Stock Code: 6449



2024 Regular Annual Shareholders' Meeting

Meeting Handbook

May 29, 2024

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Procedures for 2024 Regular Shareholders' Meeting

- I. Meeting Called to Order
- II. Chairperson's Remarks
- III. Reports
- IV. Items to be Adopted
- V. Items for Discussion
- VI. Extraordinary Motions
- VII. Adjournment

Agenda for 2024 Regular Shareholders' Meeting

Meeting Format: In-person with video assistance

Time: 9:00 a.m, Wednesday, May 29, 2024

Venue: 202 Vocational Training Room, 2nd Floor, Administrative Service Center, Jhunan

Science Park, Hsinchu Science Park Bureau, Ministry of Science and Technology

(No. 36-2, Keyan Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.)

Video conference platform: Taiwan Depository & Clearing Corporation:

https://stockservices.tdcc.com.tw

Chapter 1 Meeting called to order: Emcee reports number of shares on attendance.

Chapter 2 Chairperson's Remarks

Chapter 3 Meeting Agenda:

(I) Reports

- 1. 2023 Business Report.
- 2. Audit Committee's Audit Report on the 2023 Business Report and Financial Statements.
- 3. Report on material transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2023.
- 4. Report on the distribution status of the remuneration to employees and directors.

(II) Items to be Adopted

- 1. 2023 Business Report and Financial Statements.
- 2. 2023 Earnings Distribution Plan.

(III) Items for Discussion

1. Proposal of release the prohibition on directors from participation in competitive business.

(IV)Extraordinary Motions

Chapter 4 Adjournment

(I) Reports

I. 2023 Business Report.

Description: Please refer to Attachment I (page 7) of the Meeting Handbook for the Company's 2023 Annual Business Report.

- II. Audit Committee's Audit Report on the 2023 Business Report and Financial Statements. Description: Please refer to Attachment II (page 8) of the Meeting Handbook for the Audit Committee's Audit Report.
- III. Report on material transactions of the Company's investments, financing endorsements, and derivatives overseas and in China in 2023.

Description: Please refer to Attachment III (page 9 - 12) of the Meeting Handbook for the material transactions of the Company.

- IV. Report on the distribution status of the remuneration to employees and directors. Description:
 - The Company shall appropriate no less than 8% of the current year's profit as
 employee bonuses in cash or shares upon approval of the board of directors.
 Employee bonuses may be issued to employees in affiliate companies that meet
 certain criteria. The Company may appropriate no more than 3% of the above profit
 as Directors' remuneration upon approval of the board of directors. The distribution
 plan for the remuneration to employees and directors shall be reported at the
 shareholders' meeting.
 - 2. The Company' profit for 2023 was NT\$420,817,416. It is proposed to allocate NT\$35,769,327 to employees as remuneration and NT\$10,520,391 to directors. A total of NT\$46,289,718 will be paid in cash.

(II) Items to be Adopted

Proposal I (Proposed by the board of directors)

Motion: The 2023 Business Report and Financial Statements submitted for adoption.

Description: The Consolidated Financial Statements and Parent Company Only Financial Statements for the year 2023 have been adopted by resolution by the board of directors on February 20, 2024, audited by the CPAs Wu Tsun-Yuan and Chen Cheng-Hsueh of KPMG Taiwan entrusted by the board of directors. Please refer to Attachment I, IV and V (page 7 and page 13 - 30) of the Meeting Handbook for the Business Report, Consolidated Financial Statements and Individual Financial Statements.

Resolution:

Proposal II (Proposed by the board of directors)

Motion: The 2023 Earnings Distribution Plan is submitted for adoption. Description:

1. According to Article 27-1 of the Company's Articles of Incorporation, the earnings for the year 2023 will be distributed as follows:



Unit: NT\$

Item	Amount	Remarks
Retained Earnings at the Beginning of	672,932,904	
Period		
Add: Disposal of equity instruments at	90,029,463	
fair value through other comprehensive		
income		
Add: Net income for 2023	328,377,660	
Less: Appropriation of legal reserve for	41,840,712	
2023		
Less: Appropriation of special reserve	25,215,647	
Distributable Earnings	1,024,283,668	
Distributable Items:		
Shareholder Dividends (Cash)	202,293,083	NT\$2.3 per share
Retained Earnings at the end of Period	821,990,585	

Note: The number of outstanding shares is 87,953,514.



Manager:



Accounting N



- 2. As for the above-mentioned distributable items of shareholders' cash dividend, if the number of shares outstanding of the Company is affected by the change of the capital stock, and the dividend ratio of the shareholders is changed and needs to be revised, it is proposed that the Chairman shall be authorized to make the corresponding adjustment.
- 3. The cash dividends shall be calculated according to the distribution ratio to the nearest NT\$1 (round off). If the total fractional amount is insufficient to be less than NT\$1, it shall be incorporated into other income.
- 4. As for the dividend distribution, the Chairman shall be authorized to set the ex-dividend date, distribution date and other relevant matters.

Resolution:

(III) Items for Discussion

Proposal I (Proposed by the board of directors)

Motion: The lifting of the non-compete restriction on the directors is hereby proposed for discussion.

Explanation: According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval. If the proposed act of the director submitted to the meeting of shareholders for approval does not harm the interests of the company, the director may be exempt from the restrictions of Article 209 of the Company Act. The proposed exemption is as follows:

Title	Name	Concurrent company and position
Director	Cheng Tun-Jen	Chairman of I-SEE Vision Technology Inc

Resolution:

(IV) Extraordinary Motions

APAQ TECHNOLOGY CO., LTD.

2023 Business Report

I. Business Policy, Implementation Overview and Profitability and Development Analysis

APAQ Technology is committed to the development of conductive polymer materials technology and components, with the best quality and cost, to serve global customers, as an international professional solid state capacitor manufacturing company.

In 2023, due to multiple challenges such as the economic, pandemic, and geopolitical factors, the overall market environment was poor, and global PCs and traditional servers continued to decline. However, with the efforts of the team in APAQ Technology, the shipments and revenue of coiled solid-state capacitors (DIP & V-Chip) and chip-type solid-state capacitors (CAP) have increased compared to 2022, and the revenue in 2023 has reached a record high.

II. Implementation Results of Business Plan

			Unit: N I \$ thousand
Item	2023	2022	Growth rate
Net operating revenue	2,934,913	2,488,694	17.93%
Gross profit	796,853	648,954	22.79%
Operating profit	377,243	272,010	38.69%
Net profit after tax (NPAT)	328,378	338,432	-2.97%

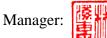
III. Research Development Status and General Condition of Implementation

In 2024, APAQ Technology will continue to develop a series of products such as high-reliability products, high ripple and low ESR coiled (solid-state/hybrid/liquid) capacitors with small size and thinness, and stacked solid-state capacitors, to meet the needs of high-end growth markets such as AI Server, AI PC, Power, and Automotive.

IV. Vision of Continuous Growth

Thanks to the full support of all shareholders, the team has been able to complete the building of production capacity and the development of various new products steadfastly and continuously in the past year, laying a solid foundation for the company's sustainable development. As the Company enters a phase of rapid growth, we sincerely request the continued support and affirmation of our shareholders.







Attachments II

APAQ TECHNOLOGY CO., LTD. Audit Committee's Audit Report

The board of directors has prepared the Company's Annual Business Report,

Consolidated Financial Statements, Parent Company Only Financial Statements and

Earnings Distribution Plan for 2023, in which the Consolidated Financial Statements

and Parent Company Only Financial Statements have been audited by the CPAs Wu

Tsun-Yuan and Chen Cheng-Hsueh of KPMG Taiwan, with the audit report issued.

The aforementioned Annual Business Report, Consolidated Financial Statements,

Parent Company Only Financial Statements and Earnings Distribution Plan have

been verified by the Audit Committee and deemed as appropriate, and reported as

above in accordance with Article 14-4 of the Securities and Exchange Act and Article

219 of the Company Act for approval.

Sincerely,

2024 Regular Shareholders' Meeting of APAQ TECHNOLOGY CO., LTD.

Convener of the Audit Committee:

February 20, 2024

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APAQ TECHNOLOGY CO., LTD.

Material Transactions of the Company's Investments, Financing Endorsements, and Derivatives Overseas and in China in 2023

(I) Information on significant transactions

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the merged company shall disclose the following information concerning material transactions:

1. Financing provided to others:

				o_1											
No.	_	Financing counterparty	Financial statement account	Related party	Maximum balance for the period	Balance at end of the period	Actual amount drawn down	Interest rate range	Nature of financing	Transaction amount	Reason for short-term financing	LOSS	Amount	limits for	Financing company's total financing amount limits
0	The Company		Other receivables - related parties	Yes	194,550	184,230	-	-	Business transaction	1,931,416		-	-	1,165,750	1,165,750
0	The Company	Hubei	Other receivables - related parties	Yes	194,550	184,230	-		Short-term financing facility		Business needs of subsidiary	-	-	1,165,750	1,165,750

Notes1: The amount of the Company's loan to an individual company or business with which the Company has a business relationship shall be limited to the total value of the underlying transactions between the parties.

Notes2: Total amount of financing to external parties shall be limited to 40% of the equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by the CPAs in the most recent period.

2. Endorsement or guarantee provided to others:

				ent/guarantee nterparty	endorsement				Amount of	Ratio of accumulated	Maximum	Guarantee	Guarantee	Guarantaa
	No.	Name of endorsement/ guarantee provider	Name	Relationship	provided to	Maximum balance for the period	Balance at end of the period	drawn	endorsement/	net equity per latest	endorsement	by parent company to a	to parent	Guarantee provided to subsidiaries in Mainland China
Ī	0	The Company	APAQ Wuxi	Subsidiary	2,914,375	226,975	214,935	-	-	7.37%	2,914,375	Y	N	Y
	0	The Company	APAQ Hubei	Subsidiary	2,914,375	226,975	214,935	-	-	7.37%	2,914,375	Y	N	Y

Notes1: The amount of endorsement/guarantee for a single entity is limited to the amount of the Company's most recent consolidated financial statements audited by the CPA attributable to the parent company's owner 's equity.

Notes2: The total amount of endorsements/guarantees to external parties shall be limited to the amount of equity attributable to the owners of the parent company in the balance sheet of the Company's consolidated financial statements as audited (reviewed) by the CPAs in the most recent period.

3. Holding of marketable securities at the end of the period (excluding investments in subsidiaries, associates and joint ventures):

Held	Marketable	Dalationship	,		End of	f the period		
	securities type	Relationship with the issuer	Financial statement account	Shares	Carrying	Shareholding	Foir volue	Remarks
company	and name	with the issuel		Shares	amount	ratio	raii vaiue	
The	U.S. Treasury	None	Financial assets at fair value through profit or loss -	10,000	29,775	- %	29,775	
Company	bonds		current					
The	Foxfortune	None	Financial assets measured at fair value through other	780	25,147	5.80%	25,147	
Company	Technology		comprehensive income - non-current					
	Ventures							
	Limited							
The	Inpaq Korea	None	Financial assets measured at fair value through other	18	4,196	10.73%	4,196	
Company			comprehensive income - non-current					
The	Element I	None	Financial assets measured at fair value through other	1,600	11,696	3.64%	11,696	
Company	Venture Capital		comprehensive income - non-current					
	Co., Ltd.							
The	Kuan Kun	None	Financial assets measured at fair value through other	3,770	76,424	5.39%	76,424	
Company	Electronic		comprehensive income - non-current					
	Enterprise Co.,							
	Ltd.							
The	AICP	None	Financial assets measured at fair value through other	240	2,777	3.20%	2,777	
Company			comprehensive income - non-current					
	Corporation							
The	IPU	None	Financial assets measured at fair value through other	800	23,597	8.00%	23,597	
Company	Semiconductor		comprehensive income - non-current					
	Co., Ltd.							
The	WK Technology	None	Financial assets measured at fair value through other	3,000	27,240	2.67%	27,240	
Company	Fund IX II Ltd.		comprehensive income - non-current					
The	I-See Vision	None	Financial assets measured at fair value through other	5,000	41,880	11.18%	41,880	
Company	Technology Inc.		comprehensive income - non-current					

4. Individual securities acquired or disposed of with accumulated amount of at least NT\$300 million or 20 percent of the paid-in capital:

C	Marketable	Financial			Beginning balance		Acquisition		Disposal				Ending	g balance
Company Name	securities type and name	and name account		Relationship	Shares/ Units	Amount	Shares/ Units	Amount	Shares/ Units	Amount	Carrying value	Gains/ loss on disposal	Shares /Units	Amount
Company	Technology Corporation Common stock	Financial assets measured at fair value through other comprehensive income - current	None	None	4,710	159,248 (Note)	30	1,546	4,740	250,823	160,794	90,029	1	-

Note: The initial amount is the acquisition cost.

- 5. Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
- 6. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7. Related party transactions with purchase or sales amount of at least NT\$100 million or 20% of the paid-in capital: None.

				T	: D-4-!1-			of non-arm's	Notes/a		
				Transact	ion Details		length	transaction	receivable		
					Percentage					Percentage	
					of total					of total	
			Purchases/		purchases	Payment			Ending	receivables	
Company	Counterparty	Relationship	sales	Amount	(sales)	terms	Unit Price	Payment terms	balance	(payable)	Remark
The Company	APAQ Wuxi	Subsidiary	Purchases	1,931,416	99%	60 days	-	Note 1	404,819	96%	Note 2
						monthly settlement					
APAQ Wuxi	APAQ Hubei	Same parent company	Purchases	514,845	38%	120 days monthly settlement	-	Note 1	99,421	22%	Note 2

Notes1: The payment term of general suppliers ranges from 30 days to 90 days on monthly settlement, and the payment term for APAQ Wuxi and APAQ Hubei are 60 days and 120 days settlement time.

Notes2: Related transactions and ending balances have been eliminated from the consolidated financial statements.

8. Receivables from related party reach NT\$100 million or 20% of paid-in capital amount:

			Balance of		Overdue receivables from related parties		A	
			receivables		mom reia	ted parties	Amounts received	
			from related	Turnover		Treatment	in subsequent	Loss
Company	Counterparty	Relationship	parties	rate	Amount	method	periods (Note 2)	allowance
APAQ Wuxi	The	Parent-subsidiary	404,819	-	-	-	120,602	-
	Company		(Note 1)					

Notes1: It includes the receivables generated from sales of goods and lending of loans.

Notes2: It refers to the recovery status as of January 19, 2024.

9. Trading in derivative instruments: None.

10. Parent-subsidiary company business relation and significant transactions:

					Transac	ction details	
No.	Company	Counterparty	Nature of relationship	Financial statement account	Amount	Transaction Terms	Percentage of consolidated revenue or assets
0	The Company	APAQ Wuxi	Parent-subsidiary	Purchase	1,931,416	60 days monthly settlement	66%
0	The Company	APAQ Wuxi	Parent-subsidiary	Sales	68,452	60 days monthly settlement	2%
0	The Company	APAQ Wuxi	Parent-subsidiary	Accounts payable	404,819	60 days monthly settlement	9%
1	APAQ Wuxi	APAQ Hubei	Subsidiary-subsidiary	Purchases	514,845	120 days monthly settlement	18%
1	APAQ Wuxi	APAQ Hubei	Subsidiary-subsidiary	Accounts payable	99,421	120 days monthly settlement	2%

(II) Information on reinvestment:

The information on investees is as follows (excluding investees in Mainland China):

				Original is	nvestment						Investment	
				amo	ount		Ending bala	nce	Highest		profit or	
									ownership	Net income	loss	
									percentage	(loss) of the	recognized	
Investor	Investee		Primary	End of the	End of last			Carrying	during the	investee for	for the	
company	company	Location	business	period	year	Shares	Percentage	value	period	the period	period	Remarks
The	APAQ	Samoa	Holding	1,396,226	1,377,960	45,104	100%	2,268,332	100.00%	137,789	156,089	Subsidiary,
Company	Samoa											Note 1 and
												Note 2
The	AiPAQ	Taiwan	Production	30,000	30,000	3,000	30%	23,378	30.00%	(7,641)	(2,293)	Associate
Company	Technology		and sales of									
	CO., LTD		electronic									
			components									
The	JDX	Taiwan	Production	7,000	7,000	700	23.33%	3,420	23.33%	(7,222)	(2,650)	Associate
Company	Technology		and sales of									
	Co., Ltd.		electronic									
			components									

Notes1: Share of profit/loss includes adjustments for upstream transactions between associates.

Notes2: Related transactions and ending balances have been eliminated from the consolidated financial statements.

(III) Information on investments in Mainland China:

1. Information on reinvestments in Mainland China:

				Accumulated	Investmen	t flows							Accumulated	
				outflow of			Accumulated		The				inward	1
				investment			outflow of		Company's	Highest		Carrying	remittance of	
				from Taiwan			investment		percentage of	ownership	Investment	amount of	investment	1
				as of			from Taiwan as	(loss) of the	direct or	percentage	profit or loss	investment	earnings as	i l
Investee		Paid-in capital	Method of	beginning of	Outflow		of end of the	investee for	indirect	during the	recognized for		of the end of	1
company	Business	(Note 5)	investment	the period	(Note 5)	Inflow	period	the period	ownership	period	the period	of period	period	Remarks
APAQ	Production	1,220,424	Note 1	1,293,113	-	-	1,293,113	144,017	100%	100.00%	144,017	2,235,661	-	Note 4
Wuxi	and sales of	(US\$41,700		(US\$41,700			(US\$41,700				Note 3	Note 3		1
	electronic	thousand)		thousand)			thousand)							i l
	components													i l
Shenzhen	Production	51,589	Note 1	44,898	-	-	44,898	(2,660)	35%	35.00%	(1,350)	49,867	-	i l
Gather	and sales of	(RMB11,900		(RMB9,800			(RMB9,800				Note 3	Note 3		1 1
Electronics	electronic	thousand)		thousand)			thousand)							1 1
Science	components													
Co., Ltd.														i l
APAQ	Production	248,146	Note 2	231,962	15,222	-	247,184	43,424	100%	100.00%	42,645	366,127	-	Note 4
Hubei	and sales of	(US\$8,500		(US\$8,000	(US\$500		(US\$8,500				Note 3	Note 3		1
	electronic	thousand)		thousand)	thousand)		thousand)							1
	components													

2. Limits of reinvestments in Mainland China:

Accumulated investment remitted from Taiwan to Mainland China at the end of the current period (Note 5)	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA) (Note 5)	Upper limit on investment authorized by MOEAIC
1,585,195 (USD50,200 thousand	1,701,766 (USD53,700 thousand	(Note 6)
and RMB9,800 thousand)	and RMB11,900 thousand)	

Notes:1 Investment in Mainland China indirectly through a third region.

Notes:2 Direct investment in Mainland China.

Notes:3 It was recognized based on financial statements of the same period audited by the CPAs.

Notes:4 Related transactions and ending balances have been eliminated from the consolidated financial statements.

Notes:5 The paid-in capital is converted into NT dollars at the exchange rate on the balance sheet date. The amount of investment remitted in the current period is converted into NT dollars at previous exchange rates. The investment amount approved by Investment Commission, MOEA of US\$53,700 thousand and RMB11,900 thousand is converted into NT dollars at previous exchange rates. In addition, as of December 31, 2023, there are approved investment amounts of US\$3,500 thousand and RMB2,100 thousand, of which US\$2,000 thousand had lapsed due to non-execution within three years, and the remaining US\$1,500 thousand and RMB2,100 thousand had not been remitted.

Notes:6 The Company has obtained the certificate letter of enterprise headquarters operation scope issued by the Industrial Development Bureau, MOEA. The upper limits for investments in Mainland China set by the Investment Commission, MOEA no longer apply.



安侯建業併合會計師重務的 KPMG

新竹市300091新竹科學園區展業一路11號 No. 11, Prosperity Road I, Hsinchu Science Park, Hsinchu City 300091, Taiwan (R.O.C.) Attachments IV

Independent Auditors' Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of APAQ TECHNOLOGY CO., LTD. and its subsidiaries (hereinafter referred to as the 'Consolidated Company') as of December 31, 2023 and 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the years ended December 31, 2023 and 2022, along with the notes to the consolidated financial statements (including a summary of significant 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 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC).

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Inventory assessment

For accounting policies related to inventory assessment, please refer to Note IV(VIII) Inventory of the consolidated financial statements. For accounting estimates and assumption uncertainty for inventory assessment, please refer to Note V of the consolidated financial statements. Relevant details can be found in Note VI(V) Net inventory.

Description of the key audit matter:

Since inventory is measured by the lower of cost or net realizable value, businesses need to exercise judgment and estimation to determine the net realizable value of inventory on the reporting date. Due to rapid technological changes, there may be significant fluctuations in net realizable value, leading to potential major changes. Therefore, the assessment for the allowance for price decline in inventories is one of the important evaluation items for the accountant when auditing the Group's consolidated financial statements.

How our audit addressed the matter:

Our main audit procedure for the aforementioned key matters includes obtaining the inventory aging report and checking the general ledger, selecting appropriate samples from the inventory aging report to compare with the transaction documents to verify that the inventory has been placed in the appropriate interval of the inventory aging report, understanding the management's strategy for calculating the net realizable value and checking relevant documents, evaluating the reasonableness of the inventory price decline and the policy for taking stock of obsolete and slow moving inventories, assessing whether the inventory evaluation has been implemented in accordance with the established accounting policies, and evaluating whether the management's disclosure for allowance for price decline in inventories is reasonable.

Other Matters

We have audited and expressed an unqualified opinion with other matter sections on the parent company only financial statements of APAQ TECHNOLOGY CO., LTD. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of Management and Governing Bodies 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) as endorsed by the Financial Supervisory Commission (FSC), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the Audit Committee, are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditing standards will always detect a material misstatement when it exists. Misstatement may arise from fraud or error. Misstatements are considered material if, individually or in 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 auditing standards, we maintain professional skepticism throughout the audit. We also:

- I. 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.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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 to our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- V. 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.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

The matters communicated by the auditor with the governance unit include the planned scope and timing of the audit, as well as significant audit findings (including significant internal control deficiencies identified during the audit process).

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 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

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Letter No.

Financial-Supervisory-Securities-Auditing-

Securities 1040007866 of the Financial Supervisory

Competent Commission
Authority Letter No.

Approval No. Financial-Supervisory-Securities-Auditing-

1020002066 of the Financial Supervisory

Commission

February 20, 2024

APAQ TECHNOLOGY CO. HID. and Subsidiaries Consolidated Balance Sheets Years ended on December 31, 2023 and 2022

		2023.12.3	31	2022.12.31					2023.12.31		2022.12.31	
	Assets	Amount	%	Amount	%		Liabilities and Equity	A	mount	%	Amount	%
	Current assets:						Current liabilities:					
1100	Cash and cash equivalents [Note					2100	Short-term loans [Note VI(XI)]	\$	837,000	17	1,254,000	25
	VI(I)]	\$ 1,124,174	23	1,232,368	25	2170	Accounts payable	Ψ	353,109	7	268,379	5
1110	Financial assets measured at fair					2180	Accounts payable - related		333,107	,	200,577	3
	value through profit or loss -					2100			12,921		8,896	
	current [Note VI(II)]	29,775	1	-	-	2201	parties [Note VII]			- 2		-
1120	Financial assets measured at fair					2201	Payroll and bonus payable		137,035	3	123,208	2
	value through other					2213	Payable on equipment		27,339	1	27,714	1
	comprehensive income - current	t				2280	Lease liabilities - current [Note					
	[Note VI(III)]	-	-	146,010	3		VI(XIII)]		14,294	-	14,627	-
1150	Notes receivable [Note VI(IV)]	49,562	1	46,131	1	2322	Long-term loans due within one					
1170	Accounts receivable [Note VI(IV)]	1,166,299	24	885,458	18		year or one operating cycle					
1180	Accounts receivable - related						[Note VI(XII)]		152,111	3	-	-
	parties [Notes VI(IV) & VII]	60,048	1	46,685	1	2399	Other current liabilities		153,414	3	124,947	3
1310	Inventories, net [Note VI(V)]	684,754	14	773,510	16		 	1.	,687,223	34	1,821,771	36
1479	Other current assets [Note VI(IX)]	53,485	1_	64,389	1		Non-current liabilities:		,007,223		1,021,771	
		3,168,097	65	3,194,551	65	2540	Long-term loans [Note		310,389	6	375,000	8
	Non-current assets:					2340	VI(XII)]		310,307	U	373,000	O
1517	Financial assets measured at fair					2500						
	value through other					2580	Lease liabilities - non-current		10.260		0.40	
	comprehensive income -				_		[Note VI(XIII)]		10,368		840	
4.5.50	non-current [Note VI(III)]	212,957	4	145,021	3				320,757	6	375,840	8
1550	Investments accounted for under		•	00.400	_		Total liabilities	2	,007,980	40	2,197,611	44
1.600	the equity method [Note VI(VI)] 76,665	2	80,623	2		Equity [Note VI(XVI)]:					
1600	Property, plant and equipment	1 20 6 020	26	1 262 210	20	3100	Share capital		889,535	18	889,535	18
1755	[Note VI(VII)]	1,296,039	26	1,363,219	28	3200	Capital surplus		768,493	16	765,757	16
1755	Right-of-use assets [Note VI(VIII)]		1	25,986	- 1	3300	Retained earnings	1.	,372,023	28	1,155,909	24
1780	Intangible assets [Note VI(X)]	25,215	-	26,508	1	3400	Other equity		(75,302)	(1)	(50,087)	(1)
1840	Deferred income tax assets [Note	61 201	1	20.800	1	3500	Treasury stocks		(40,374)	(1)	(40,374)	<u>(1)</u>
1020	VI(XV)]	61,284	1 1	39,800	1	2200	Total equity		,914,375	60	2,720,740	56
1920 1990	Refundable deposits Other pen current assets [Note	29,007	1	23,155	-		- our equity		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		_,,,_0,,,,0	
1990	Other non-current assets [Note VI(IX)]	18,337		19,488			Total liabilities and souit-	ф 4	022.255	100	4 010 251	100
	V I(IA)]	1,754,258	35	1,723,800	35		Total liabilities and equity	3 4.	,922,355	100	4,918,351	<u>100</u>
_												
΄.	Total assets	<u>\$ 4,922,355</u>	<u>100</u>	4,918,351	<u>100</u>							

Chairman: Dr. DJ Zheng

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(See the attached notes to consolidated financial statements)

Manager: Lin Shi-Dong

Accounting Manager: Li Pei-Ling



Unit: NT\$ thousand

APAQ TECHNOLOGY, COLL TD. and Subsidiaries Consolidated Statements of Comprehensive Income For the Years ended of December 31, 2023 and 2022

	For the Tears ended on Determoer	51, 2025 an	u 202	Unit: NT\$ th	nousand
		2023		2022	
		Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XIX) & VII]	\$ 2,934,913	100	2,488,694	100
5110	Cost of goods sold [Notes VI(V), (XX) & VII]	2,138,060	73	1,839,740	74_
5950	Gross profit	796,853	27	648,954	26
6000	Operating expenses [Notes VI(XX) & VII]:				
6100	Selling expenses	124,346	4	106,988	4
6200	Administrative expenses	189,750	6	181,510	7
6300	Research and development expenses	105,514	4	88,446	4
	Total operating expenses	419,610	14	376,944	15
6900	Operating income	377,243	13	272,010	11_
7000	Non-operating income and expenses:				
7020	Other gains and losses [Notes VI(II) & (XXI)]	37,662	-	40,055	2
7050	Financial costs [Notes VI(XIII) & (XXI)]	(29,448)	(1)	(19,232)	(1)
7100	Interest Income [Note VI(XXI)]	18,441	1	7,050	-
7230	Net foreign exchange gain (loss) [Note VI(XXII)]	24,185	1	150,409	6
7370	Share of profit (loss) of associates accounted for under				
	the equity method [Note VI(VI)]	(6,293)		(5,260)	
	Non-operating income and expenses, net	44,547	1	173,022	7
7900	Net income before income tax	421,790	14	445,032	18
7950	Less: Income tax expense [Note VI(XV)]	93,412	3	106,600	4
	Net income for the period	328,378	11	338,432	14_
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to				
	profit or loss				
8316	Unrealized gains (losses) from investments in equity				
	instruments measured at fair value through other				
	comprehensive income	100,014	3	22,984	1_
	Total of items that may not be reclassified				
	subsequently to profit or loss	100,014	3	22,984	1_
8360	Items that may be reclassified subsequently to profit				
	or loss				
8361	Gains and loss on the exchange differences resulting				
	from translating the financial statements in foreign				
	operations	(44,000)	(1)	32,025	1
8399	Less: income tax related to items that may be				
	reclassified [Note VI(XV)]	(8,800)		6,405	
	Total of items that may be reclassified				
0000	subsequently to profit or loss	(35,200)	(1)	25,620	1
8300	Other comprehensive income (net of tax) for the period		2	48,604	2
	Total comprehensive income for the period	<u>\$ 393,192</u>	<u>13</u>	387,036	<u>16</u>
	Earnings per share(Unit: NT\$) [Note VI(XVIII)]				
9750	Basic earnings per share	\$	3.73		3.82
9850	Diluted earnings per share	\$	3.71		3.78

See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zheng

Manager: Lin Shi-D

APAQ TECHNOLOGY CO., ILTD. and Subsidiaries Consolidated Statements of Changes in Equity Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

Other equity items

Gains and loss on

				Retai	ned earnings		the exchange differences	Gains (losses) from investments in			
	Share capital - common stocks	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	resulting from translating the financial statements in foreign operations	equity instruments measured at fair value through other comprehensive income	Total	Treasury stocks	Total equity
Balance as of January 1, 2022	\$ 889,535	765,757	166,116	85,301	743,967	995,384	(92,490)	(6,201)	(98,691)	-	2,551,985
Net income for the period	-	-		-	338,432	338,432	-	-	-	-	338,432
Other comprehensive income for the											
period	-	-	_	-	_	-	25,620	22,984	48,604	_	48,604
Total comprehensive income for the											<u> </u>
period	-	-	-	-	338,432	338,432	25,620	22,984	48,604	-	387,036
Earnings appropriation and distribution:											
Legal reserve appropriated	-	-	30,637	-	(30,637)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	13,390	(13,390)	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	(177,907)	(177,907)	-	-	-	-	(177,907)
Repurchase of treasury stocks			-	-				<u> </u>		(40,374)	(40,374)
Balance as of December 31, 2022	889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740
Net income for the period	-	-	-	-	328,378	328,378	-	-	-	-	328,378
Other comprehensive income for the	2										
period		<u> </u>				-	(35,200)	100,014	64,814		64,814
Total comprehensive income for the											
period					328,378	328,378	(35,200)	100,014	64,814		393,192
Earnings appropriation and distribution:											
Legal reserve appropriated	-	-	33,843	-	(33,843)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(48,604)	48,604	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)
Long-term equity investment shareholding ratio change impact											
amount	-	2,736	-	-	-	-	-	-	-	-	2,736
Disposal of investments in equity instruments measured at fair value											
through other comprehensive					00.020	00.020		(00.020)	(00.020)		
income Release of December 31, 2023					90,029	90,029		(90,029)	(90,029)		-
Balance as of December 31, 2023	<u>\$ 889,535</u>	768,493	230,596	50,087	1,091,340	1,372,023	(102,070)	26,768	(75,302)	(40,374)	2,914,375

(See the attached notes to consolidated financial statements)

Manager: Lin Shi Dong

Accounting Manager: Ling

APAQ TECHNOLOGY CO3 LTD. and Subsidiaries Consolidated Statements of Cash Flows Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

		2023	2022
Cash flows from operating activities:			
Income before income tax for the period	\$	421,790	445,032
Adjustments:		•	
Income and expense items			
Depreciation expenses		243,046	239,563
Amortization		4,708	5,194
Financial assets valuation loss measured at fair value			
through profit or loss		4	-
Interest expenses		29,448	19,232
Interest income		(18,441)	(7,050)
Dividend income		(6,501)	(11,229)
Loss on market value decline and obsolete and			
slow-moving inventories		13,531	13,951
Share of loss of associates accounted for under the equit	y		
method		6,293	5,260
Loss on disposal of property, plant and equipment		1,133	43
Other net expenses and loss having no impact on cash			
flows		360	304
Total profit and loss items		273,581	265,268
Changes in assets/liabilities related to business activities:			
Accounts receivable and notes receivable (including			
related parties)		(311,706)	168,883
Inventories		66,213	(83,264)
Other operating assets		9,384	(688)
Accounts payable (including related parties)		96,657	(140, 138)
Other operating liabilities		38,848	6,993
Total adjustments		172,977	217,054
Cash inflows generated from operations		594,767	662,086
Interest received		19,151	7,050
Dividends received		6,501	11,229
Interest paid		(29,089)	(18,902)
Income tax paid		(100,981)	(116,071)
Net cash inflows generated by operating activities	\$	490,349	545,392

(Continued on next page)

APAQ TECHNOLOGY COS LTD. and Subsidiaries Consolidated Statements of Cash Flows For the Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

	2023	2022
Cash flows from investing activities:		
Acquired financial assets measured at fair value through other	:	
comprehensive income - current	\$ (1,546)	-
Disposal of financial assets measured at fair value through		
other comprehensive income - current	250,823	-
Financial assets measured at fair value through other		
comprehensive income	8,811	-
Acquired financial assets measured at fair value through profi	t	
or loss - current	(29,779)	-
Acquired financial assets measured at fair value through other	:	
comprehensive income - non-current	(80,000)	-
Acquisition of property, plant and equipment	(169,356)	(217,592)
Disposal of property, plant and equipment	190	57
Decrease (increase) in refundable deposits	(6,225)	3,418
Acquisition of intangible assets	(3,417)	-
Decrease in other non-current assets	2,184	5,810
Increase in prepayments for equipment	(9,742)	(8,649)
Net cash inflow (outflow) from investing activities	(38,057)	(216,956)
Cash flows from financing activities:		
Increase in short-term loans	980,000	548,000
Repayment of short-term loans	(1,397,000)	(600,000)
Proceeds from long-term loans	100,000	365,000
Repayment of long-term loans	(12,500)	-
Repayment of lease principal	(19,989)	(23,443)
Distribution of cash dividends	(202,293)	(177,907)
Repurchases of treasury stocks	<u>-</u>	(40,374)
Net cash flows generated from financing activities	(551,782)	71,276
Effect of changes in exchange rate	(8,704)	4,478
Increase (decrease) in cash and cash equivalents for the period	(108,194)	404,190
Beginning balance of cash and cash equivalents	1,232,368	828,178
Ending balance of cash and cash equivalents	<u>\$ 1,124,174 </u>	1,232,368

(See the attached notes to consolidated financial statements)

Chairman: Dr. DJ Zhen



Manager: Lin Shi-Dong



Accounting Manager: Li





安侯建業群合會計師重務的 KPMG

新竹市300091新竹科學園區展業一路11號 No. 11, Prosperity Road I, Hsinchu Science Park, Hsinchu City 300091, Taiwan (R.O.C.) Attachments V

Independent Auditors' Report

To the Board of Directors of APAQ TECHNOLOGY CO., LTD.

Opinion

We have audited the accompanying balance sheets of APAQ TECHNOLOGY CO., LTD. (the "Company") as of December 31, 2023 and 2022, and the related statements of comprehensive income, changes in equity, and cash flows for the years then ended, and notes to parent company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the audit reports of other independent accountants, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not express a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Inventory assessment

For accounting policies related to inventory assessment, please refer to Note IV(VII) Inventory of the financial report. For accounting estimates and assumption uncertainty for inventory assessment, please refer to Note V of the parent company only financial statements. Relevant details can be found in Note VI(V) net inventory.

Description of the key audit matter:

Since inventory is measured by the lower of cost or net realizable value, businesses need to employ judgments and estimates to determine the net realizable value of inventory on the reporting date. Due to rapid technological changes, there may be significant fluctuations in net realizable value, leading to potential major changes. Therefore, the assessment for the allowance for price decline in inventories is one of the important evaluation items for the accountant when auditing the Company's parent company only financial statements.

How our audit addressed the matter:

Our main audit procedure for the aforementioned key matters includes obtaining the inventory aging report and checking the general ledger, selecting appropriate samples from the inventory aging report to compare with the transaction documents to verify that the inventory has been placed in the appropriate interval of the inventory aging report, understanding the management's strategy for calculating the net realizable value and checking relevant documents, evaluating the reasonableness of the inventory price decline and the policy for taking stock of obsolete and slow moving inventories, assessing whether the inventory evaluation has been implemented in accordance with the established accounting policies, and evaluating whether the management's disclosure for allowance for price decline in inventories is reasonable.

Responsibilities of Management and Governing Bodies for the Parent Only Financial Statements

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

In preparing the parent company only financial statements, management is responsible for assessing the 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, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Parent only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 auditing standards will

always detect a material misstatement when it exists. Misstatement may arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

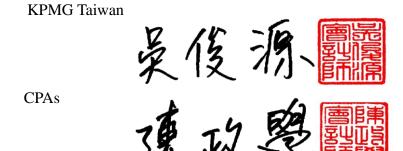
As part of an audit in accordance with auditing standards, we maintain professional skepticism throughout the audit. We also:

- I. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- II. 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.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. 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 to our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Investee companies accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

The matters communicated by the auditor with the governance unit include the planned scope and timing of the audit, as well as significant audit findings (including significant internal control deficiencies identified during the audit process).

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 parent company only financial statements of 2023 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Letter No.

Financial-Supervisory-Securities

-Auditing-1040007866 of the

Securities Financial Supervisory

Competent : Commission Authority : Letter No.

Approval No. Financial-Supervisory-Securities

-Auditing-1020002066 of the

Financial Supervisory

Commission

February 20, 2024

APAQ TECHNOLOGY CO., LTD. Balance Sheets Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

_		2023.12.31		2022.12.31				2023.12.31		2022.12.31	
	Assets	Amount	<u>%</u>	Amount	%		Liabilities and Equity	Amount	%	Amount	%
	Current assets:						Current liabilities:				
1100	Cash and cash equivalents [Note VI(I)]	\$ 526,765	11	933,280	19	2100	Short-term loans [Note VI(XI)]	\$ 837,000	17	1,254,000	26
1110	Financial assets measured at fair value	,		ŕ		2170	Accounts payable	13,741	_	10,023	_
	through profit or loss - current [Note				2180 Accounts payable - related parties [Note		ŕ		,		
	VI(II)]	29,775	1	-	-		VII]	407,051	8	411,978	8
1120	Financial assets measured at fair value					2201	Payroll and bonus payable	93,603	2	85,324	2
	through other comprehensive income -					2213	Payable on equipment	4,938	-	6,475	-
	current [Note VI(III)]	-	-	146,010	3	2280	Lease liabilities - current [Note				
1170	Net Notes and accounts receivable [Note						VI(XIII)]	4,982	-	5,156	-
	VI(IV)]	977,507	20	774,513	16	2322	Long-term loans due within one year or				
1180	Accounts receivable - related parties [Notes						one operating cycle [Note VI(XII)]	152,111	3	-	-
	VI(IV) & VII]	28,098	1	62,001	1	2399	Other current liabilities	69,736	2	54,503	1
1210	Other accounts receivables - related parties							1,583,162	32	1,827,459	37
	[Note VII]	4,025	-	15,736	-		Non-current liabilities:				
1310	Inventories, net [Note VI(V)]	215,663	4	218,531	4	2540	Long-term loans [Note VI(XII)]	310,389	6	375,000	8
1479	Other current assets [Note $VI(X)$]	8,933		8,076		2580	Lease liabilities - non-current [Note				
		1,790,766	37	2,158,147	43		VI(XIII)]	10,368		840	<u> </u>
	Non-current assets:							320,757	6	375,840	8
1517	Financial assets measured at fair value						Total liabilities	1,903,919	38_	2,203,299	45
	through other comprehensive income -		_		_		Equity [Note VI (XVI)]:				
	non-current [Note VI(III)]	212,957	5	145,021	3	3100	Share capital	889,535	18	889,535	18
1550	Investments accounted for under the equity			• 4== +0.4		3200	Capital surplus	768,493	17	765,757	16
4 400	method [Note VI(VI) & VII]	2,662,992	55	2,467,684	50	3300	Retained earnings	1,372,023	29	1,155,909	23
1600	Property, plant and equipment [Note				_	3400	Other equity	(75,302)	(1)	(50,087)	(1)
1555	VI(VII)]	53,775	1	76,230	2	3500	Treasury stocks	(40,374)	(1)	(40,374)	(1)
1755	Right-of-use assets [Note VI(VIII)]	15,293	-	5,899	-		Total equity	2,914,375	62	2,720,740	55
1780	Intangible assets [Note VI(IX)]	24,811	1	26,339	l		Total liabilities and equity	\$ 4,818,294	100	4,924,039	100
1840	Deferred income tax assets [Note VI(XV)]	42,414	1	39,800	1						
1920	Refundable deposits	7,244	-	1,019	-						
1990	Other non-current assets [Note VI(X)]	8,042		3,900							

(See the attached notes to parent company only financial statements)

63

2,765,892

Chairman: Dr. DJ Zheng

Total assets



Manager: Lin Shi-Dong



Accounting Manager: Li Pei-



APAQ TECHNOLOGY CO., LTD. Statements of Comprehensive Income Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

		2023		2022	
		Amount	%	Amount	%
4110	Net sales revenue [Notes VI(XIX) & VII]	\$2,460,981	100	2,114,615	100
5110	Cost of goods sold [Notes VI(V), (XX) & VII]	2,001,589	81	1,760,515	_83_
5950	Gross profit	459,392	19	354,100	17
5910	Add: Unrealized gain or loss on sales [Note VII]	7,849		6,302	
5900	Realized gross profit	467,241	19	360,402	<u>17</u>
6000	Operating expenses [Notes VI(XX) & VII]:				
6100	Selling expenses	74,901	3	59,710	3
6200	Administrative expenses	107,881	5	97,548	5
6300	Research and development expenses	105,514	4_	88,491	4_
	Total operating expenses	288,296	_12	245,749	_12
6900	Operating income	178,945	7	114,653	5_
7000	Non-operating income and expenses:				
7020	Other gains and losses [Notes VI(II) & (XXI)]	8,458	-	16,138	1
7050	Financial costs [Notes VI(XIII) & (XXI)]	(29,369)	(1)	(19,058)	(1)
7100	Interest income [Notes VI(XXI) & VII]	17,553	1	6,811	-
7230	Net foreign exchange gain (loss) [Note VI(XXII)]	5,150	-	112,600	5
7370	Share of profit (loss) of associates accounted for under				
	the equity method [Note VI(VI)]	193,791	8	149,166	7_
	Non-operating income and expenses, net	195,583	8_	265,657	12_
7900	Income before income tax	374,528	15	380,310	17
7950	Less: Income tax expense [Note VI(XV)]	46,150	2	41,878	2
	Net income for the period	328,378	_13_	338,432	<u>15</u>
8300	Other comprehensive income:				
8310	Items that may not be reclassified subsequently to				
	profit or loss				
8316	Unrealized gains (losses) from investments in equity				
	instruments measured at fair value through other				
	comprehensive income	100,014	4_	22,984	1_
	Total of items that may not be reclassified	100,014	4_	22,984	1_
00.00	subsequently to profit or loss				
8360	Items that may be reclassified subsequently to profit				
00.61	or loss	(44.000)	(1)	22.025	
8361	Gains and loss on the exchange differences resulting	(44,000)	(1)	32,025	2
	from translating the financial statements in foreign				
0200	operations				
8399	Less: income tax related to items that may be	(0.000)		C 105	
	reclassified [Note VI(XV)]	(8,800)	(1)	6,405	
	Total of items that may be reclassified subsequently to profit or loss	(35,200)	(1)	25,620	
8300	Other comprehensive income (net of tax) for the period	64,814	3	48,604	3
0500	Total comprehensive income for the period	\$ 393,192	<u></u>	387,036	<u> 18</u>
	Earnings per share (Unit: NT\$)[Note VI(XVIII)]	<u>Ψ 3/3,1/4</u>			10
0750	Basic earnings per share	¢	2 72		2 92
9750	C 1	Φ	3.73		3.82
9850	Diluted earnings per share	<u>D</u>	5./1		3.78

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng



Manager: Lin Shi-Dong



Accounting Manager: Li Pei-Ling

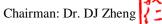


APAQ TECHNOLOGY CO., LTD. Statements of Charge in Equity For the Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

			Retained earnings				_	Gains (losses) from			
	Share capital - common stocks	Capital surplus	Legal reserve	Special reserve	Undistribute d earnings	Total	Gains and loss on the exchange differences resulting from translating the financial statements in foreign operations	investments in equity instruments measured at fair value through other comprehensive income	Total	Treasury stocks	Total equity
Balance as of January 1, 2022	\$ 889,535	765,757	166,116	85,301	743,967	995,384	(92,490)	(6,201)	(98,691)		2,551,985
Net income for the period	-	-	-	-	338,432	338,432	-	=	-	-	338,432
Other comprehensive income for the											
period			-			-	25,620	22,984	48,604	-	48,604
Total comprehensive income for the period	i				338,432	338,432	25,620	22,984	48,604		387,036
Earnings appropriation and distribution:											
Legal reserve appropriated	-	-	30,637	-	(30,637)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	13,390	(13,390)	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	(177,907)	(177,907)	-	-	-	-	(177,907)
Repurchase of treasury stocks			-	-				<u> </u>		(40,374)	(40,374)
Balance as of December 31, 2022	889,535	765,757	196,753	98,691	860,465	1,155,909	(66,870)	16,783	(50,087)	(40,374)	2,720,740
Net income for the period	-	-	-	-	328,378	328,378	-	-	-	-	328,378
Other comprehensive income for the											
period			-			-	(35,200)	100,014	64,814		64,814
Total comprehensive income for the period	i				328,378	328,378	(35,200)	100,014	64,814		393,192
Earnings appropriation and distribution:											
Legal reserve appropriated	-	-	33,843	-	(33,843)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(48,604)	48,604	-	-	-	-	-	-
Cash dividends for common stock	-	-	-	-	(202,293)	(202,293)	-	-	-	-	(202,293)
Long-term equity investment shareholding	;										
ratio change impact amount	-	2,736	-	-	-	-	-	-	-	-	2,736
Disposal of investments in equity											
instruments measured at fair value											
through other comprehensive income		<u> </u>	<u> </u>		90,029	90,029		(90,029)	(90,029)		-
Balance as of December 31, 2023	<u>\$ 889,535</u>	768,493	230,596	50,087	1,091,340	1,372,023	(102,070)	26,768	(75,302)	(40,374)	2,914,375

(See the attached notes to parent company only financial statements)





Manager: Lin Shi-Dong



Accounting Manager: Li Pei-Ling

Other equity items



APAQ TECHNOLOGY CO., LTD. Statements of Cash Flows Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

	 2023	2022
Cash flows from operating activities:		
Income before income tax for the period	\$ 374,528	380,310
Adjustments:		
Income and expense items		
Depreciation expenses	40,048	37,480
Amortization	4,604	5,074
Financial assets valuation loss measured at fair value		
through profit or loss	4	-
Interest expenses	29,369	19,058
Interest income	(17,553)	(6,811)
Dividend income	(6,501)	(11,229)
Reversal of write-downs of inventories	(1,821)	5,100
Share of profit of associates recognized under the equity		
method	(193,791)	(149,166)
Gain on disposal of property, plant and equipment	(1,612)	(2,590)
Unrealized sale profit or loss between associates	(7,849)	(6,302)
Other net expenses and loss having no impact on cash		
flows	 	(140)
Total profit and loss items	 (155,102)	(109,526)
Changes in operating assets and liabilities:		
Notes and accounts receivable	(202,994)	113,747
Notes and accounts receivable - related parties	33,903	(9,849)
Other receivables - related parties	11,711	(3,019)
Inventories	4,689	(12,874)
Other operating assets	(1,569)	(1,151)
Accounts payable	3,718	(2,887)
Accounts payable - related parties	(4,927)	(28,295)
Other operating liabilities	 13,013	350
Total adjustments	 (297,558)	(53,504)
Cash inflows generated from operations	76,970	326,806
Interest received	18,264	8,064
Dividends received	6,501	11,229
Interest paid	(29,010)	(18,783)
Income tax paid	 (29,823)	(53,406)
Net cash inflows generated by operating activities	 42,902	273,910

(Continued on next page)

APAQ TECHNOLOGY CO., LTD. Statements of Cash Flows For the Years ended on December 31, 2023 and 2022

Unit: NT\$ thousand

	2023	2022
Cash flows from investing activities:		
Acquired financial assets measured at fair value through other comprehensive income - current	\$ (1,546)	-
Disposal of financial assets measured at fair value through other comprehensive income - current	250,823	-
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	8,811	-
Acquired financial assets measured at fair value through profit or loss - current	(29,779)	-
Acquired financial assets measured at fair value through other comprehensive income - non-current	(80,000)	-
Acquisition of investments accounted for under the equity method	(33,488)	(55,699)
Acquisition of property, plant and equipment	(12,340)	(20,287)
Disposal of property, plant and equipment	937	57
Other receivables - related parties	-	80,594
Acquisition of intangible assets	(3,076)	-
(Increase) decrease in refundable deposits	(6,225)	3,508
Increase in other non-current assets	(1,526)	(89)
Increase in prepayments for equipment	(2,911)	<u> </u>
Net cash flows generated from investing activities	89,680	8,084
Cash flows from financing activities:		
Increase in short-term loans	980,000	548,000
Repayment of short-term loans	(1,397,000)	(600,000)
Increase in long-term loans	100,000	365,000
Repayment of long-term loans	(12,500)	-
Repayment of lease principal	(7,304)	(7,562)
Distribution of cash dividends	(202,293)	(177,907)
Repurchases of treasury stocks		(40,374)
Net cash flows generated from financing activities	(539,097)	87,157
Increase (decrease) in cash and cash equivalents for the period	(406,515)	369,151
Beginning balance of cash and cash equivalents	933,280	564,129
Ending balance of cash and cash equivalents	\$ 526,765	933,280

(See the attached notes to parent company only financial statements)

Chairman: Dr. DJ Zheng Manager: Lin Shi-Dong

Accounting Manager: Li Pei-Ling

Appendices I

APAQ TECHNOLOGY CO., LTD. Rules and Procedure for Shareholders' Meetings

Shareholders' Meetings on August 24, 2021

- I. Unless otherwise provided in the statute, the shareholders' meeting of the Company shall be governed by the Procedures.
- II. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in. Attendance and voting at a shareholders' meeting shall be calculated based the number of shares.
- III. The venue for a shareholders' meeting shall be the premises of this Corporation, or a place easily accessible to shareholders and suitable for a shareholders' meeting. The meeting shall not begin earlier than 9 a.m. or later than 3 p.m.
- IV. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairperson shall act in place of the chairman; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting.
- V. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders' meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders' meeting shall wear identification cards or arm bands.
- VI. The Company shall record the proceedings of a board meeting in their entirety in audio or video and retain the recorded materials for at least 1 year.
- VII. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than 1 hour, may be made. If the quorum is not met after two postponements, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act. When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.
- VIII. The agenda of the shareholders' meeting, convened by the board of directors, shall be determined by the board of directors and the meeting shall proceed in accordance with the established agenda, which shall not be changed without the resolution of the shareholders' meeting. If a shareholders' meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply mutatis mutandis to a shareholders' meeting convened by a party with the power to convene that is not the board of directors. The chairman shall not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders' meeting. After the meeting is adjourned, the shareholder shall not request the chairman to resume the meeting at the same or another place; If the chairman declares the meeting adjourned in violation of the rules of procedure, a new chair shall be elected by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

- IX. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairman. A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail. When an attending shareholder is speaking, other shareholders shall not speak or interrupt unless they have sought and obtained the consent of the chairman and the shareholder that has the floor; the chairman shall stop any violation.
- X. Except with the consent of the chairman, a shareholder shall not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond. When a meeting is in progress, the chair may announce a break based on time considerations.
- XI. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting. When a juristic person shareholder appoints two or more representatives to attend a shareholders' meeting, only one of the representatives so appointed may speak on the same proposal.
- XII. When the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairman may announce the discussion closed and call for a vote.
- XIII. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, provided that all monitoring personnel shall be shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.

 Except as otherwise provided in the Company Act and in the Articles of Incorporation of the Company, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders. At the time of a vote, it shall be deemed to have been adopted after the chairman has asked the opinions of all shareholders present that there is no objection, and it shall have the same effect as a vote.
- XIV. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
- XV. The chairman may direct the proctors or security personnel to help maintain order at the meeting place. When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word "Proctor". When a shareholder violates the rules of procedure and defies the chair's correction, obstructing the proceedings and refusing to heed calls to stop, the chair may direct the proctors or security personnel to escort the shareholder from the meeting.
- XVI. The establishment of these Rules was adopted by the shareholders' meeting on June 25, 2013. The same procedure shall be followed when the Rules have been amended.
 - The first amendment to these Rules was made at the shareholders' meeting on June 12, 2014.
 - The second amendment to these Rules was made at the shareholders' meeting on August 24, 2021.

Appendices II

APAO TECHNOLOGY CO., LTD.

Articles of Incorporation

Shareholders' Meetings on June 21, 2022

Article 1 The Company is organized in accordance with the provisions of the Company Act for limited liability companies and is named as "鈺邦科技股份有限公司" (English name is "APAQ TECHNOLOGY CO., LTD.").

Article 2 The Company's business scope is as follows:

CC01080 Electronic Parts and Components Manufacturing

CC01110 Computers and Peripheral Equipment Manufacturing

E603050 Automatic Control Equipment Engineering

F401010 International Trade

I501010 Product Designing

Research, development, manufacturing, and sales for the following products:

Aluminum Solid Capacitor, Aluminum Liquid Electrolytic Capacitor and General Electronic Components

- Article 3 The Company set up its head office in the Hsinchu Science Park and may establish branches at home and abroad upon the resolution of the board of directors and approval of the competent authority if necessary.
- Article 4 The Company's investments shall be made according to the resolution of the board of directors of the Company. The total amount of the Company's investments in other companies may exceed forty percent of the amount of its own paid-in capital.

Chapter 2 Shares

Article 5 The total capital of the Company is set as NT\$2 billion, divided into 200 million shares with a par value of NT\$10 per share. All the shares are registered ordinary shares and issued in installments. The unissued shares shall be issued by the resolution of the board of directors according to actual needs. Of which, NT\$60 million is reserved, divided as 6 million shares with a par value of NT\$10 per share, which are used for the issuance of employee stock warrants.

The Company shall, with the consent of at least two-thirds of the voting rights present at the shareholders' meeting attended by shareholders representing a majority of total issued shares, transfer shares to employees at less than the average actual share repurchase price, or issue employee stock warrants at a discount to the closing price of the Company's common shares on the issue date.

Article 5-1 Qualification requirements of transferees of the shares bought back by the Company include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve the requirements and transfer methods.

Qualification requirements of employees entitled to receive share subscription warrant include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve the requirements and issuance methods.

Qualification requirements of employees entitled to receive new shares with restricted rights include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve the requirements and issuance methods.

Qualification requirements of employees who have the right of subscribing new shares for capital increase by cash include the employees of parents or subsidiaries of the Company meeting certain specific requirements. The Board shall be authorized to resolve the requirements and subscription methods.

Article 6 The shares of the Company are all registered shares, shall be numbered, signed or sealed by or affixed with the seals of the directors on behalf of the Company, and shall be issued upon the approval of the certified bank pursuant to the law. The Company may be exempt from printing any share certificate for the shares issued and shall register the issued shares with a centralized securities depositary enterprise.

Article 6-1 Deleted.

Article 7 Shareholders shall provide on file their specimen chop to the Company for recordation and use the same specimen chop to claim dividends and bonuses or exercise the rights. The transfer, gift, establishment and termination of pledge right, loss, damage or other matters of shares shall be handled in accordance with the relevant laws and regulations.

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

Chapter 3 Shareholders' meeting

- Article 9 Shareholders' meetings of the Company are of two kinds:
 - I. Regular shareholders' meetings, which shall be convened at least once a year by the Board of Directors within six months after the close of each fiscal year.
 - II. Special shareholders' meeting, which shall be convened when necessary, according to law.

The adoption of electronic voting at shareholders' meetings is included as one of the channels for shareholders to exercise their voting rights, and the related operations are handled in accordance with the regulations of the competent authorities.

The shareholders' meeting of the Company may be held by video conference or other means as announced by the competent central authorities.

The conditions, operating procedures and other matters to be followed for the adoption of the video of the shareholders' meeting shall be in accordance with the regulations of the competent securities authorities.

- Article 10 The shareholders' meeting shall be chaired by the chairperson of the board. In case the Chairman is on leave or absent or cannot exercise his power and authority for any cause, the Chairman shall designate one of the directors to act on his behalf. In the absence of such a designation, the directors shall elect from among themselves an acting Chairman of the board of directors. If a shareholders' meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chair from among themselves.
- Article 11 A notice to convene a regular meeting of shareholders shall be given to each shareholder no later than 30 days prior to the scheduled meeting date, and a notice of the date, place and reasons to convene a special meeting of shareholders shall be given to each shareholder no later than 15 days prior to the scheduled meeting date. With the consent of addressees, the meeting notice on convening a shareholders' meeting may be given in electronic form.

- Article 12 Deleted.
- Article 13 In case a shareholder is unable to attend a meeting of the board of directors, he or she may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney printed by the Company stating therein the scope of power authorized to the proxy. With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, if the voting rights represented by that proxy exceed three percent of the voting rights represented by the total number of issued shares, the voting rights in excess of that percentage shall not be included in the calculation. The proxy form referred to in the preceding paragraph shall be delivered to the Company five days prior to the shareholders' meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail; provided that this restriction shall not apply to those who declare to revoke the power of attorney.
- Article 14 Except in the circumstances otherwise provided for in relevant laws and regulations, a shareholder of the Company shall have one voting right in respect of each share in his/her/its possession.
- Article 15 Unless otherwise provided for in the Company Act, the resolution at the meeting of shareholders shall be adopted by a majority of the shareholders present who represent the majority of the total number of outstanding 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 chairman, the items of the resolutions and the method of the resolutions. The meeting minutes shall be signed or sealed by the chair of the meeting and shall be retained on the board of directors of the Company together with the attendance book and sign-in cards of the attending shareholders and proxy form for attendance, with a retention period governed by Article 183 of the Company Act. The meeting minutes shall be distributed to the shareholders within 20 days after the meeting in accordance with relevant regulations.

Chapter 4 Directors, Audit Committee, and Managers

- Article 16 The Company has 5 to 9 directors and adopts the candidate nomination system set out in Article 192-1 of the Company Act. Shareholders shall elect directors from among those listed in the slate of director candidates for a term of three years and may be eligible for re- election. The Company may obtain Directors liability insurance with respect to liabilities resulting from exercising their duties during their terms of directorship. The board of directors is fully authorized to handle all matters relating to liability insurance.
 - In accordance with Article 14-4 of the Securities and Exchange Act, the Company has established an audit committee to exercise the powers instead of the supervisors. The audit committee shall be composed of the entire number of independent directors. It shall not be fewer than three persons in number, one of whom shall be convener. Exercise by the audit committee of the powers and matters related thereto shall be conducted in accordance with the provisions of the relevant laws and regulations and shall be prescribed by the board of directors.
- Article 16-1 The number of independent directors in the preceding article shall not be less than three and no less than one fifth of the total number of directors. The professional qualifications, shareholding, concurrent posts restrictions, nomination and election methods of independent directors and other matters that should be complied with, shall be handled in accordance with the relevant laws and regulations of the securities competent authority.

In the process of electing directors, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director elect. The independent and non-independent directors shall be elected at the same time, but in separately calculated numbers.

Article 16-2 Deleted.

- Article 17 A board meeting shall be held quarterly by directors, with powers and duties as follows:
 - I. Formulation of operating policy and review and implementation supervision of business plan.
 - II. Appointment and dismissal of the chief executive officer, general manager and deputy general manager of the Company.
 - III. Establishment and amendment of important rules, regulations and organization of the Company.
 - IV. Establishment and abolition of branches.
 - V. Convening of shareholders' meeting.
 - VI. Resolution of major domestic and foreign investment proposals.
 - VII. Review of the Company's internal regulations and contracts for a period of more than one year.
 - VIII. Election of chairman.
 - IX. Examination of budgets and final settlements.
 - X. making decisions on loans matters.
 - XI. Proposals to shareholders' meetings for the amendments to the Articles of Incorporation, change of capital, dissolution or merger of the Company.
 - XII. Proposals to shareholders' meetings for earnings distribution or covering of losses.
 - XIII. Selection and delegation of CPAs.
 - XIV. Other powers and duties stipulated in the Company Act and delegated by the shareholders' meeting.
- Article 18 The board of directors of the Company shall, in accordance with the law, elect a chairman of the board directors from among the directors. The chairman of the board directors shall be the chairman of the board meeting and shall externally represent the Company.
- Article 19 Unless otherwise provided for in the Company Act, the board of directors meeting shall be convened by the chairman. In case the Chairman of the board of directors is on leave or absent or cannot exercise his power and authority for any cause, the designation of his/her proxy shall be in accordance with the Company Act. A director who appoints another director to attend a board meeting shall issue a proxy form stating the scope of authorization with respect to the reasons for convening the meeting. The proxy referred to in the preceding paragraph may be the appointed proxy of only one person. Directors taking part in the board meeting via visual communication network shall be deemed to have attended the meeting in person.
- Article 19-1 The reasons for calling a board of Directors meeting shall be notified to each Director at least seven days in advance. In emergency circumstances, however, a meeting may be called on shorter notice.

The notice set forth in the preceding paragraph may be served in writing, or by email or fax.

- Deleted. Article 20
- Unless otherwise provided for in the Company Act, resolutions of the board of directors shall Article 21 be adopted by a majority of the directors at a meeting attended by a majority of the directors. However, the following matters shall be subject to the approval of two-thirds of the directors present at the meeting that shall be attended by a majority of all directors:
 - I. Resolution of major domestic and foreign investment proposals.
 - II. Contracts for a period of more than one year.
 - III. Examination of budgets and final settlements.
- Exercise by the audit committee of the powers and matters related thereto shall be conducted Article 22 in accordance with the provisions of the relevant laws and regulations and shall be prescribed by the board of directors.
- Deleted. Article 23

Article 25

- Article 24 The remuneration of directors shall be determined by a meeting of shareholders.
- The Company shall have one general manager, and several deputy general managers. The board of directors may, based on the needs of the organizational function of the Company, appoint a chief executive officer by adoption, who shall, in accordance with the

adoptions of the board of directors, lead the managers referred to in the preceding paragraph

to carry out the material decisions of the Company and all its related enterprises.

The appointment and dismissal of the chief executive officer and general manager shall be subject to the approval by a majority of the directors at a meeting attended by a majority of the directors. The appointment and dismissal of the deputy general manager shall be submitted by the general manager, and subject to the approval by a majority of the directors at a meeting attended by a majority of the directors.

The board of directors shall be authorized to determine the remuneration paid to managers according to their participation in the operation of the Company and the value of their contribution.

The manager referred to in paragraph 1 and paragraph 2 shall be held concurrently by a director.

Chapter 5 Accounting

- Article 26 The fiscal year of the Company begins on January 1 and ends on December 31 of each year. At the end of a fiscal year, the board of directors shall prepare the following reports and statements to be submitted to the shareholders' meeting for recognition in accordance with the law:
 - I. **Business Report**
 - II. **Financial Statements**
 - III. Proposal for earnings distribution or covering of losses
- If the Company has gained profits within a fiscal year, 8% or more of the profits shall be Article 27 reserved as the employees' compensation, which shall be distributed by a resolution adopted by the board meeting in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the Company meeting certain specific requirements. The Company shall allocate not more than 3% of the proceeding profits as the remuneration of directors by a resolution adopted by the board meeting. The distribution plan for the remuneration to employees and directors shall be reported at the shareholders' meeting.

However, in case of the accumulated losses, certain profits shall first be reserved to cover them, and then reserve remuneration to employees and directors in accordance with the proportion mentioned in the preceding paragraph.

Article 27-1 In case of any earnings in the Company's annual final accounting, it shall first pay all taxes and dues and cover its previous losses in accordance with the law, then 10% of the earnings shall be reserved as the statutory surplus reserve; provided that this restriction shall not apply to the circumstances that the statutory surplus reserve has reached the paid-in capital of the Company. Provision or reversal of special surplus reserve shall be made from the remaining earnings in accordance with the law. If there are still earnings left over, the board of directors shall prepare a motion for the earnings distribution for the balance and accumulated retained earnings and submit it to the board of shareholders for a resolution on dividend distribution. The Company is running in a changing industry with intensive capital and technology, in

The Company is running in a changing industry with intensive capital and technology, in which the corporate life cycle is in the stage of stable operation growth, the Company must reserve the surplus to meet the operating growth and investment needs of the fund, thus a surplus dividend policy is adopted in present stage. The distribution of shareholder dividends, in cash or stock forms, shall not be lower than 10% of the distributable surplus for the year. The cash dividends shall be no lower than 10% of the total.

Article 28 Deleted.

Article 29 In addition to the remuneration for the directors prescribed in Article 27 of the Articles, the board of directors shall be authorized to determine the attendance fees for the directors of the Company referring to the standards of the same industry.

Article 30 Deleted.

Chapter 6 Supplementary Provisions

- Article 31 The Company may undertake external guarantee business in accordance with government regulations.
- Article 32 Any matters not covered herein shall be handled in accordance with the requirements of the Company Act and other applicable laws and regulations.
- Article 33 These Articles of Incorporation were formulated by the sponsors' meeting with the consent of all the sponsors on December 23, 2005, and came into force on the date of approval and registration by the competent authority.

The first amendment was made on July 7, 2006, and taken into effect by the resolution of the shareholders' meeting.

The second amendment was made on June 26, 2009, and taken into effect by the resolution of the shareholders' meeting.

The third amendment was made on June 25, 2010, and taken into effect by the resolution of the shareholders' meeting.

The fourth amendment was made on June 22, 2011, and taken into effect by the resolution of the shareholders' meeting.

The fifth amendment was made on June 22, 2012, and taken into effect by the resolution of the shareholders' meeting.

The sixth amendment was made on June 25, 2013, and taken into effect by the resolution of the shareholders' meeting.

The seventh amendment was made on June 12, 2014, and taken into effect by the resolution of the shareholders' meeting.

The eighth amendment was made on June 23, 2015, and taken into effect by the resolution of the shareholders' meeting.

The ninth amendment was made on June 23, 2016, and taken into effect by the resolution of the shareholders' meeting.

The tenth amendment was made on June 20, 2017, and taken into effect by the resolution of the shareholders' meeting.

The eleventh amendment was made on June 26, 2018, and taken into effect by the resolution of the shareholders' meeting.

The twelfth amendment was made on June 19, 2019, and taken into effect by the resolution of the shareholders' meeting.

The thirteenth amendment was made on June 17, 2020, and taken into effect by the resolution of the shareholders' meeting.

The fourteenth amendment was made on June 21, 2022, and taken into effect by the resolution of the shareholders' meeting.

Appendices III

APAQ TECHNOLOGY CO., LTD.

Share Ownership of Directors

- I. As of the book closure date of the regular shareholders' meeting (March 31, 2024), the total number of shares issued by the Company: 88,953,514 shares.
- II. The minimum number of shares required to be held by all directors: 7,116,281 shares.

III. As of the book closure date of the regular shareholders' meeting (March 31, 2024), the number of shares held by individual and all directors in the shareholders register is as follows:

i shares held by individual and an unectors in the shareholders register is as follows.			
Title	Name	The number of shares held in the shareholders register as of the book closure date (March 31, 2024)	Shareholding ratio (%)
Chairman	Cheng Tun-Jen	3,117,358	3.50
Director	Lin Ching-Feng	1,002,000	1.13
Director	Huacheng Venture Capital Co., Ltd. Representative: Hsu Hsien-Yueh	10,668,012	11.99
Director	Hsieh Ming-Yen	0	0
Independent Director	Hsiang Chu-Te	0	0
Independent Director	Liu Chung-Ming	0	0
Independent Director	Wu Yung-Tsai	0	0
Total	Seven Directors	14,787,370	16.62

Appendices IV

APAQ TECHNOLOGY CO., LTD.

Other Explanatory Materials

- I. The impact of this free stock distribution on the company's operational performance, earnings per share, and return on investment for shareholders:
 - The company has no proposed free stock distribution for this shareholder meeting, so it is not applicable.
- II. Shareholder proposal acceptance status:
 - (I) In accordance with Article 172-1 of the Company Act, shareholders holding one percent (1%) or more of the total number of outstanding shares may propose to the Company a proposal for discussion at a regular shareholders' meeting in writing within 300 words, provided that only one matter shall be allowed in each single proposal.
 - (II) The period in which the Company accepts shareholder proposals is from March 19, 2024, to March 29, 2024, which is published on the Market Observation Post System in accordance with the regulations.
 - (III) The Company has not received any shareholder's proposals.