by the shareholders or proxies present at the meeting. During a vote, the meeting chairperson or his/her designated person shall first announce the total number of voting rights of the shareholders present on a case-by-case basis, and the shareholders present shall then vote on a case-by-case basis, and the results of the shareholders' approval, disapproval and abstention shall be entered into the market observation post system on the same day after the meeting.

In the event of a shareholder video conference, this corporation shall disclose real-time results of votes and election immediately after the end of the voting session on the video conferencing platform according to the regulations, and this disclosure shall continue at least 15 minutes after the meeting's chairperson has announced the meeting adjourned.

- 3.3.12 If there is an amendment case or a substitute case to the identical proposal, the meeting chairperson shall put them together and determining the voting order therein. If one of them is adopted, the others shall be deemed to be rejected and no further vote is required.
- 3.3.13 The meeting chairman may direct marshals (or security personnel) to assist in maintaining the order of the meeting. Said marshals (or security personnel) shall wear arm badges marked "marshal" while assisting in maintaining the order of the meeting.
- 3.3.14 When the corporation convenes a shareholder meeting online, both the meeting's chairperson and secretary shall be in the same location, and the chairperson shall declare the address of their location when the meeting is called to order.
- 3.3.15 In the event of a video conference, when declaring the meeting open, the meeting's chairperson shall also declare, unless under a circumstance where a meeting is not required to be postponed to or resumed at another time under article 44-20, paragraph 4 of the regulations governing the administration of shareholder services of public companies, if the video conferencing platform or participation in the video conference is obstructed due to natural disasters, accidents or other force majeure events before the meeting's chairperson has

announced the meeting adjourned, and the obstruction continues for more than 30 minutes, the meeting shall be postponed to or resumed on another date within five days, in which case article 182 of the company act shall not apply.

3.3.16 For a meeting to be postponed or resumed as described in the preceding paragraph, the number of shares represented by, and voting rights and election rights exercised by the shareholders who have registered to participate in the affected shareholders meeting and have successfully signed in the meeting, but do not attend the postpone or resumed session, at the affected shareholders meeting, shall be counted towards the total number of shares, number of voting rights and number of election rights represented at the postponed or resumed session. Shareholders who have not registered to participate in the affected shareholders video conference shall not attend the postponed or resumed session.

3.3.17 When the corporation convenes a hybrid shareholders meeting, and the video conference cannot continue as described in the preceding paragraph, if the total number of shares represented at the meeting, after deducting those represented by shareholders attending the shareholders' meeting with video conferencing, still meets the minimum legal requirement for a shareholder meeting, then the shareholders meeting shall continue, and not postponement or resumption thereof.

3.3.18 Under the circumstances where a meeting should continue as in the preceding paragraph, the shares represented by shareholders attending the shareholders' meeting with video conferencing shall be counted towards the total number of shares represented by shareholders present at the meeting, provided these shareholders shall be deemed abstaining from voting on all proposals on meeting agenda of that shareholders meeting.

3.4 Election matters of shareholders' meeting

In the event of an election of directors at a shareholders' meeting, the election shall be conducted in accordance with the relevant election regulations of the corporation and the election results shall be announced on the spot, including a list of newly elected directors and the number of voting rights they obtained, together with a list of those failed to be elected and their number of voting rights obtained.

The ballots shall be sealed with the signatures of the ballot monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to article 189 of the company act, the ballots shall be retained until the conclusion of the litigation.

3.5 Meeting minutes

3.5.1 The corporation shall record on audio or video the entire meeting and keep it for at least one year.

3.5.2 Where a shareholders meeting is held online, the corporation shall keep records of shareholder registration, sign-in, check-in, questions raised, votes cast and results of votes counted by the corporation, and continuously audio and video record, without interruption, the proceedings of the video conference from beginning to end. The information and audio and video recording in the preceding paragraph shall be properly kept by the corporation during the entirety of its existence, and copies of the audio and video recording shall be provided to and kept by the party appointed to handle matters of the video conference.

4 These Rules and Procedures shall be implemented upon their adoption by the Meeting, and the same applies to the amendments thereto.

The Rules and Procedures were formulated on June 20, 2002.

The 1st amendment was made on June 15, 2006.

The 2nd amendment was made on June 15, 2018.

The 3rd amendment was made on July 02, 2021.

The 4th amendment was made on June 14, 2022.

Appendix II.

ITEQ Corporation

Articles of Incorporation

Chapter I General Provisions

- Article 1 The Corporation shall be incorporated, as a company limited by shares, under the Company Act, and its name shall be ITEQ Corporation in the Chinese language, and ITEQ Corporation in the English language.
- Article 2 The scope of business of the Corporation shall be as follows:
- I. Manufacturing, processing and trading of multilayer printed circuit board laminates, copper foil laminates, and semi-finished and finished products.
 - II. Import and export trade of manufacturing equipment of products aforementioned in the preceding paragraph.
 - III. CC01080 Electronic Parts and Components Manufacturing.
 - IV. F119010 Wholesale of Electronic Materials
 - V. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
- Article 3 The Corporation shall have its head office in Hsinchu County, Taiwan, Republic of China, and may establish branches at home or abroad, if necessary, by resolution of the Board of Directors.
- Article 4 Public announcements of the Corporation shall be made in accordance with Article 28 of the Company Act.
- Article 4-1 The total amount of the Corporation's external reinvestments may exceed 40% of the paid-in capital, as resolved by the Board of Directors.

Chapter II Shares

- Article 5 The Corporation's capital is NT\$5 billion (including NT\$50 million in employee stock warrants), divided into 5 billion shares at NT\$10 per share. The unissued shares are authorized to be issued by the Board of Directors in several tranches.
- If the Corporation intends to cancel a public offering, the Corporation shall not proceed with such cancellation until a resolution of the shareholders' meeting has been passed, in addition to the approval of the Board of Directors.
- Article 5-1 The Corporation may issue employee stock option certificates at a price lower than the closing price of the Corporation's stock on the date of issuance or transfer them to employees at a price lower than the average price of actual purchases of treasury stock, provided that two-thirds of the shareholders present, representing a majority of the total number of shares outstanding, approve the transfer. The Corporation's treasury stock acquired under the Company Act may be transferred to the employees of the controlled or subordinate companies who meet certain criteria.
- The Corporation's employee stock option certificates are issued to those

employees of the controlled or subordinate companies who meet certain criteria.

Where the Corporation issues new shares, the employees eligible for share subscription shall include the employees of the Corporation's controlled or subordinate companies who meet certain criteria.

The Corporation's restricted stock awards are issued to those employees of the controlled or subordinate companies who meet certain criteria.

Article 6 The Corporation's shares are registered securities, in which the signed shares need to be signed or sealed by the director(s) of board representing the Corporation and certified by a competent authority or its authorized issuer prior to being issued. The Corporation may also be exempted from printing any share certificate for the shares issued, but the Corporation shall appoint a centralized securities custody enterprise/ institution to make recordation of the issue of such shares.

Article 7 Shareholders shall provide on file their specimen chop to the Corporation for recordation and use the same specimen chop to claim dividends and bonuses or exercise the rights thereof. The transfer, gift, establishment and termination of pledge right, loss, damage or other matters of shares shall be handled in accordance with the Taiwan "Regulations Governing the Administration of Shareholder Services of Public Companies" and the relevant laws and regulations.

Article 8 The Corporation shall not handle any requests for transfers of shares within 60 days prior to the shareholders' meeting, 30 days prior to the ad hoc shareholders' meeting, or 5 days prior to the record date for the distribution of dividends, bonuses or other interests.

Chapter III: Shareholders' Meetings

Article 9 The Corporation's shareholders' meetings are of two kinds listed below:
I. Regular meeting of shareholders: to be held within six months after the end of each fiscal year.
II. Special meeting of shareholders: to be held when necessary, in accordance with the relevant laws and regulations.

Article 10 The shareholders' meetings shall be presided by the Chairperson of the Board. If the Chairperson of the Board of Directors is absent from office or unable to perform his or her duties and responsibilities for any reason, the Vice Chairperson of the Board of Directors shall act on his or her behalf. If the Vice Chairperson of the Board of Directors is absent from office or unable to perform his or her duties and responsibilities for any reason, he or she shall designate one of the Directors to act on his or her behalf. In the event that no such person is appointed, the Directors of the Board shall appoint one from amongst themselves.

Article 11 Notice shall be given to the shareholders at least 30 days prior to a regular shareholders' meeting, and at least 5 days prior to a ad hoc shareholders' meeting, stating the date, place, and purpose of convening the meeting. The Corporation's shareholders' meeting may be held by means of video conference or other methods promulgated by the central competent authority. The requirements, procedures, and other rules to be complied with when holding a shareholders' meeting via video conference shall be subject

to the provisions set forth by the competent authority in charge of securities. Shareholders who participate in the shareholders' meeting via video conference shall be deemed to be present in person; the Corporation shall obtain video conference services from an outside provider.

Article 12 The following matters of the Corporation shall be resolved by shareholders' meetings:

- I. The amendments to the Articles of Incorporation.
- II. The increase/decrease in the Corporation's total capital.
- III. The combination with or acquisition of other corporations.
- IV. Discretionary management
- V. The dissolution or liquidation of the Company.
- VI. Election of Directors of the Board
- VII. The amendments to the percentage of shareholders' stock dividends and employees' remuneration.
- VIII. Other matters to be resolved by shareholders' meetings according to the Company Act.

Article 13 If the shareholders cannot attend the shareholders' meeting for reasons, they shall issue the Corporation printed and distributed letters of entrustment indicating the scope of authorization to entrust agents to attend in accordance with the "Rules on Use of Letter of Entrustment for Attending Shareholders' Meeting at Public Listed Companies" released according to the Company Act and competent authority. The voting power at a shareholders' meeting may be exercised by way of electronic means. Attendance via electronic means is deemed to be attendance in person, and the related matters thereof shall be handled in accordance with the relevant laws and regulations.

Article 14 Unless otherwise provided for by law and regulations, each shareholder of the Corporation shall have one vote per share.

Article 15 Unless otherwise provided for in the Company Act, resolutions shall be adopted by a large majority representing over one-half of the votes at a meeting attended by shareholders representing a majority of the total number of issued shares. Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes, specifying the date and place of the meeting, the number of shareholders present, the number of shares represented, the number of voting rights, the name of the meeting chairperson, the resolution items and the resolution methods thereto. The meeting minutes shall be signed or sealed by the Chairperson of Board or shareholders' meeting chairperson, and shall be retained on the Corporation's Board of Directors together with the attendance book and sign-in cards of the attending shareholders and letters of authorization for attendance. The meeting minutes shall be distributed to shareholders within 20 days after the meeting, the distribution of which may be made by public announcement.

Chapter IV Directors of Board, Audit Committee and Managerial Officers

Article 16 The Corporation shall have seven to ten Directors, and the number of Directors

shall be determined by the Board of Directors.

Elections of the Corporation's Directors shall be conducted in accordance with the candidate nomination system set out in Article 192-1 of the Company Act. The Directors shall be elected from the director nominees listed in the roster of Director candidates at the shareholders' meeting. The method and announcement of director candidate nomination shall be processed in accordance with the relevant laws and regulations of the Company Act and the Securities and Exchange Act. The election of independent directors and non-independent directors shall be held concurrently, provided that the number of independent directors and non-independent directors elected shall be calculated separately.

Directors shall hold office for three years; re-elected Directors are entitled to serve consecutive terms.

The directors shall comply with the rules of the securities competent authority concerning minimum share ownership.

The Corporation may purchase liability insurances for the Directors of Board to protect them against potential liabilities arising from performing their duties within their executive business scopes in accordance with the law, and authorize the Board of Directors to purchase said liability insurances in connection therewith.

Article 16-1 Among the prior number of Directors of Board, the number of Independent Directors shall be no less than 3 and one-fifth of the number of seats 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 to abide by shall comply with applicable laws and regulations prescribed by the security's competent authority.

The Corporation shall have an Audit Committee pursuant to Article 14-4 of the Securities and Exchange Act, which shall consist of all Independent Directors, no less than three in number, one of whom shall be the committee convener and at least one of whom shall have accounting or financial expertise.

Article 17 (deleted)

Article 18 The Corporation's Board of Directors shall have a Chairperson and may have a Vice Chairperson, who shall be elected by the Directors from amongst themselves. The Chairperson of the Board shall preside the Board meetings and act on behalf of the Corporation to external parties.

Article 19 A meeting of the Board of Directors shall be convened by the Chairperson of the Board. Said meeting shall be presided over by the Chairperson of the Board of Directors. If the Chairperson of the Board is unable to convene said meeting for any reason, the Vice Chairperson of the Board of Directors shall do so on his or her behalf. However, if the Vice Chairperson of the Board of Directors is unable to convene said meeting within 7 days from the date when said meeting is necessary or is unable to exercise his or her authority for any reason, one of the Directors designated in advance by the Chairperson of the Board of Directors shall do so on his or her behalf, or if no such person

is designated, one of the Directors shall be elected from amongst themselves to convene said meeting.

In the event of a video conference for said meeting, Directors attending said meeting by video are deemed to be attending in person. If a director is unable to attend a board meeting in person for any reason, he/she may appoint another Director to act as on his/her behalf by issuing a letter of authorization and listing the scope of authority for convening the meeting. A Director may only be appointed to act on behalf of one other Director.

In convening a meeting of the Corporation's Board of Directors, a notice shall be given to each director 7 days in advance of the scheduled meeting date. But in case of emergency, said meeting may be convened at any time.

The preceding notice to convene said meeting shall be delivered to each Director via mail, email, or fax.

Article 20

A meeting of the Board of Directors shall be held quarterly by Directors thereof, with functions and duties as follows:

- I. Resolving major domestic and foreign investment proposals.
- II. Preparing and amending the Corporation's important statutes and organization regulations.
- III. Electing the Chairperson and Vice Chairperson of the Board of Directors.
- IV. Approving the appointment and dismissal of the General Manager and Deputy General Manager.
- V. Examining and approving budgets and final accounts.
- VI. Making decisions on matters regarding loans.
- VII. Recommending to the shareholders' meeting proposals for amendments to the Articles of Incorporation, change in capital, dissolution, or merger of the Corporation.
- VIII. Recommending the shareholders' meeting the proposals for allotment of earnings and coverage of loss.
- IX. Resolving the distribution of cash dividends.
- X. Selecting certified public accountants.
- XI. Performing other functions and duties conferred by the Company Act or by the resolutions made at the shareholders' meeting.
- XII. Establishing and abolishing branches.
- XIII. Being entitled to establish auditing, nomination, risk management committees or other functional committees for the needs of business operations.
- XIV. Formulating operating policies, reviewing and supervising the implementation of business plans.
- XV. Convening shareholders' meetings.
- XVI. Other functions and duties conferred by the provisions prescribed by the Company Act or by the shareholders at the shareholders' meeting.

Article 21

Except as otherwise provided by the Company Act, a resolution of the Board

of Directors shall be adopted by a majority of the Directors present at a board meeting, occupying more than half seats of the Board of Directors. However, the following matters shall be subject to the approval of two-thirds of the Directors present at a board meeting, occupying more than half seats of the Board of Directors.

I. Resolving domestic and foreign investment proposals.

II. Examining and approving budgets and final accounts.

III. The provisions relating to minutes of shareholders' meeting are applicable, mutatis mutandis, to the meeting minutes of the Board of Directors.

Article 22 (Deleted)

Article 23 (Deleted)

Article 24 The Board of Directors is authorized to decide the remuneration to all Directors based on the degree of their participation in and contribution to the operations of the Corporation and referred at a rate consistent with general practices in the industry.

Article 25 The Corporation may have several managerial officers. Their appointment, dismissal, and remuneration shall be subject to Article 29 of the Company Act.

Chapter V: Accounting

Article 26 The Corporation's fiscal year shall commence on January 1 and end on December 31 of each year. Upon closing of each fiscal year, the Board of Directors shall prepare the following tables and documents and submit the same for adoption at the annual general shareholders' meeting according to the law:

I. Business report.

II. Financial statements.

III. Proposals for profit distribution or deficit compensation.

Article 27 In case the Corporation makes a profit during a fiscal year, no less than 2% of said profit shall be set aside for employees' remuneration. The Board of Directors shall resolve whether to distribute said remuneration in shares or cash. Recipients of said remuneration may include the employees of the controlled or subordinate companies who meet certain criteria. The Board of Directors is authorized to d The Corporation allows the Board of Directors to set aside no more than 2% of the amount of the foregoing profit as Directors' remuneration. The proposal of distributing employees' and Directors' remuneration shall be reported to the shareholders' meeting.

However, if the Corporation still has accumulated losses, it shall retain the indemnity amount in advance and then set aside the remuneration of employees and Directors in accordance with the percentages in the preceding paragraph.

Article 27-1 If the Corporation's earnings are present after the closing of a fiscal year, they shall be distributed in accordance with the following order:

I. Payment of taxes required by law.

II. Making up the accumulated losses.

III. Setting aside 10% of said earnings as legal reserve. Where such legal

reserve amounts to the total paid-in capital, this provision shall not apply.

IV. Appropriating or reversing the special surplus reserve as provided by laws or by competent authority regulations.

V. Except for discretionary retention of earnings, the remaining balance, together with the accumulated undistributed earnings, shall be resolved by the shareholders' meeting after the Board of Directors has prepared a Profit Distribution Proposal.

When setting aside the special surplus reserve according to law, for any insufficient amount for the "net increase in fair value of investment properties accumulated in the previous period" and "net decrease in other equity accumulated in the previous period", a special surplus reserve of the same amount shall be set aside from the undistributed retained earnings of the previous period prior to the distribution of earnings. If there is still any insufficient amount, it shall be set aside from the adjusted undistributed retained earnings (net income plus other items) of the current period.

The Corporation is in a growth phase, so the amount of dividends to shareholders will be determined by taking into account factors, such as the Corporation's current and future investment environment, capital requirements, domestic and international competition, and future capital expenditures and working capital planning, as well as the interests of shareholders and balancing dividends with the Corporation's long-term financial planning, wherein no less than 20% of the earnings to be distributed shall be cash dividends.

The Corporation authorizes the distributable dividends and bonuses, or legal reserve and special surplus reserve, specified in Paragraph 1 of this Article, in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of Directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting without the need to request for ratification by shareholders.

Article 28

The distribution of dividends to shareholders shall be limited to those shareholders whose names appear on the shareholders' list five days prior to the record date on which the dividend and bonus are determined to be distributed.

Chapter IV Supplemental Provisions

Article 29

The Corporation may undertake external guarantee business in accordance with government regulations.

Article 30

Any matters not covered by these Articles of Incorporation shall be governed by the provisions of the Company Act.

Article 31

(deleted)

Article 32

These Articles of Incorporation were formulated by the sponsors' meeting with the consent of all the sponsors on March 24, 1997 and come into force on the date of approval and registration by the competent authority.

The 1st amendment was made on August 11, 1997.

The 2nd amendment was made on July 9, 1998.

The 3rd amendment was made on June 16, 2000.
The 4th amendment was made on July 25, 2000.
The 5th amendment was made on May 25, 2001.
The 6th amendment was made on December 28, 2001.
The 7th amendment was made on June 12, 2002.
The 8th amendment was made on October 22, 2002.
The 9th amendment was made on June 12, 2003.
The 10th amendment was made on February 13, 2004.
The 11th amendment was made on May 4, 2004.
The 12th amendment was made on June 16, 2005.
The 13th amendment was made on June 15, 2006.
The 14th amendment was made on June 15, 2007.
The 15th amendment was made on June 13, 2008.
The 16th amendment was made on June 16, 2009.
The 17th amendment was made on June 18, 2010.
The 18th amendment was made on June 17, 2011.
The 19th amendment was made on June 6, 2012.
The 20th amendment was made on June 14, 2013.
The 21st amendment was made on June 18, 2015.
The 22nd amendment was made on June 15, 2016.
The 23rd amendment was made on June 15, 2018.
The 24th amendment was made on June 13, 2019.
The 25th amendment was made on June 16, 2020.
The 26th amendment was made on July 2, 2021.
The 27th amendment was made on June 14, 2022
Effective from the resolution of the shareholders' meeting, and upon amendment.

ITEQ Corporation

Chairperson of the Board: Chin-Tsai Chen

Appendix III.

ITEQ Corporation

Procedures for the Election of Directors

- Article 1. To ensure a just, fair, and open election of directors, these Procedures are adopted pursuant to Articles 21 of the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies. Except as otherwise provided by law and regulation, or by this Corporation's Articles of Incorporation, the elections of directors shall be conducted in accordance with these Procedures.
- Article 2. The cumulative voting method shall be used for the election of directors at the Company. Each share will have voting rights in the number equal to the directors to be elected, and may be cast for a single candidate or split among multiple candidates. Attendance card numbers printed on the ballots may be used instead of recording the names of voting shareholders.
- Article 3. Elections of directors at this Corporation shall be conducted in accordance with the candidate nomination system. The number of directors will be as specified in this Corporation's Articles of Incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, lots shall be drawn to determine the winner, with the chair drawing lots on behalf of any person not in attendance. The voting rights under the previous paragraph shall be calculated based on the voting rights represented onsite at the shareholders' meeting plus the voting rights by electronic voting.
- Article 4. Before the election begins, the chair shall appoint a number of persons with shareholder status to perform the respective duties of vote monitoring and counting personnel.
- Article 5. The board of directors shall prepare separate ballots for directors in the numbers corresponding to the directors or supervisors to be elected. The number of voting rights associated with each ballot shall be specified on the ballots, which shall then be distributed to attending shareholders at the shareholders' meeting.
- Article 6. The ballot boxes shall be prepared by the board of directors and publicly checked by vote monitoring personnel before voting commences.
- Article 7. If the candidate is a shareholder, the elector shall indicate the account name and shareholder account name of the candidate in the "Candidate" column on the ballot. If the candidate is not a shareholder, the candidate's name and ID document number shall be indicated. If the candidate is a government or corporate shareholder, the name of the government or corporation shall be indicated in the column of the candidate's account name in the ballot.

Alternatively, the name of the government or corporation and the name of its representative may be indicated. If there are multiple representatives, the respective representative's name shall be indicated.

Article 8. A ballot is invalid under any of the following circumstances:

1. A ballot provided under these Procedures is not used.
2. A blank ballot is placed in the ballot box.
3. The writing is unclear and indecipherable, or has been altered.
4. If the candidate is a shareholder, the identity or shareholder account number is not consistent with the shareholders' register. If the candidate is not a shareholder, the name or ID document number is inconsistent following verification.
5. Any text other than the candidate's name or shareholder account number or ID document number is added.
6. The name of the candidate is the same as another shareholder and the shareholder account number or ID document number is not indicated for identification.
7. Two or more candidates are listed in the same ballot.

Article 9. The voting rights shall be calculated on-site immediately after the end of the poll, and the results of the calculation, including the list of persons elected as directors and the numbers of votes with which they were elected, shall be announced by the chair on-site.

The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 10. The board of directors of this Corporation shall issue notifications to the persons elected as directors.

Article 11. Any matters not covered by these Procedures shall be governed by the provisions of the Company Act.

Article 12. These Procedures were implemented following approval by the shareholders' meeting on June 20, 2022. The same shall be applicable in case of any amendment.

The first amendment was made on June 15, 2007.

The second amendment was made on June 15, 2018.

Appendix IV.

Shareholdings of all Directors

Upon the date (April 1, 2024) for suspension of share transfer for a regular shareholders' meeting, the shareholding of all directors recorded in the shareholders' list is as follows:

Title	Name	Date elected	Term of office	Type	Shareholding while elected		Current shareholding	
					Number of Shares	Shareholding ratio (%)	Number of Shares	Shareholding ratio (%)
Chairperson of the Board	Chin-Tsai Chen	2021.07.02	3 years	Ordinary share	1,354,419	0.41%	5,084,000	1.40%
Director	Hsin-Hui Tsai	2021.07.02	3 years	Ordinary share	505,600	0.15%	947,386	0.26%
Director	WIN Semiconductors Corp. Representative: Ching-Chou Tseng	2021.07.02	3 years	Ordinary share	33,538,011	10.07%	65,408,733	18.02%
Independent Director	Zhao-Rong Yang	2021.07.02	3 years	Ordinary share	0	0.00%	0	0.00%
Independent Director	Po-Chiao Chou	2021.07.02	3 years	Ordinary share	2,158	0.00%	2,417	0.00%
Independent Director	Xiu-Zong Liang	2021.07.02	3 years	Ordinary share	0	0.00%	0	0.00%
Independent Director	Hui-Fen Chan	2021.07.02	3 years	Ordinary share	216	0.00%	0	0.00%

Total issued shares: 362,957,218 shares on April 1, 2024

The minimum required combined shareholding of all directors by law: 14,518,289 shares

The combined shareholding of all directors on April 1, 2024: 71,442,536 shares (19.68%)