

ITEQ CORPORATION

2025 Annual General Shareholders' Meeting Minutes (Translation)

Time: May 26, 2025 (Monday) at 9:00 am

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

Meeting Method: Physical Shareholders' Meeting

Attending Shareholders: The total number of shares represented by shareholders attending the meeting in person or by proxy is 185,162,355 shares (including casted electronically 177,678,508 shares), representing 51.01% of the total number of issued shares of the Company (i.e., 362,957,218 shares.)

Attending Directors: Chin-Tsai Chen (Chairman), Hsin-Hui Tsai (Director), Hui-Fen Chan (Director), Cheng-En Ko (Convener of the Auditing Committee, Independent Director), Chao-Zon Yang (Independent Director), Po-Chiao Chou (Independent Director), Wei-Lung Chen (Independent Director)

Attendees: Chia-Chien Tang (CPAs of KPMG)

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

Chairman: Chin-Tsai Chen

Recorder: Hui-Ling Lu

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

II. Chairperson's Speech: (Omitted)

III. Reported Matters

Agenda 1

Subject: 2024 Business Report.

see Annex I. (P. 6)

Agenda. 2

Subject: Audit Committee's Review Report on the 2024 Financial Statements.

see Annex II (P. 10)

Agenda 3

Subject: Distribution of Remuneration for Employees and Directors of 2024.

(see handbook)

Agenda 4

Subject: Status of Distribution for Cash Dividends of 2024 Earnings.

(see handbook)

Agenda 5

Subject: Report on Distribution of 2024 Directors Remuneration.

see Annex IV (P. 12)

IV. Approval Matters

Subject: 2024 Business Report, Financial Statements, and Earnings Distribution Proposal.

(Proposed by the Board of Directors)

Explanation:

- (I) The Company's 2024 parent-company-only financial statement and consolidated financial statement have been audited and certified by CPA Chia-Chien Tang and Ya-Ling Chen of KPMG Taiwan, for which an unmodified opinion has been issued. The Financial Statements together with Business Report and Earnings Distribution Proposal have been approved by the Board of Directors and the Audit Committee of the Company. The Audit Committee issued a review report.
- (II) Please refer to Annex I (Page 6) & Annex IV (Page 12) for the 2024 Business Report, Independent Auditors' Report, Financial Statements, and Earnings Distribution Proposal.
- (III) The above-mentioned are hereby submitted for adoption at this shareholders' meeting.

Resolution:

Shares represented at the time of voting : 185,165,355

Voting Results*	% of the total represented share present
Votes in favor : 177,753,727 votes (170,269,880 votes)	95.99%
Votes against : 81,024 votes	0.04%

	(81,024 votes)	
Votes invalid :	0 votes	0.00%
Votes abstained :	7,327,604 votes (7,327,604 votes)	3.95%

*Including votes casted electronically (numbers in brackets)

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

V. Discussion Matters

Agenda 1

(Proposed by the Board of Directors)

Subject: Amendment to the Company's "Articles of Incorporation."

Explanation:

- (I) To comply with Financial Supervisory Commission's Directive No. 1130385442 issued on November 8, 2024, the following content has been added to Article 14-6 of the "Securities and Exchange Act": It shall be stipulated in the Articles of Incorporation that a certain percentage of the annual profit shall be set aside to adjust the salaries of entry-level employees or distribute remuneration to them. Therefore, some provisions of the Company's Articles of Incorporation are hereby amended.
- (II) For the proposal of amended provisions, please refer to Annex V (Page 27) of this handbook.
- (III) The proposal above is submitted for discussion.

Shares represented at the time of voting : 185,165,355

Voting Results*	% of the total represented share present
Votes in favor : 177,388,988 votes (169,905,141 votes)	95.80%
Votes against : 89,794 votes (89,794 votes)	0.04%
Votes invalid : 0 votes	0.00%
Votes abstained : 7,683,573 votes (7,683,573 votes)	4.14%

*Including votes casted electronically (numbers in brackets)

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

Agenda 2

(Proposed by the Board of Directors)

Subject: Proposal for Release the Prohibition on Directors from Participation in Competitive Business.

Explanation:

- (I) According to Article 209 of the Company Act.
- (II) The Directors of the Company shown in the table below have invested in or operated other companies with their business scope same as or similar to that of the Company and serve as directors. However, if their participation in the operation benefits the Company's diversified development and aligns with operational strategies, we can rely on their expertise and relevant experience. Provided that the Company's interests are not harmed, we plan to request the shareholders' meeting to approve releasing the Director from the non-competition restriction.
- (III) Newly added relevant positions held currently as below:

Title	Name	To hold positions in other companies
Director	Hui-Fen Chan (詹慧芬)	iCatch Technology, Inc./ Independent Director Sirius Wireless Inc. / Independent Director e-Ray Optoelectronics Technology Co., Ltd./ Representative Directors
Independent Director	Chao-Zon Yang (楊朝榮)	TaiDoc Technology Corporation/ Independent Director

- (IV) The proposal above is submitted for discussion.

Resolution:

Shares represented at the time of voting : 185,165,355

Voting Results*	% of the total represented share present
Votes in favor : 177,205,696 votes (169,721,849 votes)	95.70%
Votes against : 261,655 votes (261,655 votes)	0.14%
Votes invalid : 0 votes	0.00%
Votes abstained : 7,695,004 votes (7,695,004 votes)	4.15%

*Including votes casted electronically (numbers in brackets)

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

VI. Questions and Motions: None

VII. Adjournment: At 9:22 a.m. of May 26, 2025.

There were no questions from shareholders at the shareholders meeting.

2024 Business Report

I. Management Principles

(1) Focusing on Advanced Electronic Materials and Continuously Expanding Application Domain

In 2024, global demand for advanced electronic materials continues to grow, particularly in fields such as AI servers, high-speed computing, electric vehicles (EVs), and data centers. Our company is committed to strengthening its offerings in high-frequency, low-loss materials; high-heat-resistant and highly reliable materials; and environmentally friendly, electronic-grade laminate materials. We are also actively expanding our global market share, enhancing partnerships with leading international firms, and solidifying our competitive edge.

(2) Strengthening Supply Chain Management to Ensure Quality and Stable Supply

Supply chain resilience has become a cornerstone of industrial competitiveness. Our company will further enhance supply chain quality management by overseeing raw material suppliers, controlling processes, and verifying products, all while adhering to testing standards and ensuring compliance with international regulations and customer requirements. Concurrently, we will introduce smart manufacturing technologies to enhance production efficiency and reduce costs, thereby providing a stable supply amid market fluctuations and improving overall competitiveness.

(3) Seizing Market Growth Opportunities and Accelerating Technology Development and Deployment

The global semiconductor and electronics markets are increasingly influenced by generative AI, electric vehicles, and the expansion of data centers. This trend is driving a surge in demand for high-performance computing and advanced materials for high-frequency, high-speed transmission. Our company is committed to enhancing our material technology development for applications such as AI computing chips, high-voltage fast-charging systems for electric vehicles, and broadband communications. In parallel, we will boost our presence and marketing efforts in the Asian and North American markets to better serve the needs of our global customers.

(4) Advancing ESG Corporate Culture and Promoting Green Manufacturing and Low-Carbon Supply Chains

As the global emphasis on environmental protection and sustainable operations intensifies, our company will continue to promote green manufacturing processes, adopt low-carbon production methods, and enhance supply chain management to ensure eco-friendly standards throughout the entire value chain, from raw materials to finished products. These efforts will enhance our sustainable competitiveness as an enterprise.

II. Implementation Overview

In 2024, our company achieved a consolidated operating revenue of NT\$29.4 billion, representing a 17.14% year-over-year growth. Despite varying economic and inflationary performances across global markets in 2024, with no significant increase in worldwide financial development, several factors—including easing inflation, reduced labor market pressures, widespread adoption of AI applications, and the expansion of the new energy vehicle market—drove increased demand for AI server and automotive electronics-related printed circuit boards (PCBs). This resulted in double-digit annual growth rates for both consolidated revenue and gross profit. Effective control of operating expenses further enhanced the operating profit growth rate by over 30% year-over-year. However, non-operating income declined due to the completion of insurance claims from our Taiwan plant in 2023, with claims revenue deducted by NT\$118 million in 2024 compared to the previous year. Consequently, the net profit after tax grew by 21.45% compared to 2023.

III. Business Plan Implementation Results (Consolidated Statement)

Currency Unit: NT\$1,000

Item	2023	2024	YoY (%)
Operating Revenue	25,079,039	29,377,677	17.14%
Operating Gross Profit	3,105,637	3,689,962	18.81%
Net Operating Income	994,869	1,350,667	35.76%
Non-operating Income and Expenses	157,427	(33,342)	—
Net Profit After Tax	676,626	821,787	21.45%
Net Profit Margin (%)	2.70%	2.80%	—

IV. Performance of Operating Budget

The Corporation did not release its 2024 forecast, so there is no need to disclose the operating budget performance. However, the overall actual operating conditions and performance are generally in line with the Corporation's internal operating plan.

V. Profitability Analysis (Consolidated Statement)

Item	2023	2024
Return on Assets (ROA) (%)	2.37	2.82
Return on Equity (ROE) (%)	3.42	4.10
Ratio of Income to Paid-in Capital (%)	27.41	37.21
Ratio of Net Profit Before Tax to Paid-in Capital (%)	31.75	36.29
Net Profit Margin (%)	2.70	2.80
Earnings Per Share After Tax (NT\$)	1.86	2.26

VI. Research Development Status

In light of the rapid development of AI applications and the global push for net-zero carbon emissions in 2024, ITEQ Corporation has focused its efforts on innovation and sustainability by expanding into advanced AI electronic materials. To respond to the swift growth of markets such as AI servers, high-speed computing switches, and electronics for new energy vehicles—while also considering the effects of relevant regulations and geopolitical factors—we have strategically planned our R&D approach and rolled out key material technologies ahead of schedule.

In order to meet the demands of future high-density circuit designs as well as reinforce our leadership in the global advanced laminate materials market, ITEQ continues to make significant investments in new material R&D and collaborates closely with customers to improve the performance of high-frequency, high-speed, and low-loss transmission products. We are strategically positioning ourselves in application areas such as AI data centers, smart automotive electronics, 5G/6G communication infrastructure, and AI PCs/laptops.

For FPCs, we remain focused on two key aspects: consumer electronics and automotive applications, while simultaneously exploring high-speed transmission and ultra-thin material requirements for emerging technologies like AI applications and humanoid robotics. In consumer electronics, building on our existing low-loss and ion-migration-resistant materials, we are optimizing products to meet the rising demand for foldable screens by launching highly flexible laminate and coverlay films tailored to these applications. In automotive applications, for new energy battery FPCs, we are developing highly reliable laminate and coverlay films to meet the long-term reliability and safety requirements of in-vehicle and energy storage systems. For smart cockpits and Advanced Driver Assistance Systems (ADAS), we continue to upgrade high dimensional stability laminate for in-vehicle displays. Meanwhile, we are developing lower dielectric loss laminate and coverlay films for radar applications, including millimeter-wave and LiDAR.

As we look toward the 2050 net-zero carbon emissions goal, ITEQ is enhancing collaboration with supply chain partners to jointly advance the sustainable development of the electronic materials industry. We are committed to developing greener production processes and continually evaluating and refining the carbon

footprint of our raw materials. Through concrete actions, we aim to fulfill our corporate social responsibility, contributing to smart living and a sustainable future.

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

ITEQ Corporation
Audit Committee's Review Report

The Board of Directors has prepared and submitted to the undersigned, the Audit Committee of ITEQ Corporation, the 2024 financial statements (including consolidated and parent-company-only), business report, earnings distribution proposal thereof, wherein the 2024 financial statements have been reviewed by Chia-Chien Tang and Ya-Ling Chen, CPAs of KPMG Taiwan, and concluded with an audit report without reservation. The aforesaid financial statements, business report, earnings distribution proposal thereof have been examined by the Audit Committee with the opinion that they are not yet inconsistent, hence we hereby report the above in accordance with the provisions in the Taiwan Securities and Exchange Act and Taiwan Company Act for the review and approval of all our shareholders.

All the best,

ITEQ Corporation

2025 Annual General of Shareholders' Meeting

Convener of the Audit Committee: Chen-En Ko

March 7, 2025



安侯建業聯合會計師事務所
KPMG

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Independent Auditors' Report

To the Board of Directors of ITEQ Corporation:

Opinion

We have audited the consolidated financial statements of ITEQ Corporation and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

- Revenue recognition

Refer to note 4(o) "Revenue" and note 6(s) to the consolidated financial statements for the disclosure of revenue recognition.

Description of key audit matter:

The Group is a listed company in related to public interest, and the investors are highly expecting the financial performance. Therefore, the Group's revenue recognition has been identified as one of the key matters while conducting our audit on the financial statements of the Group.



How the matter was addressed in our audit:

Our principal audit procedures included understanding the types of revenue, and assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implantation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales during the period before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Other Matter

ITEQ Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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



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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 2025

Notes to Readers

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

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

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

Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2024		December 31, 2023			December 31, 2024		December 31, 2023	
	Amount	%	Amount	%		Amount	%	Amount	%
Assets									
Current assets:					Liabilities and Equity				
1100 Cash and cash equivalents (note 6(a))	\$ 4,583,412	13	5,594,270	17	2100 Short-term borrowings (note 6(j))	\$ 2,719,387	8	2,646,225	8
1110 Current financial assets at fair value through profit or loss (note 6(b))	3,387	-	3,654	-	2170 Accounts payable	6,285,846	18	5,991,383	18
1136 Current financial assets at amortised cost (note 6(b))	60,791	-	86,704	-	2219 Other payables (note 6(r))	871,798	3	1,178,211	4
1170 Accounts and notes receivable, net (notes 6(c) and (s))	12,789,713	37	11,497,719	35	2230 Current tax liabilities	162,129	-	326,845	1
1200 Other receivables (note 6(c))	132,102	-	51,147	-	2250 Current provisions	3,608	-	3,429	-
1220 Current tax assets	78,953	-	8,327	-	2280 Current lease liabilities (notes 6(l) and 7)	65,575	-	61,884	-
130X Inventories (note 6(d))	3,763,259	11	3,014,243	9	2320 Long-term liabilities, current portion (notes 6(k) and 8)	1,263,581	4	274,947	1
1470 Other current assets (note 6(h))	846,974	2	1,050,357	3	2399 Other current liabilities (note 6(s))	13,130	-	56,909	-
Total current assets	22,258,591	63	21,306,421	64	Total current liabilities	11,385,054	33	10,539,833	32
Non-current assets:					Non-current liabilities:				
1517 Non-current financial assets at fair value through other comprehensive income (note 6(b))	30,099	-	36,279	-	2540 Long-term borrowings (notes 6(k) and 8)	1,592,257	5	2,346,190	7
1550 Investments accounted for using equity method (note 6(e))	36,896	-	42,122	-	2570 Deferred tax liabilities (note 6(n))	1,025,070	3	800,758	2
1600 Property, plant and equipment (notes 6(f), 8 and 9)	9,649,449	28	7,775,916	23	2580 Non-current lease liabilities (notes 6(l) and 7)	147,937	-	210,116	1
1755 Right-of-use assets (notes 6(g), 7 and 8)	240,753	1	298,313	1	2645 Guarantee deposits received	47,924	-	42,895	-
1780 Intangible assets (note 6(i))	9,664	-	9,052	-	Total non-current liabilities	2,813,188	8	3,399,959	10
1840 Deferred tax assets (note 6(n))	215,557	1	371,093	1	Total liabilities	14,198,242	41	13,939,792	42
1900 Other non-current assets (notes 6(h), (m), 7 and 8)	2,403,180	7	3,540,444	11	Equity attributable to owners of parent (notes 6(b), (e), (m), (o), (q) and 7):				
Total non-current assets	12,585,598	37	12,073,219	36	3100 Ordinary shares	3,629,572	10	3,629,572	11
					3200 Capital surplus	9,227,074	27	9,214,696	28
					3300 Retained earnings	7,430,650	21	7,148,718	21
					3400 Other equity interest	358,651	1	(553,138)	(2)
					Total equity	20,645,947	59	19,439,848	58
Total assets	\$ 34,844,189	100	33,379,640	100	Total liabilities and equity	\$ 34,844,189	100	33,379,640	100

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

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (note 6(s))	\$ 29,377,677	100	25,079,039	100
5000	Operating costs (notes (d), (f), (g), (l), (m), (r), 7 and 12)	25,687,715	87	21,973,402	88
	Gross profit from operations	3,689,962	13	3,105,637	12
	Operating expenses (notes 6(c), (f), (g), (l), (m), (q), (r), 7 and 12):				
6100	Selling expenses	840,257	3	790,411	3
6200	Administrative expenses	803,446	3	789,448	3
6300	Research and development expenses	653,492	2	518,416	2
6450	Expected credit loss	42,100	-	12,493	-
	Total operating expenses	2,339,295	8	2,110,768	8
	Net operating income	1,350,667	5	994,869	4
	Non-operating income and expenses (notes 6(b), (e), (f), (g), (l), (t), (u) and 7):				
7100	Interest income	52,360	-	53,771	-
7060	Share of loss of associates and joint ventures accounted for using equity method	(5,226)	-	(5,481)	-
7010	Other income	181,816	-	242,533	1
7020	Other gains and losses	(88,686)	-	10,022	-
7050	Finance costs	(173,606)	-	(143,418)	-
	Total non-operating income and expenses	(33,342)	-	157,427	1
7900	Profit before tax	1,317,325	5	1,152,296	5
7950	Tax expenses (note 6(n))	495,538	2	475,670	2
	Profit	821,787	3	676,626	3
8300	Other comprehensive income (notes 6(b), (m), (n), (o) and (u)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	4,581	-	(122)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	93	-	10,261	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(46)	-	(1,482)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	4,720	-	8,657	-
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,139,562	4	(350,724)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(227,912)	(1)	70,145	-
	Total components of other comprehensive income that will be reclassified to profit or loss	911,650	3	(280,579)	(1)
8300	Other comprehensive income (net of tax)	916,370	3	(271,922)	(1)
	Total comprehensive income	\$ 1,738,157	6	404,704	2
	Profit attributable to:				
	Owners of parent	\$ 821,787	3	676,626	3
	Comprehensive income attributable to:				
	Owners of parent	\$ 1,738,157	6	404,704	2
	Basic earnings per share (expressed in New Taiwan dollars) (note 6(p))	\$ 2.26		1.86	
	Diluted earnings per share (expressed in New Taiwan dollars) (note 6(p))	\$ 2.26		1.86	

See accompanying notes to consolidated financial statements.

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

ITEQ CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Other equity				Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	
Balance on January 1, 2023	\$ 3,629,572	9,201,666	2,199,863	514,181	4,847,042	7,561,086	(274,855)	(6,483)	(281,338)	20,110,986
Profit	-	-	-	-	676,626	676,626	-	-	-	676,626
Other comprehensive income	-	-	-	-	(122)	(122)	(280,579)	8,779	(271,800)	(271,922)
Total comprehensive income	-	-	-	-	676,504	676,504	(280,579)	8,779	(271,800)	404,704
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	116,700	-	(116,700)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,088,872)	(1,088,872)	-	-	-	(1,088,872)
Reversal of special reserve	-	-	-	(232,843)	232,843	-	-	-	-	-
Share-based payments	-	13,030	-	-	-	-	-	-	-	13,030
Balance on December 31, 2023	3,629,572	9,214,696	2,316,563	281,338	4,550,817	7,148,718	(555,434)	2,296	(553,138)	19,439,848
Profit	-	-	-	-	821,787	821,787	-	-	-	821,787
Other comprehensive income	-	-	-	-	4,581	4,581	911,650	139	911,789	916,370
Total comprehensive income	-	-	-	-	826,368	826,368	911,650	139	911,789	1,738,157
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	67,650	-	(67,650)	-	-	-	-	-
Special reserve appropriated	-	-	-	271,800	(271,800)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(544,436)	(544,436)	-	-	-	(544,436)
Share-based payments	-	12,378	-	-	-	-	-	-	-	12,378
Balance on December 31, 2024	\$ 3,629,572	9,227,074	2,384,213	553,138	4,493,299	7,430,650	356,216	2,435	358,651	20,645,947

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
ITEQ CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023
(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,317,325	1,152,296
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	1,371,128	1,078,746
Amortization expense	102,493	84,010
Expected credit loss	42,100	12,493
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	267	6,166
Interest expense	173,606	143,418
Interest income	(52,360)	(53,771)
Share-based payments	12,378	13,030
Share of loss of associates and joint ventures accounted for using equity method	5,226	5,481
Losses (gains) on disposal of property, plant and equipment	(8,981)	4,871
Impairment loss (gains) on non-financial assets	(16,569)	146,800
Other adjustments	(2,037)	(11,093)
Total adjustments to reconcile profit (loss)	1,627,251	1,430,151
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	293,579	790,443
Accounts receivable	(864,429)	(176,094)
Other receivable	(78,103)	218,049
Inventories	(534,890)	(434,824)
Other current assets	265,961	49,408
Other operating assets	(461)	(456)
Total changes in operating assets	(918,343)	446,526
Changes in operating liabilities:		
Financial liabilities held for trading	-	(14,228)
Accounts payable	(81,406)	65,615
Other payable	(141,266)	(525,683)
Other current liabilities	(46,835)	(2,927)
Total changes in operating liabilities	(269,507)	(477,223)
Total changes in operating assets and liabilities	(1,187,850)	(30,697)
Total adjustments	439,401	1,399,454
Cash inflow generated from operations	1,756,726	2,551,750
Interest paid	(177,805)	(140,219)
Income taxes paid	(653,777)	(314,886)
Net cash flows from operating activities	925,144	2,096,645
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6,273	6,666
Acquisition of financial assets at amortised cost	(508,112)	(88,624)
Proceeds from repayments of financial assets at amortised cost	539,041	-
Acquisition of property, plant and equipment	(677,136)	(567,174)
Proceeds from disposal of property, plant and equipment	17,064	3,067
Increase (decrease) in refundable deposits	(1,174)	17,100
Increase in other non-current assets	(74,427)	(112,344)
Increase in prepayments for business facilities	(1,049,159)	(559,549)
Interest received	51,215	52,639
Net cash used in investing activities	(1,696,415)	(1,248,219)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	52,919	170,671
Decrease in of short-term notes and bills payable	-	(149,915)
Proceeds from long-term borrowings	450,000	5,671,961
Repayments of long-term borrowings	(286,088)	(4,717,144)
Increase in guarantee deposits received	2,180	4,984
Payment of lease liabilities	(63,208)	(63,113)
Distribution of cash dividends	(544,436)	(1,088,872)
Net cash used in financing activities	(388,633)	(171,428)
Effect of exchange rate changes on cash and cash equivalents	149,046	(296,547)
Net (decrease) increase in cash and cash equivalents	(1,010,858)	380,451
Cash and cash equivalents at beginning of period	5,594,270	5,213,819
Cash and cash equivalents at ending of period	\$ 4,583,412	5,594,270



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Independent Auditors' Report

To the Board of Directors of ITEQ Corporation:

Opinion

We have audited the financial statements of ITEQ Corporation (“the Company”), which comprise the balance sheets as of December 31, 2024 and 2023, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

- Revenue recognition

Refer to note 4(o) "Revenue" and note 6(r) to the financial statements for the disclosure of revenue recognition.

Description of key audit matter

The Company is a listed company in related to public interest, and the investors are highly expecting the financial performance. Therefore, the Company's revenue recognition has been identified as one of the key matters while conducting our audit on the financial statements of the Company.



How the matter was addressed in our audit

Our principal audit procedures included understanding the types of revenue, and assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implantation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales during the period before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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



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

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 2025

Notes to Readers

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

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

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

Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
		Amount	%	Amount	%			Amount	%	Amount	%
Assets						Liabilities and Equity					
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 146,287	1	133,627	-	2100	Short-term borrowings (note 6(i))	\$ 2,470,000	10	2,520,000	10
1137	Current financial assets at amortised cost (note 6(b))	1,500	-	-	-	2170	Accounts payable	329,117	1	460,156	2
1170	Accounts and notes receivable, net (notes 6(c) and (r))	389,766	2	391,589	2	2180	Accounts payable to related parties (note 7)	226,284	1	146,361	1
1180	Accounts receivable due from related parties, net (notes 6(c), (r) and 7)	295,968	1	202,566	1	2200	Other payables (note 6(q))	296,836	1	283,418	1
1200	Other receivables (note (e))	80,425	-	11,827	-	2220	Other payables to related parties (note 7)	108,795	-	108,824	-
1210	Other receivables due from related parties (note 7)	823,164	3	192,402	1	2280	Current lease liabilities (notes 6(k) and 7)	29,977	-	28,785	-
1220	Current tax assets	78,889	-	-	-	2320	Long-term liabilities, current portion (note 6(j))	500,000	2	-	-
130X	Inventories (note 6(d))	305,772	1	259,363	1	2399	Other current liabilities (note 6(r))	3,299	-	50,759	-
1470	Other current assets (note 6(h))	23,683	-	79,957	-		Total current liabilities	<u>3,964,308</u>	<u>15</u>	<u>3,598,303</u>	<u>14</u>
	Total current assets	<u>2,145,454</u>	<u>8</u>	<u>1,271,331</u>	<u>5</u>		Non-current liabilities:				
	Non-current assets:					2540	Long-term borrowings (note 6(j))	1,150,000	4	1,200,000	5
1517	Non-current financial assets at fair value through other comprehensive income (note 6(b))	5,546	-	5,221	-	2570	Deferred tax liabilities (note 6(m))	975,992	4	750,563	3
1550	Investments accounted for using equity method (notes 6(e) and 7)	22,412,589	84	21,400,367	85	2580	Non-current lease liabilities (notes 6(k) and 7)	92,839	-	119,820	1
1600	Property, plant and equipment (notes 6(f), 7 and 9)	1,338,522	5	940,416	4	2645	Guarantee deposits received	1,500	-	1,500	-
1755	Right-of-use assets (notes 6(g) and 7)	122,039	-	148,833	1		Total non-current liabilities	<u>2,220,331</u>	<u>8</u>	<u>2,071,883</u>	<u>9</u>
1840	Deferred tax assets (note 6(m))	149,541	-	301,040	1		Total liabilities	<u>6,184,639</u>	<u>23</u>	<u>5,670,186</u>	<u>23</u>
1915	Prepayments for business facilities	489,982	2	876,649	3		Equity (notes 6(b), (e), (l), (n), (p) and 7):				
1900	Other non-current assets (notes 6(h), (l), 7 and 8)	166,913	1	166,177	1	3100	Ordinary shares	3,629,572	14	3,629,572	14
	Total non-current assets	<u>24,685,132</u>	<u>92</u>	<u>23,838,703</u>	<u>95</u>	3200	Capital surplus	9,227,074	34	9,214,696	37
						3300	Retained earnings	7,430,650	28	7,148,718	28
						3400	Other equity	358,651	1	(553,138)	(2)
							Total equity	<u>20,645,947</u>	<u>77</u>	<u>19,439,848</u>	<u>77</u>
Total assets		<u>\$ 26,830,586</u>	<u>100</u>	<u>25,110,034</u>	<u>100</u>		Total liabilities and equity	<u>\$ 26,830,586</u>	<u>100</u>	<u>25,110,034</u>	<u>100</u>

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

Statements of Comprehensive Income

For the years ended December 31, 2024 and 2023

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

		2024		2023	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(r) and 7)	\$ 1,812,026	100	1,458,677	100
5000	Operating costs (notes (d), (f), (g), (k), (q), 7 and 12)	1,917,439	106	1,575,008	108
5900	Gross loss from operations	(105,413)	(6)	(116,331)	(8)
5910	Realized (unrealized) profit from sales	1,558	-	(1,233)	-
5950	Net gross loss from operations	(103,855)	(6)	(117,564)	(8)
6000	Operating expenses (notes 6(c), (f), (g), (k), (l), (q), 7 and 12):				
6100	Selling expenses	127,204	7	102,850	7
6200	Administrative expenses	337,638	19	297,559	20
6300	Research and development expenses	264,525	15	211,972	15
6450	Expected credit loss (gain)	1,413	-	(161)	-
	Total operating expenses	730,780	41	612,220	42
6900	Net operating loss	(834,635)	(47)	(729,784)	(50)
7000	Non-operating income and expenses (notes 6(e), (f), (k), (s) and 7):				
7100	Interest income	11,106	1	3,850	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	2,058,051	114	1,798,654	123
7010	Other income	6,841	-	25,915	2
7020	Other gains and losses	11,887	1	82,928	6
7050	Finance costs	(79,251)	(4)	(57,992)	(4)
	Total non-operating income and expenses	2,008,634	112	1,853,355	127
7900	Profit before tax	1,173,999	65	1,123,571	77
7950	Income tax expenses (note 6(m))	352,212	19	446,945	31
	Profit	821,787	46	676,626	46
8300	Other comprehensive income (notes 6(b), (e), (l), (m), (n) and (t)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	4,581	-	(122)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	325	-	2,850	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	(186)	1	5,929	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	4,720	1	8,657	1
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	1,139,562	63	(350,724)	(24)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	(227,912)	(13)	70,145	5
	Total components of other comprehensive income that will be reclassified to profit or loss	911,650	50	(280,579)	(19)
8300	Other comprehensive income	916,370	51	(271,922)	(18)
8500	Total comprehensive income	\$ 1,738,157	97	404,704	28
9750	Basic earnings per share (expressed in New Taiwan dollars) (note 6(o))	\$ 2.26		1.86	
9850	Diluted earnings per share (expressed in New Taiwan dollars) (note 6(o))	\$ 2.26		1.86	

See accompanying notes to parent-company-only financial statements.

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

ITEQ CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings						Other equity		Total	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		
Balance on January 1, 2023	\$ 3,629,572	9,201,666	2,199,863	514,181	4,847,042	7,561,086	(274,855)	(6,483)	(281,338)	20,110,986
Profit	-	-	-	-	676,626	676,626	-	-	-	676,626
Other comprehensive income	-	-	-	-	(122)	(122)	(280,579)	8,779	(271,800)	(271,922)
Total comprehensive income	-	-	-	-	676,504	676,504	(280,579)	8,779	(271,800)	404,704
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	116,700	-	(116,700)	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(1,088,872)	(1,088,872)	-	-	-	(1,088,872)
Reversal of special reserve	-	-	-	(232,843)	232,843	-	-	-	-	-
Change in equity of subsidiaries accounted for using equity method	-	13,030	-	-	-	-	-	-	-	13,030
Balance on December 31, 2023	3,629,572	9,214,696	2,316,563	281,338	4,550,817	7,148,718	(555,434)	2,296	(553,138)	19,439,848
Profit	-	-	-	-	821,787	821,787	-	-	-	821,787
Other comprehensive income	-	-	-	-	4,581	4,581	911,650	139	911,789	916,370
Total comprehensive income	-	-	-	-	826,368	826,368	911,650	139	911,789	1,738,157
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	67,650	-	(67,650)	-	-	-	-	-
Special reserve appropriated	-	-	-	271,800	(271,800)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(544,436)	(544,436)	-	-	-	(544,436)
Change in equity of subsidiaries accounted for using equity method	-	12,378	-	-	-	-	-	-	-	12,378
Balance on December 31, 2024	\$ 3,629,572	9,227,074	2,384,213	553,138	4,493,299	7,430,650	356,216	2,435	358,651	20,645,947

ITEQ CORPORATION

Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from (used in) operating activities:		
Profit before tax	\$ 1,173,999	1,123,571
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	256,317	205,694
Amortization expense	9,186	9,112
Expected credit loss (gain)	1,413	(161)
Net losses on financial assets or liabilities at fair value through profit or loss	-	6,547
Interest expense	79,251	57,992
Interest income	(11,106)	(3,850)
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(2,058,051)	(1,798,654)
Losses on disposal of property, plant and equipment	(847)	3,438
Impairment loss (gains) on non-financial assets	(44,543)	3,920
Unrealized (realized) profit from sales	(1,558)	1,233
Total adjustments to reconcile profit (loss)	<u>(1,769,938)</u>	<u>(1,514,729)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	24,585	(9,823)
Accounts receivable	(24,175)	141,226
Accounts receivable due from related parties	(93,402)	68,913
Other receivable	(42,676)	202,078
Other receivable due from related parties	(5,102)	(7,249)
Inventories	(1,866)	(47,398)
Other current assets	56,274	13,388
Other operating assets	(461)	(456)
Total changes in operating assets	<u>(86,823)</u>	<u>360,679</u>
Changes in operating liabilities:		
Financial liabilities held for trading	-	(14,228)
Accounts payable	(131,039)	82,884
Accounts payable to related parties	79,923	(61,615)
Other payable	24,306	(103,531)
Other payable to related parties	(29)	(7,051)
Other current liabilities	(3,419)	(8,370)
Total changes in operating liabilities	<u>(30,258)</u>	<u>(111,911)</u>
Total changes in operating assets and liabilities	<u>(117,081)</u>	<u>248,768</u>
Total adjustments	<u>(1,887,019)</u>	<u>(1,265,961)</u>
Cash outflow generated from operations	(713,020)	(142,390)
Interest paid	(79,378)	(58,244)
Income taxes refund (paid)	(282,085)	24,421
Net cash used in operating activities	<u>(1,074,483)</u>	<u>(176,213)</u>
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	(1,500)	-
Acquisition of investments accounted for using equity method	-	(586,083)
Proceeds from capital reduction of investments accounted for using equity method	69,000	-
Acquisition of property, plant and equipment	(78,774)	(134,147)
Proceeds from disposal of property, plant and equipment	431	13,289
Increase in refundable deposits	-	(181)
Decrease (increase) in other non-current assets	(3,734)	4,099
Increase in prepayments for business facilities	(169,271)	(246,709)
Interest received	2,287	2,718
Dividends received	1,442,645	1,309,550
Net cash flows from investing activities	<u>1,261,084</u>	<u>362,536</u>
Cash flows from (used in) financing activities:		
Cash dividends paid	(544,436)	(1,088,872)
Increase (decrease) in short-term borrowings	(50,000)	870,000
Decrease in short-term notes and bills payable	-	(149,915)
Proceeds from long-term borrowings	450,000	-
Increase in guarantee deposits received	-	600
Payment of lease liabilities	(29,505)	(28,915)
Net cash used in financing activities	<u>(173,941)</u>	<u>(397,102)</u>
Net increase (decrease) in cash and cash equivalents	12,660	(210,779)
Cash and cash equivalents at beginning of period	133,627	344,406
Cash and cash equivalents at ending of period	<u>\$ 146,287</u>	<u>133,627</u>

ITEQ Corporation
2024 Earnings Distribution Proposal

Currency Unit: NT\$

Item	Amount
Unappropriated retained earnings, Dec. 31, 2023	3,666,930,147
Net profit of 2024	821,787,370
Add: Remeasurements of defined benefit plans recognized in retained earnings	4,581,096
The net profit of 2024 and the items other than net profit of 2024 but are included in unappropriated retained earnings of 2024	826,368,466
Less: 10% legal reserve	(82,636,847)
Add: Reversal of special reserve	553,137,966
Retained earnings in 2024 available for distribution	4,963,799,732
Distributable item:	
Cash dividends to common shareholders (NT\$1.8 per share)	(653,322,992)
Unappropriated retained earnings, Dec. 31, 2024	4,310,476,740

Notes:

1. The above-mentioned dividend distribution ratio is based on the 362,957,218 shares outstanding as of March 7, 2025.
2. Cash dividends to shareholders are prioritized from the net profit of 2024.

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

ITEQ Corporation
Revisions to the Articles of Incorporation

After Amendment	Before Amendment	Explanation
<p>Article 27</p> <p>In case the Corporation makes a profit during a fiscal year, no less than 2% of said profit shall be set aside for employees' remuneration. <u>Of the total amount set aside for employee compensation, no less than 5% shall be distributed to entry-level employees.</u> The Board of Directors shall resolve whether to distribute said remuneration in shares or cash. Recipients of said remuneration may include the employees of the controlled or subordinate companies who meet certain criteria. The Board of Directors is authorized to d The Corporation allows the Board of Directors to set aside no more than 2% of the amount of the foregoing profit as Directors' remuneration. The proposal of distributing employees' and Directors' remuneration shall be reported to the shareholders' meeting. However, if the Corporation still has accumulated losses, it shall retain the indemnity amount in advance and then set aside the remuneration of employees and Directors in accordance with the percentages in the preceding paragraph.</p>	<p>Article 27</p> <p>In case the Corporation makes a profit during a fiscal year, no less than 2% of said profit shall be set aside for employees' remuneration. The Board of Directors shall resolve whether to distribute said remuneration in shares or cash. Recipients of said remuneration may include the employees of the controlled or subordinate companies who meet certain criteria. The Board of Directors is authorized to d The Corporation allows the Board of Directors to set aside no more than 2% of the amount of the foregoing profit as Directors' remuneration. The proposal of distributing employees' and Directors' remuneration shall be reported to the shareholders' meeting. However, if the Corporation still has accumulated losses, it shall retain the indemnity amount in advance and then set aside the remuneration of employees and Directors in accordance with the percentages in the preceding paragraph.</p>	<p>In compliance with the amended Article 14-6 of the Securities and Exchange Act.</p>
<p>Article 32</p> <p>These Articles of Incorporation were formulated by the sponsors' meeting with the consent of all the sponsors on March 24, 1997 and come into force on the date of approval and registration by the competent authority.</p> <p>The 1st amendment was made on August 11, 1997.</p> <p>~Omit~</p> <p>The 25th amendment was made on June 16, 2020.</p>	<p>Article 32</p> <p>These Articles of Incorporation were formulated by the sponsors' meeting with the consent of all the sponsors on March 24, 1997 and come into force on the date of approval and registration by the competent authority.</p> <p>The 1st amendment was made on August 11, 1997.</p> <p>~Omit~</p> <p>The 25th amendment was made on June 16, 2020.</p>	<p>The date of this amendment has been added.</p>

After Amendment	Before Amendment	Explanation
<p>The 26th amendment was made on July 2, 2021.</p> <p>The 27th amendment was made on June 14, 2022.</p> <p><u>The 28th amendment was made on May 26, 2025.</u></p> <p>Effective from the resolution of the shareholders' meeting, and upon amendment.</p>	<p>The 26th amendment was made on July 2, 2021.</p> <p>The 27th amendment was made on June 14, 2022.</p> <p>Effective from the resolution of the shareholders' meeting, and upon amendment.</p>	