

ITEQ CORPORATION

2024 Annual General Shareholders' Meeting Minutes

(Translation)

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

Attending Shareholders: The total number of shares represented by shareholders attending the meeting in person or by proxy is 223,867,665 shares (including casted electronically 132,494,260 shares), representing 61.67% of the total number of issued shares of the Company (i.e., 362,957,218 shares.)

Attending Directors: Chin-Tsai Chen (Chairman), Hsin-Hui Tsai (Director), Po-Chiao Chou (Convener of the Auditing Committee, Independent Director), Zhao-Rong Yang (Independent Director), Xiu-Zong Liang (Independent Director)

Attendees: Ya- Ling Chen (CPAs of KPMG)

Chun-Yi Jen (Attorney-at-Law of HL&Partners)

Chairman: Chin-Tsai Chen

Recorder: Ke-Yu Chang

I. As the number of shares represented by attending shareholder has reached the required quorum for shareholders' meeting, the chairman declares the shareholders' meeting begins

II. Chairperson's Speech: (Omitted)

III. Reported Matters

Agenda 1

Subject: 2023 Business Report.

see Annex I. (P. 10-13)

Agenda. 2

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

see Annex II (P. 14)

Agenda 3

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

see Annex III (P. 15)

Agenda 4

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

(see handbook)

Agenda 5

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

(see handbook)

Agenda 6

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

see Annex IV (P. 16)

IV. Approval Matters

Agenda 1

(Proposed by the Board of Directors)

Subject: Amended 2022 Earnings Distribution Statement.

Illustration:

- (I) 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 (page 17).
- (II) The above-mentioned are hereby submitted for adoption at this shareholders' meeting.

Resolution:

Shares represented at the time of voting : 223,867,665

Voting Results*	% of the total represented share present
Votes in favor : 199,895,586votes (108,522,196 votes)	89.29%
Votes against : 52,848 votes (52,848 votes)	0.02%
Votes invalid : 0 votes	0.00%
Votes abstained : 23,919,231 votes (23,919,216 votes)	10.68%

*Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby were accepted as submitted.

Agenda 2

(Proposed by the Board of Directors)

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

Illustration:

- (I) 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 unqualified opinion 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.
- (II) Please refer to Annex I (P. 10-13) & Annex VI (P. 18-32) for the 2023 Business Report, Independent Auditors' Report, Financial Statement, and Profit Distribution Proposal.
- (III) The above-mentioned are hereby submitted for adoption at this shareholders' meeting.

Resolution:

Shares represented at the time of voting : 223,867,665

Voting Results*	% of the total represented share present
Votes in favor : 199,706,412 votes (108,333,022 votes)	89.20%
Votes against : 62,969 votes (62,969 votes)	0.02%
Votes invalid : 0 votes	0.00%
Votes abstained : 24,098,284 votes (24,098,269 votes)	10.76%

*Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby were accepted as submitted.

V. 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 Corp. representative: Yun-An Yu	Masters of Laws, Cornell University Current position : Legal Deputy General Manager and Corporate Governance Supervisor, WIN Semiconductors Corp. Experience : Supervisor, Huga Optotech Inc Director, Youth Hope Foundation	65,408,733
Hui-Fen Chan	LLM, Boston University, USA Bachelor in Law, NTU	0

Director candidates	Education and work experience	Number of shares held as of April 1, 2024
	<p>Current position :</p> <p>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.</p> <p>Experience :</p> <p>Partner Attorney at Law, hl-partners, Attorneys-at-Law Head of Legal Affairs, Siliconware Precision Industries Co., Ltd.</p>	

Independent Director candidates	Education and work experience	Number of shares held as of April 1, 2024
Zhao-Rong Yang	<p>Bachelor, Accounting, National Chengchi University Accounting Department, National Chengchi University</p> <p>Current position :</p> <p>Independent Director, ITEQ Corporation Independent Director, Tigerair Taiwan Co., Ltd. Director, TSAA</p> <p>Experience :</p> <p>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</p>	0
Po-Chiao Chou	<p>Bachelor, Department of Accounting, National Cheng Kung University</p> <p>Current position :</p> <p>Independent Director, ITEQ Corporation Independent Director, Clevo Co.</p> <p>Experience :</p> <p>Managing Director and General Manager, First Bank; Director and Deputy General Manager, First Financial Holding Passed the Civil Service Senior Examination of Auditing Officers</p>	2,417
Cheng-En Ko	<p>DBA (Accounting), University of Minnesota MBA, USC BBA, NTU</p> <p>Current position :</p> <p>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</p>	0

Independent Director candidates	Education and work experience	Number of shares held as of April 1, 2024
	<p>Distinguished Expert at Institute Technology Research Institute (ITRI)</p> <p>Chairman, Taiwan Finance and Industrial Development Association</p> <p>Member of the Review Committee of National Taiwan University Hospital</p> <p>Managing Director of Taiwan Corporate Governance Association</p> <p>Independent Director, Far Eastern New Century Corp.</p> <p>Independent Director, Chang Type Industrial Co., Ltd.</p> <p>Independent Director, Everlight Electronics., Ltd.</p> <p>Experience :</p> <p>Dean of Management, NTU</p> <p>Chairperson and Director of Department of Accounting, NTU</p> <p>Assistant Professor at the University of Southern California</p> <p>Visiting Professor at School of Management of Kyoto University, Japan</p> <p>Visiting scholars at Yale University (USA), University of Washington (USA) and Technical University of Munich (Germany)</p> <p>Member and Scientific Advisor, Board of Science and Technology, Executive Yuan</p> <p>Chairman and President, Chung-Hua Institution for Economic Research</p> <p>Member, Council for Economic Planning and Development</p> <p>Supervisor, Central Bank of the Republic of China</p> <p>Chairman of Taiwan Corporate Governance Association</p> <p>Supervisor and Director, TWSE</p> <p>Supervisor and Director, Taipei Exchange</p> <p>Supervisor, Far Eastone Telecommunications Co., Ltd.</p> <p>Independent Director, Novatek Microelectronics Corp.</p> <p>Independent Director, E.SUN FHC</p>	
Wei-Lung Chen	<p>MBA, NTU</p> <p>Bachelor of Law (Finance), NCCU</p> <p>Current position :</p> <p>Independent Director, IBF Financial Holdings Co., Ltd.</p> <p>Independent Director, A.G.V. Products Corp.</p> <p>Independent Director, Janfusun Fancyworld Corp.</p> <p>Independent Director, Ocean Plastics Co., Ltd.</p> <p>Director, TSAA</p> <p>Experience :</p> <p>Member, Legal Affairs Committee, Executive Yuan</p> <p>Deputy Director General, Insurance Bureau, Financial Supervisory Commission</p> <p>Deputy Director General, Securities and Futures Bureau, Financial Supervisory Commission</p> <p>Director, Chang Hwa Bank</p> <p>Director, TAIFEX</p> <p>General Manager, Securities & Futures Institute</p> <p>Chairperson, SinoPac SITC</p> <p>Chairperson, SinoPac Securities Corp.</p>	0

(I) Please proceed with the election.

Election results: Elected List

Title	Shareholder's No. (ID No.)	Name	Votes Received
Director	00083732	Chin-Tsai Chen	191,865,692 votes
Director	00066698	Hsin-Hui Tsai	145,702,403 votes
Director	00095045	WIN Semiconductors Corp. representative: Ching-Chou Tseng	136,526,442 votes
Director	00095045	WIN Semiconductors Corp. representative: Yun-An Yu	126,795,935 votes
Director	J22020****	Hui-Fen Chan	124,511,148 votes
Independent Director	U10005****	Cheng-En Ko	120,832,908 votes
Independent Director	A11042****	Zhao-Rong Yang	113,839,032 votes
Independent Director	00115501	Po-Chiao Chou	111,735,339 votes
Independent Director	F12256****	Wei-Lung Chen	110,064,857 votes

VI. 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,

Candidate category	Name	Key titles held at other companies
		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:

Shares represented at the time of voting : 223,867,665

Voting Results*	% of the total represented share present
Votes in favor : 199,225,327 votes (107,851,937 votes)	88.99%
Votes against : 157,832 votes (157,832 votes)	0.07%
Votes invalid : 0 votes	0.00%
Votes abstained : 24,484,506 votes (24,484,491 votes)	10.93%

*Including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby were accepted as submitted.

VII. Questions and Motions: None

VIII. Adjournment: At 9:26 a.m. of May 30, 2024.

There were no questions from shareholders at the shareholders meeting.

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
<p>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.</p> <p>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</p>																						

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 uncertainly" , 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	xii.	Amount	xiii.				
Assets										Liabilities and Equity									
Current assets:										Current liabilities:									
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:										2399	Other current liabilities (note 6(s))		<u>56,909</u>	<u>-</u>	<u>60,037</u>	<u>-</u>			
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))		36,279	-	32,684	-		Total current liabilities		<u>10,539,833</u>	<u>32</u>	<u>10,883,035</u>	<u>33</u>						
1550	Investments accounted for using equity method (note 6(e))		42,122	-	47,603	-	2540	Non-current liabilities:											
1600	Property, plant and equipment (notes 6(f), 8 and 9)		7,775,916	23	6,556,717	20	2570	Long-term borrowings (notes 6(k) and 8)		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	2580	Deferred tax liabilities (note 6(n))		800,758	2	460,976	1						
1780	Intangible assets (note 6(i))		9,052	-	9,141	-	2645	Non-current lease liabilities (notes 6(l) and 7)		210,116	1	213,861	1						
1840	Deferred tax assets (note 6(n))		371,093	1	285,385	1		Guarantee deposits received		42,895	-	37,980	-						
1900	Other non-current assets (notes 6(h), (m), 7 and 8)		3,540,444	11	4,684,764	14		Total non-current liabilities		<u>3,399,959</u>	<u>10</u>	<u>2,389,588</u>	<u>7</u>						
	Total non-current assets		<u>12,073,219</u>	<u>36</u>	<u>11,914,668</u>	<u>36</u>		Total liabilities		<u>13,939,792</u>	<u>42</u>	<u>13,272,623</u>	<u>40</u>						
Total assets			<u>\$ 33,379,640</u>	<u>100</u>	<u>33,383,609</u>	<u>100</u>		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>						

(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>	<u>12</u>	<u>3,939,903</u>	<u>14</u>	
	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>	<u>8</u>	<u>2,043,484</u>	<u>7</u>	
	Net operating income	<u>994,869</u>	<u>4</u>	<u>1,896,419</u>	<u>7</u>	
	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>	<u>1</u>	<u>418,706</u>	<u>1</u>	
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>	<u>3</u>	<u>1,855,173</u>	<u>6</u>	
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>-</u>	<u>8,913</u>	<u>-</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>	<u>(1)</u>	<u>230,153</u>	<u>1</u>	
8300	Other comprehensive income (net of tax)	<u>(271,922)</u>	<u>(1)</u>	<u>239,066</u>	<u>1</u>	
	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