

TAIFLEX SCIENTIFIC CO., LTD.

Meeting Minutes of 2025 Annual Shareholders' Meeting

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

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

Meeting type : physical shareholders meeting

Attendance: The shareholders present in person or by proxy represented 178,144,453 shares (including 72,796,847 shares attended through electronic means), which accounted for 69.41% of the total shares outstanding.

Directors present: Ta-Wen Sun, Fu-Le Lin, Jui-Chang Lin

Independent Directors present: Wen-I Lo, convener of the Audit Committee; Shi-Chern Yen, convener of the Sustainable Development Committee

Guests: Guo-Sen Hung, CPA; Zong-Han Jiang, General Manager; Hui-Hsin Chou, Lawyer

Chairperson: Ta-Wen Sun, Chairperson of the Board Recorder: Yi-Jiun Chen

I. Chairperson's Opening Remarks (omitted)

II. Report Items

1. Distribution of 2024 remuneration to directors and compensation to employees
(Please refer to the meeting agenda.)
2. Business report for 2024 (Please refer to the meeting agenda.)
3. Audit Committee's review report on 2024 financial statements. Please refer to Attachment I.
4. Cash dividends for 2024 earnings distribution (Please refer to the meeting agenda.)

III. Ratification Items

Item 1 (Proposed by the Board of Directors)

Subject: To ratify the 2024 financial statements

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 II for the financial statements.
3. Please ratify the above-mentioned financial statements.

Resolution: The voting result showed that 170,572,598 votes were in favor of the proposal, which accounted for 95.74% of the total represented shares present; 39,613 votes were against the proposal; 7,532,242 votes were abstained/withhold; and there was no invalid vote. The proposal was ratified by the majority of voting rights represented at the time of voting.

IV. Discussion Items

Item 1

(Proposed by the Board of Directors)

Subject: Amendments to the Company's Articles of Incorporation

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 for the Comparison Table of Amendments to Articles of Incorporation.
3. The proposal is submitted for discussion and approval.

Resolution: The voting result showed that 170,830,555 votes were in favor of the proposal, which accounted for 95.89% of the total represented shares present; 28,771 votes were against the proposal; 7,285,127 votes were abstained/withhold; and there was no invalid vote. The proposal was approved by the majority of voting rights represented at the time of voting.

Item 2

(Proposed by the Board of Directors)

Subject: Release of director from non-compete restrictions

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: The voting result showed that 170,072,279 votes were in favor of the proposal, which accounted for 95.46% of the total represented shares present; 82,566 votes were against the proposal; 7,989,608 votes were abstained/withhold; and there was no invalid vote. The proposal was approved by the majority of voting rights represented at the time of voting.

V. Extempore Motions: None.

Shareholder Questions and Company Responses: (Questions are unrelated to the aforementioned proposals and are presented in summary form.)

Remarks and Questions from Shareholder (No. 130675) :

Could the company explain the reasons behind its weaker first-quarter profit performance compared to previous years? What are the future business prospects? Have U.S. tariffs and exchange rate fluctuations impacted second-quarter exports? Once tariff rates are finalized, will the company be able to pass on the costs? Is there a risk of declining customer demand in the third and fourth quarters? Is there a possibility the company might increase its cash dividend distribution?

Response from the Chairperson or Designated Representative : (Summary below)

The main reasons for the decline in first-quarter profits include:

1. Recent exchange rate volatility, particularly the sharp appreciation of the New Taiwan Dollar, which adversely affected profit margins.
2. Ongoing capital expenditures and related investments as part of the company's long-term development strategy. These include investments in information security, green energy initiatives, ESG commitments, and the new factory in Thailand, resulting in higher depreciation costs. Additionally, the continued rise in raw material, labor, and electricity costs in recent years has placed further pressure on profitability.

Regarding U.S. tariffs and exchange rate fluctuations, these factors have indeed introduced considerable uncertainty into operations. The company has conducted comprehensive scenario planning and developed corresponding strategies, while also actively coordinating with upstream and downstream partners to mitigate the impact.

Overall, the company remains confident in the outlook for market demand, as well as in its deployment of new products and applications. It maintains an optimistic view on increasing its market share.

As for the cash dividend policy, it is implemented in accordance with the company's profitability and the Articles of Incorporation, with an emphasis on a stable and sustainable distribution approach. The company will continue to strive for strong performance and express its appreciation to shareholders through tangible actions.

VI. Meeting Adjourned: 9:26 a.m., May 27, 2025

The minutes of the shareholders' meeting only states the key points of the meeting, and the results of the resolution. The content, procedures and shareholders' speeches of the meeting are based on the video of the meeting.

Attachment I - Audit Committee's Review Report for 2024

Audit Committee's Review Report

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

Attachment II - 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 | | | 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 | Total | | |
| 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)

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 | | <u>1,755,826</u> | <u>1,465,772</u> |
| Realized gain/(loss) on transactions with associates | | <u>(3,554)</u> | <u>3,555</u> |
| Gross profit, net | | <u>1,752,272</u> | <u>1,469,327</u> |
| 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) | <u>(23,257)</u> | <u>(2,990)</u> |
| Total operating expenses | | <u>(1,079,600)</u> | <u>(942,770)</u> |
| Operating income | | <u>672,672</u> | <u>526,557</u> |
| 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) | <u>(88,077)</u> | <u>(25,078)</u> |
| Total non-operating income and expenses | | <u>55,728</u> | <u>(27,925)</u> |
| Income before income tax | | 728,400 | 498,632 |
| Income tax expense | 4, 6(22) | <u>(135,624)</u> | <u>(75,658)</u> |
| Net income from continuing operations | | <u>592,776</u> | <u>422,974</u> |
| Net income | | <u>592,776</u> | <u>422,974</u> |
| 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) | <u>(4,329)</u> | <u>(5,626)</u> |
| 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) | <u>(31,858)</u> | <u>6,371</u> |
| Total other comprehensive income (loss), net of tax | | <u>609,938</u> | <u>167,992</u> |
| Total comprehensive income | | <u>\$ 1,202,714</u> | <u>\$ 590,966</u> |
| Earnings per share (NT\$) | 4, 6(23) | | |
| Earnings per share - basic | | <u>\$ 2.53</u> | <u>\$ 1.93</u> |
| Earnings per share - diluted | | <u>\$ 2.32</u> | <u>\$ 1.66</u> |

(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> | |