

Stock Code: 8039

TAIFLEX SCIENTIFIC CO., LTD.

2025 ANNUAL SHAREHOLDERS' MEETING

MEETING AGENDA

Time: 9:00 a.m., May 27, 2025

Place: No.1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City

Notice to Readers

This English version of the meeting agenda is a summary translation of the original Chinese version.
In the event of any discrepancies, the Chinese version shall prevail.

Table of Contents

I.	Meeting Procedures	1
II.	Meeting Agenda	2
III.	Report Items	3
IV.	Ratification Items	10
V.	Discussion Items.....	12
VI.	Extempore Motions	12
VII.	Meeting Adjourned.....	12
VIII.	Attachment	
	1. Independent Auditors' Report and 2024 Consolidated Financial Statements.....	13
	2. Independent Auditors' Report and 2024 Parent Company Only Financial Statements	23
	3. Comparison Table of Amendments to Articles of Incorporation	33
IX.	Appendix	
	1. Articles of Incorporation (Before Amendment).....	35
	2. Rules of Procedure for Shareholders' Meeting.....	43
	3. Shareholdings of All Directors.....	49
X.	Other Explanatory Items	50

TAIFLEX SCIENTIFIC CO., LTD.

Procedures of 2025 Annual Shareholders' Meeting

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
- IV. Ratification Items
- V. Discussion Items
- VI. Extempore Motions
- VII. Meeting Adjourned

TAIFLEX SCIENTIFIC CO., LTD.

Agenda of 2025 Annual Shareholders' Meeting

Type: Physical shareholders' meeting

Time: 9:00 a.m., May 27, 2025

Place: No.1, Huanqu 3rd Rd., Qianzhen Dist., Kaohsiung City

- I. Call Meeting to Order
- II. Chairperson's Opening Remarks
- III. Report Items
 - 1. Distribution of 2024 remuneration to directors and compensation to employees
 - 2. Business report for 2024
 - 3. Audit Committee's review report on 2024 financial statements
 - 4. Cash dividends for 2024 earnings distribution
- IV. Ratification Items:
 - 1. 2024 financial statements
- V. Discussion Items:
 - 1. Amendments to the Company's Articles of Incorporation
 - 2. Release of director from non-compete restrictions
- VI. Extempore Motions
- VII. Meeting Adjourned

Report Items

Item 1 Distribution of 2024 remuneration to directors and compensation to employees

Explanation:

1. Pursuant to Article 28 of the Articles of Incorporation on the distribution of remuneration to directors and compensation to employees, when the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to directors shall not be higher than four percent of the balance.
2. The Company appropriated compensation to employees and remuneration to directors of NT\$60,131,588 and NT\$16,442,407, respectively, for the year ended December 31, 2024. The distribution would be made in the form of cash. The difference between actual payment and the amount accrued in 2024 of NT\$7,101 was recognized as expenses in 2024.
3. This item was reviewed by the Compensation Committee and approved by the Board of Directors.

Item 2 Business report for 2024

Taiflex Scientific Co., Ltd.

Business Report for 2024

1. 2024 Operating Results

In 2024, the Company recorded operating revenue of NT\$9.938 billion, representing an increase of approximately 21.9% compared to NT\$8.151 billion in the previous year. Net income attributable to the parent company amounted to NT\$593 million, reflecting year-on-year growth of approximately 40.1%, with earnings per share of NT\$2.53. Both revenue and profitability improved compared to the previous year, driven not only by a modest recovery in the consumer electronics sector, but more importantly, by the Company's ongoing efforts in developing new products and expanding its share among key customers.

Looking ahead, industry consensus suggests that the overall recovery in the consumer electronics and automotive sectors would remain subdued. The primary driver of demand continues to be significant investments in artificial intelligence (AI) by major cloud service providers (CSPs), which are fueling growth across the AI supply chain. Following the completion of AI data center infrastructure, the development of edge AI is anticipated to trigger a replacement cycle for mobile devices, potentially becoming a new growth catalyst for the consumer electronics market. At the same time, the resurgence of global trade protectionism, along with ongoing concerns about trade wars and tariffs, continues to have a profound impact on global supply chain strategies, significantly increasing operational uncertainties.

Amid these uncertainties, the Company remains committed to developing high value-added products and leveraging the superior properties of its materials to tap into emerging growth markets. In addition, mass production at the Company's Thailand facility officially commenced in 2024, with the aim of enhancing overall supply chain resilience to better withstand potential trade barriers.

(1) Consolidated revenue and net income

(In Thousands of New Taiwan Dollars)

Item	2024	2023	Change (in Dollar Amount)	Change (in Percentage)
Operating revenue	9,938,135	8,150,519	1,787,616	21.93%
Gross profit	2,137,777	1,791,507	346,270	19.33%
Net income	532,488	360,723	171,765	47.62%

(2) Profitability analysis

Item	2024	2023
Net profit margin	5.36%	4.43%
Return on assets	4.05%	2.99%
Return on equity	5.68%	4.48%

(3) Directions of research and development

A. Electronic materials

With the integration of edge AI functionalities into end-user devices and the continuous advancement of 5G mobile communication technologies, the functional design of mobile devices is driving sustained demand for high-frequency and high-speed, miniaturization, and fine-line circuit materials. In response, the Company's R&D strategy for electronic materials is focused on these three core pillars: (1) high-frequency, high-speed, low-latency materials to meet advanced transmission requirements; (2) materials with high dimensional stability and low ionic migration, tailored for system-in-package (SiP) applications and fine-line circuit designs; and (3) ultra-thin materials designed to accommodate increasingly compact spatial configurations. Through its proprietary formulas and process technologies, the Company remains committed to providing customers with comprehensive solutions that enhance product value.

B. Semiconductor materials

In September 2020, the Company spun off Taichem Materials Co., Ltd., which is primarily responsible for the R&D and promotion of the Company's semiconductor materials. Its current flagship product is a temporary bonding material (Release Layer) used in advanced semiconductor packaging processes. In line with the evolving packaging technologies, Taichem is actively developing functional films for packaging applications aimed at optimizing production efficiency and improving ESG performance. Through strategic partnerships with industry leaders possessing strong technological capabilities, the company is also accelerating product development and delivering comprehensive solutions to customers.

2. Overview of 2025 Business Plan

(1) Business policy

In 2025, in addition to proactively investing in R&D to stay ahead of technological developments and ensure timely product certification to secure future orders, the Company recognizes that the growing trend of global trade protectionism will have a profound impact on supply chain order distribution. As such, it is increasingly vital to maintain consistent production quality across all manufacturing sites and to uphold operational flexibility in order to promptly respond to customer demands.

Furthermore, global inflationary pressures remain a concern. Rising capital costs and increasing expenses across various production inputs continue to pose significant challenges. As a result, cost control and the strategic allocation of limited resources will be key operational focuses. Moving forward, the Company remains committed to balancing business operations with risk management to ensure steady and prudent progress.

(2) Sales volume forecast and basis

Electronics materials: Sales in 2025 are expected to increase slightly compared to 2024

Basis:

- A. Market consensus currently anticipates low single-digit growth in the consumer electronics sector in 2025. With inventory levels across the supply chain remaining relatively healthy, overall demand is expected to better align with actual end-user consumption.
- B. The rise of AI edge computing functionalities is projected to trigger a replacement cycle for high-end smartphones. In addition, design changes involving new materials are expected to drive increased sales of high-end materials.
- C. As an industry leader, the Company is well-positioned to benefit not only from the sector's organic growth but also from the rising adoption of high-end materials. This is expected to lead to a modest year-on-year increase in electronic materials sales volume.

(3) Key production and sales policies

- A. Enhance the consistency of supply quality across global production sites and bolster the resilience of the global supply chain.
- B. Increase inventory levels of critical materials and implement an integrated production and sales planning system to promptly respond to fluctuations in customer demand and adjust overall supply strategies accordingly.
- C. Strengthen investment in customer technical service teams by participating in early-stage R&D and pilot production to resolve issues in a timely manner, thereby shortening time-to-market and accelerating mass production.
- D. Implement a sales strategy that balances risk and profitability through optimization of the customer portfolio and product mix.

3. Strategies for Future Developments

- (1) Invest in high-end materials for AI servers and advanced mobile communication applications to enhance value-added offerings. Beyond existing flexible printed circuit (FPC) materials, the Company is expanding into semiconductor packaging and high-speed substrate materials.
- (2) Deepen collaborative development of critical upstream materials with end customers by engaging in early-stage specification setting, thereby building a strong competitive moat.
- (3) Optimize ESG-related investments by continuing to systematize processes and implement waste reduction measures to mitigate environmental impact. At the same time, increase investment in renewable energy to meet customer expectations and drive sustainable growth, while reducing costs through various efficiency initiatives.

4. Impacts from External Competitions, Regulatory Compliance and Macro-environment

(1) External competitions

- A. Due to the continued downturn in the automotive sector and only a modest recovery in consumer electronics, overall industry demand has weakened, leading to intensified competition. Manufacturers are aggressively competing for new product orders, requiring substantial R&D investment to accelerate development and gain first-mover advantage. At the same time, conventional products are under mounting pressure from price competition.
- B. The fragmentation of global supply chains and the rise of regional economies have driven governments to strengthen localization requirements. Many local manufacturers also benefit from government subsidies, further escalating competition across the supply base.
- C. As a global leader in flexible copper-clad laminates (FCCL), the Company possesses strong advantages in supply chain management and production scale, enabling rapid response to customer needs. By collaborating closely with upstream and downstream partners, the Company is able to accelerate product development schedules and better meet demand for new products, thereby reinforcing its competitive position.

(2) Regulatory compliance

- A. The rise of global trade protectionism may trigger tariff wars, driving up operating costs across the supply chain and affecting companies' global deployment strategies.
- B. Regulations such as the global minimum tax and anti-base erosion measures are expected to influence how customers adjust their trade models. Combined with the uncertainty of tariff policies in various countries, this has further increased the complexity of global value chain design.

(3) Macro-environment

- A. Inflation, tightening monetary policies, and the rise of global trade protectionism not only introduce uncertainty to market demand but also drive up cost pressures. In parallel, these factors have significantly increased the complexity of supply chain inventory management and production scheduling, posing substantial challenges to corporate resource allocation and planning.

- B. As end customers place increasing emphasis on ESG (Environmental, Social, and Governance) practices, companies face higher operating costs associated with ESG implementation. A key challenge going forward is transforming these ESG investments into strategic sources of competitive advantage.

In response to the rapidly evolving competitive environment and rising operational complexity, the Company will continue to strengthen its core competencies and invest in high value-added materials and industries. By leveraging its current leadership position and working closely with customers on joint development efforts, the Company aims to capture market growth opportunities and lay a solid foundation for long-term development.

Wishing all shareholders good health and prosperity!

Chairperson: Ta-Wen Sun

President: Zong-Han Jiang

Accounting Manager: Chi-Yuan Pan

Item 3 Audit Committee's review report on 2024 financial statements

Audit Committee's Review Report

To: 2025 Annual Shareholders' Meeting of Taiflex Scientific Co., Ltd.

The Board of Directors has prepared the business report, consolidated and parent company only financial statements and earnings distribution proposal for the year ended December 31, 2024. Certified Public Accountants of Ernst & Young, Kuo-Sen Hung and Ching-Piao Cheng, were retained by the Board to audit the consolidated and parent company only financial statements and they have issued audit reports.

The above-mentioned business report, consolidated and parent company only financial statements and earnings distribution have been reviewed and determined to be correct by the Audit Committee. We hereby submit this report in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Taiflex Scientific Co., Ltd.

Convener of the Audit Committee: Wen-I Lo

February 26, 2025

Item 4 Cash dividends for 2024 earnings distribution

Explanation:

1. Pursuant to earnings distribution stipulated in Article 28-1 of the Articles of Incorporation, the Board of Directors is authorized to approve the distribution of cash dividends and report to the shareholders' meeting.
2. Cash dividends for 2024 earnings distribution were approved by the Board of Directors. Shareholders will be entitled to receive a cash dividend of NT\$2.5 per share. Cash dividends to be paid are rounded down the nearest dollar. Dividends of fractional dollar amount to an individual shareholder are transferred to the Employee Welfare Committee of the Company.
3. In the event that there are changes in the total number of outstanding shares due to exercise of employee stock options for common shares, capital increase by cash, stock buyback, transfer of treasury stocks, or the conversion or cancellation of convertible bonds, and the dividend payout ratio is affected, it is proposed that the shareholders authorize the Chairperson to handle all matters related to the adjustment of the dividend payout ratio.
4. When the conditions for this earnings distribution are changed due to amendments to laws or approvals by regulatory authorities, it is proposed that the Chairperson be fully authorized to take all necessary measures.
5. 2024 earnings distribution table is as follows:

Taiflex Scientific Co., Ltd.

2024 Earnings Distribution Table

(In New Taiwan Dollars)

Item	Subtotal	Total	Note
Unappropriated earnings, beginning balance		3,347,788,572	
Add: Net income of 2024	592,776,489		
Other comprehensive income (Remeasurement of defined benefit plan) (Note 1)	17,314,169		
Disposal of equity instruments at fair value through other comprehensive income	253,134,639		
Reversal of special reserve (Note 2)	89,145,603		
Less: Legal reserve (Note 3)	(86,322,530)		
Distributable earnings		4,213,836,942	
Distribution items: (Note 4)			
Dividends to shareholders - cash	640,692,498		Cash dividends of NT\$2.5 per share
Total distributed earnings		(640,692,498)	
Unappropriated earnings, ending balance		3,573,144,444	

Chairperson: Ta-Wen Sun

President: Zong-Han Jiang

Accounting Manager: Chi-Yuan Pan

- (Note 1) The remeasurement of defined benefit plan under IAS 19 is transferred into retained earnings directly instead of through profit or loss account.
- (Note 2) In accordance with the regulations set by the Financial Supervisory Commission, when appropriating distributable earnings, the Company shall set aside a special reserve equivalent to the net deductions from other equity items recognized in the current year, from the current period's profit or loss and the undistributed earnings of the previous period. For net deductions from other equity items accumulated in prior periods, an equivalent amount shall be appropriated from the undistributed earnings of prior periods, and such amount shall not be distributed. However, if the Company has already appropriated a special reserve in accordance with the preceding provision, it shall further appropriate an additional special reserve for the difference between the amount previously appropriated and the net deductions from other equity items.
- (Note 3) In compliance with changes in the domestic accounting standards, when an entity appropriates legal reserve pursuant to Article 237 of the Company Act, the basis for the recognition is changed from net income to the sum of net income and items, other than the net income, included in the current year's undistributed earnings starting from the appropriation of 2019 earnings.
Legal reserve appropriated is calculated as follows: $(592,776,489 + 17,314,169 + 253,134,639) * 10\% = 86,322,530$.
- (Note 4) The distribution item above is calculated pursuant to the Articles of Incorporation. The amount and percentage are calculated as follows:
Dividends to shareholders: Cash dividend of NT\$2.5 per share * 256,276,999 shares = NT\$640,692,498.

Ratification Items

Item 1

Subject: To ratify the 2024 financial statements (Proposed by the Board of Directors)

Explanation:

1. The 2024 business report and consolidated and parent company only financial statements, which were audited by Certified Public Accountants of Ernst & Young, Kuo-Sen Hung and Ching-Piao Cheng, were reviewed by the Audit Committee.
2. Please refer to Attachment I on page 13 to 22 and Attachment II on page 23 to 32 of this meeting agenda for the financial statements.
3. 2024 earnings distribution table is as follows:

Taiflex Scientific Co., Ltd.

2024 Earnings Distribution Table

(In New Taiwan Dollars)

Item	Subtotal	Total	Note
Unappropriated earnings, beginning balance		3,347,788,572	
Add: Net income of 2024	592,776,489		
Other comprehensive income (Remeasurement of defined benefit plan) (Note 1)	17,314,169		
Disposal of equity instruments at fair value through other comprehensive income	253,134,639		
Reversal of special reserve (Note 2)	89,145,603		
Less: Legal reserve (Note 3)	(86,322,530)		
Distributable earnings		4,213,836,942	
Distribution items: (Note 4)			
Dividends to shareholders - cash	640,692,498		Cash dividends of NT\$2.5 per share
Total distributed earnings		(640,692,498)	
Unappropriated earnings, ending balance		3,573,144,444	

Chairperson: Ta-Wen Sun President: Zong-Han Jiang Accounting Manager: Chi-Yuan Pan

(Note 1) The remeasurement of defined benefit plan under IAS 19 is transferred into retained earnings directly instead of through profit or loss account.

(Note 2) In accordance with the regulations set by the Financial Supervisory Commission, when appropriating distributable earnings, the Company shall set aside a special reserve equivalent to the net deductions from other equity items recognized in the current year, from the current period's profit or loss and the undistributed earnings of the previous period. For net deductions from other equity items accumulated in prior periods, an equivalent amount shall be appropriated from the undistributed earnings of prior periods, and such amount shall not be distributed. However, if the Company has already appropriated a special reserve in accordance with the preceding provision, it shall further appropriate an additional special reserve for the difference between the amount previously appropriated and the net deductions from other equity items.

(Note 3) In compliance with changes in the domestic accounting standards, when an entity appropriates legal reserve pursuant to Article 237 of the Company Act, the basis for the recognition is changed from net income to the sum of net income and items, other than the net income, included in the current year's undistributed earnings starting from the appropriation of 2019 earnings.

Legal reserve appropriated is calculated as follows: $(592,776,489 + 17,314,169 + 253,134,639) \times 10\% = 86,322,530$.

(Note 4) The distribution item above is calculated pursuant to the Articles of Incorporation. The amount and percentage are calculated as follows:

Dividends to shareholders: Cash dividend of NT\$2.5 per share * 256,276,999 shares = NT\$640,692,498.

4. Please ratify the above-mentioned financial statements.

Resolution:

Discussion Items

Item 1

Subject: Amendments to the Company's Articles of Incorporation

(Proposed by the Board of Directors)

Explanation:

1. To meet operational needs and comply with amendments to the Company Act, the Company proposes to amend certain articles of its "Articles of Incorporation."
2. Please refer to Attachment III on page 33 to 34 for the Comparison Table of Amendments to Articles of Incorporation.
3. The proposal is submitted for discussion and approval.

Resolution:

Item 2

Subject: Release of director from non-compete restrictions (Proposed by the Board of Directors)

Explanation:

1. Article 209 of the Company Act stipulates that a director who engages in conduct for personal benefit or on behalf of another party, where such conduct falls within the scope of the Company's business, must disclose the essential details of the act to the shareholders' meeting and obtain its approval.
2. Due to business needs, the Company proposes to appoint a director of the Company to serve as a director of an investee company and to release the director from the restrictions of the non-compete clause. The list of director to be released is as follows:

Taiflex Scientific Co., Ltd.

List of Director to Be Released from Non-Compete Restrictions

Title	Name	Concurrent Position in Other Company	Effective Date of Release
Chairperson	Ta-Wen Sun	Koatech Technology Corporation - Corporate representative director	Upon approval by the shareholders' meeting

3. The proposal is submitted for discussion and approval.

Resolution:

Extempore Motions

Meeting Adjourned

Attachment I Independent Auditors' Report and 2024 Consolidated Financial Statements

Independent Auditors' Report

To Taiflex Scientific Co., Ltd.

Audit opinion

We have audited the consolidated balance sheets of Taiflex Scientific Co., Ltd. and its subsidiaries (hereinafter referred to as "Taiflex Group") as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to consolidated financial statements (including a summary on significant accounting policies).

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the consolidated financial status of Taiflex Group as of December 31, 2024 and 2023, and its consolidated financial performance and cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. 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 Taiflex Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("the Norm"), and we have fulfilled our other responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are ones that were of most significance in our audit of the consolidated financial statements of Taiflex Group for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall consolidated financial statements and in forming the audit opinion. We will not express a separate opinion on these matters. Key audit matters to be communicated on the independent auditors' report are stated as follows:

1. Impairment of receivables

Net receivables generated from the selling of flexible copper-clad laminate and cover-layer amounted to NT\$3,783,834 thousand and accounted for 26% of Taiflex Group's consolidated total assets as of December 31, 2024. Hence, it was considered a material item to the Group. Loss allowance for receivables was measured at an amount equal to lifetime expected credit losses. As the measurement of expected credit losses involved judgment, analysis and estimation and the outcome would affect the net receivables, the impairment of receivables was identified as a key audit matter.

Our audit procedures included, but not limited to, the assessment on the appropriateness of expected credit loss rate for receivables, i.e., tests on the effectiveness of internal control established by the management for receivables, random selection of customers for receivable confirmations, and verification of subsequent collections, in order to assess the recoverability of receivables. We tested the accuracy of aging, analyzed changes in aging, and assessed the reasonableness of receivables with longer collection terms.

We also considered the appropriateness of disclosures on receivables and associated risks in Notes 5 and 6 to the consolidated financial statements.

2. Inventory valuation

As of December 31, 2024, net inventories of flexible copper-clad laminate and cover-layer amounted to NT\$1,652,327 thousand; thus, it was a significant item to Taiflex Group. Due to uncertainties arising from rapid changes in product technologies, allowance for inventory obsolescence and valuation losses involved significant judgment of management. Hence, it was considered a key audit item.

Our audit procedures included, but not limited to, tests on the effectiveness of internal control established by the management for inventories, such as cost carryover of inventories, assessment on inventory status, evaluation on management's stocktaking plans, and on-site observation of stocktaking at major warehouses to ensure the quantities and conditions of inventories. We assessed the accuracy of inventory aging, analyzed movements in inventory aging, and considered the expected demand and market value of inventories. We evaluated management's analyses and assessments on obsolete inventories, including the estimations on the possibility of inventory realization and net realizable value, and tested whether the allowance for writing down inventories to their net realizable value was adequate.

We also considered the appropriateness of disclosures on inventories in Notes 5 and 6 to the consolidated financial statements.

Responsibilities of management and those charged with governance for the consolidated financial statements

The responsibilities of management are to prepare the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRICs, and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of Taiflex Group in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Group or cease its operations, or has no realistic alternative but to do so.

Those charged with governance of Taiflex Group (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have exercised professional judgment and professional skepticism when carrying out auditing work according to the auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the consolidated financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Taiflex Group's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on Taiflex Group's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the consolidated financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in Taiflex Group ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), and whether the consolidated financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within Taiflex Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the audit and the preparation of an audit opinion on the Group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of Taiflex Group's consolidated financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Others

Taiflex Scientific Co., Ltd. has also prepared parent company only financial statements for the years ended December 31, 2024 and 2023, which we had audited and issued an unqualified opinion.

Ernst & Young, Taiwan

February 26, 2025

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024	December 31, 2023
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 2,889,347	\$ 1,965,421
Financial assets at fair value through profit or loss - current	4, 6(2)	32,401	32,713
Financial assets at amortized cost - current	4, 6(3)	200,000	-
Notes receivable, net	4, 6(4)	627,810	720,982
Accounts receivable, net	4, 6(5)	3,156,024	3,095,035
Other receivables	7	97,983	52,913
Inventories, net	4, 6(6)	1,652,327	1,409,726
Prepayments		71,131	48,981
Other current assets	8	49,221	48,789
Total current assets		<u>8,776,244</u>	<u>7,374,560</u>
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(7)	436,144	426,661
Investments accounted for using the equity method	4, 6(8)	10,252	15,152
Property, plant and equipment	4, 6(9)	4,725,152	4,529,075
Right-of-use assets	4, 6(21)	285,140	363,168
Intangible assets	4, 6(10,11)	142,075	151,100
Deferred income tax assets	4, 6(24)	135,495	157,049
Other non-current assets		16,989	14,697
Total non-current assets		<u>5,751,247</u>	<u>5,656,902</u>
Total assets		<u>\$ 14,527,491</u>	<u>\$ 13,031,462</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS-(Continued)
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2024	December 31, 2023
Current liabilities			
Short-term loans	6(12)	\$ 343,783	\$ 218,859
Financial liabilities at fair value through profit or loss - current	4, 6(13)	2,254	1,570
Contract liabilities - current	4, 6(19)	1,156	1,473
Notes payable		41,761	18,578
Accounts payable		1,332,192	1,042,424
Other payables	7	817,028	652,002
Current income tax liabilities	4, 6(24)	245,002	216,706
Lease liabilities - current	4, 6(21)	18,759	19,775
Current portion of bonds	6(14)	-	1,891,501
Current portion of long-term loans	6(15)	19,497	36,457
Other current liabilities		4,493	3,890
Total current liabilities		<u>2,825,925</u>	<u>4,103,235</u>
Non-current liabilities			
Bonds payable	6(14)	245,543	-
Long-term loans	6(15)	324,836	345,524
Deferred income tax liabilities	4, 6(24)	148,006	118,076
Lease liabilities - non-current	4, 6(21)	200,916	247,359
Net defined benefit liabilities - non-current	4, 6(16)	114,999	132,642
Other non-current liabilities	4, 12	1,741	15,999
Total non-current liabilities		<u>1,036,041</u>	<u>859,600</u>
Total liabilities		<u>3,861,966</u>	<u>4,962,835</u>
Equity attributable to shareholders of the parent			
Capital	6(17)		
Common stock		2,549,117	2,091,197
Capital collected in advance		13,653	-
Total capital		<u>2,562,770</u>	<u>2,091,197</u>
Capital surplus	6(17)	2,322,316	1,026,197
Retained earnings			
Legal reserve		1,208,439	1,163,891
Special reserve		164,692	310,176
Unappropriated earnings		4,211,013	3,560,533
Total retained earnings		<u>5,584,144</u>	<u>5,034,600</u>
Others	4	174,798	(164,692)
Total equity attributable to shareholders of the parent		<u>10,644,028</u>	<u>7,987,302</u>
Non-controlling interests	4, 6(17)	21,497	81,325
Total equity		<u>10,665,525</u>	<u>8,068,627</u>
Total liabilities and equity		<u>\$ 14,527,491</u>	<u>\$ 13,031,462</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

(Concluded)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Notes	2024	2023
Operating revenue	4, 6(19)	\$ 9,938,135	\$ 8,150,519
Operating costs	4, 6(6,22)	(7,800,358)	(6,359,012)
Gross profit		<u>2,137,777</u>	<u>1,791,507</u>
Operating expenses	4, 6(22)		
Sales and marketing expenses		(503,523)	(455,450)
General and administrative expenses		(548,778)	(478,979)
Research and development expenses		(394,321)	(366,518)
Expected credit loss	6(20)	(28,434)	(2,962)
Total operating expenses		<u>(1,475,056)</u>	<u>(1,303,909)</u>
Operating income		<u>662,721</u>	<u>487,598</u>
Non-operating income and expenses	6(23)		
Interest income		36,731	27,568
Other income		26,168	47,126
Other gains and losses		38,405	(36,355)
Finance costs		(31,345)	(32,456)
Expected credit loss	6(20)	(29,571)	-
Share of profit or loss of associates accounted for using the equity method	4, 6(8)	(2,109)	(11,162)
Total non-operating income and expenses		<u>38,279</u>	<u>(5,279)</u>
Income before income tax		701,000	482,319
Income tax expense	4, 6(24)	(168,512)	(121,596)
Net income from continuing operations		<u>532,488</u>	<u>360,723</u>
Net income		<u>532,488</u>	<u>360,723</u>
Other comprehensive income (loss)	6(23)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		21,643	28,134
Unrealized gain on investments in equity instruments at fair value through other comprehensive income		465,128	170,972
Income tax related to items that will not be reclassified subsequently		(4,329)	(5,626)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		159,930	(32,443)
Income tax related to items that may be reclassified subsequently to profit or loss		(31,974)	6,488
Total other comprehensive income (loss), net of tax		<u>610,398</u>	<u>167,525</u>
Total comprehensive income		<u>\$ 1,142,886</u>	<u>\$ 528,248</u>
Net income attributable to:	4, 6(17,25)		
Shareholders of the parent		\$ 592,776	\$ 422,974
Non-controlling interests		(60,288)	(62,251)
		<u>\$ 532,488</u>	<u>\$ 360,723</u>
Total comprehensive income (loss) attributable to:			
Shareholders of the parent		\$ 1,202,714	\$ 590,966
Non-controlling interests		(59,828)	(62,718)
		<u>\$ 1,142,886</u>	<u>\$ 528,248</u>
Earnings per share (NT\$)	4, 6(25)		
Earnings per share - basic		\$ 2.53	\$ 1.93
Earnings per share - diluted		<u>\$ 2.32</u>	<u>\$ 1.66</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Item	Equity Attributable to Shareholders of the Parent											
	Capital			Retained Earnings			Others			Total	Non-Controlling Interests	Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income				
Balance as of January 1, 2023	\$ 2,091,197	\$ -	\$ 1,140,566	\$ 1,089,400	\$ 235,996	\$ 3,661,049	\$ (171,006)	\$ (139,170)	\$ 7,908,032	\$ 144,043	\$ 8,052,075	
Appropriation and distribution of 2022 earnings												
Legal reserve				74,491		(74,491)			-		-	
Special reserve					74,180	(74,180)			-		-	
Cash dividends for common stocks						(397,327)			(397,327)		(397,327)	
Changes in other capital surplus												
Changes from investments in associates accounted for using the equity method			73						73		73	
Cash dividends from capital surplus			(125,472)						(125,472)		(125,472)	
Net income for the year ended December 31, 2023						422,974			422,974	(62,251)	360,723	
Other comprehensive income (loss) for the year ended December 31, 2023						22,508	(25,488)	170,972	167,992	(467)	167,525	
Total comprehensive income	-	-	-	-	-	445,482	(25,488)	170,972	590,966	(62,718)	528,248	
Disposal of investments accounted for using the equity method			(3)						(3)		(3)	
Share-based payments			11,033						11,033		11,033	
Balance as of December 31, 2023	\$ 2,091,197	\$ -	\$ 1,026,197	\$ 1,163,891	\$ 310,176	\$ 3,560,533	\$ (196,494)	\$ 31,802	\$ 7,987,302	\$ 81,325	\$ 8,068,627	
Balance as of January 1, 2024	\$ 2,091,197	\$ -	\$ 1,026,197	\$ 1,163,891	\$ 310,176	\$ 3,560,533	\$ (196,494)	\$ 31,802	\$ 7,987,302	\$ 81,325	\$ 8,068,627	
Appropriation and distribution of 2023 earnings												
Legal reserve				44,548		(44,548)			-		-	
Cash dividends for common stocks						(209,120)			(209,120)		(209,120)	
Stock dividends for common stocks	104,560					(104,560)			-		-	
Reversal of special reserve					(145,484)	145,484			-		-	
Conversion of convertible bonds	353,360	13,653	1,288,025						1,655,038		1,655,038	
Changes in other capital surplus												
Changes from investments in associates accounted for using the equity method			35						35		35	
Net income for the for the year ended December 31, 2024						592,776			592,776	(60,288)	532,488	
Other comprehensive income (loss) for the year ended December 31, 2024						17,314	127,496	465,128	609,938	460	610,398	
Total comprehensive income	-	-	-	-	-	610,090	127,496	465,128	1,202,714	(59,828)	1,142,886	
Disposal of investments accounted for using the equity method			(29)						(29)		(29)	
Share-based payments			8,088						8,088		8,088	
Disposal of equity instruments at fair value through other comprehensive income						253,134		(253,134)	-		-	
Balance as of December 31, 2024	\$ 2,549,117	\$ 13,653	\$ 2,322,316	\$ 1,208,439	\$ 164,692	\$ 4,211,013	\$ (68,998)	\$ 243,796	\$ 10,644,028	\$ 21,497	\$ 10,665,525	

(The accompanying notes are an integral part of the consolidated financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 701,000	\$ 482,319
Adjustments:		
Non-cash income and expense items:		
Depreciation	507,744	435,954
Amortization	21,834	23,251
Expected credit loss	58,005	2,962
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	31,054	(5,345)
Interest expense	31,345	32,456
Interest income	(36,731)	(27,568)
Dividend income	(10,574)	(15,647)
Compensation costs of share-based payments	8,088	11,033
Share of loss of associates accounted for using the equity method	2,109	11,162
Loss on disposal of property, plant and equipment	33,450	308
Gain on disposal of investments accounted for using the equity method	(4,178)	(807)
Impairment loss of non-financial assets	26,228	-
Others	42,595	70,461
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily at fair value through profit or loss	(31,721)	(20,009)
Decrease (increase) in notes receivable	93,172	(18,887)
Increase in accounts receivable	(90,736)	(107,478)
Increase in other receivables	(43,729)	(17,471)
(Increase) decrease in inventories	(285,197)	291,757
Increase in prepayments	(12,481)	(11,009)
Decrease (increase) in other current assets	453	(988)
(Increase) decrease in other non-current assets	(786)	10,361
(Decrease) increase in contract liabilities	(317)	715
Increase in notes payable	23,183	18,176
Increase in accounts payable	289,768	290,055
Increase (decrease) in other payables	167,465	(47,942)
Increase in other current liabilities	603	200
Increase (decrease) in net defined benefit liabilities	4,000	(23,997)
Cash generated from operations	1,525,646	1,384,022
Interest received	35,223	28,997
Dividend received	10,574	15,647
Interest paid	(15,943)	(10,202)
Income tax paid	(134,704)	(146,612)
Net cash generated by operating activities	1,420,796	1,271,852

(The accompanying notes are an integral part of the consolidated financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities:		
Disposal of financial assets at fair value through other comprehensive income	\$ 455,645	\$ -
Acquisition of financial assets at amortized cost	(200,000)	-
Disposal of financial assets at amortized cost	-	30,743
Disposal of investments accounted for using the equity method	6,975	2,071
Acquisition of property, plant and equipment	(693,200)	(1,015,157)
Disposal of property, plant and equipment	15,591	92
Increase in refundable deposits	(1,988)	(1,525)
Acquisition of intangible assets	(8,057)	(1,210)
Increase in other current assets - other financial assets - current	(885)	-
Decrease in other current assets - other financial assets - current	-	320
Net cash used in investing activities	<u>(425,919)</u>	<u>(984,666)</u>
Cash flows from financing activities:		
Increase in short-term loans	124,924	-
Decrease in short-term loans	-	(36,141)
Increase in long-term loans	-	7,505
Repayment of long-term loans	(37,648)	-
Increase in guarantee deposits received	-	15,744
Decrease in guarantee deposits received	(14,258)	-
Repayment of lease principal	(29,097)	(32,381)
Distribution of cash dividends	(209,120)	(522,799)
Net cash used in financing activities	<u>(165,199)</u>	<u>(568,072)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>94,248</u>	<u>(18,079)</u>
Net increase (decrease) in cash and cash equivalents	923,926	(298,965)
Cash and cash equivalents at beginning of period	1,965,421	2,264,386
Cash and cash equivalents at end of period	<u>\$ 2,889,347</u>	<u>\$ 1,965,421</u>

(The accompanying notes are an integral part of the consolidated financial statements.)

(Concluded)

Attachment II Independent Auditors' Report and 2024 Parent Company Only Financial Statements

Independent Auditors' Report

To Taiflex Scientific Co., Ltd.

Audit opinion

We have audited the parent company only balance sheets of Taiflex Scientific Co., Ltd. (hereinafter referred to as "Taiflex" or "the Company") as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to parent company only financial statements (including a summary on significant accounting policies).

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

Basis for audit opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only 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 ("the Norm"), and we have fulfilled our other responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are ones that were of most significance in our audit of the parent company only financial statements of the Company for the year ended December 31, 2024 based on our professional judgment. These matters have been covered during the audit of the overall parent company only financial statements and in forming the audit opinion. We will not express a separate opinion on these matters. Key audit matters to be communicated on the independent auditors' report are stated as follows:

1. Impairment of receivables

Net receivables generated from the selling of flexible copper-clad laminate and cover-layer amounted to NT\$2,678,470 thousand and accounted for 20% of the Company's total assets as of December 31, 2024. Hence, it was considered a material item to the Company. Loss allowance for receivables was measured at an amount equal to lifetime expected credit losses. As the measurement of expected credit losses involved judgment, analysis and estimation and the outcome would affect the net receivables, the impairment of receivables was identified as a key audit matter.

Our audit procedures included, but not limited to, the assessment on the appropriateness of expected credit loss rate for receivables, i.e., tests on the effectiveness of internal control established by the management for receivables, random selection of customers for receivable confirmations, and verification of subsequent collections, in order to assess the recoverability of receivables. We tested the accuracy of aging, analyzed changes in aging, and assessed the reasonableness of receivables with longer collection terms.

We also considered the appropriateness of disclosures on receivables and associated risks in Notes 5 and 6 to the parent company only financial statements.

2. Inventory valuation

As of December 31, 2024, net inventories of flexible copper-clad laminate and cover-layer amounted to NT\$1,060,223 thousand; thus, it was a significant item to the Company. Due to uncertainties arising from rapid changes in product technologies, allowance for inventory obsolescence and valuation losses involved significant judgment of management. Hence, it was considered a key audit item.

Our audit procedures included, but not limited to, tests on the effectiveness of internal control established by the management for inventories, such as cost carryover of inventories, assessment on inventory status, evaluation on management's stocktaking plans, and on-site observation of stocktaking at major warehouses to ensure the quantities and conditions of inventories. We assessed the accuracy of inventory aging, analyzed movements in inventory aging, and considered the expected demand and market value of inventories. We evaluated management's analyses and assessments on obsolete inventories, including the estimations on the possibility of inventory realization and net realizable value, and tested whether the allowance for writing down inventories to their net realizable value was adequate.

We also considered the appropriateness of disclosures on inventories in Notes 5 and 6 to the parent company only financial statements.

Responsibilities of management and those charged with governance for the parent company only financial statements

The responsibilities of management are to prepare the parent company only financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintain necessary internal controls associated with the preparation in order to ensure the financial statements are free from material misstatement arising from fraud or error.

In preparing the parent company only financial statements, management is also responsible for assessing the ability of the Company in continuing as a going concern, disclosing associated matters and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease its operations, or has no realistic alternative but to do so.

Those charged with governance of the Company (including the Audit Committee) are responsible for supervising the financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If those amounts of misstatements, either individually or in the aggregate, could reasonably be expected to influence the economic decisions of financial statements users, they are considered material.

We have exercised professional judgment and professional skepticism when carrying out auditing work according to the auditing standards. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute appropriate counter-measures in response to those risks, and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud or error is higher than for one resulting from error.
2. Understand internal controls relevant to the audit in order to design appropriate audit procedures under 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 adopted and the reasonableness of accounting estimates and relevant disclosures made by management.
4. Based on the audit evidence obtained, we conclude on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists for events or conditions that may cast significant doubts on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in the notes to those statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may result in the Company ceasing to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately represent the underlying transactions and events.
6. Obtain sufficient and appropriate audit evidence concerning the financial information of entities within the group to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit on those investees and the preparation of an audit opinion on the group.

Matters communicated between us and the governance bodies include the planned scope and timing of the audit, and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provide governance bodies with a declaration that we have complied with the Norm regarding independence, and to communicate with them all relationships and other matters that may possibly be deemed to impair our independence (including relevant preventive measures).

From the matters communicated with governance bodies, we determine the key audit matters within the audit of the Company's parent company only financial statements for the year ended December 31, 2024. We have clearly indicated such matters in the independent auditors' report, unless legal regulations prohibit the public disclosure of specific items, or in extremely rare cases, where we decided not to communicate over specific items in the independent auditors' report for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Ernst & Young, Taiwan

February 26, 2025

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Assets	Notes	December 31, 2024	December 31, 2023
Current assets			
Cash and cash equivalents	4, 6(1)	\$ 1,924,786	\$ 877,547
Financial assets at fair value through profit or loss - current	4, 6(2)	32,385	32,621
Financial assets at amortized cost - current	4, 6(3)	200,000	-
Notes receivable, net	4, 6(4)	576	444
Accounts receivable, net	4, 6(5)	1,965,745	1,967,968
Accounts receivable - related parties	6(5), 7	712,149	645,444
Other receivables		36,789	25,764
Other receivables - related parties	7	56,055	270,351
Inventories, net	4, 6(6)	1,060,223	992,593
Prepayments		20,785	18,366
Other current assets	8	21,050	22,347
Total current assets		<u>6,030,543</u>	<u>4,853,445</u>
Non-current assets			
Financial assets at fair value through other comprehensive income - non-current	4, 6(7)	436,144	426,661
Investments accounted for using the equity method	4, 6(8)	4,453,459	4,164,295
Property, plant and equipment	4, 6(9)	2,206,847	2,400,662
Right-of-use assets	4, 6(19)	197,922	238,488
Intangible assets	4, 6(10)	67,304	77,368
Deferred income tax assets	4, 6(22)	118,250	116,986
Other non-current assets		7,346	6,529
Total non-current assets		<u>7,487,272</u>	<u>7,430,989</u>
Total assets		<u>\$ 13,517,815</u>	<u>\$ 12,284,434</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY BALANCE SHEETS-(Continued)
December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2024	December 31, 2023
Current liabilities			
Financial liabilities at fair value through profit or loss - current	4, 6(11)	\$ 2,254	\$ 1,556
Contract liabilities - current	4, 6(17)	190	9
Notes payable		3	-
Accounts payable		1,065,303	934,716
Accounts payable - related parties	7	17,796	33,467
Other payables		610,427	511,333
Other payables - related parties	7	30,061	20,349
Current income tax liabilities	4, 6(22)	228,373	203,214
Lease liabilities - current	4, 6(19)	12,021	11,009
Current portion of bonds	6(12)	-	1,891,501
Other current liabilities		3,197	3,065
Total current liabilities		<u>1,969,625</u>	<u>3,610,219</u>
Non-current liabilities			
Bonds payable	6(12)	245,543	-
Long-term loans	6(13)	200,000	200,000
Deferred income tax liabilities	4, 6(22)	147,263	117,783
Lease liabilities - non-current	4, 6(19)	196,357	236,488
Net defined benefit liabilities - non-current	4, 6(14)	114,999	132,642
Total non-current liabilities		<u>904,162</u>	<u>686,913</u>
Total liabilities		<u>2,873,787</u>	<u>4,297,132</u>
Equity			
Capital	6(15)		
Common stock		2,549,117	2,091,197
Capital collected in advance		13,653	-
Total capital		<u>2,562,770</u>	<u>2,091,197</u>
Capital surplus	6(15)	2,322,316	1,026,197
Retained earnings			
Legal reserve		1,208,439	1,163,891
Special reserve		164,692	310,176
Unappropriated earnings		4,211,013	3,560,533
Total retained earnings		<u>5,584,144</u>	<u>5,034,600</u>
Others	4	174,798	(164,692)
Total equity		<u>10,644,028</u>	<u>7,987,302</u>
Total liabilities and equity		<u>\$ 13,517,815</u>	<u>\$ 12,284,434</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

(Concluded)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	Notes	2024	2023
Operating revenue	4, 6(17), 7	\$ 8,215,429	\$ 6,837,677
Operating costs	4, 6(6,20), 7	(6,459,603)	(5,371,905)
Gross profit		1,755,826	1,465,772
Realized gain/(loss) on transactions with associates		(3,554)	3,555
Gross profit, net		1,752,272	1,469,327
Operating expenses	4, 6(20)		
Sales and marketing expenses		(330,536)	(299,188)
General and administrative expenses		(394,181)	(325,780)
Research and development expenses		(331,626)	(314,812)
Expected credit loss	6(18)	(23,257)	(2,990)
Total operating expenses		(1,079,600)	(942,770)
Operating income		672,672	526,557
Non-operating income and expenses	6(21)		
Interest income		26,224	17,384
Other income		37,965	42,797
Other gains and losses		97,861	(38,002)
Finance costs		(18,245)	(25,026)
Share of profit or loss of subsidiaries and associates accounted for using the equity method	4, 6(8)	(88,077)	(25,078)
Total non-operating income and expenses		55,728	(27,925)
Income before income tax		728,400	498,632
Income tax expense	4, 6(22)	(135,624)	(75,658)
Net income from continuing operations		592,776	422,974
Net income		592,776	422,974
Other comprehensive income (loss)	6(21)		
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan		21,643	28,134
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income		465,128	170,972
Income tax related to items that will not be reclassified subsequently	6(22)	(4,329)	(5,626)
Items that may be reclassified subsequently to profit or loss	6(21)		
Exchange differences on translation of foreign operations		159,354	(31,859)
Income tax related to items that may be reclassified subsequently to profit or loss	6(22)	(31,858)	6,371
Total other comprehensive income (loss), net of tax		609,938	167,992
Total comprehensive income		\$ 1,202,714	\$ 590,966
Earnings per share (NT\$)	4, 6(23)		
Earnings per share - basic		\$ 2.53	\$ 1.93
Earnings per share - diluted		\$ 2.32	\$ 1.66

(The accompanying notes are an integral part of the parent company only financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

Item	Capital			Retained Earnings			Others		Total Equity
	Common Stock	Capital Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	
Balance as of January 1, 2023	\$ 2,091,197	\$ -	\$ 1,140,566	\$ 1,089,400	\$ 235,996	\$ 3,661,049	\$ (171,006)	\$ (139,170)	\$ 7,908,032
Appropriation and distribution of 2022 earnings									
Legal reserve				74,491		(74,491)			-
Special reserve					74,180	(74,180)			-
Cash dividends for common stocks						(397,327)			(397,327)
Changes in other capital surplus									
Changes from investments in associates accounted for using the equity method			916						916
Cash dividends from capital surplus			(125,472)						(125,472)
Net income for the year ended December 31, 2023						422,974			422,974
Other comprehensive income (loss) for the year ended December 31, 2023						22,508	(25,488)	170,972	167,992
Total comprehensive income	-	-	-	-	-	445,482	(25,488)	170,972	590,966
Disposal of investments accounted for using the equity method			(3)						(3)
Share-based payments			10,190						10,190
Balance as of December 31, 2023	\$ 2,091,197	\$ -	\$ 1,026,197	\$ 1,163,891	\$ 310,176	\$ 3,560,533	\$ (196,494)	\$ 31,802	\$ 7,987,302
Balance as of January 1, 2024	\$ 2,091,197	\$ -	\$ 1,026,197	\$ 1,163,891	\$ 310,176	\$ 3,560,533	\$ (196,494)	\$ 31,802	\$ 7,987,302
Appropriation and distribution of 2023 earnings									
Legal reserve				44,548		(44,548)			-
Cash dividends for common stocks						(209,120)			(209,120)
Stock dividends for common stocks	104,560					(104,560)			-
Reversal of special reserve					(145,484)	145,484			-
Conversion of convertible bonds	353,360	13,653	1,288,025						1,655,038
Changes in other capital surplus									
Changes from investments in associates accounted for using the equity method			394						394
Net income for the for the year ended December 31, 2024						592,776			592,776
Other comprehensive income (loss) for the year ended December 31, 2024						17,314	127,496	465,128	609,938
Total comprehensive income	-	-	-	-	-	610,090	127,496	465,128	1,202,714
Disposal of investments accounted for using the equity method			(29)						(29)
Share-based payments			7,729						7,729
Disposal of equity instruments at fair value through other comprehensive income						253,134		(253,134)	-
Balance as of December 31, 2024	\$ 2,549,117	\$ 13,653	\$ 2,322,316	\$ 1,208,439	\$ 164,692	\$ 4,211,013	\$ (68,998)	\$ 243,796	\$ 10,644,028

(The accompanying notes are an integral part of the parent company only financial statements.)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from operating activities:		
Income before income tax	\$ 728,400	\$ 498,632
Adjustments:		
Non-cash income and expense items:		
Depreciation	317,150	297,835
Amortization	19,629	21,333
Expected credit loss	23,257	2,990
Net loss (gain) on financial assets (liabilities) at fair value through profit or loss	30,991	(5,200)
Interest expense	18,245	25,026
Interest income	(26,224)	(17,384)
Dividend income	(10,574)	(15,647)
Compensation costs of share-based payments	7,729	10,190
Share of loss of associates accounted for using the equity method	88,077	25,078
Gain on disposal of property, plant and equipment	(675)	-
Gain on disposal of investments accounted for using the equity method	(3,914)	(807)
Others	34,416	37,924
Changes in operating assets and liabilities:		
Increase in financial assets mandatorily at fair value through profit or loss	(31,720)	(20,009)
Increase in notes receivable	(132)	(85)
(Increase) decrease in accounts receivable	(21,034)	102,082
Increase in accounts receivable - related parties	(66,705)	(36,691)
(Increase) decrease in other receivables	(9,493)	462
Decrease (increase) in other receivables - related parties	214,296	(197,333)
(Increase) decrease in inventories	(101,696)	238,320
Increase in prepayments	(2,419)	(4,253)
Decrease (increase) in other current assets	1,424	(1,195)
Increase in contract liabilities	181	9
Increase in notes payable	3	-
Increase in accounts payable	130,587	285,987
Decrease in accounts payable - related parties	(15,671)	(24,878)
Increase (decrease) in other payables	160,723	(35,905)
Increase in other payables - related parties	9,712	4,523
Increase (decrease) in other current liabilities	3,910	(3,444)
Increase (decrease) in net defined benefit liabilities	4,000	(18,371)
Cash generated from operations	1,502,473	1,169,189
Interest received	24,692	18,839
Dividend received	51,061	15,647
Interest paid	(3,451)	(3,369)
Income tax paid	(118,436)	(145,311)
Net cash generated by operating activities	1,456,339	1,054,995

(The accompanying notes are an integral part of the parent company only financial statements.)

(Continued)

TAIFLEX SCIENTIFIC COMPANY LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS-(Continued)
For the Years Ended December 31, 2024 and 2023
(In Thousands of New Taiwan Dollars)

	2024	2023
Cash flows from investing activities:		
Disposal of financial assets at fair value through other comprehensive income	\$ 455,645	\$ -
Acquisition of financial assets at amortized cost	(200,000)	-
Disposal of financial assets at amortized cost	-	30,743
Acquisition of investments accounted for using the equity method	(265,393)	(370,609)
Disposal of investments accounted for using the equity method	7,520	2,071
Acquisition of property, plant and equipment	(173,664)	(499,024)
Disposal of property, plant and equipment	1,060	169,354
Increase in refundable deposits	(817)	(55)
Acquisition of intangible assets	(7,601)	(243)
Increase in other current assets - other financial assets - current	(127)	(69)
Net cash used in investing activities	<u>(183,377)</u>	<u>(667,832)</u>
Cash flows from financing activities:		
Decrease in short-term loans	-	(190,000)
Repayment of long-term loans	-	(2,000)
Repayment of lease principal	(16,603)	(15,501)
Distribution of cash dividends	(209,120)	(522,799)
Net cash used in financing activities	<u>(225,723)</u>	<u>(730,300)</u>
Net increase (decrease) in cash and cash equivalents	1,047,239	(343,137)
Cash and cash equivalents at beginning of period	877,547	1,220,684
Cash and cash equivalents at end of period	<u>\$ 1,924,786</u>	<u>\$ 877,547</u>

(The accompanying notes are an integral part of the parent company only financial statements.)

(Concluded)

Attachment III Comparison Table of Amendments to Articles of Incorporation

Article	Before the Amendment	After the Amendment	Basis and Reasons
Article 28	When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors shall not be higher than four percent of the balance.	When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance, <u>of which no less than two and a half percent shall be allocated to non-executive employees,</u> and the remuneration to the directors shall not be higher than four percent of the balance.	Pursuant to Paragraph 6, Article 14 of the Securities and Exchange Act, companies with shares listed on a stock exchange or traded over-the-counter are required to specify in their Articles of Incorporation the allocation of a certain percentage of annual earnings for adjusting salaries or distributing compensation to non-executive employees.
Article 34	The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration. The first amendment was made on October 17, 1997. The second amendment was made on November 1, 1997. The third amendment was made on December 8, 1997. The fourth amendment was made on April 23, 1998. The fifth amendment was made on March 6, 1999. The sixth amendment was made on April 15, 2000. The seventh amendment was made on April 14, 2001. The eighth amendment was made on June 21, 2002.	The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the registration. The first amendment was made on October 17, 1997. The second amendment was made on November 1, 1997. The third amendment was made on December 8, 1997. The fourth amendment was made on April 23, 1998. The fifth amendment was made on March 6, 1999. The sixth amendment was made on April 15, 2000. The seventh amendment was made on April 14, 2001. The eighth amendment was made on June 21, 2002.	To add the amendment date.

Article	Before the Amendment	After the Amendment	Basis and Reasons
	<p>The ninth amendment was made on May 26, 2003.</p> <p>The tenth amendment was made on May 28, 2004.</p> <p>The eleventh amendment was made on May 28, 2004.</p> <p>The twelfth amendment was made on June 17, 2005.</p> <p>The thirteenth amendment was made on June 17, 2005.</p> <p>The fourteenth amendment was made on August 28, 2006.</p> <p>The fifteenth amendment was made on May 9, 2007.</p> <p>The sixteenth amendment was made on June 3, 2008.</p> <p>The seventeenth amendment was made on June 18, 2010.</p> <p>The eighteenth amendment was made on June 9, 2011.</p> <p>The nineteenth amendment was made on June 13, 2012.</p> <p>The twentieth amendment was made on June 17, 2013.</p> <p>The twenty-first amendment was made on June 24, 2014.</p> <p>The twenty-second amendment was made on May 27, 2016.</p> <p>The twenty-third amendment was made on May 26, 2017.</p> <p>The twenty-fourth amendment was made on May 28, 2020.</p> <p>The twenty-fifth amendment was made on July 16, 2021.</p> <p>The twenty-sixth amendment was made on May 26, 2022.</p>	<p>The ninth amendment was made on May 26, 2003.</p> <p>The tenth amendment was made on May 28, 2004.</p> <p>The eleventh amendment was made on May 28, 2004.</p> <p>The twelfth amendment was made on June 17, 2005.</p> <p>The thirteenth amendment was made on June 17, 2005.</p> <p>The fourteenth amendment was made on August 28, 2006.</p> <p>The fifteenth amendment was made on May 9, 2007.</p> <p>The sixteenth amendment was made on June 3, 2008.</p> <p>The seventeenth amendment was made on June 18, 2010.</p> <p>The eighteenth amendment was made on June 9, 2011.</p> <p>The nineteenth amendment was made on June 13, 2012.</p> <p>The twentieth amendment was made on June 17, 2013.</p> <p>The twenty-first amendment was made on June 24, 2014.</p> <p>The twenty-second amendment was made on May 27, 2016.</p> <p>The twenty-third amendment was made on May 26, 2017.</p> <p>The twenty-fourth amendment was made on May 28, 2020.</p> <p>The twenty-fifth amendment was made on July 16, 2021.</p> <p>The twenty-sixth amendment was made on May 26, 2022.</p> <p><u>The twenty-seventh amendment was made on May 27, 2025.</u></p>	

Appendix I Articles of Incorporation (Before Amendment)

Taiflex Scientific Co., Ltd. Articles of Incorporation

Chapter I General Provisions

- Article 1 The Company is incorporated as a company limited by shares in accordance with the Company Act and is named TAIFLEX Scientific Co., Ltd. in the English language.
- Article 2 The business scope of the Company is as follows:
1. CC01080 electronic parts and components manufacturing
 2. F107170 wholesale of industrial catalyst
 3. F107200 wholesale of chemistry raw material
 4. F107990 wholesale of other chemical products
 5. F119010 wholesale of electronic materials
 6. F207170 retail sale of industrial catalyst
 7. F207200 retail sale of chemistry raw material
 8. F207990 retail sale of other chemical products
 9. F219010 retail of electronic materials
 10. ZZ99999 other businesses which are not prohibited or restricted by the laws, in addition to business approved
- Article 3 The Company has its head office in Kaohsiung City. The Company may, if necessary, set up branch offices domestically and abroad upon resolution of the Board of Directors and approval of competent authority.
- Article 4 The Company may provide endorsement and guarantee for the outside parties due to business or investment needs.
- Article 5 The total reinvestment of the Company shall not be limited to less than forty percent of paid-up capital as provided in Article 13 of the Company Act.

Chapter II Capital Stocks

- Article 6 The total amount of authorized capital stock of the Company is NT\$3,000,000,000, which is divided into 300,000,000 shares (including the technical shares of 3,000,000) at a par value of NT\$10 each. The Board of Directors is authorized to issue the unissued shares by multiple installments. The sum of NT\$150,000,000 may be divided into 15,000,000 shares at a par value of NT\$10 each and issued in a series of employees' stock options, prefer shares with subscription rights, or corporate bonds

with subscription rights upon resolution of the Board of Directors.

Article 7 Shares issued by the Company are exempt from printing. They shall be registered in the central securities depository and handled in accordance with the depository's rules.

Article 8 Unless otherwise provided in relevant laws or regulations, affairs concerning shareholder services need to be handled in accordance with the Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

Article 9 The transfer of shares shall be suspended sixty days before the general meeting of shareholders is held, thirty days before the special meeting of shareholders is held or five days before the base date on which the Company decides to distribute the dividend and bonus or other benefits.

Chapter III Shareholders' Meeting

Article 10 The shareholders' meeting of the Company shall be classified into the following two types:

1. The general meeting shall be annually convened within six months from the end of each fiscal year.
2. The special meeting shall be convened in accordance with the relevant laws and regulations, whenever is necessary.

Article 11 The Chairperson of the Board of Directors shall preside at the shareholders' meeting if the meeting is convened by the Board. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act. If the shareholders' meeting is convened by a person entitled to convene the meeting, the person shall preside at the meeting. When there are two or more persons entitled to convene, they shall elect a person from among themselves to preside at the meeting.

Article 12 Written notices shall be sent to all shareholders thirty days prior to the general meeting and fifteen days prior to the special meeting. The notice shall specify the date, place and reasons to convene. Pursuant to relevant laws and regulations, the notice served to the shareholder who owns less than 1,000 shares of nominal stocks may be given in the form of a public announcement.

Article 12-1 The Company's shareholders' meeting may be convened virtually or in other ways announced by the Ministry of Economic Affairs.

Article 13 Shareholders who are unable to attend the shareholders' meeting may designate a proxy to attend the shareholders' meeting with a proxy form indicating the scope of authority in accordance with Article 177 of the Company Act and the Regulations Governing the Use of Proxies for Attendance at Shareholders' Meeting of Public Companies.

- Article 13-1 When the Company convenes the shareholders' meeting, the shareholders may exercise their voting rights in writing or by electronic transmission. A shareholder who exercises his/her voting right in writing or by electronic transmission is deemed to have attended the shareholders' meeting in person. However, he/she shall be deemed to have waived his/her voting right in respect of any extemporary motions and amendments to the original proposals at the shareholders' meeting. The declaration of intention by such shareholders shall be handled according to Article 177-2 of the Company Act.
- Article 14 Shareholders are entitled to one vote for each share held. However, this shall not apply to circumstances restricted by laws and regulations nor shares with no voting rights.
- Article 15 The resolutions of shareholders' meeting, unless otherwise stated in the relevant laws and regulations, shall be agreed by the majority of votes represented by the attending shareholders or proxies who represents the majority of total number of issued shares.
- The resolutions of the shareholders' meeting shall be recorded in the minutes, and such minutes shall be signed or sealed with the chop of the Chairperson of the meeting. The meeting minutes shall be kept within the Company along with the signing booklet bearing the signatures of shareholders present at the meeting and the proxy forms of the proxies.

Chapter IV Directors and Managers

- Article 16 The Company shall have seven to eleven directors who are elected from the shareholders with legal capacity to serve a term of three years. According to relevant laws and regulations, the directors may be eligible for re-election. The Company shall purchase liability insurances for compensation which the directors shall assume within scope of practice during the term upon resolution of the Board of Directors' meeting.
- Article 16-1 The number of independent directors within the number of directors in the preceding article shall be three at least and shall not be less than one-fifth of the total number of directors. The Company adopts the candidate nomination system described in Article 192-1 of the Company Act. Directors (including independent directors) of the Company shall be elected from the respective candidates of directors (including independent directors) nominated at the shareholders' meeting. The professional qualification, shareholding, concurrent serving restrictions, nomination and election methods of independent directors and other compliance issues shall be subject to the relevant regulations stipulated by the competent securities authority.
- Each share has the same number of voting rights as the number of directors to be elected. The voting rights may all go to one candidate or be allocated to several candidates. The candidates with more voting rights shall be elected as directors. The election for independent and non-independent directors shall be held at the same time, but the numbers to be elected shall be calculated separately.
- Article 16-2 The Company establishes an audit committee in compliance with Article 14-4 of the

Securities and Exchange Act. The audit committee shall consist of all independent directors and the number of committee members shall not be fewer than three. One of the members shall be the convener and at least one of them shall have accounting or financial expertise.

The provisions regarding supervisors in the Company Act, Securities and Exchange Act, and other laws and regulations shall apply mutatis mutandis to the audit committee.

Article 17 The Board of Directors is composed of directors. Their duties and responsibilities are listed below:

1. Prepare the business plan
2. Submit the profit distribution or deficit compensation proposal
3. Set forth the capital increase and reduction proposal
4. Formulate important articles and organizational regulations
5. Appoint and dismiss the president and manager
6. Establish and remove the branch offices
7. Compile the budget and final accounts
8. Perform other duties and responsibilities stipulated by the Company Act or resolved at the shareholders' meeting

Article 18 The directors shall elect a Chairperson from among themselves in the Board of Directors' meeting with the consent of majority of attending directors which represents more than two-third of all directors. A Vice Chairperson may be elected in the same manner. The Chairperson shall have the authority to represent the Company.

Article 19 Unless otherwise stipulated in the Company Act, the Board of Directors' meeting shall be convened by the Chairperson. All directors shall be notified of the meeting seven days in advance via mail, e-mail or fax. In case of emergency, the Board meeting can be convened via mail, e-mail or fax at a shorter period.

Article 20 The Chairperson shall preside at the Board of Directors' meeting. When the Chairperson is on leave or unable to exercise power, the person who may preside the meeting shall be determined in accordance with Article 208 of the Company Act.

The directors shall attend the Board meeting in person. If a director is unable to attend the meeting for some reason, he/she shall authorize other director to stand proxy with a power of attorney indicating the scope of authority with reference to the subjects to be discussed at the meeting. No director may act as proxy for more than one other director. If a director lives abroad, he/she may authorize other shareholders in Taiwan to act as proxy in series of meetings with a written power of attorney. For Board meetings conducted through video-conferencing, a director who participates through video-conferencing is deemed to attend in person.

Article 20-1 Resolutions in a Board meeting, unless otherwise stipulated in the Company Act, shall be adopted by the majority of attending directors which represents the majority of all directors.

Resolutions adopted at a Board meeting shall be recorded in the minutes of the meeting, which shall be signed or sealed by the Chairperson of the meeting and the recorder and filed as an important document of the Company to be retained properly throughout the life of the Company. The preparation and distribution of the minutes may be conducted in electronic form.

Article 21 The Company establishes an audit committee in compliance with Article 14-4 of the Securities and Exchange Act (Act). The following items shall be approved by the majority of all audit committee members and submitted to the Board for resolutions without being subject to Article 14-3 of the Act:

1. Adoption or amendment of the internal control system pursuant to Article 14-1 of the Act.
2. Assessment of the effectiveness of the internal control system.
3. Adoption or amendment of procedures for material financial or business transactions, such as acquisition or disposal of assets, financial derivatives transactions, lending funds to other parties, and endorsement and guarantee, pursuant to Article 36-1 of the Act.
4. A matter of which the Director has a personal interest
5. A significant asset or derivatives transaction.
6. A significant fund lending, endorsement, or guarantee transaction.
7. Offering, issuance, or private placement of any equity-type securities.
8. Appointment, discharge or compensation of certified public accountants.
9. Appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matter so required by the Company or the competent authority.

Except for Subparagraph 10, all items in the preceding paragraph may be undertaken upon the consent of two-thirds of the total number of directors if the majority of audit committee members does not approve, without being subject to the restrictions in the preceding paragraph. In such a case, the resolutions of the audit committee shall be recorded in the minutes of the Board meeting.

Paragraph 1 of Article 36 of the Act where financial reports shall be recognized by supervisors is not applicable to The Company.

The terms “All audit committee members” in Paragraph 1 and “total number of directors” in Paragraph 2 refer to ones that are currently holding those positions.

- Article 22 The Compensation Committee would evaluate the involvement of directors (including the independent directors) in the business operation of the Company and their contributions to the Company, and make recommendations to the Board concerning their remuneration. The Board of Directors has been delegated to determine the remuneration based on the recommendations from the Compensation Committee with reference to the remuneration standard of the industry.
- Article 23 The Company shall have several managers. The appointment, dismissal and remuneration of managers shall be subject to Article 29 of the Company Act.
- Article 24 Directors shall exercise their powers pursuant to the resolutions adopted in the Board and shareholders' meetings. Moreover, the president shall carry out the business activities of the Company in accordance with the resolutions of the Board meetings.

Chapter V Accounting

- Article 25 The fiscal year of the Company shall be from January 1 to December 31 of the same year.
- Article 26 Pursuant to Article 228 of the Company Act, the Board of Directors shall prepare the following documents after the end of each fiscal year and forward them to the audit committee for reviewing thirty days prior to the general meeting of shareholders before submitting them to the general meeting of shareholders for approval.
1. Business report
 2. Financial statement
 3. Profit distribution or deficit compensation proposal
- Article 27 The distribution of dividend and bonus shall be based on the shareholding percentage of each shareholder.
- Article 28 When the Company makes a profit for the year, the compensation to employees shall not be lower than five percent of the balance and the remuneration to the directors shall not be higher than four percent of the balance.
- The compensation can be made in the form of stock or cash based on the Board resolution. Parties eligible to receive the said compensation shall include employees in affiliated companies who met certain conditions set by the Board. The distribution plan of compensation to employees and remuneration to the directors shall be approved in the Board meeting by the majority of attending directors which represents more than two-third of all directors and reported to the shareholders' meeting.
- However, if the Company has an accumulated deficit, the profit shall cover the deficit before it can be used for compensation to employees and remuneration to the directors based on the above-mentioned ratios.
- Article 28-1 Current year's earnings of the Company, if any, shall be distributed in the following order:

1. Taxes and dues
2. Deficit compensation
3. 10% of net profit as legal reserves. However, this shall not apply when the accumulated legal reserve has equaled the total capital of the Company.
4. Special reserve appropriated or reversed as stipulated by relevant laws and regulations or competent securities authority.
5. For the remaining profits, if any, the Board shall draft a proposal for earnings distribution. Regarding earnings distributed by an issuance of new shares, the proposal shall be approved by the shareholders' meeting, and for earnings distributed in the form of cash, the proposal shall be submitted to the Board for resolution.

The Company authorizes the Board to approve the distribution of dividends and bonuses or the legal reserve and capital surplus stipulated in Paragraph 1, Article 241 of the Company Act, in whole or in part, in the form of cash with the consent of majority of attending directors which represents more than two-third of all directors pursuant to Paragraph 5, Article 240 of the Company Act and report to the shareholders' meeting.

Article 29 After taking into account the environment and development stage of the Company, the needs of capital in the future, long-term financial planning and shareholders' demand for cash, the Board of Directors shall draw up an earnings distribution proposal according to the distributable earnings calculated pursuant to Article 28-1 and submit it to the shareholders' meeting for approval. At least forty percent of the distributable earnings calculated shall be appropriated as shareholders' dividends. The cash dividend shall not be lower than 10 percent of the total dividends and shall be capped at 100 percent.

Article 30 The distribution of dividends shall be limited to shareholders recorded in the register of shareholders five days prior to the base date on which the dividend and bonus are distributed.

Chapter VI Additional Provisions

Article 31 The Company may provide guarantee to external parties in accordance with the regulations stipulated by the government.

Article 32 Rules governing the organization and the procedures of the Company shall be separately stipulated.

Article 33 Matters not set forth in the Articles of Incorporation shall be subject to the Company Act.

Article 34 The Articles of Incorporation was established after approval of all promoters on August 5, 1997. It took effect on the date when the competent authority approved the

registration.

The first amendment was made on October 17, 1997.

The second amendment was made on November 1, 1997.

The third amendment was made on December 8, 1997.

The fourth amendment was made on April 23, 1998.

The fifth amendment was made on March 6, 1999.

The sixth amendment was made on April 15, 2000.

The seventh amendment was made on April 14, 2001.

The eighth amendment was made on June 21, 2002.

The ninth amendment was made on May 26, 2003.

The tenth amendment was made on May 28, 2004.

The eleventh amendment was made on May 28, 2004.

The twelfth amendment was made on June 17, 2005.

The thirteenth amendment was made on June 17, 2005.

The fourteenth amendment was made on August 28, 2006.

The fifteenth amendment was made on May 9, 2007.

The sixteenth amendment was made on June 3, 2008.

The seventeenth amendment was made on June 18, 2010.

The eighteenth amendment was made on June 9, 2011.

The nineteenth amendment was made on June 13, 2012.

The twentieth amendment was made on June 17, 2013.

The twenty-first amendment was made on June 24, 2014.

The twenty-second amendment was made on May 27, 2016.

The twenty-third amendment was made on May 26, 2017.

The twenty-fourth amendment was made on May 28, 2020.

The twenty-fifth amendment was made on July 16, 2021.

The twenty-sixth amendment was made on May 26, 2022.

TAIFLEX SCIENTIFIC CO., LTD.

Chairperson: SUN, TA-WEN

Appendix II Rules of Procedure for Shareholders' Meeting

Taiflex Scientific Co., Ltd.

Rules of Procedure for Shareholders' Meeting

Article 1: The rules of procedures for shareholders' meeting of the Company shall conform to the provisions of the Rules unless otherwise stipulated in the applicable laws and regulations or Articles of Incorporation.

Article 2: The Company shall prepare the signing booklet for the attending shareholders or their appointed proxies (hereinafter referred to as "Shareholders") to sign in, or the attending Shareholders shall hand in the attendance cards in lieu of signing in. The Company shall deliver the meeting agenda, annual report, attendance permit, speaker's slip, voting ballot and other meeting materials to the Shareholders attending the shareholders' meeting. Where directors are to be elected, ballots shall also be provided. The Shareholders shall attend the shareholders' meeting with attendance permit, attendance card or other attendance certificates. Solicitors soliciting proxy forms shall also bring identification documents for verification.

When the government or a juristic person is a shareholder, the representative attending the shareholders' meeting is not limited to one person only.

For virtual shareholders' meetings, Shareholders shall register with the Company two days before the meeting if they intend to attend the meeting online.

After the proxy form has been delivered to the Company, if the Shareholder intends to attend the meeting online, a written notice of proxy cancellation shall be submitted to the Company two days before the meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.

For virtual shareholders' meetings, the means for Shareholders to attend the virtual meeting and exercise their rights, actions to be taken when the virtual meeting platform or online participation is obstructed due to force majeure events, the date of deferred or resumed meeting when the need arises and other matters requiring attention shall be specified. Where a virtual shareholders' meeting is convened, alternative measures available to shareholders with difficulties in attending a virtual shareholders' meeting online shall also be specified.

For virtual shareholders' meetings, the shareholder attendance registrations may begin on the virtual meeting platform 30 minutes prior to the time the meeting commences. Shareholders completing the registration will be deemed as attending the shareholders' meeting in person.

Article 3: The attendance at the shareholders' meeting shall be calculated based on the number of shares. The number of shares in attendance shall be calculated in accordance with the shares indicated by the signing booklet or attendance card submitted plus the

number of shares with voting rights exercised by correspondence or electronically.

Shares held by Shareholders with no voting rights shall not be included in the total number of issued shares with respect to resolutions of the shareholders' meeting.

Shareholders shall not participate in voting on agenda items of which they have a personal interest and may impair the interest of the Company, and shall not exercise the voting rights as proxy for other Shareholders.

The shares held by Shareholders with no voting rights under the preceding paragraph shall not be included in the calculation of voting rights of attending Shareholders.

With the exception of trust enterprises or shareholder service agents approved by the competent securities authority, when one person is appointed as proxy by two or more shareholders concurrently, the voting rights represented by such proxy shall not exceed 3 percentage of the voting rights represented by the total number of issued shares. The voting rights in excess of the percentage shall not be calculated.

Article 4: The shareholders' meeting shall be convened at the premises of the Company or an appropriate venue convenient for Shareholders to attend. The meeting shall begin no earlier than 9 a.m. or no later than 3 p.m. Full consideration shall be given to the opinions of independent directors with respect to the venue and time of meeting.

The constraints on meeting venue do not apply in the case of virtual shareholders' meetings.

Article 5: The shareholders' meeting is presided by the chairperson of the board of directors if convened by the board. If the chairperson is on leave or unable to exercise power, the vice chairperson of the board shall stand proxy. If there is no vice chairperson of the board or the vice chairperson is also on leave or unable to exercise power, the chairperson may appoint one of managing directors to stand proxy. If there is no managing director, the chairperson may appoint one director to stand proxy. If the chairperson does not appoint a proxy, the managing directors or directors shall elect one person from among themselves to preside at the meeting. If the shareholders' meeting is convened by any other party entitled to convene the meeting, the convening party shall preside at the meeting. When there are two or more convening parties, they shall elect a person from among themselves to preside at the meeting.

Changes to the methods of convening the shareholders' meeting shall be resolved by the board of directors and made before sending out the shareholders' meeting notice.

Article 6: The Company may appoint designated attorneys, certified public accountants or related persons to attend the shareholders' meeting. The staff involved in the meeting affairs shall wear identification cards or armbands.

Article 7: The Company shall record on audio and video the entire proceedings of the shareholders' meeting and retain the recordings for at least one year. If Shareholders file lawsuits pursuant to Article 189 of the Company Act, the recordings shall be retained until the lawsuit is concluded.

For virtual shareholders' meetings, the Company shall keep records of the shareholder registration, sign-in, check-in, question time, and voting as well as the vote counting by the Company, and make an uninterrupted audio and video recording of the entire proceedings of the virtual meetings.

The records and audio and video recording in the preceding paragraph shall be properly retained throughout the life of the Company. Copies of the audio and video recording shall be given to the party engaged by the Company to handle the virtual meetings for safekeeping.

Article 8: The chairperson shall call the meeting to order at the scheduled time. When the majority of the total number of issued shares are not represented by the attending Shareholders, the chairperson may announce to postpone the meeting. The postponement is limited to two times with a combined duration of less than one hour. If the quorum is not met after two postponements and the attending Shareholders do not represent one-third or more of the total number of issued shares, the chairperson shall announce the adjournment of meeting. For virtual shareholders' meetings, the Company shall also announce the adjournment of meeting at the virtual meeting platform.

If the quorum is not met after two postponements as mentioned in the preceding paragraph, but one-third or more of the total number of issued shares are represented by the attending Shareholders, tentative resolutions may be made pursuant to Paragraph 1, Article 175 of the Company Act. All Shareholders shall be notified of the tentative resolutions and the shareholders' meeting shall be convened within one month. For virtual shareholders' meetings, Shareholders shall re-register with the Company pursuant to Article 2 if they intend to attend the meeting online.

If the attending Shareholders represent majority of the total number of issued shares before the conclusion of meeting, the chairperson may resubmit the tentative resolutions for voting at the shareholders' meeting pursuant to Article 174 of the Company Act.

Article 9: The board of directors shall set the meeting agenda if the shareholders' meeting is convened by the board of directors. Relevant proposals shall be resolved by voting on a proposal-by-proposal basis. The meeting shall proceed according to the agenda which shall not be changed without a resolution of the shareholders' meeting.

The above provisions apply mutatis mutandis to the shareholders' meeting convened by a party entitled to convene other than the board of directors.

The chairperson shall not announce adjournment of the meeting before completion of the agenda (including extraordinary motions) referred to in the two preceding paragraphs unless otherwise resolved at the shareholders' meeting. If the chairperson announces the adjournment in violation of the Rules, other members of the board shall promptly assist the attending Shareholders in electing a chairperson pursuant to the statutory procedures with the consent of the majority of voting rights represented by

the attending Shareholders to continue the meeting.

After the meeting is adjourned, the Shareholders shall not elect another chairperson to continue the meeting at the original or other venue.

Article 10: Before speaking, the attending Shareholder shall complete the speaker's slip indicating the subject of speech, Shareholder's account number (or the number of attendance permit) and account name. The sequence of speeches shall be determined by the chairperson.

If the attending Shareholder submits a speaker's slip without speaking, it shall be deemed as making no speeches. If the contents of speech are inconsistent with the contents of speaker's slip, the contents of speech shall prevail.

When the attending Shareholder speaks, other Shareholders shall not interrupt the speech unless they are permitted by the chairperson and the speaking Shareholder. Otherwise, the chairperson shall stop such interruption.

For virtual shareholders' meetings, Shareholders attending online may raise questions in writing at the virtual meeting platform after the chairperson calls the meeting to order and before he/she announces the meeting adjourned. Shareholders cannot raise more than two questions concerning the same proposal and each question shall be limited to 200 words. Paragraphs 1 to 3, Article 11 and Article 13 do not apply.

Questions referred to in the preceding paragraph are advised to be disclosed to the public at the virtual meeting platform if they do not violate any rules nor exceed the scope of a proposal.

Article 11: The Shareholder shall not make a speech concerning the same proposal for more than two times without the consent of chairperson, and the duration of each speech shall not exceed five minutes. If the Shareholders speaks in violation of the provisions or beyond the scope of agenda item, the chairperson may stop the speech.

Article 12: The attending Shareholders shall be obliged to abide by the meeting rules, obey the resolutions and maintain the order at the meeting place.

Article 13: When a juristic person is appointed to attend the shareholders' meeting, it may designate only one person to attend on its behalf.

If a corporate shareholder appoints two or more representatives to attend the shareholders' meeting, only one representative may speak for each agenda item.

Article 14: After the attending Shareholder has spoken, the chairperson may respond in person or appoint an appropriate person to respond.

Article 15: The chairperson shall give ample opportunity for explanation and discussion of the proposals and the amendments or extraordinary motions proposed by the Shareholders. When the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson shall announce the discussion closed and call for a vote. He/she shall also allow ample time for voting.

The proposal shall be deemed adopted if all attending Shareholders are solicited by the chairperson and no objection is voiced. Its validity is the same as voted by casting ballots.

Article 16: Shareholders are entitled to one vote for each share held, but the case shall not apply to restricted shares and non-voting shares specified in Paragraph 2 of Article 179 of the Company Act.

The ballot supervisors and ballot counters of proposal voting shall be appointed by the chairperson, but the ballot supervisors shall be Shareholders. The ballot counting shall be publicly conducted at the venue of shareholders' meeting. The voting results shall be announced at the meeting and recorded in the minutes.

For virtual shareholders' meetings, when the meeting is called to order, Shareholders attending the meeting online shall cast votes on proposals and elections via the virtual meeting platform before the chairperson announces the end of the voting session. Otherwise, they are deemed to have waived their rights.

For virtual shareholders' meetings, all votes are counted after the chairperson announces the end of the voting session. Results of votes and elections shall be announced immediately.

For hybrid shareholders' meetings, Shareholders, solicitors or proxies who intend to attend the physical shareholders' meeting in person after registering to attend the meeting online in accordance with Article 2 shall retract their registrations two days before the shareholders' meeting by the same means as their original registration. If their registrations are retracted after that time, they can only attend the shareholders' meeting online.

When voting rights have been exercised by correspondence or electronically, unless the Shareholders withdraw their declarations of intent and attend the shareholders' meeting online, they cannot exercise voting rights on the original proposals, make any amendments to the original proposals or exercise voting rights on amendments to the original proposals, except for extraordinary motions.

Article 17: When the meeting is in progress, the chairperson may announce a break at his/her discretion. If force majeure events occur, the chairperson may decide to temporarily suspend the meeting and announce the time to resume the meeting depending on the situation. If the meeting venue becomes unavailable before meeting agenda (including extraordinary motions) has been completed, another venue can be used to resume the meeting upon resolution at the shareholders' meeting.

It may be resolved at the shareholders' meeting to defer or resume the meeting within five days pursuant to Article 182 of the Company Act.

Article 18: Unless otherwise provided in the Company Act and Articles of Incorporation, the adoption of resolution shall be approved by the majority of voting rights represented by the attending Shareholders.

Article 19: When there is an amendment or an alternative to a proposal, the chairperson shall present the amendment or alternative together with the original proposal and decide their voting orders. If one proposal among them has been adopted, the others shall be deemed overruled and no further voting is required.

Article 20: The chairperson shall direct the disciplinary officers (or security guards) to assist with order maintenance depending on meeting conditions. The disciplinary officers or security guards shall wear armbands marked “disciplinary officer” or identification cards while assisting with order maintenance on the site.

If the venue is equipped with public address system, the chairperson may stop Shareholders from making a speech through other devices.

If a Shareholder violates the Rules and defies the chairperson’s correction, obstructs the proceedings and refuses to heed calls to stop, the chairperson may direct the disciplinary officers or security guards to escort the Shareholder from the meeting.

Article 21: Any other matters not set forth in the Rules shall be subject to the Company Act, Articles of Incorporation and other applicable rules and regulations.

Article 22: The Rules and any amendment hereto shall take effect after adoption by the shareholders’ meeting.

The Rules were established on March 6, 1999.

The first amendment was made on June 21, 2002.

The second amendment was made on June 8, 2006.

The third amendment was made on June 17, 2013.

The fourth amendment was made on May 26, 2017.

The fifth amendment was made on May 28, 2020.

The sixth amendment was made on May 26, 2022.

Appendix III Shareholdings of All Directors

Taiflex Scientific Co., Ltd.

Details on Shareholdings of All Directors

1. The table below lists the shareholdings of all directors on the register of shareholders as of the book closure date (March 29, 2025) for the 2025 annual shareholders' meeting.
2. The Company has issued 256,650,999 shares. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the percentage of issued shares held by all directors shall be at least 5.8445%.

Note: The Company has three independent directors. Pursuant to Article 2 of the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies," the minimum number of shares to be held shall be 80% of the amount stipulated in Paragraph 1 of Article 2.

Details on Shareholdings of All Directors on the Register of Shareholders as of the Book Closure Date

Title	Name	Shareholding
Chairperson Director	Qiao Mei Development Corporation Representative: Ta-Wen Sun	17,011,579
Director	Ching-Yi Chang	6,097,328
Director	Chein-Ming Hsu	8,048
Director	Fuding Investment Co., Ltd. Representative: Re-Zhang Lin	1,066,902
Director	Chun-Chi Lin	0
Director	Fu-Le Lin	303,595
Independent Director	Wen-I Lo	0
Independent Director	Yung-Shun Chuang	0
Independent Director	Shi-Chern Yen	0
Shareholdings of all directors		24,487,452

Notes: 1. The number of shares held by all directors are in compliance with percentages stipulated by laws and regulations.

Other Explanatory Items

Procedure regarding shareholder proposals of this shareholders' meeting

Explanation:

1. Pursuant to Article 172-1 of the Company Act, shareholders holding 1% or more of the total number of outstanding shares of a company may submit proposals for discussion at annual shareholders' meeting. Each shareholder can submit only one proposal, otherwise such proposals would not be included in the agenda.
2. Shareholders can submit proposals for 2025 annual shareholders' meeting from March 21, 2025 to March 31, 2025. Relevant information has been released in the Market Observation Post System website in accordance with relevant laws.
3. The Company did not receive any shareholder proposals.