



ICP DAS Co., Ltd.

2024 Shareholders' Meeting

Meeting Handbook

Shareholder Meeting Time: Thursday, June 13, 2024

Shareholder Meeting Location: No. 111, Guangfu North Road, Hukou Township,
Hsinchu County (Company's 1st Floor Meeting Room)

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I. Meeting Procedure

ICP DAS Co., Ltd.

2024 Shareholders' Meeting Procedure

1. Call Meeting to Order
2. Chairman's Address
3. Report Items
4. Acknowledgments
5. Discussions
6. Special Motion
7. Meeting Adjourned

II Meeting Agenda

ICP DAS Co., Ltd. 2024 Shareholders' Meeting Agenda

Meeting Time: 9:00 AM, Thursday, June 13, 2024

Meeting Location: No. 111, Guangfu North Road, Hukou Township, Hsinchu County
(Company's 1st Floor Meeting Room)

Convening method: In-person Shareholders' Meeting

1. Announcement of Meeting (Report on Attendance)
2. Chairman's Address
3. Report Items
 - (1) 2023 Business Report
 - (2) 2023 Audit Committee's Review Report
 - (3) Report on the Distribution of 2023 Employee Compensation and Director Remuneration.
4. Acknowledgments
 - (1) To accept 2023 Business Report and Financial Statements.
 - (2) To accept 2023 Earnings Distribution Table.
5. Discussions
 - (1) Amendment to the Company's Articles of Incorporation.
6. Special Motion
7. Meeting Adjourned

III Report Items

1. 2023 Business Report

Explanatory 2023 Business Report, please refer to attachment 1 (Pages 6 to 10 of this Notes : handbook).

2. 2023 Audit Committee's Review Report

Explanatory Audit Committee's Review Report, please refer to attachment 2 (Pages 11 of this Notes : handbook).

3. Report on the Distribution of 2023 Employee Compensation and Director Remuneration.

Explanatory 1. Pursuant to Article 19 of the "Articles of Incorporation," the Company shall allocate 3% to 12% of the annual profit as employee compensation and no more than 3% of the annual profit as Director remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance.

2. The amount of employee compensation for 2023 is NT\$9,102,000, and the amount of Director remuneration is NT\$1,138,000.

3. Both employee compensation and Director remuneration are paid in cash.

IV Acknowledgments

Proposal 1 (Proposed by the Board of Directors)

Agenda: To accept 2023 Business Report and Financial Statements.

- Explanatory Notes :
1. The Company's 2023 Consolidated Financial Statements and Individual Financial Statements (including Balance Sheets, Statements of Comprehensive Income, Statements of Changes in Equity, and Statements of Cash Flows) have been audited by CPAs Wu, Wui-Hao and Cheng, Ya-Hui of PwC Taiwan, and together with the Business Report, have been submitted to the Audit Committee for review and issuance of an audit report.
 2. For the 2023 Business Report, CPA Audit Report, and the aforementioned Financial Statements, please refer to Attachment 1 (Pages 6 to 10 of this handbook) and Attachment 3 (Pages 12 to 26 of this handbook).

Resolution:

Proposal 2 (Proposed by the Board of Directors)

Agenda: To accept 2023 Earnings Distribution Table.

- Explanatory Notes :
1. For the 2023 Earnings Distribution Table, please refer to Attachment 4 (Page 27 of this handbook).
 2. It is proposed to distribute a cash dividend of NT\$1 per share to shareholders. After the approval of the shareholders' meeting, the chairman is authorized to set the ex-dividend date and other related matters.
 3. If the number of outstanding shares is subsequently affected due to changes in the Company's share capital, resulting in a change in the dividend payout ratio and requiring adjustment, it is proposed to authorize the chairman to handle the matter.
 4. The cash dividends will be distributed to the nearest dollar according to the distribution ratio. Fractional amounts less than one dollar will be rounded down, and the total amount of fractional dollars less than one dollar will be adjusted in the order of decimal places from largest to smallest and shareholder account numbers from the first to the last, until the total amount matches the total cash dividends to be distributed.

Resolution:

V. Discussions

Proposal 1 (Proposed by the Board of Directors)

Agenda: Amendment to the Company's Articles of Incorporation.

Explanatory In order to revise the dividend policy, it is proposed to amend certain provisions of

Notes : the "Articles of Incorporation." For the comparison table of amendments to the "Articles of Incorporation," please refer to Attachment 5 (Page 28 of this handbook).

Resolution:

VI. Special Motion

VII. Meeting Adjourned

Business Report

The consolidated net operating revenue of ICP DAS in 2023 was NT\$1,018,612 thousand, a decrease of 16.72% compared to 2022; the consolidated net profit for 2023 was NT\$82,052 thousand, a decrease of 64.53% compared to 2022; the consolidated gross profit margin remained at 53% and 59% over these two years; the consolidated net profit margin after tax was 8% and 19% in 2023 and 2022, respectively. Earnings per share were NT\$1.28 and NT\$3.62 in 2023 and 2022, respectively.

The following explains the Company's financial performance and development status.

1. Financial Revenue and Expenditure and Profitability - Consolidated Data

Unit: NT\$ thousand

| Item | | 2022 | 2023 |
|-----------------------------------|---------------------------------|-----------|-----------|
| Financial Revenue and Expenditure | Consolidated Net Sales Revenue | 1,223,145 | 1,018,612 |
| | Consolidated Pre-tax Net Profit | 289,444 | 103,085 |
| Profitability | Return on Assets (%) | 14.68% | 5.11% |
| | Return on Equity(ROE)(%) | 19.36% | 6.45% |
| | Net Profit Margin (%) | 18.91% | 8.06% |
| | Earnings Per Share(NT\$) | 3.62 | 1.28 |

1. Financial Revenue and Expenditure and Profitability - Individual Data

Unit: NT\$ thousand

| Item | | 2022 | 2023 |
|-----------------------------------|--------------------------|-----------|---------|
| Financial Revenue and Expenditure | Net Sales Revenue | 1,160,177 | 946,130 |
| | Profit before tax | 289,476 | 103,034 |
| Profitability | Return on Assets (%) | 14.86% | 5.11% |
| | Return on Equity(ROE)(%) | 19.36% | 6.45% |
| | Net Profit Margin (%) | 19.94% | 8.67% |
| | Earnings Per Share(NT\$) | 3.62 | 1.28 |

2. Research and Development Status - Individual Data

Unit: NT\$ thousand

| Item | 2022 | 2023 |
|---|---------|---------|
| Research and development expense | 216,194 | 203,403 |
| Ratio of Research and Development Expenses to Net Sales Revenue | 18.63% | 21.50% |

3. Implementation Results of Business Plans

The COVID-19 pandemic that began in 2021 continued into 2023, causing short-term supply chain shortages. Manufacturers engaged in over-booking, leading to excessive inventory. In 2023, inventory digestion became the primary focus. Moreover, the internal market turmoil in mainland China impacted the global market, resulting in weak and sluggish global demand. The global economy was constrained by lackluster end-market demand and industry inventory adjustments, slowing economic growth momentum. Although domestic private consumption remained relatively stable, weak exports and subdued corporate investment intentions caused Taiwan's economic growth to fall short of expectations. However, ICP DAS accurately grasped the direction of the ESG (Environmental, Social, and Governance) market. With all employees overcoming challenges, the company's turnover maintained a level above NT\$1 billion, albeit slightly lower than in 2022. In 2024, as various factors normalize, the contraction in the U.S. and European manufacturing sectors has shown slight improvement. China's economy is dragged down by the sluggish real estate market, but industrial and commercial activities have recovered. ICP DAS remains highly confident and will continue to move forward with unwavering determination.

ICP DAS continues to invest in the construction and production equipment of its new biomedical business unit. Experiments and products are becoming increasingly comprehensive. With the easing of the pandemic and the reopening of travel, more international visitors and distributors participated in various exhibitions held in 2023. ICP DAS has also completed overseas exhibitions and visits to distributors, gaining a better understanding of TPU customer information and significantly increasing the visibility of its biomedical TPU products. In 2023, through the expansion of market business, new customers recognized and were willing to use ICP DAS's TPU (Thermoplastic Polyurethane) for new products. However, trial use and certification still require some time. It is believed that ICP DAS's biomedical TPU will deliver even stronger performance in 2024.

In 2023, ICP DAS focused on Asia, particularly Taiwan and mainland China, increasing business and sales support, and strengthening ODM (Original Design Manufacturing) customized product development services for key customers. Furthermore, the company collaborated with different types of institutions and companies across industries to expand demand in various sectors. These experiences were promoted to different countries to jointly explore the global market.

In terms of overseas markets, ICP DAS also focused on countries such as India and Southeast Asian regions, including ASEAN countries like Indonesia, Vietnam, and Thailand. This year, the company will continue to conduct online application case sharing, online product training, and product training in Taiwan to facilitate communication with overseas customers. Simultaneously, ICP DAS will strengthen business information communication and project protection with key customers in other countries to achieve business goals.

In the domestic market, ICP DAS regularly holds product launches and industry application case sharing sessions in the northern, central, and southern regions. Customers and distribution partners are invited to visit the smart factory at the Hukou headquarters to understand the practical applications of the Internet of Things (IoT) and Industry 4.0. The company also dedicates efforts to expand its customer base in different industry applications, providing customized services that meet customer needs to achieve win-win and mutually beneficial objectives.

In conclusion, ICP DAS employs a multi-faceted approach to expand its business and explore the global market. This includes customer visits, online activities, exhibitions, and cross-industry collaborations. At the same time, the company maintains a strong focus on the domestic market, developing customers across different industries and providing customized services to achieve mutually beneficial win-win outcomes.

By strengthening its business and product development efforts, ICP DAS has significantly enhanced its product image and brand visibility. The company's domestic business marketing achievements in 2023 are as follows:

- 20 advertisements published
- 73 press releases
- 5 exhibitions
- 6 media seminars
- 3 self-organized physical seminars, 1 online seminar
- 4 issues of PACTECH Technical Newsletter
- Digital media promotion
 - 15 media videos
 - Facebook fan page: 30 posts on product and event promotion, 7 application cases
 - Facebook ad placement: 6 periods with a total of 17 ads
 - Line official account: 28 posts on case sharing and related event information

In terms of overseas marketing results:

- Online exhibitions/online seminars/online forums participated this year
2 online seminars on 12/02 and 12/16
2023 online training plan
- India Automation Exhibition booth poster
- Taiwan-Japan Online Matchmaking Poster/Company Introduction PPT/Virtual Showroom - Product Information
- CIS Handbook (English concise version)
- Chinese blog, 17 articles published
- English blog, 16 articles published
- ICP DAS Blog/ICP DAS Journal Application Case Sharing • A total of 16 articles published

In addition, for the new biomedical business of ICP DAS, the domestic and overseas marketing results are as follows:

- English version of the official website launched
- Establishment of pages for all product series
- Update of biomedical brand introduction presentation in Chinese/English
- Revision of biomedical catalog
- Major exhibitions
Medical Taiwan
Singapore MMA Medical Manufacturing Exhibition
Germany Compamed Medical Exhibition
Shenzhen CMEF Medical Exhibition
- International press release, a total of 3 articles published
Including 11 languages: Traditional Chinese, Simplified Chinese, English, French, German, Japanese, Korean, Malay, Spanish, Portuguese, Thai
LinkedIn, Facebook post publishing
- In 2023, a total of 11 posts and 1 video were published

4. Research and Development Status

[Product R&D Results]: A total of 137 new products were developed in 2023. The most important was the launch of the iWSN wireless meter product line, promoted to the semiconductor manufacturing industry where construction is difficult, greatly reducing construction costs and time. Strenuously promote ICP DAS's Energy Management System (EMS), including meters, meter concentrators, plus IoTstar's Dashboard & Report Service, and expand the supported databases to 3 mainstream databases, forming a complete solution that allows customers to more easily choose based on site and scale.

[Industry Trends]

The concepts of "Internet of Things," "Industry 4.0," and "Industrial Internet of Things" have penetrated various industries. Additionally, the government has introduced the "5+2" industrial policy (five major innovative industries: Asia Silicon Valley,

biotechnology and medicine, green energy technology, smart machinery, and national defense aerospace, plus new agriculture and circular economy as key promotion industries). The R&D direction of ICP DAS Technology still focuses on the "Internet of Things" and "Industrial Internet of Things." Different products have been successively launched for the "perception layer" and "application layer." The goals are "front-end intelligence," "reliable transmission," and "intelligent application" to meet market demands. It also provides flexible production services customized to different customer specification requirements, which is most favored by customers.

ICP DAS Technology's products have evolved from the earliest PC-based DAQ Card & Remote I/O, PAC, Fieldbus Converter & Gateway, Industry Communication to M2M and Indusoft (OPC UA). The technical development of all products is moving towards comprehensive integrated applications, including data acquisition, control strategy algorithms, fieldbus converters, gateway communication technology, connection of various devices, controllers, and databases, further achieving integration with cloud computing or big data. In other words, it has fully entered a 5C stage, which includes:

- Data Collection : PC-based DAQ Card, Remote I/O
- Computing : PAC , Motion Card, WISE
- Control : PAC, Motion, WISE
- Communication : Fieldbus Converter & Gateway, Industry Communication
- Connection : Indusoft, OPC UA, SmartView, M2M, IoTstar

In response to market demands, ICP DAS has sequentially launched solutions such as "Industrial Internet of Things (IIoT Solution)," "Energy Management," "Smart Factory/Smart Manufacturing," "Building Automation," and "Smart Farming & Agriculture." Using the implementation experience of the "Smart Factory" at ICP DAS's Hukou headquarters, including HVAC, lighting control system, power monitoring system, temperature and humidity monitoring system, face recognition system, air quality monitoring system, and Indusoft integration technology, as learning examples for introducing "Industry 4.0." ICP DAS Technology will further focus on the application and promotion of overall solutions for the Internet of Things, Industry 4.0, big data, intelligent manufacturing, and digital transformation of smart factories. In terms of energy management and energy conservation and carbon reduction, it covers the energy conversion efficiency monitoring of solar power generation and wind power generation, the electrical safety of factory transformers, the power consumption information of factory air conditioning, lighting, and equipment, the usage status of equipment, the predictive diagnosis and preventive maintenance of equipment, etc. Through different exhibitions, seminars, and PACTech quarterly newsletters, we introduce them to our distributors and customers, enhance our understanding of customers' needs, provide appropriate optimal solutions, integrate industry knowledge with partners from various industries, serve customers in each industry, and jointly create excellence.

Best regards,

Chairman: Yeh, Nai-Ti Managerial Officer: Chen, Ruei-Yu Accounting manager: Cheng, Pi-Yu

ICP DAS Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 Business Report, Financial Statements, and Earnings Distribution Proposal. The 2023 Financial Statements have been audited and a report has been issued by PwC Taiwan. The above-mentioned statements and reports have been reviewed and found to be correct by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report for your review.

To:
2024 Annual General Meeting of Shareholders of ICP DAS Co., Ltd.

Convener of the Audit Committee

March 4, 2024

INDEPENDENT AUDITORS' REPORT

(113) Financial Audit Report No. 23004177.

ICP DAS Co., Ltd.

Audit Opinion

The individual balance sheets of ICP DAS Co., Ltd. Group as of December 31, 2023 and 2022, as well as the consolidated statements of comprehensive income, consolidated statements of changes in equity, individual statements of cash flows for the years then ended January 1 to December 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies, have been audited by us.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of ICP DAS Group as of December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the year then ended January 1 to December 31, 2023 and 2022, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Announcements endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinions

“The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants’ responsibilities under those standards will be further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section. The personnel of the firm to which the accountants belong have remained independent of ICP DAS Group in accordance with the Code of Ethics for Professional Accountants in the Republic of China, and have fulfilled other ethical responsibilities in accordance with the Code. We believe and obtain sufficient and appropriate audit evidence as a basis for our opinion.

Key Audit Matter

Key audit matters refers to those which, in accordance with the professional judgment of the CPA, are of utmost importance for the Consolidated Financial Statements of ICP DAS Group’s audit for 2023. These matters have been addressed in the process of auditing the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Consolidated Financial Statements of ICP DAS Group for 2023 are listed as follows:

Inventory Allowance for Loss on Decline in Market Value

Event Description

The accounting policies, significant accounting estimates and assumptions regarding inventory valuation, and the explanation of the accounting item for inventory loss allowance, please refer to Note 4.(11), 5.(2), and 6.(3) of the consolidated financial statements. As of December 31, 2023, the balances of inventories and allowance for inventory valuation losses of ICP DAS Group were NT\$785,033 thousand and NT\$153,125 thousand respectively.

ICP DAS Group is primarily engaged in the production and sales of industrial computer hardware, software, and peripherals. Since the market demand for industrial control, real-time monitoring, and automation products is diverse, ICP DAS Group needs to stock various types of products to meet the demand, resulting in a higher risk of inventory obsolescence. Moreover, as the assessment process often involves subjective judgments, it may lead to a high degree of uncertainty in accounting estimates. Therefore, the provision for inventory valuation of ICP DAS Group has been identified as one of the most critical audit matters for the current year.

Audit Procedures in Response

The auditor has performed the following audit procedures for inventories exceeding a certain aging period and individually obsolete inventories:

1. Based on our understanding of ICP DAS Group, we assessed the reasonableness of the policies and procedures adopted for the valuation of inventory allowances, including determining the extent of inventory obsolescence using historical information, and evaluating the reasonableness of the inventory allowance policies.
2. Review its annual inventory plan and observe the annual inventory count and management status to assess the effectiveness of management's segregation and control of obsolete inventory.
3. Verify the accuracy of the inventory aging report and the information on inventory turnover, to ensure that the report information is consistent with the relevant policies.
4. Inspect and verify the accuracy of the calculation of inventory impairment losses, and assess the appropriateness of the allowance for impairment losses.

Parent Company Only Financial Statements

ICP DAS Group has prepared its 2023 and 2022 individual financial statements, and the certified public accountant has issued an unqualified audit report, which is available for reference.

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

The 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, International Accounting Standards, Interpretations, and Interpretative Announcements endorsed and issued into effect by the Financial Supervisory Commission, and for maintaining effective internal control relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing ICP DAS 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 the management either intends to liquidate ICP DAS Group or to cease operations, or has no realistic alternative but to do so.

Those in charge with ICP DAS Group's governance (including the Audit Committee) are responsible for overseeing its financial reporting process.

The Responsibilities of Auditors for the Audit of Consolidated Financial Statements

The purpose of our audit of the consolidated financial statements is 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. Reasonable assurance is a high level of assurance, but according to the auditing standards generally accepted in the Republic of China, the audit work performed cannot guarantee that all material misstatements in the consolidated financial statements will be detected. Misstatements can arise from fraud or error. An item is considered material if there is a reasonable possibility that its individual or aggregated amount, if misstated, would influence the economic decisions of users made on the basis of the consolidated financial statements.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements. design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ICP DAS Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICP DAS Group's ability to continue as a going concern. When the auditor concludes that a material uncertainty exists, the auditor shall draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, modify the opinion on the consolidated financial statements. The auditor's conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause ICP DAS Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the related notes) and whether the consolidated financial statements appropriately represent the underlying transactions and events.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated

financial statements. The auditor is responsible for the direction, supervision and performance of the group audit and for expressing an opinion on the consolidated financial statements of the Group.

The CPA communicated with the governance unit, among other matters, the planned scope and timing of the audit, as well as significant audit findings (including any significant deficiencies in internal control that were identified during the audit).

We also provided to the governing body a statement that the personnel of the firm to which they belong have complied with the ethical requirements regarding independence outlined in the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and communicated with the governing body all relationships and other matters that may reasonably be thought to bear on their independence (including related safeguards).

From the communication with the management unit, the CPA decided on the key audit matters for the Consolidated Financial Statements of ICP DAS Group for 2023. The auditor shall communicate such matters in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wu, Wei-Hao and Cheng, Ya-Hui.

PwC Taiwan
Taipei, Taiwan
Republic of China
March 4, 2024

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CONSOLIDATED BALANCE SHEET

nit: NTD Thousand

The notes to the consolidated financial statements are an integral part of these consolidated financial reports. Please refer to them together.

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ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
December 31, 2023, and 2022

Unit: NTD Thousand (Except earnings per share in NTD)

| Item | Note | 2023 | | 2022 | |
|---|-----------------|-------------------|--------------|--------------------|--------------|
| | | Amount | % | Amount | % |
| 4000 Operating Revenue | 6(18) | \$ 1,018,612 | 100 | \$ 1,223,145 | 100 |
| 5000 Operating Costs | 6(22)(23) | (485,723) | (47) | (502,607) | (41) |
| 5900 Operating gross profit | | <u>532,889</u> | <u>53</u> | <u>720,538</u> | <u>59</u> |
| Operating Expenses | 6(22)(23) and 7 | | | | |
| 6100 Marketing expenses | | (128,187) | (13) | (122,034) | (10) |
| 6200 General and administrative expenses | | (104,276) | (10) | (105,056) | (8) |
| 6300 Research and development expense | | (203,404) | (20) | (216,194) | (18) |
| 6450 Expected credit impairment gains | | <u>58</u> | <u>-</u> | <u>20</u> | <u>-</u> |
| 6000 Total operating expenses | | <u>(435,809)</u> | <u>(43)</u> | <u>(443,264)</u> | <u>(36)</u> |
| Other Non-Operating Income and Expenses | | | | | |
| 6500 Other non-operating income and expenses | 6(8)(19) | <u>2,348</u> | <u>-</u> | <u>2,959</u> | <u>-</u> |
| 6900 Operating Profit | | <u>99,428</u> | <u>10</u> | <u>280,233</u> | <u>23</u> |
| Operating Income and Expenses | | | | | |
| 7100 Interest revenue | | 837 | - | 661 | - |
| 7010 Other revenue | 6(20) | 7,139 | 1 | 2,744 | - |
| 7020 Other Gains and Losses | 6(21) | (571) | - | 7,844 | 1 |
| 7050 Financial costs | 6(10)(12) and 7 | (3,748) | (1) | (2,038) | - |
| 7000 Total non-operating income and expenses | | <u>3,657</u> | <u>-</u> | <u>9,211</u> | <u>1</u> |
| 7900 Profit Before Tax | | <u>103,085</u> | <u>10</u> | <u>289,444</u> | <u>24</u> |
| 7950 Income tax expense | 6(24) | (21,033) | (2) | (58,098) | (5) |
| 8200 Net Profit for the Period | | <u>\$ 82,052</u> | <u>8</u> | <u>\$ 231,346</u> | <u>19</u> |
| Other Comprehensive Income (Net) | | | | | |
| Items That May not Be Reclassified to Profit or Loss | | | | | |
| 8311 Remeasurements of defined benefit plan | 6(13) | \$ 9,644 | 1 | (\$ 6,255) | - |
| 8316 Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income | 6(17) | <u>1,579</u> | <u>-</u> | <u>1,273</u> | <u>-</u> |
| 8310 Total of items that may not be reclassified to profit or loss | | <u>11,223</u> | <u>1</u> | <u>(4,982)</u> | <u>-</u> |
| Items That May Be Subsequently Reclassified to Profit or Loss | | | | | |
| 8361 Exchange differences on translation of foreign financial statements | 6(17) | (1,912) | - | 1,574 | - |
| 8360 Total items that may be subsequently reclassified to profit or loss | | <u>(1,912)</u> | <u>-</u> | <u>1,574</u> | <u>-</u> |
| 8300 Other Comprehensive Income (Net) | | <u>\$ 9,311</u> | <u>1</u> | <u>(\$ 3,408)</u> | <u>-</u> |
| 8500 Total Comprehensive Income | | <u>\$ 91,363</u> | <u>9</u> | <u>\$ 227,938</u> | <u>19</u> |
| Net income attributable to: | | | | | |
| 8610 Owner of the parent company | | <u>\$ 82,052</u> | <u>8</u> | <u>\$ 231,346</u> | <u>19</u> |
| Total Comprehensive Income Belong to | | | | | |
| 8710 Owner of the parent company | | <u>\$ 91,363</u> | <u>9</u> | <u>\$ 227,938</u> | <u>19</u> |
| Earnings per Share | 6(25) | | | | |
| 9750 Basic Earnings per Share Attributable to Owners of the Parent Company | | <u>\$ 1.28</u> | <u>1.28</u> | <u>\$ 3.62</u> | <u>3.62</u> |
| 9850 Net Earnings per Share Attributable to Owners of the Parent Company | | <u>\$ 1.28</u> | <u>1.28</u> | <u>\$ 3.59</u> | <u>3.59</u> |

The notes to the consolidated financial statements are an integral part of these consolidated financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

December 31, 2023, and 2022

Unit: NTD Thousand

| | | Equity Attributable to Owners of the Parent Company | | | | | | | | | | | | | | | |
|-------------|-------------------------------|---|---------------|-----------------|------------------------|-----------------------|---|---|--------------|----------|---------|---------|---------|-------|-------|-----------|-----------|
| | | Retained Earnings | | | | Other Equity Interest | | | | | | | | | | | |
| | | | | | | | Exchange Differences on Translation of Foreign Financial Statements | Unrealized Gains (Losses) From Financial Assets Measured at Fair Value Through Other Comprehensive Income | | | | | | | | | |
| Note | Capital Stock - Common Shares | Capital Surplus - Share Premium | Legal Reserve | Special Reserve | Undistributed Earnings | | | | Total Equity | | | | | | | | |
| <u>2022</u> | | | | | | | | | | | | | | | | | |
| | \$ | 528,642 | \$ | 68,630 | \$ | 149,934 | \$ | 7,084 | \$ | 373,983 | (\$ | 9,401) | \$ | 2,005 | \$ | 1,120,877 | |
| | | - | | - | | - | | - | | 231,346 | | - | | - | | 231,346 | |
| | 6(17) | - | | - | | - | | - | (| 6,255) | | 1,574 | | 1,273 | (| 3,408) | |
| | | - | | - | | - | | - | | 225,091 | | 1,574 | | 1,273 | | 227,938 | |
| | 6(16) | | | | | | | | | | | | | | | | |
| | | - | | - | | 16,828 | | - | (| 16,828) | | - | | - | | - | |
| | | - | | - | | - | | 312 | (| 312) | | - | | - | | - | |
| | | - | | - | | - | | - | (| 79,296) | | - | | - | (| 79,296) | |
| | | 52,864 | | - | | - | | - | (| 52,864) | | - | | - | | - | |
| | | \$ | 581,506 | \$ | 68,630 | \$ | 166,762 | \$ | 7,396 | \$ | 449,774 | (\$ | 7,827) | \$ | 3,278 | \$ | 1,269,519 |
| <u>2023</u> | | | | | | | | | | | | | | | | | |
| | | \$ | 581,506 | \$ | 68,630 | \$ | 166,762 | \$ | 7,396 | \$ | 449,774 | (\$ | 7,827) | \$ | 3,278 | \$ | 1,269,519 |
| | | - | | - | | - | | - | | 82,052 | | - | | - | | 82,052 | |
| | 6(17) | - | | - | | - | | - | (| 9,644 | (| 1,912) | | 1,579 | | 9,311 | |
| | | - | | - | | - | | - | (| 91,696 | (| 1,912) | | 1,579 | | 91,363 | |
| | 6(16) | | | | | | | | | | | | | | | | |
| | | - | | - | | 22,509 | | - | (| 22,509) | | - | | - | | - | |
| | | - | | - | | - | (| 2,847) | | 2,847 | | - | | - | | - | |
| | | - | | - | | - | | - | (| 87,226) | | - | | - | (| 87,226) | |
| | | 58,151 | | - | | - | | - | (| 58,151) | | - | | - | | - | |
| | | \$ | 639,657 | \$ | 68,630 | \$ | 189,271 | \$ | 4,549 | \$ | 376,431 | (\$ | 9,739) | \$ | 4,857 | \$ | 1,273,656 |

The notes to the consolidated financial statements are an integral part of these consolidated financial reports. Please refer to them together.

● Chairman: Yeh, Nai-Ti

● Managerial Officer: Chen, Ruei-Yu

● Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

December 31, 2023, and 2022

Unit: NTD Thousand

| | Note | 2023 | 2022 |
|---|-------|-------------|-------------|
| <u>Cash Flows from Operating Activities</u> | | | |
| Net profit before tax for the current period | | \$ 103,085 | \$ 289,444 |
| Adjustment item | | | |
| Income and expense items | | | |
| Expected credit impairment gains | 6(2) | (58) | (20) |
| Depreciation expenses (including right-of-use assets and investment properties) | 6(22) | 56,558 | 51,254 |
| Various amortization | 6(22) | 1,298 | 1,307 |
| Interest revenue | | (837) | (661) |
| Interest expense | | 3,748 | 2,038 |
| Cost transferred from property, plant and equipment | | - | 1,945 |
| Changes in operating assets/liabilities | | | |
| Net changes in liabilities relating to operating activities | | | |
| Notes receivable | | 1,987 | 2,373 |
| Accounts receivable | | (4,514) | 9,441 |
| Other receivables | | 364 | 764 |
| Inventories | | 3,634 | (182,825) |
| Prepayments | | 3,446 | 11,388 |
| Net changes in assets relating to operating activities | | | |
| Contract liability - Current | | (782) | (2,345) |
| Accounts payable | | (37,951) | (15,152) |
| Other payables | | (34,700) | 8,064 |
| Other current liabilities | | 6,581 | 371 |
| Net defined benefit liability- non-current | | (2,019) | (2,653) |
| Cash flows from operating activities | | 99,840 | 174,733 |
| Interest charged | | 837 | 661 |
| Interest payable | | (3,748) | (2,038) |
| Income tax paid | | (41,656) | (50,000) |
| Net cash inflows from operating activities | | 55,273 | 123,356 |
| <u>Cash Flows from Investing Activities</u> | | | |
| Property, plant, and equipment | 6(26) | (31,766) | (124,472) |
| Acquire intangible assets | | (816) | (428) |
| Increase in refundable deposits | | 305 | (1,227) |
| Increase other non-current assets | | (13,736) | (10,060) |
| Net cash outflow from operating activities | | (46,013) | (136,187) |
| <u>Cash Flows from Financing Activities</u> | | | |
| Principal repayments of lease liabilities | 6(27) | (4,377) | (4,352) |
| Repayment of short-term loans | | (630,000) | (360,000) |
| Raise short-term loans | | 680,000 | 430,000 |
| Raise long-term loans | | 100,000 | - |
| Repayment of long-term loans | | (62,000) | (32,000) |
| Decrease in other payables – related parties | | - | (7,167) |
| Increase (decrease) in margin deposits | | (12) | 110 |
| Cash dividends | 6(16) | (87,226) | (79,296) |
| Net cash outflow from financing activities | | (3,615) | (52,705) |
| Foreign exchange adjustment amount | | (1,585) | 1,972 |
| Increase (decrease) in cash and cash equivalents for the current period | | 4,060 | (63,564) |
| Beginning cash and cash equivalent balances | | 87,178 | 150,742 |
| End of period cash and cash equivalents balance | | \$ 91,238 | \$ 87,178 |

The notes to the consolidated financial statements are an integral part of these consolidated financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

INDEPENDENT AUDITORS' REPORT

(113) Financial Audit Report No. 23004180.

ICP DAS Co., Ltd.

Audit Opinion

The individual balance sheets of ICP DAS Co., Ltd. as of December 31, 2023 and 2022, as well as the individual statements of comprehensive income, individual statements of changes in equity, individual statements of cash flows for the years then ended January 1 to December 31, 2023 and 2022, and notes to the individual financial statements, including a summary of significant accounting policies, have been audited by us.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of ICP DAS Co., Ltd. as of December 31, 2023 and 2022, and its individual financial performance and its individual cash flows for the year then ended January 1 to December 31, 2023 and 2022, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinions

“The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants’ responsibilities under those standards will be further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section. The personnel of the firm to which the accountants belong have remained independent of ICP DAS Co., Ltd. in accordance with the Code of Ethics for Professional Accountants in the Republic of China and have fulfilled other ethical responsibilities in accordance with the Code. The Certified Public Accountant believes that sufficient and appropriate audit evidence has been obtained to provide a basis for the audit opinion.

Key Audit Matter

Key audit matters refer to those matters that, in our professional judgment, were of most significance in the audit of the 2023 individual financial statements of ICP DAS Co., Ltd. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the 2023 individual financial statements of Transcend Information, Inc. are as follows:

Inventory Allowance for Loss on Decline in Market Value

Event Description

The accounting policies, significant accounting estimates and assumptions for inventory valuation, and the explanation of the accounting item for inventory loss allowance, please refer to Notes 4.(9), 5(2), and 6(3) of the individual financial statements. As of December 31, 2023, the balances of inventories and allowance for inventory valuation losses of ICP DAS Co., Ltd. were NT\$763,223 thousand and NT\$134,210 thousand, respectively.

ICP DAS Co., Ltd. is primarily engaged in the production and sales of industrial computer hardware, software, and peripherals. Since the market demand for industrial control, real-time monitoring, and automation products is diverse, ICP DAS Co., Ltd. needs to stock various types of products to meet the demand, resulting in a higher risk of inventory obsolescence. Moreover, as the assessment process often involves subjective judgments, it may lead to a high degree of uncertainty in accounting estimates. Therefore, the provision for inventory valuation of ICP DAS Co., Ltd. has been identified as one of the most critical audit matters for the current year.

Corresponding Audit Procedures

The auditor has performed the following audit procedures for inventories exceeding a certain aging period and individually obsolete inventories:

7. Based on our understanding of ICP DAS Co., Ltd., we assessed the reasonableness of the policies and procedures adopted for the valuation of inventory allowances, including determining the extent of inventory obsolescence using historical information, and evaluating the reasonableness of the inventory allowance policies.
8. Review its annual inventory plan and observe the annual inventory count and management status to assess the effectiveness of management’s segregation and control of obsolete inventory.
9. Verify the accuracy of the inventory aging report and the information on inventory turnover, to ensure that the report information is consistent with the relevant policies.
10. Inspect and verify the accuracy of the calculation of inventory impairment losses and assess the appropriateness of the allowance for impairment losses.

Management's and Those Charged with Governance Responsibilities for the Individual Financial Statements

The responsibilities of management are to prepare individual financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing ICP DAS Co., Ltd.'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 the management either intends to liquidate ICP DAS Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

The governance entities (including the Audit Committee) of ICP DAS Co., Ltd. are responsible for overseeing the financial reporting process.

The Responsibilities of Auditors for the Audit of Financial Statements

The purpose of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, however is not a guarantee that an audit conducted in accordance with the Republic of China Auditing Standards will always be able to detect material misstatements. Misstatements can arise from fraud or error. Materiality is considered to exist if an individual amount or aggregate of misstatements can reasonably be expected to influence the economic decisions made by users of the financial statements.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

11. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as 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.
12. 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 ICP DAS Co., Ltd.'s internal control.
13. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
14. 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 ICP DAS Co., Ltd.'s ability to continue as a going concern. If the CPA concludes that a material uncertainty exists, it is required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICP DAS Co., Ltd. to cease to continue as a going concern.
15. Evaluate the overall presentation, structure and content of the individual financial statements (including related notes), and whether the individual financial statements appropriately present the underlying transactions and events.
16. To obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities within ICP DAS Co., Ltd. to express an opinion on the entity's financial statements. The CPA is responsible for the direction, supervision and performance of the entity audit, and remain solely responsible for the audit opinion on the entity's financial statements.

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

We also provided to the governing body a statement that the personnel of the firm to which they belong have complied with the ethical requirements regarding independence outlined in the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and communicated with the governing body all relationships and other matters that may reasonably be thought to bear on their independence (including related safeguards).

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the individual financial statements of ICP DAS Co., Ltd. for the year 2023. The CPA communicates 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.

The engagement partners on the audits resulting in this independent auditors' report are Wu, Wei-Hao and Cheng, Ya-Hui.

PwC Taiwan
Taipei, Taiwan
Republic of China
March 4, 2024

ICP DAS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

| Assets | | Note | December 31, 2023 | | December 31, 2022 | | Liabilities and Equity | | Note | December 31, 2023 | | December 31, 2022 | |
|---------------------------|--|------------|---------------------|------------|---------------------|------------|--------------------------------|--|-------|---------------------|------------|---------------------|------------|
| | | | Amount | % | Amount | % | | | | Amount | % | Amount | % |
| Current Assets | | | | | | | Current Liabilities | | | | | | |
| 1100 | Cash and cash equivalents | 6(1) | \$ 27,726 | 2 | \$ 33,483 | 2 | 2100 | Short-term loans | 6(9) | \$ 120,000 | 7 | \$ 70,000 | 4 |
| 1150 | Net notes receivable | 6(2) | 3,708 | - | 4,191 | - | 2130 | Contract liability- Current | 6(17) | 6,686 | - | 7,749 | 1 |
| 1170 | Net accounts receivable | 6(2) | 84,152 | 5 | 77,707 | 5 | 2170 | Accounts payable | | 37,217 | 2 | 74,265 | 4 |
| 1180 | Net accounts receivable - related parties | 6(2) and 7 | 7,381 | 1 | 9,516 | - | 2200 | Other payables | 6(10) | 83,007 | 5 | 116,933 | 7 |
| 130X | Inventories | 6(3) | 629,013 | 38 | 621,573 | 37 | 2230 | Current tax liabilities | 6(22) | 31,435 | 2 | 44,491 | 3 |
| 1410 | Prepayments | | 7,120 | - | 9,984 | 1 | 2320 | Current portion of long-term liabilities | 6(11) | - | - | 32,000 | 2 |
| 11XX | Total Current Assets | | <u>759,100</u> | <u>46</u> | <u>756,454</u> | <u>45</u> | 2399 | Other current liabilities – Others | | <u>9,387</u> | <u>1</u> | <u>2,806</u> | <u>-</u> |
| Non-Current Assets | | | | | | | 21XX | Total Non-Current Liabilities | | <u>287,732</u> | <u>17</u> | <u>348,244</u> | <u>21</u> |
| 1517 | Non-current financial assets measured at fair value through other comprehensive income | 6(4) | 16,307 | 1 | 14,333 | 1 | Non-Current Liabilities | | | | | | |
| 1550 | Investments accounted for using equity method | 6(5) | 103,331 | 6 | 108,829 | 7 | 2540 | Long-term loans | 6(11) | 70,000 | 4 | - | - |
| 1600 | Property, plant, and equipmen | 6(6) and 8 | 724,408 | 43 | 724,853 | 44 | 2570 | Deferred income tax liabilities | 6(22) | 1,214 | - | 2,211 | - |
| 1780 | Intangible assets | | 3,403 | - | 3,885 | - | 2640 | Net defined benefit liability- Non-current | 6(12) | <u>32,108</u> | <u>2</u> | <u>46,182</u> | <u>3</u> |
| 1840 | Deferred income tax assets | 6(22) | 43,378 | 3 | 39,136 | 2 | 25XX | Total Non-Current Liabilities | | <u>103,322</u> | <u>6</u> | <u>48,393</u> | <u>3</u> |
| 1900 | Other non-current assets | 6(8) and 7 | <u>14,783</u> | <u>1</u> | <u>18,666</u> | <u>1</u> | 2XXX | Total Liabilities | | <u>391,054</u> | <u>23</u> | <u>396,637</u> | <u>24</u> |
| 15XX | Total Non-Current Assets | | <u>905,610</u> | <u>54</u> | <u>909,702</u> | <u>55</u> | Equity | | | | | | |
| 1XXX | Total Assets | | <u>\$ 1,664,710</u> | <u>100</u> | <u>\$ 1,666,156</u> | <u>100</u> | | Capital stock | 6(13) | | | | |
| | | | | | | | 3110 | Capital stock - Common shares | | 639,657 | 39 | 581,506 | 35 |
| | | | | | | | | Capital surplus | 6(14) | | | | |
| | | | | | | | 3200 | Capital surplus | | 68,630 | 4 | 68,630 | 4 |
| | | | | | | | | Retained earnings | 6(15) | | | | |
| | | | | | | | 3310 | Legal reserve | | 189,271 | 11 | 166,762 | 10 |
| | | | | | | | 3320 | Special reserve | | 4,549 | - | 7,396 | - |
| | | | | | | | 3350 | undistributed earnings | | 376,431 | 23 | 449,774 | 27 |
| | | | | | | | | Other equity interest | 6(16) | | | | |
| | | | | | | | 3400 | Other equity interest | | (4,882) | - | (4,549) | - |
| | | | | | | | 3XXX | Total Equity | | <u>1,273,656</u> | <u>77</u> | <u>1,269,519</u> | <u>76</u> |
| | | | | | | | | Significant commitments and contingencies | 9(2) | | | | |
| | | | | | | | 3X2X | Total Liabilities and Equity | | <u>\$ 1,664,710</u> | <u>100</u> | <u>\$ 1,666,156</u> | <u>100</u> |

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2023, and 2022

Unit: NTD Thousand (Except earnings per share in NTD)

| Item | Note | 2023 | | 2022 | |
|---|-----------------|------------|-------|--------------|-------|
| | | Amount | % | Amount | % |
| 4000 Operating Revenue | 6(17) and 7 | \$ 946,131 | 100 | \$ 1,160,177 | 100 |
| 5000 Operating Costs | 6(3)(20)(21) | (464,319) | (49) | (481,249) | (42) |
| 5900 Operating Gross Profit | | 481,812 | 51 | 678,928 | 58 |
| 5910 Unrealized Profit on Sales | | (19,618) | (2) | (26,879) | (2) |
| 5920 Realized Profit on Sales | | 26,879 | 3 | 12,438 | 1 |
| 5950 Net Operating Gross Profit | | 489,073 | 52 | 664,487 | 57 |
| Operating Expenses | 6(20)(21) and 7 | | | | |
| 6100 Selling and marketing expense | | (87,490) | (9) | (83,049) | (7) |
| 6200 General and administrative expenses | | (87,206) | (9) | (86,351) | (7) |
| 6300 Research and development expense | | (203,404) | (22) | (216,194) | (19) |
| 6450 Expected credit impairment gains (losses) | | 58 | - | (58) | - |
| 6000 Total operating expenses | | (378,042) | (40) | (385,652) | (33) |
| 6900 Operating Profit | | 111,031 | 12 | 278,835 | 24 |
| Operating Income and Expenses | | | | | |
| 7100 Interest revenue | | 417 | - | 204 | - |
| 7010 Other revenue | 6(18) and 7 | 5,884 | 1 | 1,853 | - |
| 7020 Other gains or losses | 6(19) | (182) | - | 9,777 | 1 |
| 7050 Financial costs | | (3,748) | (1) | (1,958) | - |
| 7070 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method | 6(5) | (10,368) | (1) | 765 | - |
| 7000 Total non-operating income and expenses | | (7,997) | (1) | 10,641 | 1 |
| 7900 Profit Before Tax | | 103,034 | 11 | 289,476 | 25 |
| 7950 Income tax expense | 6(22) | (20,982) | (2) | (58,130) | (5) |
| 8200 Net Profit for the Period | | \$ 82,052 | 9 | \$ 231,346 | 20 |
| Other Comprehensive Income (Net) | | | | | |
| Items that May not Be Reclassified to Profit or Loss | | | | | |
| 8311 Remeasurements of defined benefit plan | 6(12) | \$ 9,644 | 1 | (\$ 6,255) | - |
| 8316 Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income | 6(16) | 1,579 | - | 1,273 | - |
| 8310 Total of items that may not be reclassified to profit or loss | | 11,223 | 1 | (4,982) | - |
| Items That May Be Subsequently Reclassified to Profit or Loss | | | | | |
| 8380 Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method | 6(16) | (1,912) | - | 1,574 | - |
| 8360 Total items that may be subsequently reclassified to profit or loss | | (1,912) | - | 1,574 | - |
| 8300 Other Comprehensive Income (Net) | | \$ 9,311 | 1 | (\$ 3,408) | - |
| 8500 Total Comprehensive Income | | \$ 91,363 | 10 | \$ 227,938 | 20 |
| Basic Earnings per Share | 6(23) | | | | |
| 9750 Total basic Earnings per Share | | \$ 1.28 | | \$ 3.62 | |
| Diluted Deficit per Share | 6(23) | | | | |
| 9850 Total Diluted Deficit per Share | | \$ 1.28 | | \$ 3.59 | |

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

ICP DAS CO., LTD.
PARENT COMPANY CHANGES IN EQUITY

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

| | Note | Capital Stock - Common Shares | Capital Surplus - Share Premium | Retained Earnings | | Undistributed Earnings | Other Equity Interest | | Total Equity |
|--|-------|----------------------------------|------------------------------------|-------------------|-----------------|---------------------------|---|--|---------------------|
| | | | | Legal Reserve | Special Reserve | | Exchange Differences on Translation of Foreign Financial Statements | Unrealized Gains (Losses) From Financial Assets Measured at Fair Value Through Other Comprehensive Income | |
| <u>2022</u> | | | | | | | | | |
| Balance as of January 1, 2022 | | \$ 528,642 | \$ 68,630 | \$ 149,934 | \$ 7,084 | \$ 373,983 | (\$ 9,401) | \$ 2,005 | \$ 1,120,877 |
| Net income in 2022 | | - | - | - | - | 231,346 | - | - | 231,346 |
| Other comprehensive income in 2022 | 6(16) | - | - | - | - | (6,255) | 1,574 | 1,273 | (3,408) |
| Total comprehensive income in 2022 | | - | - | - | - | 225,091 | 1,574 | 1,273 | 227,938 |
| Appropriation and distribution of earnings | 6(15) | | | | | | | | |
| Legal reserve | | - | - | 16,828 | - | (16,828) | - | - | - |
| Special reserve | | - | - | - | 312 | (312) | - | - | - |
| Cash dividends | | - | - | - | - | (79,296) | - | - | (79,296) |
| Stock dividends | | 52,864 | - | - | - | (52,864) | - | - | - |
| Balance as of December 31, 2022 | | <u>\$ 581,506</u> | <u>\$ 68,630</u> | <u>\$ 166,762</u> | <u>\$ 7,396</u> | <u>\$ 449,774</u> | <u>(\$ 7,827)</u> | <u>\$ 3,278</u> | <u>\$ 1,269,519</u> |
| <u>2023</u> | | | | | | | | | |
| Balance as of January 1, 2023 | | \$ 581,506 | \$ 68,630 | \$ 166,762 | \$ 7,396 | \$ 449,774 | (\$ 7,827) | \$ 3,278 | \$ 1,269,519 |
| Net income in 2023 | | - | - | - | - | 82,052 | - | - | 82,052 |
| Other comprehensive income in 2023 | 6(16) | - | - | - | - | 9,644 | (1,912) | 1,579 | 9,311 |
| Total comprehensive income in 2023 | | - | - | - | - | 91,696 | (1,912) | 1,579 | 91,363 |
| Appropriation and distribution of earnings | 6(15) | | | | | | | | |
| Legal reserve | | - | - | 22,509 | - | (22,509) | - | - | - |
| Special reserve | | - | - | - | (2,847) | 2,847 | - | - | - |
| Cash dividends | | - | - | - | - | (87,226) | - | - | (87,226) |
| Stock dividends | | 58,151 | - | - | - | (58,151) | - | - | - |
| Balance as of December 31, 2023 | | <u>\$ 639,657</u> | <u>\$ 68,630</u> | <u>\$ 189,271</u> | <u>\$ 4,549</u> | <u>\$ 376,431</u> | <u>(\$ 9,739)</u> | <u>\$ 4,857</u> | <u>\$ 1,273,656</u> |

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

INDIVIDUAL STATEMENT OF CASH FLOWS

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

| | <u>Note</u> | <u>2023</u> | <u>2022</u> |
|---|-------------|------------------|--------------------|
| <u>Cash Flows from Operating Activities</u> | | | |
| Net profit before tax of the period | | \$ 103,034 | \$ 289,476 |
| Adjustment item | | | |
| Revenue and expense items | | | |
| Expected credit losses | 6(2) (| 58) | 58 |
| Depreciation expenses (right-of-use asset) | 6(20) | 48,981 | 43,567 |
| Various amortization | 6(20) | 1,298 | 1,307 |
| Share of profit or loss of subsidiaries accounted for using the equity method | | 10,368 (| 765) |
| Unrealized gross profit on sales | (| 7,261) | 14,441 |
| Interest revenue | (| 417) | 204) |
| Interest expense | | 3,748 | 1,958 |
| Cost transferred from property, plant and equipment | | - | 1,945 |
| Changes in operating assets/liabilities | | | |
| Net changes in liabilities relating to operating activities | | | |
| Notes Receivable | | 488 (| 831) |
| Accounts receivable | (| 6,392) | 14,498 |
| Accounts receivable due from related parties | | 2,135 | 5,543 |
| Other receivables | | - | 758 |
| Inventories | (| 7,440) | 187,854) |
| Prepayments | | 2,865 | 11,287 |
| Net changes in assets relating to operating activities | | | |
| Contract liability - Current | (| 1,063) | 1,328) |
| Accounts payable | (| 37,048) | 13,906) |
| Other payables | (| 33,532) | 9,453 |
| Other current liabilities | | 6,581 | 372 |
| Net defined benefit liability - non-current | (| 2,019) | 2,653) |
| Cash flows from operating activities | | 84,268 | 187,122 |
| Interest income | | 417 | 204 |
| Interest payable | (| 3,748) | 1,958) |
| Income tax paid | (| 41,605) | 49,313) |
| Net cash inflow from operating activities | | <u>39,332</u> | <u>136,055</u> |
| <u>Cash Flows from Operating Activities</u> | | | |
| Property, plant, and equipment | 6(24) (\$ | 31,624) | (\$ 124,166) |
| Acquire intangible assets | (| 816) | (428) |
| Decrease (increase) in refundable deposits | | 294 (| 1,184) |
| Increase other non-current assets | (| 13,717) | (10,060) |
| Net Cash outflow from operating activities | (| <u>45,863)</u> | <u>(135,838)</u> |
| <u>Cash Flows from Financing Activities</u> | | | |
| Raise short-term loans | 6(25) | 680,000 | 430,000 |
| Repayment of short-term loans | (| 630,000) | (360,000) |
| Repayment of long-term loans | (| 62,000) | (32,000) |
| Raise long-term loans | | 100,000 | - |
| Distribute cash dividends | 6(15) (| 87,226) | (79,296) |
| Net cash inflows (outflow) from financing activities | | <u>774</u> | <u>(41,296)</u> |
| Increase (decrease) in cash and cash equivalents for the current period | (| 5,757) | (41,079) |
| Beginning cash and cash equivalent balances | | 33,483 | 74,562 |
| Ending cash and cash equivalents balance | | <u>\$ 27,726</u> | <u>\$ 33,483</u> |

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

Attachment IV

ICP DAS Co., Ltd.
Earnings Distribution Table
2023

Unit: Unit: NTD

| Item | | Amount | |
|------|--|-------------|-------------|
| | | Subtotal | Total |
| ① | Undistributed earnings at the beginning of the period | 284,735,422 | |
| ② | Plus: Net profit after tax for the period | 82,052,336 | |
| ③ | Plus:Adjustment to retained earnings for 2023 (Note 1) | 9,643,766 | |
| ④ | Less: Appropriation of legal reserve ((④)=(②+③)*10%) | 9,169,610 | |
| ⑤ | Less: Appropriation of special reserve (Note 2) | 333,222 | |
| ⑥ | Subtotal of earnings available for distribution for 2023 ((⑥)=②+③-④-⑤) | 82,193,270 | |
| ⑦ | Accumulated earnings available for distribution as of the current year ((⑦)=①+⑥) | | 366,928,692 |
| | Items for earnings distribution for 2023 | | |
| | Distribution of dividends and bonuses to shareholders (Note 3) | | |
| | Cash dividends to shareholders (NT\$1.0 distributed per share) | 63,965,653 | |
| ⑧ | Total amount distributed for the current year | | 63,965,653 |
| ⑨ | Undistributed earnings at the end of the period ((⑨)=⑦-⑧) | | 302,963,039 |

- Note 12023 adjustment to retained earnings due to actuarial gains and losses on defined benefit plans.
- Note 22023 appropriation of special reserve in the same amount as the debit balance of other equity items.
- Note 3The amount of earnings distribution is from the earnings of 2023.

Chairman: Yeh, Nai-Ti

Managerial Officer: Chen, Ruei-Yu

Accounting Manager: Cheng, Pi-Yu

ICP DAS Co., Ltd.

Articles of Incorporation (before amendment)

| Article | Before The Revision | After The Revision | Reason for Amendment |
|------------|--|--|---------------------------------------|
| Article 20 | With regard to the business operations of the Company, as the Company's business is currently in the growth stage, the dividend distribution policy shall take into account the current and future operational plans, investment projects, capital budgets, changes in internal and external environments, as well as the interests of shareholders and the balance of dividends. Each year, the Board of Directors shall propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders shall not be less than 10% of the total shareholder dividends. | With regard to the business operations of the Company, as the Company's business is currently in the growth stage, the dividend distribution policy shall take into account the current and future operational plans, investment projects, capital budgets, changes in internal and external environments, as well as the interests of shareholders and the balance of dividends. Each year, the Board of Directors shall propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. <u>The principle of dividend distribution is that at least 20% of the current year's distributable surplus shall be distributed as cash dividends.</u> The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders shall not be less than 10% of the total shareholder dividends. | Revision of Dividend Policy |
| Article 22 | These Articles of Incorporation were established on July 27, 1993. The first amendment was made on March 27, 1997. The second amendment was made on December 16, 2002. The third amendment was made on December 27, 2002. The fourth amendment was made on September 24, 2003. The fifth amendment was made on September 20, 2005. The sixth amendment was made on December 6, 2005. The seventh amendment was made on June 28, 2007. The eighth amendment was made on June 13, 2008. The ninth amendment was made on June 16, 2009. The tenth amendment was made on June 18, 2010. The eleventh amendment was made on June 18, 2012. The twelfth amendment was made on June 22, 2015. The thirteenth amendment was made on June 13, 2016. The fourteenth amendment was made on June 12, 2020. The fifteenth amendment was made on June 14, 2022. The sixteenth amendment was made on June 9, 2023 | These Articles of Incorporation were established on July 27, 1993. The first amendment was made on March 27, 1997. The second amendment was made on December 16, 2002. The third amendment was made on December 27, 2002. The fourth amendment was made on September 24, 2003. The fifth amendment was made on September 20, 2005. The sixth amendment was made on December 6, 2005. The seventh amendment was made on June 28, 2007. The eighth amendment was made on June 13, 2008. The ninth amendment was made on June 16, 2009. The tenth amendment was made on June 18, 2010. The eleventh amendment was made on June 18, 2012. The twelfth amendment was made on June 22, 2015. The thirteenth amendment was made on June 13, 2016. The fourteenth amendment was made on June 12, 2020. The fifteenth amendment was made on June 14, 2022. The sixteenth amendment was made on June 9, 2023 <u>The seventeenth amendment was made on June 13, 2024</u> | Addition of amendment number and date |

ICP DAS Co., Ltd.
Articles of Incorporation (before amendment)

Chapter 1 General Provisions

Article 1: The Company is incorporated in accordance with the Company Act and is named 泓格科技股份有限公司. The English name is ICP DAS Co., Ltd.

Article 2: The business scope of the Company is as follows:

| | |
|---------|---|
| C801100 | Synthetic Resin and Plastic Manufacturing |
| CB01010 | Mechanical Equipment Manufacturing |
| CC01010 | Manufacture of Power Generation, Transmission and Distribution Machinery |
| CC01030 | Electrical Appliances and Audiovisual Electronic Products Manufacturing |
| CC01060 | Wired Communication Mechanical Equipment Manufacturing |
| CC01070 | Wireless Communication Mechanical Equipment Manufacturing |
| CC01080 | Electronics Components Manufacturing |
| CC01100 | Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing |
| CC01110 | Computer and Peripheral Equipment Manufacturing |
| CE01010 | General Instrument Manufacturing |
| E603050 | Automatic Control Equipment Engineering |
| E604010 | Machinery Installation |
| E605010 | Computer Equipment Installation |
| EZ05010 | Instrument and Meters Installation Engineering |
| F107170 | Wholesale of Industrial Catalyst |
| F107200 | Wholesale of Chemical Feedstock |
| F107990 | Wholesale of Other Chemical Products |
| F108031 | Wholesale of Medical Devices |
| F113020 | Wholesale of Electrical Appliances |
| F113030 | Wholesale of Precision Instruments |
| F113050 | Wholesale of Computers and Clerical Machinery Equipment |
| F207170 | Retail Sale of Industrial Catalyst |
| F207200 | Retail Sale of Chemical Feedstock |
| F207990 | Retail Sale of Other Chemical Products |
| F208031 | Retail Sale of Medical Apparatus |
| F213010 | Retail Sale of Electrical Appliances |
| F213030 | Retail Sale of Computers and Clerical Machinery Equipment |

| | |
|---------|--|
| F213040 | Retail Sale of Precision Instruments |
| F213050 | Retail Sale of Measuring Instruments |
| F213060 | Retail Sale of Telecommunication Apparatus |
| F218010 | Retail Sale of Computer Software |
| F219010 | Retail Sale of Electronic Materials |
| F401010 | International Trade |
| I101070 | Agriculture, Forestry, Fishing and Livestock Consulting |
| I301010 | Information Software Services |
| I301020 | Data Processing Services |
| I301030 | Electronic Information Supply Services |
| IG03010 | Energy Technical Services |
| JA02010 | Electric Appliance and Electronic Products Repair |
| ZZ99999 | All business activities that are not prohibited or restricted by law, except those that are subject to special approval. |

Article 2-1: The Company may, by resolution of the Board of Directors, provide endorsement and guarantee for invested businesses.

Article 2-1: The total amount of the Company's reinvestment shall not be subject to the restriction of not exceeding 40% of the paid-in capital as provided in Article 13 of the Company Act.

Article 3: The Company is headquartered in Hsinchu County. When necessary, it may establish branches or representative offices domestically or overseas upon resolution of the Board of Directors and approval from the competent authority.

Article 4: Public announcements of the Company shall be made in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 5: The total authorized capital of the Company is NT\$800,000,000, divided into 80,000,000 shares at NT\$10 par value per share. The Board of Directors is authorized to issue the unissued shares in separate trenches. The authorized capital in the preceding paragraph includes NT\$75,000,000 reserved for the exercise of employee stock options.

Article 5-1: When the Company issues employee stock warrants with an exercise price lower than the closing price of the Company's common shares on the issue date, the issuance shall be approved by a resolution adopted by two-thirds or more of the voting rights represented by the shareholders present at a shareholders' meeting attended by shareholders representing a majority of the total number of issued shares. When the Company transfers treasury shares to employees at a price

lower than the actual average repurchase price, the transfer shall be approved by a resolution adopted by two-thirds or more of the voting rights represented by the shareholders present at the most recent shareholders' meeting attended by shareholders representing a majority of the total number of issued shares, before such transfer may be executed.

Article 5-2: The employees entitled to receive treasury shares, employee stock options, new shares reserved for subscription by employees, or restricted employee shares issued by the Company may include employees of certain conditions from controlling or subordinate companies, and such conditions and distribution methods are authorized to be determined by the Board of Directors.

Article 6: The share certificates of the Company shall be registered and issued in accordance with the Company Act and relevant laws and regulations of the Republic of China. The Company may issue shares without printing physical share certificates, but shall register the issued shares with a centralized securities depositary enterprise and issue shares through book-entry transfer.

Article 7: Registration for transfer of shares shall be suspended 60 days immediately before the date of regular meeting of shareholders, and 30 days immediately before the date of any extraordinary meeting of shareholders, or within 5 days before the day on which dividend, bonus, or any other benefit is scheduled to be paid by the Corporation.

Chapter 3 Shareholders' Meetings

Article 8: Shareholders' meetings of the Company are of two types, regular meetings and extraordinary meetings. Regular meetings shall be convened at least once every year by the Board of Directors within six months after the end of each fiscal year in accordance with the law. Special meetings shall be convened in accordance with the law when necessary.

Shareholders' meetings of the Corporation may be held through remote video conferencing, or in other forms as and to the extent permitted by relevant government authorities in charge.

Article 8-1: When the Company convenes a shareholders' meeting, it may allow shareholders to exercise their voting rights in writing or by electronic means. Shareholders who exercise their voting rights by electronic means shall be deemed as attending the meeting in person, and related matters shall be handled in accordance with the provisions of laws and regulations.

Article 9: A shareholder who is unable to attend a shareholders' meeting may appoint a proxy to attend the meeting by providing a proxy form issued by the Company stating the scope of authorization, and signed or sealed by the shareholder.

- Article 10: Each share held by a shareholder shall be entitled to one vote, except those shares for which the voting rights are restricted or excluded as specified in Article 179 of the Company Act.
- Article 11: Resolutions of the shareholders' meeting, unless otherwise provided for in the Company Act, shall be adopted by a majority of the shareholders present who represent more than one-half of the total number of voting shares.
- Article 12: Shareholders' meetings convened by the Board of Directors shall be presided over by the chairman. In case the chairman is on leave, the chairman shall appoint one of the directors to act as the chair. If no such designation is made, the directors shall elect one person to serve as the chair.
- Article 12-1: Resolutions adopted at a shareholders' meeting shall be recorded in the meeting minutes and handled in accordance with Article 183 of the Company Act.
- Article 12-2: After the Company's shares are publicly issued, the Company shall not cancel its public issuance without a resolution of the shareholders' meeting. The preceding paragraph shall remain unchanged during the period when the Company is traded on the Emerging Stock Board or listed.
- Article 12-3: The election of Directors of the Company shall adopt the cumulative voting method. Each share shall have voting rights equivalent to the number of Directors to be elected, and such voting rights can be combined to vote for one person or divided to vote for multiple persons. The candidates receiving the highest number of votes shall be elected as Directors in the order of the number of votes received. If there is a need to amend this method, in addition to complying with the provisions of Article 172 of the Company Act and other relevant regulations, the main content of the amendment shall be listed and explained in the notice of the reasons for convening the shareholders' meeting.

Chapter 4 Directors and Supervisors

- Article 13: The Company shall have seven to eleven directors, among whom the number of independent directors shall not be less than three and shall not be less than one-third of the total number of director seats. The term of office shall be three years, and they may be re-elected. The number of directors is authorized to be determined by the Board of Directors. The total shareholding ratio of all directors shall comply with the regulations of the securities authorities.
- The election of directors shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act. The shareholders' meeting shall elect the directors from among the list of candidates. The acceptance of nomination of director candidates and the announcement of related matters shall be handled in accordance with the Company Act, the Securities and Exchange Act and relevant laws and regulations. Independent directors and

non-independent directors shall be elected together with respective numbers of persons to be elected calculated separately.

Article 14: The Board of Directors shall be organized by the directors. The chairman shall be elected by a majority of the directors present at a meeting attended by at least two-thirds of the directors. The chairman shall represent the Company externally.

Article 14-1: The Company's Board of Directors shall convene at least once every quarter. The notice of the Board meeting shall state the reasons for convening the meeting and shall be sent to each director seven days prior to the meeting. However, in case of emergency, the meeting may be convened at any time. The notice of the Board meeting may be made in writing, by fax or by electronic mail (E-mail).

Article 15: The first meeting of each term of the Board of Directors shall be convened by the director who received the most votes within 15 days after the re-election. Except for the Board meetings convened in accordance with Article 203 or Article 203-1 of the Company Act, the rest shall be convened by the chairman. When the chairman is on leave or unable to exercise his/her powers for any reason, the chairman shall designate one of the directors to act on his/her behalf. If the chairman does not designate a proxy, the directors shall elect one person from among themselves to serve as the proxy. When a Board meeting is held by video conference, directors who participate in the meeting via video conference shall be deemed as attending the meeting in person. Resolutions of the Board meeting, unless otherwise provided for in the Company Act, shall be adopted by a majority of the directors present at a meeting attended by a majority of the directors. When a director is unable to attend a meeting for any reason, he/she may appoint another director as his/her proxy to attend the meeting by issuing a proxy form stating the scope of authorization regarding the reasons for convening the meeting, but each proxy shall accept the appointment of one person only.

Article 15-1: The Company shall establish an audit committee in accordance with the law, which shall be composed of all independent directors and shall be responsible for performing the duties of supervisors as prescribed in the Company Act, the Securities and Exchange Act and other relevant laws and regulations.

The members, exercise of powers, and other compliance matters of the audit committee shall be handled in accordance with relevant laws and regulations, and its organizational rules shall be established separately by the Board of Directors.

Article 15-2 : In the event that the number of vacancies on the Board of Directors equals to one third of the total number of directors or all independent directors are discharged, the Board of Directors shall convene a special shareholders' meeting to elect

succeeding directors to fill the vacancies. Except for a re-election of the entire Board of Directors, the term of office of the newly elected director shall be the remainder of the term of the predecessor. If the term of office of a director expires and no re-election has been held, the term of office shall be extended until the newly elected director assumes office.

Article 16: The remuneration of the directors shall be authorized by the Board of Directors based on their degree of participation and contributions to the Company, regardless of whether the Company makes a profit or loss, and with reference to the usual standards of the industry. The Company may purchase liability insurance for directors for their liabilities during their term of office based on the scope of their job responsibilities.

Article 16-1: The Board of Directors of the Company may establish a remuneration committee or other functional committees based on business operation needs.

Chapter 5 Managerial officer

Article 17: The Company may appoint several managers, and their appointment, discharge and remuneration shall be handled in accordance with Article 29 of the Company Act.

Chapter 6 Accounting

Article 18: The fiscal year of the Company shall begin on January 1 and end on December 31 of each year. At the end of each fiscal year, the Board of Directors shall prepare the following documents and submit them to the regular shareholders' meeting for ratification in accordance with the legal procedures:

Business Report;

Balance Sheet;

Proposal for distribution of earnings or covering of losses.

Article 19: The Company shall allocate 3% to 12% of the current year's profit as employees' compensation and no more than 3% of the current year's profit as directors' remuneration. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance.

The employees' compensation in the preceding paragraph may be distributed in the form of shares or cash, and the recipients may include employees of subordinate companies who meet certain conditions. The directors' remuneration in previous paragraph shall be distributed only in cash.

The profit of the current year in Paragraph 1 refers to the profit before tax of the

current year minus the employees' compensation and directors' remuneration.

The distribution of employees' compensation and directors' remuneration shall be resolved by a majority of the directors present at a Board meeting attended by two-thirds or more of the total number of directors, and reported to the shareholders' meeting.

If the Company has a profit at the end of the year, it shall first pay taxes and make up for accumulated losses, then allocate 10% as legal reserve and provide or reverse special reserve in accordance with laws or regulations of the competent authority. If there is any remaining profit, it shall be combined with the accumulated undistributed earnings as the cumulative distributable earnings. The Board of Directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution.

- Article 20: With regard to the business operations of the Company, as the Company's business is currently in the growth stage, the dividend distribution policy shall take into account the current and future operational plans, investment projects, capital budgets, changes in internal and external environments, as well as the interests of shareholders and the balance of dividends. Each year, the Board of Directors shall propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders shall not be less than 10% of the total shareholder dividends.

Chapter 7 Supplementary Provisions

- Article 21: Any matters not provided for in these Articles of Incorporation shall be handled in accordance with the provisions of the Company Act.
- Article 22: These Articles of Incorporation were established on July 27, 1993.
The first amendment was made on March 27, 1997.
The second amendment was made on December 16, 2002.
The third amendment was made on December 27, 2002.
The fourth amendment was made on September 24, 2003.
The fifth amendment was made on September 20, 2005.
The sixth amendment was made on December 6, 2005.
The seventh amendment was made on June 28, 2007.
The eighth amendment was made on June 13, 2008.
The ninth amendment was made on June 16, 2009.
The tenth amendment was made on June 18, 2010.
The eleventh amendment was made on June 18, 2012.
The twelfth amendment was made on June 22, 2015.
The thirteenth amendment was made on June 13, 2016.

The fourteenth amendment was made on June 12, 2020.
The fifteenth amendment was made on June 14, 2022.
The sixteenth amendment was made on June 9, 2023

ICP DAS Co., Ltd.
Rules and Procedures of Shareholders' Meeting

Article 1: In order to establish a good corporate governance system for the Company's shareholders' meetings, strengthen supervisory functions and enhance management functions, these Rules are established in accordance with the Company Act and with reference to Article 5 of the "Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies" for compliance.

Article 2: Unless otherwise specified in laws and regulations or the Company's Articles of Incorporation, the rules of procedures for shareholders' meeting of this Company shall be proceeded with in accordance with the Rules.

Article 3: Unless otherwise specified in laws and regulations, the shareholders' meetings shall be convened by the Board.

All shareholders shall receive notice for the convening of shareholders' meetings, at 30 days in advance, in case of regular meetings; and at least 15 days in advance, in case of extraordinary meetings.

Notices and public announcements shall specify the reasons for the meeting, and the meeting notices may, as an alternative, be given by means of electronic transmission, upon obtaining a prior consent from the recipient(s) thereof.

For matters listed in Article 172, Paragraph 5 of the Company Act, Article 43-6, Article 56-1 and Article 60-2 of the Securities and Exchange Act, the major content shall be listed in the notice of the reasons for convening the meeting and shall not be proposed as extemporaneous motions; the major content may be posted on the website designated by the securities authorities or the Company, and the website address shall be specified in the meeting notice.

Where re-election of all directors as well as their inauguration date is stated in the notice of the reasons for convening the shareholders meeting, after the completion of the re-election in said meeting such inauguration date may not be altered by any extraordinary motion or otherwise in the same meeting.

Shareholders who own more than 1% of the Company's total issued shares may propose in writing one item to be included in the agenda of the Annual General Meeting. Each shareholder may propose only one agenda item; additional items will not be accepted. However, if the shareholder's proposal is a suggestion for the Company to promote public interests or fulfill social responsibilities, the Board of Directors may still include it in the agenda. The Board of Directors may disregard shareholders' proposals if the proposed agenda item involves any of the circumstances listed in Article 172-1, Paragraph 4 of the Company Act.

Prior to the date on which share transfer registration is suspended before the convention of a regular shareholders' meeting, the Company shall give a public notice announcing the way of accepting shareholders proposals by written form or electronic transmission, the place and the period for shareholders to submit proposals to be discussed at the meeting; and the period for accepting such proposals shall not be less than ten (10) days.

The contents of each agenda item proposed by shareholders must not exceed 300 Chinese characters or the proposal shall not be accepted. Shareholders who have successfully proposed agenda items shall attend the Annual General Meeting in person or through proxy attendance and shall participate in the discussion.

The Company shall notify the proposing shareholders of the acceptance or rejection of their proposal(s) before the date that the meeting notice is sent. Meanwhile, accepted agenda items shall be included in the meeting notice. For shareholders' proposals that are not included in the agenda, the Board of Directors shall explain the reasons for not including them at the shareholders' meeting.

Article 4: A shareholder may appoint a proxy to attend a shareholders' meeting by providing the proxy form issued by the Company stating the scope of the proxy's authorization.

Each shareholder may appoint one proxy by issuing a proxy form, which must arrive at the Company at least five days before the Shareholders' Meeting. In the event that multiple proxy forms are issued by the same shareholder, the proxy form that arrives first shall prevail. The above shall not apply to the cancellation of a power of attorney.

After the service of a proxy to the Company, in case the shareholder granting the said proxy intends to attend the shareholders' meeting in person or by way of a written ballot or by way of an electronic transmission, a proxy rescission notice shall be given in writing to the Company two days prior to the date of the shareholders' meeting, otherwise, the voting right exercised by the authorized proxy at the meeting shall prevail.

Article 5: Shareholders' meeting shall be held at the Company's premises or at a place that is convenient for shareholders to attend and suitable for holding such meetings. The meeting shall not start earlier than 9:00 am or later than 3:00 pm. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the Meeting.

Article 6: The Company shall specify in its shareholders' meeting notices the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

The time during which shareholder attendance registrations will be accepted, as

stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences.

The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel shall be assigned to handle the registrations.

The Company shall provide shareholders attending the Shareholders' Meeting with the meeting agenda handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. When there is an election of Directors, election ballots shall also be provided.

Shareholders shall attend Shareholders' Meetings based on attendance cards, sign-in cards, or other certificates of attendance. The Company may not arbitrarily add requirements demanding the presentation of other documents beyond those showing eligibility to attend the meeting. Solicitors soliciting proxy forms shall also bring identification documents for verification

Government agency shareholders or institutional shareholders may appoint more than one representative to attend the Shareholders' Meetings. An institution acting as the proxy may appoint a single representative to attend the meeting.

Article 7: If a shareholders' meeting is convened by the Board of Directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairman, the chairman shall appoint one of the directors to act as chair. Where the chairman does not make such a designation, the directors shall select from among themselves one person to serve as chair. The chair shall be a director who has held that position for six months or more and who understands the financial and business conditions of the Company. The same shall apply if the chair is a representative of a juristic person director.

Shareholders' Meetings that are convened by the Board of Directors should be chaired by the chairman in person and attended by more than half of the board members and at least one member of each functional committee. The attendance shall be recorded in the meeting minutes.

If the Shareholders' Meeting is convened by an authorized party other than the Board of Directors, the convener will act as the meeting's Chairman. If there are two or more conveners present at the same time, one shall be appointed from among them to chair the meeting.

The Company may appoint designated counsel, CPA or other related persons to attend the Meeting.

Article 8: The Company shall record the proceedings of a shareholders' meeting in their entirety in audio or video and retain the recording for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a

shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Article 9: Attendance at Shareholders' Meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the sign-in book or the attendance cards submitted, plus the number of shares whose voting rights are exercised by correspondence or electronically.

When the scheduled time for the meeting has arrived, the chair shall call the meeting to order and announce relevant information such as the number of non-voting shares and the number of shares represented by the shareholders present. However, if the number of shares represented by the shareholders present does not constitute a majority of the total number of issued shares, the chair may announce a postponement of the meeting. The postponements shall be limited to no more than twice and the total time accumulated in the postponement(s) shall not exceed one hour. If after two postponements, the number of shares represented by the attending shareholders still does not amount to one-third or more of the total number of issued shares, the chair shall declare the meeting adjourned.

If after two postponements, the number of shares represented by the attending shareholders is less than the quorum requirement but amounts to 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, and all shareholders shall be notified of the tentative resolution and another shareholders' meeting shall be convened within one month.

If before the conclusion of the meeting, the number of shares represented by the attending shareholders reaches a majority of the total number of issued shares, the chair may re-submit the tentative resolution adopted to the shareholders' meeting for a vote pursuant to Article 174 of the Company Act.

Article 10: 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 above provision applies *mutatis mutandis* to cases where the meeting is convened by any person, other than the Board, entitled to convene such meeting.

Unless otherwise resolved at the meeting, the chairman may not announce adjournment of the meeting earlier unless the agenda (including provisional motions) under the preceding two paragraphs are concluded. If the chairman announces the adjournment of the meeting in violation of the Rules, other members of the Board shall promptly assist the attending shareholders to elect,

by a majority of votes represented by attending shareholders in the meeting, another person to serve as chairman and continue the meeting in accordance with due procedures.

The Chairman shall allow adequate time to explain and discuss each agenda item, amendment, or special motion proposed in the meeting. The Chairman may conclude the discussion as he/she sees fit, submit the proposals to vote for resolution, and schedule sufficient time for voting.

Article 11: When a shareholder present at the Meeting wishes to speak, a Speech Note should be filled out with summary of the speech, the shareholder's number (or the number of Attendance Card) and the name of the shareholder. The sequence of speeches by shareholders should be decided by the chairman.

If any shareholder present at the Meeting submits a Speech Note but does not speak, no speech should be deemed to have been made by such shareholder. In case the contents of the speech of a shareholder are inconsistent with the contents of the Speech Note, the contents of actual speech shall prevail.

Each shareholder shall speak no more than twice and shall speak for no more than five minutes each time unless otherwise agreed by the Chairman. The Chairman may stop shareholders' speeches if the speeches are in violation of the rules or if the shareholders speak outside the scope of the agenda item under discussion.

Unless otherwise permitted by the chairman and the shareholder in speaking, no shareholder shall interrupt the speeches of the other shareholders, otherwise the chairman shall stop such interruption.

If a corporate shareholder designates two or more representatives to attend the Meeting, only one representative can speak for each discussion item.

After the speech of a shareholder, the chairman may respond himself/herself or appoint an appropriate person to respond.

Article 12: The count of votes in a Shareholders' Meeting is based on the number of shares represented at the meeting.

Shares that do not carry voting rights are excluded from the calculation of outstanding shares when voting for the final resolution.

A shareholder shall abstain from voting and shall not act as proxy for others on agenda items where he/she has a conflict of interest against the Company.

The abstaining shareholder shall be excluded from the total voting rights represented in the meeting.

Except for trust enterprises or stock affairs agencies approved by the competent securities authority, when one person is concurrently appointed as proxy by two

or more shareholders, the voting rights represented by that proxy may not exceed 3 percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

Article 13: Each shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, Paragraph 2 of the Company Act.

The voting right at a shareholders' meeting shall be exercised by way of electronic transmission or in writing, provided, however, that the method for exercising the voting right shall be described in the shareholders' meeting notice to be given to the shareholders if the voting right will be exercised in writing or by way of electronic transmission. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. However, they will be deemed to have waived their rights with respect to the extraordinary motions and amendments to original proposals of that meeting.

Instructions to exercise votes in writing or by way of electronic transmission shall be delivered to the Company two days prior to the Shareholders' Meeting. In the event that there are duplicate submissions delivered to the Company, the first submission shall prevail, unless an explicit statement arrives revoking the previous instruction. This restriction shall not apply if a declaration is made to revoke the previous expression of will.

In case a shareholder who has exercised his voting right in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he shall, two days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his voting right, deliver a separate declaration of intention to rescind his previous declaration of intention made in exercising the voting right under the preceding paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting right exercised in writing or by way of electronic transmission shall prevail. When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a Shareholders' Meeting, the voting rights exercised by the proxy in the meeting shall prevail.

Unless otherwise specified in the Company Law or the Company's Articles of Incorporation, a resolution shall be adopted by a majority of the votes represented by the attending shareholders. This will be followed by a poll of the shareholders. After the conclusion of the meeting, on the same day on which it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into MOPS.

In cases where there are several amendments or alternative resolutions to a

certain agenda item, the chairman shall determine the order in which voting takes place on the new and original proposals. If any one of them has been adopted, the others shall be deemed vetoed and no further voting is necessary.

The person(s) to check and the person(s) to record the ballots during a vote by casting ballots shall be appointed by the chairman. The person(s) checking the ballots shall be a shareholder(s). Vote counting for Shareholders' Meeting proposals or elections shall be conducted in public at the place of the Shareholders' Meeting. Immediately after vote counting has been completed, the results of the voting, including statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record shall be made of the vote.

Article 14: The election of directors at a shareholders' meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately.

All ballots used in the election shall be sealed and signed by the ballot examiners, and shall be kept properly for at least one year. However, the said tapes shall be preserved until the conclusion of the lawsuit if a shareholder initiates a lawsuit in accordance with Article 189 of the Company Law.

Article 15: Matters relating to the resolutions of a shareholders' meeting shall be recorded in the meeting minutes and handled in accordance with Article 183 of the Company Act. The meeting minutes may be distributed in the form of a public announcement by inputting the information into the Market Observation Post System(MOPS).

The meeting minutes shall accurately record the year, month, day, and place of the meeting, as well as the chair's full name. The minutes shall also include the methods by which resolutions were adopted, a summary of the discussions, and the voting results. In the event of an election of directors, the number of votes received by each candidate shall be disclosed. The meeting minutes shall be retained for the duration of the existence of the Company.

Article 16: On the day of a shareholders' meeting, the Company shall compile a statistical statement, in the prescribed format, of the number of shares obtained through solicitation and the number of shares represented by proxies, and shall make an express disclosure of the same at the venue of the shareholders' meeting.

Within the regulated deadline, the Company shall post onto MOPS all resolutions that are classified as material information as defined by the laws and regulations published by the TPEx.

Article 17: Personnel working at the Shareholders' Meeting must wear identification cards or badges. The Chairman may instruct the disciplinary officers or the security staff to help maintain order in the meeting.

Such disciplinary officers or security guards shall wear arm badges or identification cards marked "Disciplinary Personnel" when assisting in maintaining order in the meeting place. The shareholder making oral presentation at the meeting shall use the equipment provided by the Company, or the chairman may stop the presentation.

The Chairman may instruct disciplinary officers or security staff to remove shareholders who violate the meeting rules or who refuse to obey the instructions given by the Chairman.

Article 18: The Chairman may, at his/her discretion, set a time for the intermission. In the event of a major incident, the Chairman may suspend the meeting temporarily and announce, depending the situation, when the meeting will resume.

Before the agenda set forth in the shareholders' meeting (including provisional motions) are concluded, if the meeting place cannot continue to be used for the meeting, then, by resolution of the shareholders, another place may be sought to resume the meeting.

Shareholders may resolve to postpone the meeting and to reconvene it within the next five days, according to Article 182 of the Company Act.

Article 19: These Rules and Procedure shall be effective from the date they are approved by the shareholders' meeting.

Article 20: These Rules were adopted on July 13, 2006.
The First amendment was made on June 18, 2012.
The second amendment was made on June 10, 2013.
The third amendment was made on June 12, 2020.
The fourth amendment was made on June 14, 2022.

ICP DAS Co., Ltd.

Shareholding Status of All Directors

1. Paid-in capital of the Company: NT\$639,656,530; total number of issued shares: 63,965,653 shares. Pursuant to Article 26 of the Securities and Exchange Act, the statutory number of shares to be held by all directors shall be 5,117,252 shares.
2. As of April 15, 2024, the record date for suspension of share transfer for this Annual General Meeting of Shareholders, the actual number of shares held by all directors of the Company is 13,810,259 shares, which has met the required percentage stipulated in Article 26 of the Securities and Exchange Act. The individual shareholding status of directors is as follows:

Record date for suspension of share transfer: April 15, 2024

| Title | Name | Date Elected | Term | Number of Shares Held at Election | | Number of Shares Held on Record Date | |
|--|-----------------|--------------|------|-----------------------------------|--------|--------------------------------------|--------|
| | | | | Number of Shares | Ratio | Number of Shares | Ratio |
| Chairman | Yeh, Nai-Ti | 2022.6.14 | 3 | 4,194,111 | 7.94% | 5,074,874 | 7.93% |
| Director | Chen, Ruei-Yu | 2022.6.14 | 3 | 6,762,075 | 12.79% | 8,182,110 | 12.79% |
| Director | Huang, Bin-Fong | 2022.6.14 | 3 | 726,000 | 1.37% | 550,660 | 0.86% |
| Independent Director | Shen, Yang-Bin | 2022.6.14 | 3 | 25 | 0.00% | 29 | 0.00% |
| Independent Director | Jiang, Yi-Jyun | 2022.6.14 | 3 | 0 | 0.00% | 0 | 0.00% |
| Independent Director | Chen, Shao-Chi | 2022.6.14 | 3 | 6,600 | 0.01% | 2,586 | 0.00% |
| Independent Director | Chao Yu | 2022.6.14 | 3 | 0 | 0.00% | 0 | 0.00% |
| Total Number of Shares Held by Directors | | | | 11,688,811 | 22.11% | 13,810,259 | 21.58% |

Note: According to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," if two or more independent directors are elected, the required shareholding percentage of all directors other than the independent directors shall be reduced to 80%.