



Stock code: 6269

# Flexium Interconnect, Inc.

## 2024 Annual Report

### Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System : <http://newmops.twse.com.tw>

Flexium Annual Report is available at : <https://www.flexium.com.tw>

Printed on March 31, 2025

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CPA name: Name of CPA: Wu Chien-Chih , CPA; Liao, A-Shen, CPA.

Firm Name: PwC Taiwan

Address: 22F, No. 95, Mintzu 2nd Road, Kaohsiung City

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**V. Name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities:**

None.

**VI. Company website:**

<https://www.flexium.com.tw>

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## **One. Letter to shareholders**

In 2024, the consumer electronics industry faced weak market demand and increasing competitive pressure, leading to operational performance that fell short of expectations. In response, the Company is committed to a strategic focus on “technological innovation, cost control, and stable operations.” By enhancing internal management and expanding market opportunities, we aim to navigate industry shifts and strengthen our competitiveness.

Looking ahead to 2025, Flexium will prioritize AI transmission technology integration and the strategic restructuring of mobile device products. The era of AI has arrived, and innovation in research and development remains relentless. We have embraced the AI revolution, ensuring that AI-related products remain central to our portfolio. Moving forward, Flexium will continue refining our business strategies and advancing flexible circuit board technology applications in the AI sector, with the goal of enhancing profitability and securing long-term, sustainable growth.

### **Business Performance**

In 2024, Flexium reported consolidated revenue of NTD 26.4 billion, a 19.2% decrease compared to NTD 32.7 billion in the previous year. The Company recorded a net loss after tax of NTD 820 million, a decline of NTD 2.88 billion from the previous year's NTD 2.06 billion net profit. The loss per share was NTD 2.56, a NTD 9.01 decrease from the previous year's earnings per share of NTD 6.45.

The gross margin for 2024 was 5.8%, down from 14.8% in the prior year. The operating margin declined to -6.9%, compared to 5.0% in 2023. The net profit margin fell to -3.1%, from 6.3% in the previous year.

Note: No published financial forecasts were released for 2024, so no budget is forthcoming.

### **Market trend**

As AI continues to promote high-performance computing and intelligent applications, the electronic products and industrial ecology are evolving rapidly, and the technologies of smart wearables, smart cars, and high-speed data transmission equipment are constantly innovating. Breakthroughs in 5G, 6G, low-earth orbit satellites, electric vehicles, AI robotics, Neurolink, AR/VR glasses, drones, and high-frequency transmission applications are fueling a growing demand for high-frequency, high-speed, lightweight, and flexible electronic solutions. These innovations are pushing electronic products toward miniaturization, enhanced performance, and superior user experiences.

The AI-driven technological transformation also emphasizes cross-disciplinary integration and data-driven decision-making. Companies must strike a balance between innovation and business resilience to ensure that technological advancements align with corporate strategies. This shift requires FPC technology to not only undergo continuous hardware optimization but also to integrate deeply with AI, cloud computing, and automation systems in order to keep pace with market changes. Additionally, breakthroughs in AI servers, AI robotics, and AR/VR glasses have strengthened human-machine interaction, further elevating the significance of FPC technology in brain-machine interfaces, intelligent robotics, and high-speed data transmission applications.

From an industry development perspective, the global technology sector is moving toward high-value-added and smart manufacturing. Technological innovation and supply chain flexibility have become the core drivers of corporate competitiveness. According to industry trend analysis, advancements in electronic manufacturing and automation are not only accelerating global market expansion but also driving investments in high-end manufacturing, green energy applications, and digital transformation. As a crucial part of the electronic supply chain, the FPC industry will play a pivotal role in high-performance computing, precision manufacturing, and global market expansion.

## **Technical development**

Flexium has evolved its development strategy in response to industry trends, transitioning from its original OEM model to joint research and development and design. The Company has successfully expanded into modularized products, such as radio-frequency (RF) modules and automotive radar modules, and is now advancing toward comprehensive solutions, including brain-computer interface solutions and automated data analysis. This strategic shift has become a key competitive advantage, allowing the Company to offer customers more complete and advanced technical solutions.

As an expert in signal transmission, Flexium remains committed to a Total Solution approach, striving to push the boundaries of human signal communication technology while driving innovation and industry progress. Guided by the principle of sustainable development, we continue to pioneer high-frequency and high-speed transmission technologies, proactively addressing future communication demands. By delivering more efficient and stable solutions, the Company aims to lead the industry into a new era of technological revolution and establish itself as a global leader in signal transmission.

To achieve this vision, Flexium is investing heavily in R&D for optical communication

technologies, millimeter-wave technology, and NeuroCircuit FPC. Through modularized solutions and IC design integration, the Company enhances transmission efficiency, reduces overheating, and minimizes signal interference, advancing FPC applications for next-generation technologies.

It is worth noting that the technology of Flexium has been widely used in 5G/6G high-frequency RF modules, low-rank satellite communication equipment, autonomous driving sensors, AI smart robot control systems, and AR/VR high-speed data transmission devices. It is the key support for the future development of high-efficiency electronic products, and promotes the continued progress and innovation of human signal communication technology.

### **Environment, Social, and Corporate Governance (ESG)**

In 2022, Flexium officially joined the Renewable Energy 100 (RE100) initiative, led by The Climate Group and the Carbon Disclosure Project (CDP), pledging to achieve 100% renewable energy usage across the Company by 2040. This commitment drives the Company toward its carbon neutrality goal while aligning with global net-zero emission efforts, further reinforcing its dedication to sustainability and mitigating the impacts of climate change. Building on this commitment, in 2023, the Company implemented a greenhouse gas inventory information platform and adopted the ISO 50001 energy management system. By analyzing carbon emission hotspots, Flexium actively promotes energy efficiency and carbon reduction, mitigating the effects of climate change. In 2024, the Company expanded its carbon reduction initiatives, achieving ISO 14064-1 certification and continuing to expand renewable energy infrastructure. In 2025, Flexium plans to implement self-generated renewable energy usage, aligning with Taiwan's first carbon tax policy year. Regarding carbon taxation, the Company has proactively implemented countermeasures, ensuring that its current carbon emissions remain below taxation thresholds, minimizing financial risks. Beyond internal efforts, Flexium has also launched initiatives for supply chain renewable energy planning and carbon footprint assessments, aiming to establish a sustainable, low-carbon alliance with its partners.

Amid rapid advancements in global technology and the digital transformation of the economy, Flexium remains focused on innovation, process optimization, and manufacturing efficiency. By leveraging smart manufacturing and automation, the Company continues to enhance operational performance and establish a solid foundation for future growth. We actively construct a healthy corporate governance system and are continuously committed to corporate sustainable governance, creating a solid and resilient business model with mutual benefits with suppliers, and continue to move towards sustainability goals.

## **Future outlook**

Looking ahead, Flexium will continue to enhance its technological capabilities and expand its global market presence, working closely with international partners to embrace new industry challenges and opportunities. Flexium remains committed to investing in R&D and advancing AI-related applications to maintain its competitive edge. Finally, on behalf of the management team of Flexium Interconnect, I would like to thank all shareholders for their support and wish you all good health! Best wishes!

Chairman and President: Cheng Ming-Chi





# One. Corporate governance report

## I. Profiles of directors, president, vice presidents, assistant VPs, and heads of the branches/departments

### (I) Information on directors

#### 1. Information on directors (I)

March 31, 2025 Unit: Thousand shares; %

Job Title	Nationality or place of registration	Name	Gender/ Age	Election (appointment) date	Term of office	Inauguration date	Shares at election		Current shareholding (Note 1)		Current shares held by spouse and children of minor age		Total shareholding assuming the name of others		Major (academic degree) experience	Position(s) held concurrently in the Company and/or in any other companies	Other officers, directors or supervisors with spouses, or relatives within the second degree of kinship			Remark
							Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Job title	Name	Relationship	
Chairman of Board	the R.O.C.	Cheng Ming-Chi	Male 61~70 years old	May 31, 2022	3 years	December 9, 1997	4,380	1.36	4,702	1.45	427	0.13	-	-	Chairman of Board of Tai Peng Development Co., Ltd. National Sun Yat-sen University	Chairman and President of the Company Chairman of Board of Tai Peng Development Co., Ltd. Chairman of Board of QuantumZ Inc. Concurrently acting as the Director of the following companies invested by the Company: FLEXIUM INTERCONNECT INC. UFLEX TECHNOLOGY CO., LTD. SUCCESS GLORY INVESTMENTS LIMITED BOOM BUSINESS LIMITED CLEAR SUCCESS GLOBAL LIMITED Rafael Microelectronics, Inc. Concurrently acting as the Chairman of the following companies invested by the Company: Jun-Fong Investment Inc. Flexium Interconnect (Kunshan) Inc. Flexium Interconnect (Suzhou) Inc. Universe Energy Co., Ltd.	Corporate director	David Cheng	Father and son	Note 2
Name of corporate shareholder	the R.O.C.	Chi Lien Investment Co., Ltd.	-	May 31, 2022	3 years	June 9, 2010	2,825	0.85	2,825	0.87	-	-	-	-	None	None	-	-	-	
Corporate director	the R.O.C.	Chi Lien Investment Co., Ltd. Representative: Chen Yong-Chang	Male 61~70 years old	May 31, 2022	3 years	June 9, 2010	-	-	-	-	-	-	-	-	Administrative Section of Public Officials 1975 Passed Special Examination and completed courses of Academy for the Judiciary of 19th term Judge of Taoyuan District Court, Shihlin District Court and Taipei District Court Served as presiding judge of Keelung District Court Judge of Taiwan High Court Supervisor of the Chinese Society of Law Department of Law, National Taiwan University	Principal attorney of All-Pro Law Firm	-	-	-	
Corporate director	the R.O.C.	Chi Lien Investment Co., Ltd. Representative: Hung, Ji-Shan	Male 61~70 years old	May 31, 2022	3 years	May 31, 2022	-	-	-	-	-	-	-	-	Master of Law, National Cheng Kung University Department of Finance and Taxation, National Chung Hsing University Director-General, National Taxation Bureau of Kaohsiung, Ministry of Finance Director-General, National Taxation Bureau of the Southern Area, Ministry of Finance Deputy Director-General, Adjunct Lecturer, Department of Accountancy and Graduate Institute of Finance, NCKU	Independent Director of HUA YU LIEN Development CO., LTD. Independent Director of Ping Ho Environmental Technology Co., Ltd. Independent Director of Nanliu Enterprise Co., Ltd. Independent Director of Sunonwealth Electric Machine Industry Co., Ltd	-	-	-	

Job Title	Nationality or place of registration	Name	Gender/ Age	Election (appointment) date	Term of office	Inauguration date	Shares at election		Current shareholding (Note 1)		Current shares held by spouse and children of minor age		Total shareholding assuming the name of others		Major (academic degree) experience	Position(s) held concurrently in the Company and/or in any other companies	Other officers, directors or supervisors with spouses, or relatives within the second degree of kinship			Remark
							Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Job title	Name	Relationship	
Name of corporate shareholder	the R.O.C.	Tai-Peng Development Inc.	-	May 31, 2022	3 years	December 9, 1997	15,460	4.67	15,460	4.78	-	-	-	-	None	None	-	-	-	
Corporate director	the R.O.C.	Tai-Peng Development Inc. Representative: Jeng Xi Shih	Male 71~80 years old	May 31, 2022	3 years	May 30, 2007	295	0.09	295	0.09	-	-	-	-	Assistant Vice-President of Taiwan Hitachi Electronic Corp. Vice President of Tong-Bao Technology Corp. Executive Vice President of Flexium Interconnect.Inc Department Of Mechanical Engineering, National Cheng Kung University	None	-	-	-	
Corporate director	the R.O.C.	Tai-Peng Development Inc. Representative: JJ Chen	Male 41~50 years old	Feb. 1, 2024	3 years	Feb. 1, 2024	9	-	9	-	-	-	-	-	Deputy Research Fellow, Taiwan Instrument Research Institute, National Applied Research Laboratories Ph.D. in Mechanical and Mechatronics Engineering, Tamkang University	Consultant, QuantumZ Inc. President, OrangeTek Co., Ltd. Concurrently holding positions in the following companies invested by the Company: President, Rafael Micro Co., Ltd.	-	-	-	
Director	the R.O.C.	Lin Pei-Ru	Female 51~60 years old	May 31, 2022	3 years	June 9, 2010	1,459	0.44	1,459	0.45	341	0.11	-	-	Department of Foreign Languages and Literatures, NCHU Person in charge of Voice and Color Limited.	Chairperson of the Board, Tai-Cheng Investment Corporation Chairman, Hesheng Investment Co., Ltd. Person in Charge, Sheng-Se Ltd. Concurrently holding positions in the following companies invested by the Company: Director, Rafael Micro Co., Ltd.	-	-	-	
Director	the U.S.A.	David Cheng	Male 31~40 years old	May 31, 2022	3 years	June 18, 2019	332	0.10	440	0.14	137	0.04	-	-	Director, R&D Division, Flexium Interconnect Inc. University of California, Irvine Electrical Engineering.	CSO of QuantumZ Inc. Director of the Company's Business Division and Product Development Division Currently at the Company's invested affiliates: Responsible person of FLEXIUM INTERCONNECT AMERICA LLC. Chairperson of the Board, Rafael Micro Co., Ltd. Director of Etherdyne Technologies Inc.	Chairman of Board	Cheng Ming-Chi	Father and son	
Independent director	the R.O.C.	Xin-Bin Fu	Male 61~70 years old	May 31, 2022	3 years	May 18, 2001 (Note 3)	-	-	-	-	-	-	-	-	Supervisor, Flexium Interconnect Supervisor and Director, MACHVISION Inc. Co., LTD Professor, Department of Marketing and Circulation Management, National Kaohsiung First University of Science and Technology Section Chief, Electronic Information Section and Knowledge Service Section, Industrial Development Bureau, Ministry of Economic Affairs Ph.D., Institute of Engineering, National Chiao Tung University	Distinguished Professor, Department of Marketing and Circulation Management, National Kaohsiung University of Science and Technology Independent Director, Member of the Audit and Remuneration Committee, Champion Microelectronic Corp. Member of the Remuneration Committee, MACHVISION, INC	-	-	-	

Job Title	Nationality or place of registration	Name	Gender/ Age	Election (appointment) date	Term of office	Inauguration date	Shares at election		Current shareholding (Note 1)		Current shares held by spouse and children of minor age		Total shareholding assuming the name of others		Major (academic degree) experience	Position(s) held concurrently in the Company and/or in any other companies	Other officers, directors or supervisors with spouses, or relatives within the second degree of kinship			Remark
							Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Job title	Name	Relationship	
Independent director	the R.O.C.	Huang Shui-Tong	Male 71~80 years old	May 31, 2022	3 years	June 18, 2019	-	-	-	-	-	-	-	-	Passed Judicial Officer / Lawyer Higher Examination, 1972 Concluded Judicial Training Institute Phase 12 Public prosecutor, District Prosecutor's Office; Judge and President of the Courts of First and Second Instance Director, Criminal Affairs Division President of District Court in Kinmen, Penghu, Yilan, and Panchiao Taiwan High Court President, Taiwan High Court Taichung Branch Committee member, Civil Service Disciplinary Committee Master of Law, Chinese Cultural University Chairman, Chinese Law Society	Independent Director, Member of the Audit and Remuneration Committee, Rafael Micro Co., Ltd.	-	-	-	
Independent director	the R.O.C.	Wu Pei-Jun	Female 61~70 years old	May 31, 2022	3 years	June 18, 2019	-	-	-	-	-	-	167	0.05	Associate Professor / Dean of Department of Finance and Law, Ming Chuan University Chairman, Masterlink Futures Co., Ltd. Chairman, Masterlink Insurance Company Director, LandMark Optoelectronics Corp. Supervisor, Gaolin Industrial Co., Ltd. Supervisor, Taihong Technology Co., Ltd. Supervisor, Juyao Trading Co., Ltd. Supervisor, Shanghai United Investment Co., Ltd. PhD candidate of Laws degree at Keio University, Japan Master of Law, Keio University, Japan Graduated from the Law Department of National Taiwan University	Associate Professor, Department of Finance and Law, Ming Chuan University Dean of Department of Finance and Law, Ming Chuan University Chairman of Song Yang Investment Co., Ltd. Chairman, Chiyang Investment Co., Ltd. Director of Juxian Industrial Co., Ltd.	-	-	-	
Independent director	the R.O.C.	Anson Tseng	Male 41~50 years old	May 31, 2022	3 years	May 31, 2022	-	-	-	-	14	-	-	-	Vice President, BNP Paribas Securities Chief, Gemtek Technology Co., Ltd. MBA, Chicago University Master's Degree in Telecommunications, National Taiwan University Bachelor of Telecommunications, National Chiao Tung University	Investment Director of Hua Wei International Technology Consulting Co., Ltd., Supervisor as the Juristic Person's Representative, Hyena Inc., Supervisor, Castec International Corporation, Director of Marketing and New Business Development, LandMark Optoelectronics Corporation, Supervisor, Ren Chia Co., Ltd. Independent Director, Audit Committee Member, and Compensation Committee Member, ZEITEC Semiconductor Co., Ltd. Concurrently holding positions in the following companies invested by the Company: Independent Director, Audit Committee Member, and Compensation Committee Member, Rafael Micro Co., Ltd.				

Note 1: The current shareholdings are calculated after the total outstanding shares 323,200,981 shares on March 31, 2025.

Note 2: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. adding seats of independent directors, and the majority of directors do not concurrently serve as employees or managerial officers): The Chairman also concurrently serves as the President mainly because it is to enhance the communications and effectiveness of operational decisions, and for the accurate and quick execution. The company complies with laws to implement corporate governance, achieving four independent director positions to enhance the functionality of the board and strengthen its supervisory role. Currently, more than half of the board members are not concurrently serving as employees or managers of the company.

Note 3: 5/18/2001-6/8/2010 served as the company's independent supervisor; 6/9/2010-3/20/2013 and 6/11/2013-5/31/2017 served as the company's supervisor; 6/18/2019 - serving as an independent director of the company.

## 2. Major shareholders of corporate shareholders

March 31, 2025

Name of corporate shareholder	Major shareholders of corporate shareholders	
	Shareholder	Shareholding ratio (%)
Tai Peng Development Co., Ltd.	Chu Yang Investment Co., Ltd.	22.50%
	Youben investment Co., Ltd.	24.70%
	Yao Hsiang International Investment Co., Ltd.	21.70%
	Tai-Cheng Investment Corporation	20.00%
Chilien Investment Co., Ltd.	Zhixing Investment Co., Ltd.	100.00%

## 3. Major shareholders of major corporate shareholders

March 31, 2025

Name of corporate shareholders	Major shareholders of corporate	
	Shareholder	Shareholding ratio (%)
Chu Yang Investment Co., Ltd.	Cheng Ming-Chi	46.00%
	Hsiun-Chen Yang	42.00%
Youben investment Co., Ltd.	Da-Wen Sun	92.40%
Hsiang Yao International Investment Corporation	Yu-Huei Lin	12.50%
	Yu-Mei Lin	0.00005%
	Mei-Dai Chang	0.00005%
Tai-Cheng Investment Corporation	Chi-Cheng Chang	6.90%
	Lin Pei-Ru	6.90%
	Zhang Weixuan	28.57%
Zhixing Investment Co., Ltd.	Cheng Ming-Chi	52.09%
	Hsiun-Chen Yang	40.85%

## 4. Information on directors (II)

### (1) Disclosure of Directors' Professional Qualifications and Independent Directors' Independence

March 31, 2025

Qualifications Name	Professional Qualification and Experience	Independence	Number of public companies where the person holds the title as an independent director
Cheng Ming-Chi	Education background National Sun Yat-sen University Experience Chairman of Board of Tai Peng Development Co., Ltd. Chairman of Board of QuantumZ Inc.	Not under any of the categories stated in Article 30 of the Company Law	0
Chen Yong-Chang (Representative of Chi Lien)	Education background Department of Law, National Taiwan University Experience Principal attorney of All-Pro Law Firm Administrative Section of Public Officials 1975 Passed Special Examination and completed courses of Academy for the Judiciary of 19th term Judge of Taoyuan District Court, Shihlin District Court and Taipei District Court Served as presiding judge of Keelung District Court Judge of Taiwan High Court Supervisor of the Chinese Society of Law Department of Law, National Taiwan University	Not under any of the categories stated in Article 30 of the Company Law	0
Hung, Ji-Shan (Representative of Chi Lien)	Education background Master of Law, National Cheng Kung University Experience Department of Finance and Taxation, National Chung Hsing University Director-General, National Taxation Bureau of Kaohsiung, Ministry of Finance Director-General, National Taxation Bureau of the Southern Area, Ministry of Finance Deputy Director-General, Director-General Adjunct Lecturer, Department of Accountancy and Graduate Institute of Finance, NCKU	Not under any of the categories stated in Article 30 of the Company Law	4
Jeng Xi Shih (Representative of Tai Peng)	Education background Department Of Mechanical Engineering, National Cheng Kung University Experience Assistant Vice-President of Taiwan Hitachi Electronic Corp. Vice President of Tong-Bao Technology Corp. Executive Vice President of Flexium Interconnect, Inc.	Not under any of the categories stated in Article 30 of the Company Law	0
JJ Chen (Representative of Tai Peng)	Education background Deputy Research Fellow, Taiwan Instrument Research Institute, National Applied Research Laboratories Ph.D. in Mechanical and Mechatronics Engineering, Tamkang University Experience Vice President, QuantumZ Inc. President, OrangeTek Co., Ltd. Concurrently holding positions in the following companies invested by the Company: Co-President, Rafael Micro Co., Ltd.	Not under any of the categories stated in Article 30 of the Company Law	0
Lin Pei-Ru	Education background Department of Foreign Languages and Literatures, NCHU Experience Chairperson of the Board, Tai-Cheng Investment Corporation Chairman, Hesheng Investment Co., Ltd. Person in Charge, Sheng-Se Ltd.	Not under any of the categories stated in Article 30 of the Company Law	0
David Cheng	Education background University of California, Irvine Electrical Engineering Experience Chief-Director, R&D Division, Flexium Interconnect Inc.	Not under any of the categories stated in Article 30 of the Company Law	0
Xin-Bin Fu (Independent director)	Education background Ph.D., Institute of Engineering, National Chiao Tung University Experience Master of Engineering, University of Missouri Columbia, USA Supervisor, Flexium Interconnect Supervisor and Director, MACHVISION Inc. Co., LTD Professor, Department of Marketing and Circulation Management, National Kaohsiung First University of Science and Technology Section Chief, Electronic Information Section and Knowledge Service Section, Industrial Development Bureau, Ministry of Economic Affairs	In accordance with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies": 1. During the two year prior to the election and the term of office, the following independence requirements have been met (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or its affiliates (3) Not a natural-person shareholder or holder of shares, together with those held by a spouse, minor children, or held by the person under other names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking within the top 10 in holdings. (4) Not a managerial officer listed in criteria (1) or a spouse, relative of second degree, or direct kin of third degree or closer to persons not qualified for criteria (2) and (3). (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company. (7) If the chairperson, general manager, or person holding an equivalent position of the company and a person not in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) A director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the salary and Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not a spouse to or kin at the second pillar under the Civil Code to any other director (11) Not under any circumstances as stipulated in Article 30 of Company Act. (12) Not elected as a government or corporate representative according to Article 27 of The Company Act. 2. The restriction stated in Subparagraphs 2 and 5 to 7 of the preceding paragraph and Subparagraph 1 of Paragraph 4 shall not apply in cases where independent directors are concurrently appointed between a public company and its parent company, subsidiaries, or subsidiaries of the same parent company, in accordance with this Act or the laws of the respective jurisdiction.	1
Wu Pei-Jun (Independent director)	Education background PhD candidate of Laws degree at Keio University, Japan Master of Law, Keio University, Japan Experience Graduated from the Law Department of National Taiwan University Associate Professor / Dean of Department of Finance and Law, Ming Chuan University Chairman, Masterlink Futures Co., Ltd. Chairman, Masterlink Insurance Company		1
Huang Shui-Tong (Independent director)	Education background Master of Law, Chinese Cultural University Experience Public prosecutor, District Prosecutor's Office; Judge and President of the Courts of First and Second Instance Director, Criminal Affairs Division President of District Court in Kinmen, Penghu, Yilan, and Panchiao Taiwan High Court President, Taiwan High Court Taichung Branch Committee member, Civil Service Disciplinary Committee		1
Anson Tseng (Independent director)	Education background MBA, Chicago University Master's Degree in Telecommunications, National Taiwan University Bachelor of Telecommunications, National Chiao Tung University Experience Investment Director of Hua Wei International Technology Consulting Co., Ltd., Supervisor as the Juristic Person's Representative, Hyena Inc., Supervisor, Castec International Corporation, Director of Marketing and New Business Development, LandMark Optoelectronics Corporation, Supervisor, Ren Chia Co., Ltd. Concurrently holding positions in the following companies invested by the Company: Independent Director, Audit Committee Member, and Compensation Committee Member, Rafael Micro Co., Ltd.		2

(2) Diversification and Independence of the Board:

A. Diversification of the Board:

The board of directors shall direct company strategies, supervise the management, and be responsible to the company and shareholders. The various procedures and arrangements of its corporate governance system shall ensure that, in exercising its authority, the board of directors complies with laws, regulations, its articles of incorporation, and the resolutions of its shareholders meetings. The composition of the board of directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- Basic requirements and values: Gender, age, nationality, and culture.
- Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The Company's board of directors is diversified, with industry knowledge, legal and financial background, as well as work experiences, to implement the diverse policy and improve the composition of the board of directors. Currently, there are eleven members of the board of directors, including two female directors and one foreign director. The Board of Directors consists including 82% of whom are male (9) and 18% of whom are female (2). Due to the nature of the industry, it is not easy to recruit talent. In the future, the Company will strive to increase female directors, such as improving the development of female talent and establishing a female director talent pool, in order to achieve the goal. The implementation status is as following:

Qualifications Name	Main academic qualification	Basic composition				Industry experience					Professional capabilities		
		Nationality	Gender	Age	Independent director's term of office and seniority	Finance and taxation	Business Administration	Law	Industry knowledge	Insurance and finance	Law	Finance and accounting	Business Administration
Cheng Ming-Chi	National Sun Yat-sen University	the R.O.C.	Male	61~70	-	✓	✓	-	✓	-	-	✓	✓
Chen Yong-Chang (Representative of Chi Lien)	Department of Law, National Taiwan University	the R.O.C.	Male	61~70	-	-	-	✓	✓	-	✓	-	-
Hung, Ji-Shan (Representative of Chi Lien)	Department Of Mechanical Engineering, Institute of Law	the R.O.C.	Male	71~80	-	✓	-	✓	-	-	✓	✓	-
Jeng Xi Shih (Representative of Tai Peng)	Department Of Mechanical Engineering, National Cheng Kung University	the R.O.C.	Male	71~80	-	-	✓	-	✓	-	-	-	✓
JJ Chen (Representative of Tai Peng)	Ph.D. in Mechanical and Mechatronics Engineering, Tamkang University	the R.O.C.	Male	41~50	-	-	✓	-	✓	-	-	-	✓
Lin Pei-Ru	Department of Foreign Languages and Literatures, NCHU	the R.O.C.	Female	51~60	-	-	✓	-	✓	-	-	-	✓
David Cheng	University of California, Irvine Electrical Engineering	the U.S.A.	Male	31~40	-	-	✓	-	✓	-	-	-	✓
Xin-Bin Fu (Independent director)	National Chiao Tung University Ph.D of Engineering	the R.O.C.	Male	61~70	Three years or more	✓	✓	-	✓	-	-	✓	✓
Wu Pei-Jun (Independent director)	PhD of Laws degree at Keio University, Japan	the R.O.C.	Female	61~70	Three years or more	✓	-	-	-	✓	-	✓	-
Huang Shui-Tong (Independent director)	Master of Law, Chinese Cultural University	the R.O.C.	Male	71~80	Three years or more	-	-	✓	-	-	✓	-	-
Anson Tseng (Independent director)	University of Chicago MBA	the R.O.C.	Male	41~50	Under three years	-	✓	-	-	-	-	-	✓

B. Independence of the Board:

The current board consists of eleven directors, including seven directors and four independent directors, as 36% of them are independent directors. All independent directors comply with the restrictions regarding positions concurrently held specified in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies," and none of them concurrently serves as an independent director of more than three other public companies. In conclusion, the independence of the Company's Board is not affected.

## (II) Profiles of president, vice presidents, assistant VPs, and heads of the branches/departments

March 31, 2025 Unit: Thousand shares; %

Job title	Nationality	Name	Gender	(Election) On-board date	Shares held (Note 1)		Current shares held by the spouse and children of minor age		Total shareholding assuming the name of others		Major (academic degree) experience	Position(s) held concurrently in any other companies	Managerial officers are spouse or within second-degree relative of consanguinity to each other			Remark
					Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding			Job title	Name	Relationship	
President	the R.O.C.	Cheng Ming-Chi	Male	June 23, 1995	4,702	1.45	427	0.13	-	-	Chairman of Board of Tai Peng Development Co., Ltd. National Sun Yat-sen University	Chairman and President of the Company Chairman of Board of Tai Peng Development Co., Ltd. Chairman of Board of QuantumZ Inc. Concurrently acting as the Director of the following companies invested by the Company: FLEXIUM INTERCONNECT INC. UFLEX TECHNOLOGY CO., LTD. GRANDPLUS ENTERPRISES LIMITED SUCCESS GLORY INVESTMENTS LIMITED CHAMPION BEYOND LIMITED CHOSEN GLORY LIMITED FOREVER MASTER LIMITED BOOM BUSINESS LIMITED CLEAR SUCCESS GLOBAL LIMITED Rafael Microelectronics, Inc. Concurrently acting as the Chairman of the following companies invested by the Company: Jun-Fong Investment Inc. Flexium Interconnect (Kunshan) Inc. Flexium Interconnect (Suzhou) Inc. Universe Energy Co., Ltd.	VP of Kunshan Plant	Brian Cheng	Father and son	Note 2
VP of Quality	the R.O.C.	Yi-Wen Shan	Male	October 29, 2014	44	0.01	-	-	-	-	Tom Tom, Asia-Pacific Zone, QA Director National Taiwan University of Technology, Institute of Engineering/National Chengchi University, EMBA	None	-	-	-	
Manufacturing Plant Manager	the R.O.C.	Austin Li	Male	January 4, 2024	2	-	2	-	-	-	TSMC Project Manager VIS Manufacturing Manager MBA, National Cheng Kung University	None	-	-	-	
Director of Sourcing Division	the R.O.C.	Chao-Rong Gong	Male	August 1, 2004	421	0.13	-	-	-	-	Business engineer of MEKTEC National Taipei University of Technology, Textile Engineering	None	-	-	-	
VP of Administration and CFO	the R.O.C.	Arthur Shiung	Male	August 9, 2012	406	0.13	-	-	-	-	Director of Accounting Division of ASE Group East Michigan University, MBA	None	-	-	-	
VP of Kunshan Plant	the R.O.C.	Brian Cheng	Male	February 21, 2025							Wichita State University Bachelor of Business Administration Management Information Systems Manufacturing Plant Special Assistant of Chun-Hwa Technology (Kunshan) Co., Ltd.	Concurrently acting as the Director of the following companies invested by the Company: Flexium Interconnect (Kunshan) Inc. Flexium Interconnect (Suzhou) Inc.	President	Ming-Chi Cheng	Father and son	

Note 1: The current shareholdings are calculated after the total outstanding shares 323,200,981 shares on March 31, 2025.

Note 2: Where the chairperson of the board of directors and the president or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g. adding seats of independent directors, and the majority of directors do not concurrently serve as employees or managerial officers); The Chairman also concurrently serves as the President mainly because it is to enhance the communications and effectiveness of operational decisions, and for the accurate and quick execution. To cope with the laws and regulations for the implementation of corporate governance in the future, it is planned to add seats of independent directors for better operation of the Board of Directors' functions, and stronger supervisory functions. Currently, the majority of directors do not concurrently serve as employees or managerial officers.

## II. Remuneration to director, president and vice presidents in last years(2024)

### (I) Remuneration of supervisors (names thereof to be disclosed by space)

Unit: NT\$ thousand; thousand shares; %

Job title	Name	Remuneration to directors								The sum of A, B, C and D in proportion to Earnings After Tax		Remuneration in the capacity as employees								The sum of A, B, C, D, E, F and G to earnings after tax		Remuneration from the investees other than subsidiaries or parent company
		Remuneration (A)		Pension (B)		Remuneration of directors (C)		Professional practice fees (D)				Salary, bonus and special allowance, etc. (E)		Retirement pension (F)		Employee remuneration (G)						
		The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	Cash amount	Share amount	Cash amount	Share amount	The Company	All companies included into the financial statement	
Chairman and President	Cheng Ming-Chi	1,226	1,226	-	-	-	300	70	100	1,296 (0.16%)	1,626 (0.20%)	10,401	11,729	-	-	-	-	-	-	11,697 (1.42%)	13,355 (1.63%)	None
Director	Chi-Lian Investment Corporation Representative: Chen Yong-Chang	766	766	-	-	-	-	70	70	836 (0.10%)	836 (0.10%)	-	-	-	-	-	-	-	-	836 (0.10%)	836 (0.10%)	
Director	Representative of Chi-Lian Investment Corporation: Hung, Ji-Shan	766	766	-	-	-	-	70	70	836 (0.10%)	836 (0.10%)	-	-	-	-	-	-	-	-	836 (0.10%)	836 (0.10%)	
Director	Tai-Peng Development Corporation Representative: Jeng Xi Shih	766	766	-	-	-	-	70	70	836 (0.10%)	836 (0.10%)	-	-	-	-	-	-	-	-	836 (0.10%)	836 (0.10%)	
Director	Tai-Peng Development Corporation Representative: Blue Lan(Dismissed)	766	766	-	-	-	-	60	60	826 (0.10%)	826 (0.10%)	-	3,257	-	103	-	-	1,000	-	826 (0.10%)	5,186 (0.63%)	
Director	Tai-Peng Development Corporation Representative: JJ Chen	-	-	-	-	-	-	10	10	10 (0.00%)	10 (0.00%)	2,073	2,073	108	108	-	-	-	-	2,191 (0.27%)	2,191 (0.27%)	
Director	David Cheng	766	766	-	-	-	300	60	100	826 (0.10%)	1,166 (0.14%)	8,855	-	-	-	-	-	-	-	9,681 (1.17%)	1,166 (0.14%)	
Director	Lin Pei-Ru	766	766	-	-	-	500	70	90	836 (0.10%)	1,356 (0.17%)	-	14,788	-	-	-	-	1,000	-	836 (0.10%)	17,144 (2.10%)	
Independent director	Xin-Bin Fu	919	919	-	-	-	-	160	160	1,079 (0.13%)	1,079 (0.13%)	-	-	-	-	-	-	-	-	1,079 (0.13%)	1,079 (0.13%)	
Independent director	Wu Pei-Jun	766	766	-	-	-	-	160	160	926 (0.11%)	926 (0.11%)	-	-	-	-	-	-	-	-	926 (0.11%)	926 (0.11%)	
Independent director	Huang Shui-Tong	1,226	1,912	-	-	-	-	160	190	1,386 (0.17%)	2,102 (0.26%)	-	-	-	-	-	-	-	-	1,386 (0.17%)	2,102 (0.26%)	
Independent director	Anson Tseng	766	1,452	-	-	-	-	120	150	886 (0.11%)	1,602 (0.20%)	-	-	-	-	-	-	-	-	886 (0.11%)	1,602 (0.20%)	
<p>1. Please explain the policy, system, standards and structure by which independent director remuneration is paid, and association between the amount paid and independent directors' responsibilities, risks and time committed: The determination of traveling expenses, remunerations of the directors, as well as salaries of the independent director shall be authorized by the board of directors, taking into consideration the degree of these persons' involvement in the Company's operations and their contributions, with reference to the relevant standards of the peer companies.</p> <p>2. In addition to the disclosure of the above table, the remuneration collected by the directors for providing al services (such as acting as non-employee consultants) to the Company within the financial report in recent years is: NT\$0 thousand</p>																						

### (II) Remuneration to president and vice presidents (aggregate information, with the name(s) indicated for each remuneration range)

Unit: NT\$ thousand; thousand shares; %

Job title	Name	Salary (A)		Pension (B)		Bonus and special allowance, <i>et al.</i> (C)		Employee remuneration amount (D)				The sum of A, B, C and D in proportion to Earnings After Tax (%)		Remuneration from the investees other than subsidiaries or parent company
		The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company	All companies included into the financial statement	The Company		All companies included into the financial statement		The Company	All companies included into the financial statement	
								Cash amount	Share amount	Cash amount	Share amount			
President	Cheng Ming-Chi	4,080	5,408	-	-	6,321	6,321	-	-	-	-	10,401 (1.26%)	11,729 (1.44%)	None
VP for Procurement	Tang Chia-Hsien (Resigned)	3,946	5,534	-	-	3,052	3,052	-	-	-	-	6,998 (0.85%)	8,586 (1.05%)	
Vice President of QA	Yi-Wen Shan	3,840	3,840	108	108	2,643	2,643	-	-	-	-	6,591 (0.80%)	6,591 (0.81%)	
VP of Administration and CFO	Arthur Shiung	3,185	3,185	108	108	2,631	2,631	-	-	-	-	5,924 (0.72%)	5,924 (0.73%)	
Manufacturing Plant Manager	Austin Li	2,891	2,891	108	108	1,341	1,341	-	-	-	-	4,341 (0.53%)	4,341 (0.53%)	



(III) Name of managerial officers for the distribution of employee remuneration and distribution status

Unit: NT\$ thousand

	Job title (Note)	Name (Note)	Share amount	Cash amount	Total	Proportion to Earnings After Tax (%)
Manager	President	Cheng Ming-Chi	-	-	-	-
	VP of Quality	Shan Yi-Wen				
	VP of Kunshan Plant	Brian Cheng				
	Manufacturing Plant Manager	Austin Li				
	Director of Sourcing Division	Gong Chao-Rong				
	VP of Administration and CFO	Arthur Shiung				
	Corporate Governance Director	Eva Liao				

Note: The managerial officers identified in the name list are the existing managerial officers on the date of publication of the annual report.

(IV) Specify and compare the remuneration to directors, supervisors, presidents, and vice presidents of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements in the most recent 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

1. Remuneration analysis for the past 2 years:

Unit: NT\$ thousand

Year	The Company		All companies in consolidated statements	
	2023	2024	2023	2024
Remuneration to directors	21,030	10,579	21,030	13,201
Remuneration to directors as a percentage of net income (%)	1.02%	(1.28%)	1.02%	(1.62%)
Remuneration to the President and Vice President	47,402	34,255	50,380	37,171
Remuneration to the President and Vice President as a Proportion to Earnings After Tax (%)	2.31%	(4.14%)	2.45%	(4.55%)

2. The policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk:

Pursuant to Article 29-1 of the Article of Incorporation of the Company, the remuneration to directors of the Company shall not be higher than 2%, and the Company operation outcome shall be considered along with the review on individual's contribution to the performance of the Company in order to provide reasonable remunerations. The remunerations of the president, vice presidents and managerial officers shall be determined according to the salary payment standard of the Company and their background as well as business operation performance. For the procedure of determining remuneration, other than the overall operating performance of the Company, future business risks and development trends of the industry, it also takes into account the moral risk incidents of directors and managerial officers, or other risk incidents that have negative impacts on the Company's image and goodwill, improper internal management, or personnel corruptions, while taking comprehensive consideration of the goal achievement rate, profitability, operating efficiency, contributions of directors and managerial officers, to calculate their remuneration proportion, and give reasonable remuneration. The relevant performance appraisals and reasonableness of remunerations have been reviewed by the Remuneration Committee and the Board of Directors, and the remuneration system will be reviewed timely according to the actual operating conditions and relevant laws and regulations, to achieve a balance between the Company's sustainable management and risk control.

### III. Corporate governance operating status

#### (I) Board of Director operation status

In 2024, the Company has held 7 Board of Directors Meeting (A), and the attendance of the directors and supervisors are as follows:

Job title	Name	Actual number of (listing) attending seats (B)	Attendance by proxy	Actual attendance (listing) of seats percentage (%) [B/A]	Remark
Chairman of Board	Cheng Ming-Chi	7	0	100%	Re-elected on May 31, 2022
Director	Tai-Peng Development Corporation representative: Jeng Xi Shih	7	0	100%	Re-elected on May 31, 2022
Director	Tai-Peng Development Corporation representative: Blue Lan	1	0	100%	Term ended on February 1, 2024
Director	Tai-Peng Development Corporation representative: JJ Chen	6	0	100%	Joined on February 1, 2024
Director	Chi-Lian Investment Corporation representative: Chen Yong-Chang	7	0	100%	Re-elected on May 31, 2022
Director	Chi-Lian Investment Corporation representative: Hung Chi-Shan	7	0	100%	Joined on May 31, 2022
Director	David Cheng	6	1	86%	Re-elected on May 31, 2022
Director	Lin Pei-Ru	7	0	100%	Re-elected on May 31, 2022
Independent director	Xin-Bin Fu	7	0	100%	Re-elected on May 31, 2022
Independent director	Wu Pei-Jun	7	0	100%	Re-elected on May 31, 2022
Independent director	Huang Shui-Tong	7	0	100%	Re-elected on May 31, 2022
Independent director	Anson Tseng	7	0	100%	Joined on May 31, 2022

Attendance Status of Independent Directors of each time of Board of Directors' Meeting in 2024 ◎: Attended in person; ☆: Attended by a proxy; \* : Absent

2024	1/4	2/15	4/18	5/8	7/4	8/12	11/7
Xin-Bin Fu	◎	◎	◎	◎	◎	◎	◎
Wu Pei-Jun	◎	◎	◎	◎	◎	◎	◎
Huang Shui-Tong	◎	◎	◎	◎	◎	◎	◎
Anson Tseng	◎	◎	◎	◎	◎	◎	◎

Other notes:

- Where the operations of the board of directors are subject to any one of the following conditions, the date, session number of board of directors' meeting, proposal content, comments of all independent directors and the resolution of the Company for the comments of the independent directors shall be described:

(I) Matters referred to in the Article 14-3 of the Securities and Exchange Act: The Company has established

the Audit Committee, matters referred to in the Article 14-3 of the Securities and Exchange Act are therefore not applicable. For related information, please refer to Audit Committee Operations in this year’s annual report.

(II) Except for the aforementioned matters, other resolutions of the board of directors’ meeting rejected by the independent directors or reserved comments and are accompanied with records or written declarations: None.

2. For the execution status of the recusal of conflict of interests of directors, the name of the director, proposal content, reasons of recusal and voting participation status shall be described.

(I) The Company’s 12th session of the 10th Board held on January 4, 2024

1. Discussion on the 2023 independent directors’ remuneration distribution case of the Company. Since directors Xin-Bin Fu, Peng-Chun Wu, Huang Shui-tung and Anson Tseng are the interested parties of this case, they have actively recused themselves from the discussion and resolution thereof.
2. Discussion on the 2023 directors’ remuneration distribution motion of the Company. Since directors Cheng Ming-Chi, Chen Yung-Chang, Jeng Xi Shih, Blue Lan, Hung Chi-Shan, Pei-Ru Lin, and CHENG DAVID are the interested parties of this case, they have recused themselves from the discussion and resolution thereof.
3. Discussion on the distribution of remuneration to managerial officers motion of the Company. Since directors Cheng Ming-Chi, Blue Lan, and CHENG DAVID are the interested parties of this case, they have actively recused themselves from the discussion and resolution thereof.

3. Evaluation of the implementation of the board of directors:

Assessment cycle	Assessment period	Assessment method	Assessment scope	Assessment content	Assessment results
One board performance evaluation is implemented each year.	2024/1/1-2024/12/31	Internal self-assessment by the Board of Directors	Overall Board of Directors	A. Degree of participation in company operations. B. Board decision-making quality improvement. C. Board composition and structure. D. Election and continuing education of the directors; and E. Internal Controls.	The total score is five points, and the average score is 4.85 points; the assessment result is excellent, demonstrating that the overall operation of the Board of Directors is complete, and consistent to the spirit of corporate governance.
		Self-assessment by the directors	Individual board member	A. Mastering the company's goals and tasks. B. Director's responsibilities. C. Degree of participation in company operations. D. Internal relationship management and communication. E. Director's professional and continuous education. F. Internal Controls.	The total score is five points, and the average score is 4.83 points; the assessment result is excellent, demonstrating that the directors have positive assessments to the efficiency and effectiveness of the operations in the regard of each assessment indicators.
		Self-assessment by the directors	Each functional committee	A. Degree of participation in company operations. B. Recognition of the duties of the functional committee C. Improvement in the quality of decision making by the functional committee D. The composition of the functional committee, and election and appointment of committee members E. Internal Controls.	The total score is five points, and the average score is 4.99 points; the assessment result is excellent, demonstrating that the members of functional committees have positive assessments to the efficiency and effectiveness of the operations in the regard of each assessment indicators.

4. Measures undertaken during the current year and past year in order to strengthen the functions of the board of directors:

(I) The Company has enacted the meeting rules for directors’ meetings pursuant to the laws. The functions and operations of the board all comply with the rules and related laws. The internal chief auditor will also attend the directors’ meeting to report on the status of the internal audit.

(II) Directors may communicate with the chief auditor and CPAs via phone, fax or email.

(III) The Company elected 7 ordinary directors and 4 independent directors on May 31, 2022. The Audit Committee is made up of all the independent directors. As of December 31, 2024, none of the three independent directors has had a continuous term of more than 9 years.

(II) Audit Committee Operations

The Company met 5 times in the Audit Committee in 2024 (A); independent directors' attendance was as follows:

Job title	Name	Actual number of attending seats (B)	Attendance by proxy	Actual attendance rate (%) 【B / A】	Remark
Convener	Xin-Bin Fu	5	0	100%	Re-elected on May 31, 2022
Member	Wu Pei-Jun	5	0	100%	Re-elected on May 31, 2022
Member	Huang Shui-Tong	5	0	100%	Re-elected on May 31, 2022
Member	Anson Tseng	5	0	100%	Joined on May 31, 2022

- I. The main function of the Audit Committee is to supervise the following matters:
- (I) Fair presentation of the financial reports of the Company
  - (II) The hiring (and dismissal), independence, and performance of CPAs.
  - (III) The effective implementation of the internal control system of the Company
  - (IV) Compliance with relevant laws and regulations by the Company
  - (V) Management of the existing or potential risks of the Company.
- II. The powers of the Audit Committee are as follows:
- (I) The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
  - (II) Assessment of the effectiveness of the internal control system.
  - (III) The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
  - (IV) Matters in which a director is an interested party.
  - (V) Asset transactions or derivatives trading of a material nature.
  - (VI) Loans of funds, endorsements, or provision of guarantees of a material nature.
  - (VII) The offering, issuance, or private placement of equity-type securities.
  - (VIII) The hiring or dismissal of a certified public accountant, or their compensation.
  - (IX) The appointment or discharge of a financial, accounting, or internal audit officer.
  - (X) Annual financial reports signed or sealed by the Chairman, managerial officers, and accounting officer, and the Q2 financial reports audited and certified by the CPAs.
  - (XI) Other material matters as may be required by this Corporation or by the competent authority.
- The matters under the preceding paragraph shall be subject to the approval of one half or more of the entire membership of the Committee and shall be submitted to the board of directors for a resolution.
- Any matter in the paragraph 1, with the exception of subparagraph 10, that has not been approved by one half or more of the entire membership of the Committee may be adopted with the approval of two thirds or more of the entire board of directors.
- III. Other notes:
- (I) If there any of the following situations arise the operation of the Audit Committee, the date of the Audit Committee should be stated, as well as the period, and motion content, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's comments:
    1. Matters listed in Article 14-5 of the Securities and Exchange Act
    2. Except for pre-opening matters, other resolutions that have not been approved by the Audit Committee but have been approved by two-thirds or more of all directors

Audit Committee	Proposal content and follow up action	Items listed in the Securities and Exchange Act Article 14-5.	Resolutions that have not been approved by the Audit Committee but have been approved by two-thirds or more of all directors.
2024.1.4 The 2th Term 9th meeting	1. Review of the 2024 capital expenditure budget proposal. Audit Committee Resolution Results: The members of the Audit Committee unanimously agreed to approve. The company's handling of the opinions of the audit committee: Proposed by the board of directors and passed unanimously by all attending members.	v	NIL.
2024.2.15 The 2th Term 10th meeting	1. The Company's 2023 annual financial report and business report. 2. The Company's 2023 dividend distribution proposal. 3. The company intends to distribute cash from its capital surplus. 4. Proposal regarding the determination of the cash dividend record date for the company. 5. Proposal for the 2024 issuance of new restricted employee shares. 6. Proposal to terminate the public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds that was adopted at the 2023 General Shareholders' Meeting. 7. Proposal to conduct public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds. 8. Approved the amendments to the Company's Audit Committee Charter. 9. Approved provision of endorsements and guarantees to others. Audit Committee Resolution Results: The members of the Audit Committee unanimously agreed to approve. The company's handling of the opinions of the audit committee: Proposed by the board of directors and passed unanimously by all attending members.	v v v v v v v v v	NIL. NIL. NIL. NIL. NIL. NIL. NIL. NIL. NIL.
2024.5.8 The 2th Term 11th meeting	1. Proposal for the the issuance of the fifth and sixth domestic unsecured convertible corporate bonds of the Company. Audit Committee Resolution Results: The members of the Audit Committee unanimously agreed to approve. The company's handling of the opinions of the audit committee: Proposed by the board of directors and passed unanimously by all attending members.	v	NIL.

- IV. Implementation status for the recusal of interest of independent directors, including the name of the independent director, the content of the proposal, the reasons for recusal and voting status: None
- V. Communication between the independent directors and internal chief auditor and CPAs:
- (I) Communication between the internal audit supervisor and the Audit Committee:
1. The internal audit supervisor summarizes the internal audit business report to the Audit Committee on a regular basis every quarter.
  2. From time to time communicate, guide and respond by phone, email or in person.
  3. If there are special circumstances of importance, they may also be immediately reported to the members of the Audit Committee.
- (II) Communication between accountants and the Audit Committee:
1. The Company's CPAs communicate with the Audit Committee from time to time, reporting to the members of the Audit Committee on the latest laws or financial statements review or audit results and internal control audits.
- (III) The communication channels between independent directors of the company, internal audit supervisors and CPAs are smooth and diversified. The specific communication matters between independent directors and internal audit supervisors.

(III) Status of corporate governance, and any nonconformity to the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies

Item	Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Whether the Company has enacted and disclosed its corporate governance best-practice principles according to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies”?	✓		The Company has established the corporate governance best-practice principles according to the “Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies” which has been disclosed on the Company’s website.	No deviation
II. Equity structure and shareholders’ equity				
(I) Whether the Company has defined its internal operating procedure for processing shareholders’ suggestions, questions, disputes and legal actions, and implemented the procedure strictly?	✓		(I) The Company entrusted the shareholder service agent to handle the same on behalf of the Company, and also delegated the spokesman, deputy spokesman, and staff dedicated to investor relation and shareholder service to handle the suggestions, questions, disputes and litigation actions of shareholders.	No deviation
(II) Whether the Company has control over the list of major shareholders and the controlling parties of such shareholders?	✓		(II) The Company publishes the changes in shareholding of the insiders on the MOPS on a monthly basis, and maintains excellent relations with investors.	No deviation
(III) Whether the Company establishes the risk control mechanism and firewall between the Company and its affiliates?	✓		(III) The Company and its affiliated companies operate independently, and each of them has defined its internal control system and regulations. The Company also defined the regulations governing supervision of subsidiaries and implemented the same.	No deviation
(IV) Whether the Company has defined its internal regulations to prohibit the insiders from trading securities by means of the information undisclosed in the market?	✓		(IV) The Company has established the “Insider Trading Prevention Management Operating Procedures” and “Ethical Management Rules” which clearly specify the prohibitions on insider trading and non-disclosure agreement.	No deviation
III. Organization and responsibility of board of directors				
(I) Has the board of directors formulated the policy on diversity and concrete management goals and fully implemented such accordingly?	✓		(I) The Company conducted an election for the 10th Board in May 2022 based on the diverse directives in order to have 11 seats of directors (including 4 seats of independent directors), where 2 members of the Board are female. The professional knowledge and technical skill backgrounds of directors span across various aspects and industries of financial/accounting, technology, management and law... and are equipped with the knowledge, skills and qualities necessary for executing the duties. Please refer to Page 10 of the Annual Report.	No deviation
(II) Whether the Company is willing to establish other functional committees pursuant to laws, in addition to Remuneration Committee and Audit Committee?	✓		(II) The Company has established the Remuneration Committee and Audit Committee in accordance with the law; other functional members may be established according to the actual needs of the Company.	No deviation

Item	Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof																						
	Yes	No	Summary																							
(III) Has the company established the Regulations Governing the Board Performance Evaluation and its evaluation methods, and does the company perform a regular performance evaluation each year and submit the results of performance evaluations to the Board of Directors and use them as reference in determining compensation for individual directors, their nomination, and additional office terms?	✓		(III) The Company has formulated the “Regulations Governing the Board Performance Evaluation” and uses methods such as self-evaluation for Board members and overall Board self-evaluation which may be carried out by others. The performance of the Board must be evaluated at least once per year and the performance evaluation result must be submitted to the next Board meeting after the end of each year. The Company’s Board performance result shall be used as a reference base for election or nomination for directors; each Board member’s performance result shall be used as a reference base for the determination of their individual remuneration. Please refer to Page 15 of the Annual Report for the related assessments.	No deviation																						
(IV) Whether the Company periodically evaluates the impartiality and independence of the independent CPA?	✓		(IV) The Company performs the evaluation on the impartiality and independence of the independent CPA at least once annually, and the last evaluation result has been submitted to the board of directors on November 7, 2024 for approval. For the appraisal on independence of the independent auditor, please see Page 23 of the annual report.	No deviation																						
IV. Is the company a TWSE/TPEx listed company, and has the company designated an appropriate number of personnel that specialize (or are involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed and assist directors and supervisors in complying with the laws and regulations to perform their duties, convention of board meetings and shareholders meetings, preparation of board meeting and shareholders meeting minutes, etc)?	✓		<p>1. The Company appointed the head of finance, Eva Liao as the corporate governance officer, upon the resolution of the Board meeting on May 5, 2021, in order to protect shareholders’ interests and reinforce the Board’s functions. The major duties include handling matters relating to board meetings and shareholders meetings according to laws, furnishing information required for business execution by directors, collecting the most updated regulatory developments related to corporate management, assisting directors with legal compliance, and assisting in onboarding and continuous development of directors. The head of financial has worked in financial affairs, stock affairs, or corporate governance affairs with more than ten years; the Financial Division also joint ly takes charge of corporate governance related affairs, namely:</p> <p>(1) Providing documents necessary for the board of directors to perform their duties, preparation related to handling of board of directors’ meeting and shareholders’ meeting according to the law as well as preparation of meeting agenda and records.</p> <p>(2) Assist in facilitating and strengthening corporate governance.</p> <p>(3) Handling company registration and change registration.</p> <p>2. The 2024 development of the corporate governance officer, total 15 hours of continuing education were attended.</p> <table border="1"> <thead> <tr> <th colspan="2">Date of continued education</th><th rowspan="2">Organizer</th><th rowspan="2">Name of Course</th><th rowspan="2">Hours</th></tr> <tr> <th>From</th><th>To</th></tr> </thead> <tbody> <tr> <td>2024/05/16</td><td>2024/05/17</td><td>Securities and Futures Development Foundation</td><td>Workshop for Sustainable Disclosure</td><td>9</td></tr> <tr> <td>2024/07/03</td><td>2024/07/03</td><td>Taiwan Stock Exchange Corporation</td><td>2024 Cathay Sustainable Finance and Climate Change Summit</td><td>3</td></tr> <tr> <td>2024/09/06</td><td>2024/09/06</td><td>Securities and Futures Development Foundation</td><td>2024 Annual Conference on Prevention of Insider Trading</td><td>3</td></tr> </tbody> </table>	Date of continued education		Organizer	Name of Course	Hours	From	To	2024/05/16	2024/05/17	Securities and Futures Development Foundation	Workshop for Sustainable Disclosure	9	2024/07/03	2024/07/03	Taiwan Stock Exchange Corporation	2024 Cathay Sustainable Finance and Climate Change Summit	3	2024/09/06	2024/09/06	Securities and Futures Development Foundation	2024 Annual Conference on Prevention of Insider Trading	3	No deviation
Date of continued education		Organizer	Name of Course	Hours																						
From	To																									
2024/05/16	2024/05/17	Securities and Futures Development Foundation	Workshop for Sustainable Disclosure	9																						
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Item	Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
V. Whether the Company establishes the communication channels with interested parties (including but not limited to shareholders, employees, customers and suppliers etc.) and sets up the section exclusively for interested parties on the Company's website as well as responds to the important CSR issues concerned by the interested parties properly?	✓		<p>1. The website of the Company is set up with the exclusive section for interested parties and maintains fair communication with shareholders, employees and suppliers via IR, shareholders' service, legal affairs, financial and other dedicated units by phone, fax and E-mail from time to time.</p> <p>2. The Company's website is also equipped with the anti-corruption complaining mailbox. The Company also demands that colleagues and suppliers shall avoid unethical conduct and conflict of interest. Any case against the statement of integrity may be complained via 109@flexium.com.tw, in order to protect suppliers' interest and right.</p> <p>3. The ESG Committee conducts regular discussions regarding material issues on aspects of economy, society and environment each year as well as the achievement status of all units and plans for future directions. Related results and discussions alongside suggestions of ESG are compiled and reviewed by the Chair of the Committee then submitted to the Board for report. The latest report on status of communication with each stakeholder was submitted to the board of directors on November 7, 2024.</p>	No deviation
VI. Whether the Company appoints a professional shareholder service agent to handle the affairs related to shareholders' meetings?	✓		The Shareholder Service Agent of Yuanta Securities appointed by the Company meets the qualifications defined under the Regulations Governing the Administration of Shareholder Services of Public Companies.	No deviation
VII. Disclosure of information				
(I) Whether the Company has established a website for disclosure of its financial position and status of corporate governance?	✓		(I) The Company has established a website ( <a href="https://www.flexium.com.tw">https://www.flexium.com.tw</a> ) in Chinese and English, disclosing the financial and company governance information, and dedicated personnel are responsible for the maintaining the update of the information. In addition, relevant information can be searched through the public information observation station.	No deviation
(II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	✓		(II) The Company has designated dedicated personnel (Financial Department personnel) to collect and disclose the information in order to control the Company's external information, and also appoints spokesman and deputy spokesman in order to disclose the latest and correct information of the Company via newspaper or important information irregularly. In addition, the information related to the overview of finance and business disclosed at the Company investors' meeting has been input into the MOPS per the requirements by TWSE.	No deviation
(III) Whether the company announces and declares its annual financial report within two months after the end of the fiscal year, and announces and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?	✓		(III) The Company announces and declares its annual financial report within two months after the end of the fiscal year, and announces and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit, as required by the regulations. For the disclosure of the aforesaid information please see MOPS ( <a href="https://mops.twse.com.tw/mops/web/index">https://mops.twse.com.tw/mops/web/index</a> ).	No deviation



Item	Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
VIII. Whether the Company has other important information helpful in understanding the Company governance operation status?				
(I) Employees’ rights and benefits and Employees’ care: The Company has handled the matter according to the Labor Standards Act and the human resource regulations in order to ensure that the employee welfare, pension system and various welfares are properly protected.				
(II) Investor relations: The Company delegates dedicated personnel to disclose the important messages about finance, business and changes of insiders’ shareholdings on the “MOPS” per the relevant requirements in a timely manner, in order to make the information public and transparent. There are also a spokesperson and an acting spokesperson and a company website has been set up to disclose related information required by regulations.				
(III) Supplier relations: The Company has defined the supplier management procedure to assess the environmental protection, safety and health, and green product of the suppliers, and to integrate the procurement procedure in order to be used as reference for the selection of suppliers. In addition, the Company’s website is also equipped with the anti-corruption complaining mailbox. The Company also demands that colleagues and suppliers shall avoid unethical conduct and conflict of interest. Any case against the statement of integrity may be complained via 109@flexium.com.tw, in order to protect suppliers’ interest and right.				
(IV) Rights of stakeholders: The Company maintains fair communication channels with employees, customers and suppliers to maintain both parties’ legal interest and right. The Company’s website also provides the “Investor Relations” to disclose the Company’s financial and stock information, and the spokesperson is delegated to answer investors’ questions.				
(V) Continuing education of directors:				
Name of Director	Date of continued education	Organizer	Course name organizer	Number of education hours
Cheng Ming-Chi	2024/10/18	Securities and Futures Institute	2024 Annual Conference on Prevention of Insider Trading	3
JJ Chen	2024/6/3	Securities and Futures Institute	Forum for Investors of Machine Tools and Equipment	3
	2024/10/4	Securities and Futures Institute	Summit of Taiwan's Capital Market	3
	2024/9/30	Taiwan Stock Exchange	2024 Taishin Net Zero Summit	3
	2024/10/7	Chinese National Association of Industry and Commerce	Steering the Ship of Corporate Wisdom: Governance as the Guiding Compass	3
Hung Chi-Shan	2024/4/12	Taiwan Investor Relations Institute	Practical Analysis of Corporate Governance 3.0: Sustainable Development Reporting	3
	2024/11/8	Taiwan Corporate Governance Association	Legal and Case Studies of Mergers and Acquisitions	3
	2024/12/24	Corporate Operating and Sustainable Development Association	Corporate Sustainability and Net Zero Transformation	3
	2024/12/24	Corporate Operating and Sustainable Development Association	2024 Cathay Sustainable Finance and Climate Change Summit	3
Cheng David	2024/10/18	Securities and Futures Institute	ESG Trend and Epidemic Environment, Global Tax System Reformation and Corporate Tax Governance	3
Lin Pei-Ru	2024/7/3	Taiwan Stock Exchange	Board Compliance Practices: Legal Responsibilities of Directors and Supervisors with Case Studies	3
Fu Xin-Bin (Independent Director)	2024/4/30	Corporate Operating and Sustainable Development Association	CDP Taiwan Summit: Advocating the New Carbon Era through Sustainable Knowledge	3
	2024/7/26	Corporate Operating and Sustainable Development Association	2024 Insider Equity Trading Law Compliance Briefing	3
Wu Pei-Jun (Independent Director)	2024/3/22	BCSD Taiwan	2024 WIW: Digital and Sustainable Finance Symposium Amid the AI Boom	3
	2024/11/22	Securities and Futures Institute	Advanced Seminar for Directors, Independent Directors, Supervisors, and Corporate Governance Officers – Corporate Governance and Securities Regulations	3
Huang Shui-Tong (Independent Director)	2024/3/22	BCSD Taiwan	Responsibilities of Directors and Supervisors in Corporate Mergers and Acquisitions	3
	2024/10/8	Taipei Exchange	Industry 4.0: How Corporations Can Lead Innovative Transformation	3
Anson Tseng (Independent Director)	2024/7/31	Securities and Futures Institute	2024 Annual Conference on Prevention of Insider Trading	3
	2024/8/29	Taiwan Corporate Governance Association	Forum for Investors of Machine Tools and Equipment	3
	2024/9/10	Taiwan Corporate Governance Association	Summit of Taiwan's Capital Market	3

Item	Status			Deviation from the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof											
	Yes	No	Summary												
(VI)	Status of implementation of risk management policy and risk measurement standards: Please refer to “VI. Risk analysis and Evaluation” on page 66 of this annual report.														
(VII)	Implementation of customer service policy: The Company keeps in touch with customers closely and advises the customers of the products benefiting them and ensure that the products meet the reliability and quality as expected. Meanwhile, the Company will take part in the customers’ social responsibility boosting plans actively and integrate any new views and approaches into the Company’s management system.														
(VIII)	Status of liability insurance purchased by the Company for directors/supervisors:														
	<table><tr><th>Insured Object</th><th>Insurance Company</th><th>Amount Insured (NT\$)</th><th>Insurance Period</th></tr><tr><td>All directors and supervisors</td><td>Chubb Limited</td><td>251,440,000</td><td>August 1, 2023 to August 1, 2024</td></tr><tr><td>All directors and supervisors</td><td>Chubb Limited</td><td>262,688,000</td><td>August 1, 2024 to August 1, 2025</td></tr></table>				Insured Object	Insurance Company	Amount Insured (NT\$)	Insurance Period	All directors and supervisors	Chubb Limited	251,440,000	August 1, 2023 to August 1, 2024	All directors and supervisors	Chubb Limited	262,688,000
Insured Object	Insurance Company	Amount Insured (NT\$)	Insurance Period												
All directors and supervisors	Chubb Limited	251,440,000	August 1, 2023 to August 1, 2024												
All directors and supervisors	Chubb Limited	262,688,000	August 1, 2024 to August 1, 2025												
(IX)	Succession planning and implementation for the Company's board members and important members of management: 1. Succession planning for important members of management: In order to meet the needs of the group's business operation and human resources development, the Human Resources Department of the company plans every year for the promotion of the management level above the class level. In addition to considering whether they have excellent professional and management skills, their values must be consistent with the company's philosophy, and they must have personality traits such as integrity, steadfastness, innovation and entrepreneurial spirit. For the training content of management successors, the Human Resources Department of the company regularly arranges courses such as "Project Management" and "Leadership Development" to comprehensively cultivate the decision-making ability of senior executives. 2. Succession planning for board members As said above, the Company possess sufficient talents to succeed the future vacant seats of directors. As for independent directors, the law requires they must have work experience in business, legal affairs, finance, accounting or the company’s industry. The supply of such professionals in this country is not lacking. In the company's planning, therefore, the succession of independent directors may be drawn from industry. The Company also specifies the “Procedures of Board Performance Assessment;” via the measurement items in the performance assessment, including the grasp of the company's goals and missions, the recognition of director's duties, the degree of participation in the company's operations, the management of internal relationships and communication, the professionalism and continuing professional education, the internal controls and concrete expressions of the opinions, to verify the effectiveness of the Board’s operation and assess the directors’ performances, as the reference for the future director selection.														
IX.	Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: The items in the Corporate Governance Evaluation that the Company failed to get scores are explained as following: 1. Established the functional committees other than the statutory ones, and the majority of the members of such committees are independent directors, with their composition, functions, and operation. 2. The interim financial reports are disclosed in English on the company’s website or MOPS. 3. The Company will continue evaluating the possible improvement programs for these items failed to score.														

CPA independence assessment table

Evaluation index	Specific index	Assessment item	Yes	No	Remark
Independence	CPA independence	Whether the independent auditor does not act as director of the Company or its affiliated company?	V		
		Whether the independent auditor is not a shareholder of the Company or its affiliated company?	V		
		Whether the independent auditor does not receive salary from the Company or its affiliated company?	V		
		Whether the independent auditor confirms that his/her CPA firm has already complied with the requirements about independence.	V		
		Whether any CPA co-working with the independent auditor in the CPA firm does not act as director or manager of the Company or hold any position which will affect the audited case materially within one year upon resignation from the position?	V		
		The independent auditor has not provided the Company with audit service for seven years consecutively.	V		
		Whether the independent auditor meets the requirements about independence referred to article 10 in the CPA Code of Professional Ethics.	V		
Appropriateness	Financial report quality	Whether the annual financial statement is completed two months after the end of fiscal year.	V		
		Whether the financial statements of the first, second, and third quarter are completed within one month from the end of each quarter.	V		
	Communication and interaction status with the management level	Whether excellent communication channels are maintained with the Company management level and directors.	V		
		Whether the Company can be informed of the status of the change of laws immediately.	V		
Professionalism	Audit experience	Whether the senior auditors have sufficient audit experience to implement the audit tasks	V		
	Training hours	Whether the CPAs and senior auditors receive sufficient education and trainings every year to continuously acquire professional knowledge and skills.	V		
	Turnover	Whether the accounting firm maintains enough senior human resources.	V		
	Professional support	Whether the accounting firm has enough professionals (such as appraisers) to support the audit team.	V		
Quality control	Workload of the CPAs	Is the workload of the CPAs too heavy		V	
	Audit inputs	Whether the audit team members have had appropriate inputs during in each stage of audit.	V		
	EQCR review	Whether the EQCR CPAs input enough time to the review of audit cases.	V		
	Capability to support QC	Whether the accounting firm has sufficient quality control manpower to support the audit team.	V		
Supervision	Deficiencies and disposition from the external inspection	The quality control of the accounting firm, and if the implementations complied with the related laws and standards.	V		
	Improvement requested by the competent authority in the form of correspondence	The quality control of the accounting firm, and if the implementations complied with the related laws and standards.	V		
Innovation capability	Innovative planning or initiatives	The accounting firm's commitment to improving audit quality, including the accounting firm's innovation capability and planning.	V		

(IV) Status of establishment, functions and operations of Remuneration Committee

1. Information about Remuneration Committee members

Capacity (Note)	Qualifications Name	Professional Qualification and Experience	Independence	Number of public companies where the person holds the title as Remuneration Committee member
Independent director (Convener)	Xin-Bin Fu	Educational background: Ph.D., Institute of Engineering, National Chiao Tung University Master of Engineering, University of Missouri Columbia, USA Career background: Supervisor, Flexium Interconnect Supervisor and Director, MACHVISION Inc. Co., LTD Professor, Department of Marketing and Circulation Management, National Kaohsiung First University of Science and Technology Section Chief, Electronic Information Section and Knowledge Service Section, Industrial Development Bureau, Ministry of Economic Affairs	In accordance with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies": 1. During the two year prior to the election and the term of office, the following independence requirements have been met (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or its affiliates (3) Not a natural-person shareholder or holder of shares, together with those held by a spouse, minor children, or held by the person under other names, in an aggregate amount of one percent or more of the total number of issued shares of the company or ranking within the top 10 in holdings. (4) Not a managerial officer listed in criteria (1) or a spouse, relative of second degree, or direct kin of third degree or closer to persons not qualified for criteria (2) and (3). (5) A director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. (6) If a majority of the company's director seats or voting shares and those of any other company are not controlled by the same person: a director, supervisor, or employee of that other company.	1
Independent director	Wu Pei-Jun	Educational background: PhD of Laws degree at Keio University, Japan Master of Law, Keio University, Japan Graduated from the Law Department of National Taiwan University Career background: Associate Professor / Dean of Department of Finance and Law, Ming Chuan University Chairman, Masterlink Futures Co., Ltd. Chairman, Masterlink Insurance Company Professional qualification:	(7) If the chairperson, general manager, or person holding an equivalent position of the company and a person not in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution. (8) A director, supervisor, officer, or shareholder holding 5% or more of the shares, of a specified company or institution that has a financial or business relationship with the company. (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting, or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative remuneration exceeding NT\$500,000, or a spouse thereof. This restriction does not apply to a member of the salary and Remuneration Committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations. (10) Not a spouse to or kin at the second pillar under the Civil Code to any other director (11) Not under any circumstances as stipulated in Article 30 of Company Act. (12) Not elected as a government or corporate representative according to Article 27 of The Company Act. 2. The restriction stated in Subparagraphs 2 and 5 to 7 of the preceding paragraph and Subparagraph 1 of Paragraph 4 shall not apply in cases where independent directors are concurrently appointed between a public company and its parent company, subsidiaries, or subsidiaries of the same parent company, in accordance with this Act or the laws of the respective jurisdiction.	1
Independent director	Huang Shui-Tong	Educational background: Master of Law, Chinese Cultural University Career background: Public prosecutor, District Prosecutor's Office; Judge and President of the Courts of First and Second Instance Director, Criminal Affairs Division President of District Court in Kinmen, Penghu, Yilan, and Panchiao Taiwan High Court President, Taiwan High Court Taichung Branch Committee member, Civil Service Disciplinary Committee Professional qualification: Passed Judicial Officer / Lawyer Higher Examination, 1972		1

## 2. Information about status of Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) The company met 4 times in the Remuneration Committee in 2024 (A); members' attendance was as follows:

Job title	Name	Actual number of attending seats (B)	Attendance by proxy	Attendance rate (%) (B/A)	Remark
Convener	Xin-Bin Fu	4	0	100	Re-elected on May 31, 2022
Member	Wu Pei-Jun	4	0	100	Re-elected on May 31, 2022
Member	Huang Shui-Tong	4	0	100	Re-elected on May 31, 2022

### I. Scope of Duties

The Committee shall exercise the care of a good administrator to faithfully perform the following duties and present its recommendations to the board of directors for discussion.

(I) Periodically reviewing this Charter and making recommendations for amendments.

(II) Establishing and periodically reviewing the performance assessment standards, and the policies, systems, standards, and structure for the remuneration of the directors and managerial officers of the Company.

(III) Periodically reviewing the remuneration of the directors and managerial officers of the Company.

### II. The Committee shall perform the duties under the preceding paragraph in accordance with the following principles:

(I) Ensuring that the remuneration arrangements of this Corporation comply with applicable laws and regulations and are sufficient to recruit outstanding talent.

(II) Performance assessments and compensation levels of directors and managerial officers shall take into account the general pay levels in the industry, and the reasonableness of the correlation between the individual's performance and the Company's operational performance and future risk exposure.

(III) There shall be no incentive for the directors or managerial officers to pursue remuneration by engaging in activities that exceed the tolerable risk level of the Company.

(IV) For directors and senior managerial officers, the percentage of remuneration to be distributed based on their short-term performance and the time for payment of any variable compensation shall be decided with regard to the characteristics of the industry and the nature of the Company's business.

(V) No member of the Committee may participate in discussion and voting when the Committee is deciding on that member's individual compensation.

### III. Other notes:

(I) If the Board of Directors declines to adopt or modify a recommendation of the Remuneration Committee, the date, session, topic discussed and the resolution of the Board meeting and handling of the resolution of the Remuneration Committee shall be specified (if the compensation package approved by the Board is better than the recommendation made by the committee, please specify the discrepancy and its reason): None.

(II) As to the resolution of the Remuneration Committee, if a member expresses any objection or reservation, either by recorded statement or in writing, the date, session and topic discussed of the committee meeting, all members' opinions and handling of members' opinions shall be specified: None.

(III) Discussions and resolution results of the Remuneration Committee:

Remuneration Committee	Proposal content and follow up action	Resolution Result	The Company's handling of the Remuneration Committee's opinions
2024.1.4 The 5th Term 4th meeting	1. Proposal for 2023 distribution of directors' remunerations. 2. Proposal for 2023 distribution of employees' remunerations to managerial officers. 3. Proposal for 2023 operating bonus distribution for Company managerial officers.	All members unanimously agreed to approve.	All attending directors unanimously agreed to approve.
2024.2.15 The 5th Term 5rd meeting	1. Proposed salary adjustment for Company managers.	All members unanimously agreed to approve.	All attending directors unanimously agreed to approve.
2024.5.8 The 5th Term 6rd meeting	1. Proposed salary adjustment for Company managers.	All members unanimously agreed to approve.	All attending directors unanimously agreed to approve.
2024.8.12 The 5th Term 7rd meeting	1. Proposed salary adjustment for Company managers. 2. Proposal of the first new restricted employee shares distribution for the Company's managerial officers for 2024.	All members unanimously agreed to approve.	All attending directors unanimously agreed to approve.

(V) Promotion of Sustainable Development

1. Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons:

Item	Status			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof																							
	Yes	No	Summary																								
I. Did the company have established the governance framework for promoting sustainable development a designated unit in charge of promoting sustainable development, and the senior management is authorized by the board of directors for handling, as well as the status of board of directors' oversight?	✓		The core decision-making unit for the Company's corporate sustainability management is the ESG Decision-Making Committee, chaired by the Chairperson of the Board. Department heads of each primary division serve as committee members. A Management Representative is appointed to lead ESG initiatives — currently, Deputy Director Li Ming-Chun serves in this role, overseeing the five major ESG pillars: Labor Rights, Business Ethics, Health & Safety, Environmental Protection, and Management System. The role ensures comprehensive coverage of all relevant topics across departments. These five ESG modules regularly monitor sustainability performance indicators, review the progress of the Sustainability Strategy Blueprint on a quarterly basis, and convene an annual ESG Management Review Meeting in accordance with the Management Review Procedure. Key topics of review include policy applicability, results of internal and external audits, targets and management plans, compliance with ESG regulations and customer requirements, risk assessments and corrective actions, stakeholder feedback, and investigations and remediation of complaint cases. ESG performance outcomes are reported to the Board of Directors at least once a year, with the Board providing oversight and strategic guidance to ensure the effectiveness and risk control of ESG operations. The most recent report to the Board was delivered on November 7, 2024.	No deviation.																							
II. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		<p>The Company regards the sustainable development as an important core to enhance corporate competitiveness and respond to the needs of stakeholders from different background. Meanwhile, the ESG visions, policies and roadmaps are established, with the formulation of the long-term sustainable goals, to set up the foundation for the Company's sustainable development and continue to lead the Company towards a sustainable future. The Company adheres to the GRI Standards (2021 edition), the AccountAbility Stakeholder Engagement Standard (AA1000 SES), and the AccountAbility Principles Standard (AA1000 AP) to conduct materiality analysis. Through this process, Flexium identifies its material sustainability issues, formulates appropriate management policies, and sets mid- and long-term development goals as the foundation for advancing corporate sustainability.</p> <table border="1"> <thead> <tr> <th>Aspect</th><th>Material issue</th><th>Risk assessment</th><th>Aspect of Impact</th><th>Policies or strategies of risk management</th></tr> </thead> <tbody> <tr> <td rowspan="2">Governance Aspect</td><td>Profession ethics</td><td>The Company's scale is expanding and the transaction amount is increasing, which increases the risk of improper benefits for employees, which may lead to economic losses and damage to the Company's reputation.</td><td>Supplier, Employee, Customer</td><td>- Signed a letter of commitment with suppliers to implement ethical surveys and education. - Formulate employee code of conduct, regularly train and promote ethical management guidelines.</td></tr> <tr> <td>Information security</td><td>The risk of cyber attacks and external threats increases, which may cause economic losses and regulatory penalties.</td><td>Customer, Employee, Investor, Competent authority</td><td>- Optimize the system and monitoring mechanism, and establish backup and recovery measures. - Regularly review the information security protection framework and conduct protection measures and drills. - Information security and social engineering training, to enhance the information security awareness of the personnel.</td></tr> <tr> <td rowspan="2">Environmental aspect</td><td>Climate change</td><td>The international companies and regulations require enterprises to reduce carbon. If they do not respond actively, they may be subject to penalties, order transfer risks and investors' confidence may decline.</td><td>Customer, Investor, Competent authority</td><td>- Compile the data of carbon emission on a quarterly basis, and the Board of Directors reports the support of the carbon reduction plan. - Formulate carbon neutrality plans and roll up the action of carbon reduction. - Monitor environmental protection regulations and customer requirements, strengthen management and internal audits.</td></tr> <tr> <td>Energy Resources Management</td><td>If the Company does not promote energy conservation, it will face the following: 1. Rising temperatures will increase electricity consumption and thus elevate electricity costs. 2. Power outages or instability may disrupt production lines, affecting yield rates and customer trust.</td><td>Customer, Employee, Investor, Competent authority</td><td>- Build green factories to reduce energy and resource consumption. - Expand the procurement of renewable energy and cooperate with related units. - Implement ISO 14001 and ISO 50001, and regularly reviewed laws and regulations and improvement plans.</td></tr> </tbody> </table>	Aspect	Material issue	Risk assessment	Aspect of Impact	Policies or strategies of risk management	Governance Aspect	Profession ethics	The Company's scale is expanding and the transaction amount is increasing, which increases the risk of improper benefits for employees, which may lead to economic losses and damage to the Company's reputation.	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Aspect	Material issue	Risk assessment	Aspect of Impact	Policies or strategies of risk management																							
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Item	Status						Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof		
	Yes	No	Summary						
					3. The rising cost of renewable energy may hinder the fulfillment of customer sustainability requirements.				
				Water management	1. Water cost is increasing. 2. Failing to satisfy the water recycling rate of customers, which affects orders. 3. Changes in rain may affect water supply and lead to production line interruptions.	Customer, Employee, Investor, Competent authority	- Implement water conservation measures at production sites to increase water recycling rate. - Optimize the pure water washing process to improve the recycling efficiency. - Regular RO pipe cleaning to maintain the recycling rate.		
				Waste management	If waste is not properly managed, it may lead to: 1. Increase in cost of waste disposal. 2. Failing to meet the zero waste requirement of the customer, which affects orders. 3. Environmental impact, affecting the trust of investors and customers.	Customer, Competent authority	- Implementing a factory-wide waste reduction to improve recycling rate. - Reuse of waste fluid in the plant to reduce hazardous waste. - Implementing ISO 14001, regularly checking and improving solutions.		
			Social aspect	Occupational safety and health	The mental and physical health of employees is ignored, which may lead to production interruption, labor cost increase, regulatory penalty and goodwill damage, affecting the operation of the Company.	Employee, Customer, Competent authority	- Regularly monitor occupational safety and health indicators to implement risk management. - Provide a safe environment and health promotion plan. - Initiate cross-departmental communication and adjust solutions immediately in case of abnormality.		
				Talent attraction and retention	1. The competition in the semiconductor industry in Southern Taiwan is fierce, and there is a shortage of talent. 2. The other manufacturers provide good salaries and benefits, which affect the retention of employees. 3. The outflow of mid-to-high-level talent and the impact of technology competition.	Employee, Customer, Investor	- Enhance the competitiveness of salaries and optimize employee benefits and career development. - Strengthen corporate culture and build employees' sense of belonging. - Provide professional training and internal promotion mechanisms to retain key talent.		
III. Environmental issues									
(I) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		(I) The operations of environmental management system (ISO14001) may control the air pollutants, water pollutants and waste derived from the production process in the plant. Meanwhile, the Company will apply for the related permits with the local competent authorities. 1. Air pollution: Acquired the “fixed pollution source operating permit” from the environmental protection authority; to install the washing tower to process waste gas to meet the emission standard required under laws; to entrust the inspection organization recognized by Environmental Protection Administration to inspect the emission pipelines periodically. 2. Water pollution: Acquired the “water pollution prevention permit”; the waste water generated from the production process will be processed by the basic waste water processing equipment in the plant, and then it is emitted to the waste water treatment plant in Dafa Industrial Park and Hefa Industrial Park. 3. Management of waste: To acquire the “waste disposal plan” approved by the environmental protection authority; to boost the waste reduction and classification management, and commission the disposal service providers approved by Resource Circulation Administration, Environmental Protection Administration to process the waste.						No deviation.
(II) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?	✓		(II) The Company is committed to the use of recycled water resources, to reduce the volume of waste water, and make good use of water resources. In 2024, via the water recycling system and the increase in the use of recycled water projects (such as cooling water, and replenishment of water for scrubbers, toilet-flushing water), the volume of recycled water was 533,745 tons. It also has required qualified resource recycling companies to convert the recycled precious metals into usable resources, while maintaining a new technology for heavy metal recycling: high-performance copper waste liquid electrolytic recovery equipment, to recycle the copper-containing waste liquid in the plant, greatly reducing copper ions in discharged waste water, and reducing the environmental impact caused by pollutant discharge. Copper rods with a purity of >99% were produced.						No deviation.

Item	Status			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
(III) Does the company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		(III) To address the impact of climate change on corporate operations, the Company is committed to sustainability goals and policies including energy conservation and carbon reduction, water resource management, and waste recycling. Since 2022, the Company has adopted the ISO 14064-1:2018 standard for greenhouse gas (GHG) inventory, conducting systematic assessments of GHG emissions. Annual third-party verification is arranged on a regular basis, and the verification of the 2024 GHG emissions is scheduled for March 2025. Through the inventory of production line drainage and waste, the feasibility of reuse is assessed, to reduce the environmental impact and improve environmental friendliness.	No deviation.
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on greenhouse gas reduction, water reduction, or waste management?	✓		(IV) The company's implementation of environmental issues in the past two years is as follows: 1. Since 2021, the Company has adopted the ISO 14064-1:2018 standard to inventory greenhouse gas (GHG) emissions for Categories 1 and 2. From 2022 onward, Categories 3 to 6 were included in the inventory, and the boundary was expanded to incorporate dormitory facilities (Xingfu Building). In 2023, verified GHG emissions amounted to 74,639.433 metric tons of CO <sub>2</sub> e, a reduction of 16,212.337 metric tons compared to the 2022 total of 90,851.770 metric tons of CO <sub>2</sub> e. This reduction was primarily achieved through process improvements that decreased fluorinated gas emissions, as well as the implementation and third-party certification of ISO 50001:2018, which enhanced energy efficiency at the facility. Overall, these measures resulted in a 17.84% carbon reduction compared to the baseline year. 2. In 2023 and 2024, the Company's tap water consumption was 1,402,643 m <sup>3</sup> and 1,150,750 m <sup>3</sup> , respectively. The decrease was primarily due to a slowdown in the electronic end-product consumer market, which resulted in reduced production capacity and therefore lower water usage. To reduce the demand for both tap and recycled water, the Company sets annual targets to increase the reuse rate of reclaimed water. In 2024, the Company achieved a reclaimed water reuse rate of 33.99%, exceeding the annual target of 32% and improving upon the 2023 rate of 31.57%—an increase of approximately 2.5%. This improvement was largely driven by the Hefa Plant, which incorporated ROR (Reverse Osmosis Reject Water) systems during its construction phase. These systems enabled the direct reuse of ROR in scrubbers, cooling towers, and toilet flushing, significantly enhancing the plant's water recycling efficiency. Furthermore, the Company's subsidiary, Flexium Interconnect, has been actively promoting water recycling, achieving a reuse rate of over 60%. Demonstrating its environmental commitment, Suhua implemented the AWS international sustainable water management standard. Upon initial implementation, Suhua earned a Gold-level certification, becoming the first company in the global electronics industry to do so. It has since advanced to attain the Platinum-level certification. 3. The total waste generated in 2023 and 2024 was 4,817 tons and 2,853 tons, respectively, representing a 59.2% decrease, significantly exceeding the rate of revenue decline. This highlights the Company's tangible results in environmental protection. The wastewater treatment system includes a copper electrolytic recovery system that processes high-concentration copper wastewater, recovering high-purity (99%) copper columns. In 2024, a total of 11.3 tons of copper columns were recovered, effectively reducing the environmental impact of wastewater discharge. 4. From 2021, a task force has been established to verify water consumption status; for the wet-processes, the random inspections are made at the workstations and processes daily, to ensure whether the main water inlet valves are closed as required when the production lines are not in operation, to save the unnecessary water consumption.	No deviation.
IV. Social issues (I) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) The Company has comprehensively considered relevant international standards, including international labor certification (Social Accountability 8000) and the Code of Conduct-Responsible Business Alliance (RBA). It has developed the "Flexium Interconnect Corporate Sustainable Management Policy," to regulate the policies and guidelines regarding the labor's human rights, health and safety, environmental protection, commercial ethics, while being committed to the environmental aspect (E), social aspect (S) and corporate governance aspect (G), to promote the substantial actions, and keep on moving towards to goal of the sustainable corporate. The Company maintains the life insurance, health insurance, and sickness/injury insurance for all employees (including full-time, part-time and temporary workers), and also offers the childbirth/child raising leave and pension fund. The Company also controls the working hours as permitted by laws, and also install the reminding and pre-alarm function for overtime hours in the attendance appraisal management system. HR Dept. and system will provide various data and automated notice to provide the management and employees with suggestions effectively. The Company's factory premises will also organize the labor-management meeting periodically. Important labor terms and conditions will be implemented upon resolution of the labor-management representatives from each plant to ensure that employees' interest and right and opinion are respected.	No deviation.
(II) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(II) The Company's operating conditions are described as follows: 1. The Company will organize the orientation training camp to explain the Company's policy to new employees, including SHE programs, corporate development orientation, management policy and related policies, and CSR philosophy. 2. The Company advocates the corporate culture and policy guidelines to the management and employees at the meeting every year. 3. The Company provides the transparent and public performance appraisal mechanism and system. Colleagues may set their learning plan and also may define their personal annual objectives via communication and interview with their immediate supervisors. The Company will conduct the personal appraisal performance each year as the reference for raise, bonus and promotion. 4. In 2024, a total of 198 people were promoted, with a promotion rate of 9.9%. 5. Please refer to page 59 of this annual report for the relevant employee benefits, "V. Labor relationship".	No deviation.
(III) Does the company provide a healthy and safe working environment and	✓		(III) The Company has established the "E01 SHE (Safety, Health, and Environment) Handbook" in accordance with the latest ISO 45001 standards and relevant occupational safety and health regulations. Through a continuous cycle of planning, implementation, checking, and review, the Company ensures the	No deviation.



Item	Status			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
organize training on health and safety for its employees regularly?			completeness and effectiveness of its occupational health and safety management system. These sound health and safety practices are fully integrated into all aspects of the Company's operations. The Company is dedicated to creating a safe and health working environment for all of its employees. The Company established the medical center in which the factory physicians and nurses are stationed to provide health advice, in accordance with laws and, to maintain and promote labors' health. The Company will organize the labor health inspection, and health seminars to provide labors with health information each year. The emergency escaping drill may upgrade the labors' ability to stay calm in the case of emergency, e.g. the drills for fire protection, earthquake escape and leakage of chemical products, etc. The Company has installed the electronic sphygmomanometers at all restaurants of each building and provided for employees to monitor the health index at any time, to encourage the voluntary health management of employees. In addition, the Company has installed AED in each building of the plant area to provide emergency assistance to employees, and protect employees from the golden rescue opportunities when they suffer from cardiovascular diseases.	
(IV) Does the company provide its employees with career development and training sessions?	✓		(IV) The Company establishes a sound training system and links the promotion system to ensure that colleagues can acquire the necessary skills to perform their duties, thereby enhancing the overall competitiveness and sustainable development of human resources. Flexium Interconnect devotes resources to employee training and development, requiring them to go through on-job training (OJT), off-job training (Off-JT) and individual self-development to improve their work abilities and develop diversified functions. Starting from 2014, our efforts through the Talent Quality-Management System (hereafter "TTQS") of the Ministry of Labor earned us the "Silver Medal for Corporate Institutions," progressing to the "Enterprise Institution Gold Medal Award" in 2016. Obviously, our achievements in talent development and training are highly recognized by the country, and we continue to improve human quality and staff development to allow employees obtain self-growth and satisfaction at work. The talent training vision of Flexium is "the global leader in FPC transmission technology and module solutions," and the training policy is based on a "Human-Centered Approach," emphasizing the value of individuals and their personal and professional growth. Through training program courses focused on three key functions, the Company continuously improves employee abilities and fosters innovative energy. For employees at all levels, the Company creates key cultivation courses that encourage participation in proposals, gathering ideas, and generating numerous improvement solutions to form a long-lasting enterprise. The Company also enhances professional and management capabilities through the learning roadmap of the Company and various departments, allowing new employees to systematically learn essential skills, quickly adapt, and exert their strengths in their respective positions, contributing to building a sustainable, long-standing enterprise.	No deviation.
(V) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		(V) The Company is committed to maintaining stable product quality in order to protect the rights and interests of customers. The Company invests resources in strict control and has established a quality assurance division responsible for the quality assurance and improvement of products. We are committed to the establishment and implementation of the ISO 9001 system and promote the ISO/IATF 16949 quality management system for the automotive industry, ISO 13485 medical equipment quality management system, and IECQ QC 080000 hazardous substance management system. We have passed third-party verification, with certification valid until 2027, gradually implementing product quality assurance and expanding product application scope. At the same time, we have established a quality policy to guide compliance. Through a series of quality assurance management systems, we regulate quality and service levels and continue to optimize product quality. The Company strives to provide the best service quality to customers and values their feedback. The "Customer Service Management Procedure" has been established to clearly regulate customer complaint handling, hazardous substance requirements, special customer needs, and customer services. By offering diverse and timely channels for customer feedback, the Company develops new customers and maintains strong relationships. This communication is not limited to email, phone, or communication software but continues to build seamless bridges for effective communication with customers, ensuring accurate and immediate responses to their needs.	No deviation.
(VI) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights?	✓		(VI) Flexium Interconnect has formulated its "Supplier Code of Conduct Consent Form." In doing so, it has made particular reference to relevant international initiatives and requirements, including the spirit of the specifications concerning human rights, labor standards, environment and anti-corruption, and so on as found in the following documents: the UN Global Compact, the Universal Declaration of Human Rights, and the UN Framework and Guiding Principles on Business and Human Rights) as well as the Responsible Business Alliance (RBA). By requiring suppliers to operate in compliance with the laws, regulations and regulations of the local government, and in further compliance with the requirements of internationally recognized standards, the sustainability of the supply chain and corporate social responsibility will be improved.	No deviation.
V. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?	✓		Since 2017, the Company has independently prepared its Corporate Social Responsibility (CSR) reports, with the first "2017 CSR Report" officially published in 2018. In 2021, the report was formally renamed the "Sustainability Report," marking our eighth consecutive year of sustainability disclosures. In 2024, we continued this commitment by compiling the "2023 Sustainability Report" in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), the Sustainability Accounting Standards Board (SASB), and the latest Global Reporting Initiative (GRI) Universal Standards (2021 edition). Through this report, we aim to transparently disclose our climate risk response strategies and both financial and non-financial performance across all ESG dimensions, reaffirming our dedication to building a sustainable enterprise. The Company follows the GRI Standards (2021), the AccountAbility Stakeholder Engagement Standard (AA1000 SES), and the AccountAbility Principles Standard (AA1000 AP) to conduct materiality analysis. With the participation and discussion of the ESG Steering Committee, we identify Flexium's key sustainability issues, establish corresponding management approaches, and set short-, mid-, and long-term goals to guide our sustainability strategy. The report has been assured by an independent third-party verification body, and a	No deviation.

Item	Status			Deviation from the Corporate Social Responsibility Best-Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
			verification statement has been obtained to ensure its credibility and reliability. The report is reported to the Board of Directors once a year. The most recent report was approved by the Board of Directors on November 7, 2024.	

VI. For companies who had established principles of sustainable development in accordance with the “Sustainable Development Best Practice Principles for TWSE/GTSM-Listed Companies”, please describe the current practice and any deviations from the code of conduct:

The Company has formulated the corporate sustainability management manual and established various corporate sustainability management systems to comprehensively manage corporate sustainability management related matters. For the Company's corporate sustainability management operation, please refer to the latest "Sustainability Report" on the Company's official website.

## 2. Information on climate of TWSE/TPEX listed companies

### (1) Implementation of climate-related information

Item	Execution status:
1. Describe the supervision and governance of the Board of Directors and management on climate-related risks and opportunities.	Climate-related issues are reported to the Board of Directors on a quarterly basis (the most recent report was presented on November 7, 2024). The Board takes climate-related matters into consideration when evaluating major capital expenditures. The ESG Decision Committee serves as the highest-level body for guiding and overseeing the Company's ESG sustainability management system. It is composed of senior executives from various departments, with an ESG Management Representative designated to supervise the implementation of ESG initiatives. Through the ESG Management Representative, ESG performance is reported to the Board of Directors quarterly. These reports include work plans and progress on key climate change-related issues.
2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the enterprise (short-term, mid-term, and long-term).	<p>■ Identification of short, medium, and long-term climate-related risks and opportunities</p> <p>To clarify the Company's short-, medium- and long-term climate-related risks, the Company has implemented climate-related risk and opportunity identification and assessment based on the TCFD framework to clarify the Company's operational impacts. It is hoped that the Company's operational and financial impacts can be reduced by clarifying various climate-related issues. This project is defined as short-term, mid-term, and long-term, as the possible time evaluation. Identification of short 2024 years and long-term climate-related risks and opportunities as stated below:</p> <p>(1) In 2024, Flexium's Hefa Plant identified 11 transformation-related climate risks, including: increased regulations for mandatory disclosure of climate-related information, imposition of carbon taxes/fees, cap-and-trade/emissions trading systems, enhanced reporting requirements, renewable energy regulations, voluntary agreements, implementation of water usage fees, shifting customer preferences toward low-carbon products, greater likelihood of phasing out non-low-carbon products and services, reduced procurement of non-low-carbon products, and rising raw material costs due to carbon taxes/fees. Other issues were deemed unrelated to the Company's operations.</p> <p>A. Major risk issues: The mandatory disclosure of climate-related information is increasing, the mandatory reporting of climate-related information is increasing, voluntary agreements, and customers' preference for low-carbon products is changing.</p> <p>B. Medium risk issues: Carbon tax/expense levied, renewable energy regulations, and increased prices of raw materials due to carbon tax/expense levied.</p> <p>C. Non-material risk issues: The possibility of total control/revocation of emission trading, the elimination of low-carbon products and services, and the reduction of low-carbon product procurement.</p> <p>(2) In 2024, the transformation opportunities cover six items, including optimizing the in-plant material transportation model, reducing fuel costs, recycling high-value metal waste materials, promoting green factories to increase energy consumption efficiency, implementing water-saving measures, reducing water consumption and water expenses, promoting energy-saving measures, reducing energy consumption costs, expanding the green power supply sources and consumption, building energy storage facilities and smart EMS platforms to ensure energy consumption efficiency improvement and stable energy supply. The six opportunities identified are all major transformation opportunities.</p>
3. Describe the impacts of extreme weather and transformation actions on the financial position.	<p>■ Assessment results and financial impacts of physical risks and transformation risks/Opportunities</p> <p>(1) Assessment of physical risks and financial impacts</p> <p>In terms of physical risks, the future scenarios are used to set the content of the assessment of the future impact of flooding, drought and high temperature on Flexium Hefa Plant. Under the floodwater scenario, the major risk events identified in the risk identification stage include five, which are "impacts on material transportation efficiency," "impacts on logistics operations," "stormwater shutdown," "major equipment damage," and "emergency generator damage." After the discussion with the factory, the Company is aware that the current factory is facing the situation of flooding, and has taken related preventive measures (stacking, setting up water pump motors) or considered the possible impact time to take countermeasures. The existing countermeasures in the factory are sufficient to offset most risk events, but the possible stoppages due to natural disasters and the burden on human resources are inevitable. Therefore, the personnel expenses incurred in the plant area due to natural disasters may be incurred. The estimated possible loss will result in additional personnel expenses of NT\$200,000.</p> <p>In the drought, all the risks have been eliminated in the risk identification stage for all aspects of risk issues, so the factory area is not affected by the drought.</p> <p>Under high-temperature scenarios, the primary risk events identified are: increased electricity expenses due to higher temperatures, deterioration of working conditions for personnel, and excessive load on machinery. Based on an evaluation of the plant's current heat-response measures, only the issue of personnel working conditions is being effectively managed. However, extreme heat may lead to elevated outdoor temperatures, which in turn increase electricity usage and associated costs. Even with the option to purchase external electricity, rising power rates will inevitably result in higher expenditures—estimated at approximately NT\$11.51 million. Additionally, prolonged high temperatures may accelerate the aging of internal machine components, heightening the risk of equipment failure or unplanned downtime. This is expected to result in an estimated NT\$5.70 million in replacement costs for machinery and equipment.</p> <p>(2) Assessment of transformation risks and financial impacts</p> <p>The attributes of different transformation risks are used as a basis for selective or quantitative evaluation. Therefore, through the "Transformation Risk Impact Chain," the company can clarify the cause relationship among the transformation risk issues, and determine the risk issues that need to be set in the future as the basis for risk assessment. The Company may conduct quantitative</p>

Item	Execution status:
	<p>assessment on corporate operation issues such as the increase in carbon tax and raw materials, and the levied water consumption fee. The Company may conduct qualitative assessment on the disclosure and verification of climate information, product performance and labeling-related laws and regulations.</p> <p>A. Risk 1: Carbon expenditure cost that may be incurred due to the control of greenhouse gas emissions</p> <p>The carbon expenditure cost takes into account the domestic, European, and US carbon tax (expenditure) levied on sales. For domestic carbon fees, the current target set by the Ministry of Environment includes electricity and gas suppliers and manufacturers with annual greenhouse gas emissions over 25,000 tons CO<sub>2</sub>e. The excess is charged at NT\$300 per ton. Flexium's total Category 1 and 2 emissions in 2023 were 56,402.8613 tons CO<sub>2</sub>e (covering Dafa Plant, Dafa Plant 2, Dafa Plant 3, Dafa Plant 5, Hefa Plant, and Dormitory (Xingfu Building)). Currently, no single facility exceeds the 25,000-ton threshold. However, if the Ministry of Environment lowers the threshold to 15,000 tons and increases the carbon fee to NT\$1,200–1,800 per ton, Dafa Plant 3 and Hefa Plant may be subject to carbon fees. Considering future emissions and carbon reduction performance, the maximum financial impact could reach around NT\$66.96 million. Regarding foreign carbon fees/taxes, Flexium exports products to both the EU and the U.S. In consideration of the EU's plan to formally implement carbon tariffs in 2026, and based on the highest trading price of €100.34 per ton under the 2023 EU ETS, with EU sales accounting for approximately 7% of total annual revenue in 2023, the maximum potential financial impact of carbon taxes on Flexium is estimated at approximately NT\$13.62 million. According to the U.S. Clean Competition Act, a carbon tax of USD 55 per ton is expected to be implemented in 2024. In 2023, sales to the U.S. represented 81% of Flexium's total annual revenue, and the maximum financial loss from U.S. carbon tariffs is estimated to reach NT\$132.93 million. To respond to both domestic and international carbon taxes, Flexium will implement energy-saving and carbon-reduction measures, and invest in the installation and procurement of renewable energy. The total expected management cost for these actions is approximately NT\$162.2 million.</p> <p>B. Risk 2: The government has tightened regulations that may result in an increase in operational risks</p> <p>Flexium is a large power user and water user. According to the "Renewable Energy Development Act" and the "Regulations on the Water Conservation Charge," additional fees will be levied if the relevant requirements are not met. As Flexium has met the legal requirement for setting up renewable energy (the amount of renewable energy set up reaches 10%), there will not be the problem of being charged for the time being. The other part concerns the water consumption fee. If water usage exceeds the statutory threshold, a fee will be levied on the excess usage, which is expected to impact Flexium's finances by approximately NT\$240,000. Currently, the factory is implementing water-saving measures and system upgrades, with an estimated management cost of NT\$41 million.</p> <p>C. Risk 3: Increase in operating costs</p> <p>Given increasing regulatory and customer demands, the transition toward a low-carbon economy has become an inevitable trend for all enterprises. To comply with these requirements, companies must invest additional manpower and resources into low-carbon transformation initiatives, which in turn raises their operating costs. To address customer expectations, Flexium has joined the RE100 initiative and aims to reach 80% renewable electricity (RE80) by 2030. Currently, the Kaohsiung plant sources 27% of its electricity from solar energy (including self-consumption) and 7% from green power certificates. The remaining requirement to achieve the RE80 target is expected to be met through the purchase of solar photovoltaic power, with an estimated investment of NT\$141 million. Although customers have not yet explicitly required low-carbon products, the monetization of carbon emissions could make such products a competitive factor in the future. In anticipation of this potential market trend, the Company is implementing adjustments in its operational and financial strategies and providing employee training, with related costs estimated at NT\$2.52 million. However, the Company will expand the evaluation to the entire value chain, and take into account the levying of domestic and foreign carbon tax/fees. It is probable that the levying will be expanded to a comprehensive levying system. Therefore, it is probable that the supply chain will transfer the cost of carbon tax/fees, and there will be an increase in the cost of additional raw materials procurement. Flexium's main supplier, TAIFLEX, has been identified by the Ministry of Environment as a primary entity for carbon fee collection. It is therefore highly likely that these costs will be transferred downstream. Based on the Company's 2023 combined Scope 1 and Scope 2 emissions, applying the NT\$300/ton carbon fee and factoring in the production unit capacity and the Company's procurement volume, the potential financial impact is estimated at NT\$260,000. To mitigate the risk of carbon cost pass-through, the Company is promoting energy-saving and carbon-reduction programs with key raw material suppliers. The related human resource costs are expected to be approximately NT\$94,000.</p> <p>D. Risk 4: Stakeholders' awareness of sustainability rises</p> <p>In recent years, with the rise of green awareness, ESG, sustainability, and carbon reduction have become issues that all industries must pay attention to. Internationally, relevant regulations have also been introduced one after another, pushing enterprises toward sustainable goals. Conversely, if enterprises are unable to meet international standards or regulations, it may cause backlash, leading stakeholders to lose trust in the group. This could result in impacts such as a decline in stock price due to loss of investor confidence, reduced government incentives, negative media coverage, difficulties in talent recruitment, obstacles in obtaining insurance, revenue decline, reduced cooperation opportunities in the supply chain, and capital withdrawal, causing comprehensive impacts on the group.</p> <p>Therefore, when enterprises evaluate their operational processes, they must take these issues into consideration. In procurement, apart from purchase cost, whether the product meets low-carbon standards is also gradually being considered. If the product does not meet the requirements, there is a high possibility of facing order reductions or transfer of orders, which would affect company revenue.</p> <p>(3) Transformation opportunities and financial potential benefits</p> <p>To reduce the operational impact from transformation risks and respond to recent trends in Taiwan such as the promotion of 2050 net-zero emissions, regulatory requirements (Climate Change Response Act), international decarbonization initiatives (such as SBTi), and supply chain requirements, the need for energy saving and carbon reduction has increased. Therefore, in 2024, the Company assessed eight transformation opportunities derived from climate change, namely: adopting more efficient transportation modes (optimizing in-plant material transportation), recycling and reuse (recycling high-value metal waste), switching to more efficient buildings (promoting green factories), reducing water usage and consumption (implementing water-saving measures to reduce water bills), using low-carbon energy (achieving RE100), participating in renewable energy projects and implementing energy-saving measures, and energy substitution/diversification (promoting diversified energy programs).</p> <p>A. Opportunity 1: Reduce operating expenses through the development of low-carbon or energy-saving technologies — reducing electricity costs</p> <p>To reduce operating expenses through the development of low-carbon or energy-saving technologies, the Company has implemented relevant electricity-saving projects in response to internal demands and policy requirements. These initiatives not only reduce carbon emissions generated from electricity consumption but also help lower electricity expenses. Based on an estimated annual 1% reduction in electricity consumption and Taipower's average annual electricity rates, the Company is expected to save approximately NT\$3,639,887 in electricity costs annually.</p> <p>B. Opportunity 2: Develop a more efficient transportation model to reduce costs — optimize the existing in-plant material transportation to lower fuel expenses</p> <p>Currently, the Company adopts a single transportation model for transferring materials between buildings within the plant. Each delivery takes approximately 50 minutes. While maintaining</p>

Item	Execution status:											
	<p>current transportation efficiency and quality, consolidating shipments could reduce fuel costs by about 50%. Based on the estimated total annual fuel expenses for logistics in 2023, the optimized transportation model could save approximately NT\$339,088 in fuel costs and also contribute to a reduction in greenhouse gas emissions within the plant.</p> <p>C. Opportunity 3: Recycling and Reuse of Metal Waste and Water Resources</p> <p>The Company’s main products are flexible printed circuit boards (FPCs) and FPC modules. After delivery to customers, some defective products are returned to the factory for disposal. The main recycled items include defective FPCs and modules, which contain gold- and copper-bearing edge materials. The scrap of FPC includes the materials of gold and copper. After processing, these materials can be turned into high-value metal scrap. Based on the average recycling volume and prices over the past three years, this can generate approximately NT\$79,000,400 in operating income for the Company.</p> <p>In 2021, the Company launched a project to recycle water from cooling towers and scrubbers through a Reverse Osmosis Recovery (ROR) system. By reusing ROR concentrate in cooling towers, scrubbers, and for toilet flushing within the plant, the efficiency of water reuse was significantly improved. As a result, the total recycled water volume in 2023 reached 283,440 tons, leading to a reduction of approximately NT\$13,321,680 in tap water and wastewater treatment costs.</p> <p>D. Opportunity 4: Use low-carbon energy to enhance the Company's image and maintain customer relationship</p> <p>In addition to meeting regulatory requirements, the Company is also responding to client expectations regarding the use of renewable energy. Flexium has committed to achieving RE80 by 2030—meaning 80% of its energy will come from renewable sources. At the initial stage, the solar PV installation capacity of the Flexium Kaohsiung Plant was about 3.56 MW, and the solar PV installation of 1,314 KW is under planning. The rest is to achieve the RE80 target through the purchase of green power, and increase the proportion of renewable energy to satisfy customer requirements, in order to maintain the existing cooperation basis and increase potential customer demand, which can bring at least NT\$26,421,790,201 of revenue for the Company.</p>											
4. Describe how the identification, assessment and management procedures of climate risk can be integrated into the overall risk management system.	<p>■ Identification and assessment procedures for climate change-related risks</p> <p>(1) Identification and assessment procedures for transformation risks and opportunities</p> <p>The Company has promoted the Climate Change Adaptation Project Team to understand various sustainability and climate-related issues. In terms of transformation risks, as the overall environment is moving towards low-carbon transformation, the Company may face relevant risks. Therefore, the Climate Change Adaptation Project Team identifies transformation risk issues based on external policies, market trends, and internal goals. Then, risks are identified based on the “degree of association with the Company” and the “expected time of occurrence,” to screen out material transformation risk issues. Subsequently, future scenarios are set and financial impact analyses are conducted for these material issues. The Company ultimately proposes adaptation action plans and estimates the management costs.</p> <p>In terms of transformation opportunities, the Company evaluates the relevance of each opportunity to its current operations and future direction based on the TCFD’s categories of opportunity: resource efficiency, energy sources, products and services, markets, and resilience. This serves as a basis for discussions on the financial benefits of each opportunity.</p> <p>(2) Identification and assessment procedures for physical risks</p> <p>For physical risks, in order to understand the degree of impact from climate-related disasters across different operational aspects, the Company references the Risk Breakdown Structure (RBS) methodology. It divides operations into three main categories: “value chain,” “production,” and “assets.” Further analysis is conducted on important topics within these categories — that is, topics influenced by climate disasters. These include: raw material supply, product sales, production processes, personnel commuting, energy management, water resource management, buildings, storage management, facilities and equipment, and site environment. Then, the causes of each topic’s risk are identified through associated “risk events.”</p>											
5. If the scenario analysis is used to assess the resilience to the climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts shall be stated.	<p>■ Scenario setup for physical risks and transformation risks</p> <p>According to the TCFD guidelines, the Company has established future scenarios for transformation and physical risks to analyze the potential risks it may face. For physical risks, the Company adopts the four “Shared Socioeconomic Pathways” (SSP) set by the IPCC in its AR6 report as the basis for future climate scenarios. These are SSP1-2.6, SSP2-4.5, SSP4-6.0, and SSP5-8.5. To prepare for potentially severe future climate disasters, the Flexium HeFa Plant has adopted SSP5-8.5 as the foundation for modeling future climate scenarios involving flooding, drought, and high temperatures in the year 2040. By collecting data from public disaster potential maps and relevant research published by the National Science and Technology Center for Disaster Reduction, the Company estimates the probability of occurrence and potential severity of these three types of climate disasters under the SSP5-8.5 scenario. Based on the severity levels, the Company outlines potential scenarios that could occur at the plant, which serve as the assumptions for its physical risk assessments.</p> <p>For transformation risks, the Company primarily refers to the scenario framework that limits global warming to within 1.5°C. Further detailed climate scenarios are then developed according to the nature of each transformation risk event. Based on the Company’s current climate action plans and goals—as well as the collection of domestic regulations, research reports, and trends in international climate issues—specific climate scenarios are set for each transformation risk. In addition, when setting future climate scenarios, the Company ensures they are aligned with its current operational status and development goals. The reliability of relevant information is also taken into account to establish a solid basis for the "Future Climate Scenario Settings for Transformation Risks."</p>											
6. If there is any transformation plan responding to the management of climate-related risks, please describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transformation risks.	<p>In the establishment of the climate risk indicator system, typhoons are tracked and estimated by the Central Meteorological Administration, Ministry of Transportation and Communications, on a daily basis to respond to the rain volume and intensity. In the drought period, the water level of the reservoir is tracked and monitored by the Water Resources Agency, Ministry of Economic Affairs, on a daily basis. The corresponding actions are implemented according to the three-level water level indicator system. The instructions of the in-plant water stop-off response machine are implemented. Phase 1 (Yellow Light): Start the water pump to supplement water; Phase 2 (Orange Light): Start the groundwater system and coordinate the water vehicle to respond; Phase 3 (Red Light): In addition to the original water withdrawal point of the water pump, coordinate to add the water pump to other water withdrawal points</p> <p>Scope 1 Emission Risk: As the climate continues to warm, the use of refrigerants and oil in equipment such as ice water chillers, refrigerators, and public vehicles will increase. This, in turn, will contribute to a rise in overall greenhouse gas emissions. Such an increase may lead to poor performance in meeting the company's environmental sustainability targets, negatively impacting its reputation and potentially breaching customers' environmental protection commitments. Scope 2 Risk: As climate temperatures rise, the overall purchased electricity will increase year by year, leading to a rise in total greenhouse gas emissions. If purchased electricity continues to grow, the capacity of solar energy and other green energy installations required to meet customer demands will need to increase as well, resulting in higher costs. If this increase is not achieved and the proportion of green energy falls short of customer requirements, there is a risk of losing orders.</p> <p>The greenhouse gas emission intensity specific to the Flexium Interconnect Inc. is measured in CO<sub>2</sub>e-t/step, where "Step" refers to the completed production process on a single production line. The emission intensity values for the past two years were 0.0184 CO<sub>2</sub>e-t/step in 2023 and 0.0212 CO<sub>2</sub>e-t/step in 2024, with relevant targets set accordingly.</p> <table><tr><th>2024 target</th><th>2024 target achievement</th><th>Environmental goals in 2025</th><th>Target description</th></tr><tr><td>Accumulated reduction in greenhouse gas emissions: 1,749</td><td>Annual carbon reduction reached 8,688.937 metric tons</td><td>Reduction in greenhouse gas emissions: 1,000 metric tons</td><td>Compared to 2022, the estimated annual carbon reduction for 2025 is 1,000 metric tons through electricity and water conservation measures within the</td></tr></table>				2024 target	2024 target achievement	Environmental goals in 2025	Target description	Accumulated reduction in greenhouse gas emissions: 1,749	Annual carbon reduction reached 8,688.937 metric tons	Reduction in greenhouse gas emissions: 1,000 metric tons	Compared to 2022, the estimated annual carbon reduction for 2025 is 1,000 metric tons through electricity and water conservation measures within the
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Item	Execution status:				
	metric tons			plant.	
	Increased the factory-wide water recycling rate to 32%	The factory-wide water recycling rate is 33.99%	Increased the factory-wide water recycling rate to 35%	Calculation basis: [Discharge water volume / (Total recycled water in the plant + Discharge water volume)] * 100%	
	Reduced the amount of chemicals used per ton of wastewater by 15% (Based on the amount used per ton of wastewater in 2022)	51.37% reduction	Reduced the amount of chemicals used per ton of wastewater by 50%	Maintain optimal operational parameters to reduce the amount of chemicals used per ton of wastewater, using 2022 as the baseline.	
	Purchase of renewable energy: 4 MW	Not purchased	Installed renewable energy capacity reached 3.561 MW	Gradually increase the installed capacity of renewable energy and invest in self-generated, self-used power	
	Reduced hazardous industrial waste generation per step by 3% (Base year: 2023)	Hazardous industrial waste generation per step reduced by 14.17%	Reduced hazardous industrial waste generation per step by 15% (Base year: 2023)	Pursue a 15% reduction in hazardous industrial waste generation per step, using 2023 as the baseline.	
7. If the internal carbon pricing is used as the planning tool, the basis of price determination should be explained.	The Company has not yet implemented an internal carbon pricing system.				
8. If climate-related targets are set, the covered activities, the scopes of greenhouse gas emissions, the planning timeline, and the annual progress should be disclosed. If carbon offsets or Renewable Energy Certificates (RECs) are used to meet the targets, the sources and amounts of carbon offsets or the number of RECs used should be specified.	The Company has currently set a target of RE60 by 2030 and RE100 by 2040. As of 2025, the Company has planned a renewable energy installation project with a total installed capacity of 4.791 MW. Upon completion, it is expected to be used for on-site self-generation and consumption.				
9. Greenhouse gas inventory and assurance, reduction targets, strategies and concrete action plans (see 1-1 and 1-2).	9-1. Greenhouse gas inventory and assurance status of the Company in the last two years				
	(1) Greenhouse gas inventory information				
	Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years.				
	A. The emission for 2024 was 59,603.486 metric tons of CO2e, with an emission intensity of 2.254 metric tons of CO2e/NT\$1 million. The inventory boundary includes Dafa Plant, Dafa Plant No. 2, Dafa Plant No. 3, Dafa Plant No. 5, He Fa Plant (Headquarters), and He Fa Plant (Dormitory). The data is as follows:				
	Basic information of the Company <input type="checkbox"/> Companies with capital of NT\$10 billion or more, in the steel or cement industries <input type="checkbox"/> Companies with capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion		According to the Sustainability Development Roadmap for TWSE/TPEx Listed Companies, the following disclosures are required at a minimum: <input checked="" type="checkbox"/> Parent company standalone inventory <input type="checkbox"/> Subsidiaries under consolidated financial statements inventory <input type="checkbox"/> Parent company standalone assurance <input type="checkbox"/> Subsidiaries under consolidated financial statements assurance		
	Scope 1	Total Emissions (tons of CO2e)	Intensity (tons of CO2e/NT\$ million)	Assurance Institution	Description of assurance
	Parent Company	7,910.3798	0.299	Bureau Veritas Certification Taiwan	Certification is expected to be completed by the end of March 2025.
	Subsidiary	-	-		
	Total	7,910.3798	0.299		
	Scope 2	Total Emissions (tons of CO2e)	Intensity (tons of CO2e/NT\$ million)		
Parent Company	38,758.4613	1.466			
Subsidiary	-	-			
Total	38,758.4613	1.466			
Scope 3	Total Emissions (tons of CO2e)	Intensity (tons of CO2e/NT\$ million)			
Parent Company	12,934.6452	0.489			
Subsidiary	-	-			
Total	12,934.6452	0.489			
B. The emission for 2023 was 74,639.433 metric tons of CO2e, with an emission intensity of 2.281 metric tons of CO2e/NT\$1 million. The inventory boundary includes Dafa Plant,					

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	<div><div>Dafa Plant No. 2, Dafa Plant No. 3, Dafa Plant No. 5, He Fa Plant (Headquarters), and He Fa Plant (Dormitory). The data is as follows:</div><table><tr><td colspan="2">Basic information of the Company <input type="checkbox"/> Companies with capital of NT\$10 billion or more, in the steel or cement industries <input type="checkbox"/> Companies with capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion</td><td colspan="3">According to the Sustainability Development Roadmap for TWSE/TPEX Listed Companies, the following disclosures are required at a minimum: <div>■ Parent company standalone inventory      <input type="checkbox"/> Subsidiaries under consolidated financial statements inventory</div><div><input type="checkbox"/> Parent company standalone assurance      <input type="checkbox"/> Subsidiaries under consolidated financial statements assurance</div></td></tr><tr><td>Scope 1</td><td>Total Emissions (tons of CO<sub>2</sub>e)</td><td>Intensity (tons of CO<sub>2</sub>e/NT\$ million)</td><td>Assurance Institution</td><td>Description of assurance</td></tr><tr><td>Parent Company</td><td>9,083.7886</td><td>0.278</td><td rowspan="11">Bureau Veritas Certification Taiwan</td><td rowspan="11">Verification was successfully completed on October 25, 2024.</td></tr><tr><td>Subsidiary</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>9,083.7886</td><td>0.278</td></tr><tr><td>Scope 2</td><td>Total Emissions (tons of CO<sub>2</sub>e)</td><td>Intensity (tons of CO<sub>2</sub>e/NT\$ million)</td><td></td><td></td></tr><tr><td>Parent Company</td><td>47,319.0727</td><td>1.446</td><td></td><td></td></tr><tr><td>Subsidiary</td><td>-</td><td>-</td><td></td><td></td></tr><tr><td>Total</td><td>47,319.0727</td><td>1.446</td><td></td><td></td></tr><tr><td>Scope 3</td><td>Total Emissions (tons of CO<sub>2</sub>e)</td><td>Intensity (tons of CO<sub>2</sub>e/NT\$ million)</td><td></td><td></td></tr><tr><td>Parent Company</td><td>18,236.5721</td><td>0.557</td><td></td><td></td></tr><tr><td>Subsidiary</td><td>-</td><td>-</td><td></td><td></td></tr><tr><td>Total</td><td>18,236.5721</td><td>0.557</td><td></td><td></td></tr></table></div>	Basic information of the Company <input type="checkbox"/> Companies with capital of NT\$10 billion or more, in the steel or cement industries <input type="checkbox"/> Companies with capital of NT\$5 billion or more but less than NT\$10 billion <input checked="" type="checkbox"/> Companies with capital of less than NT\$5 billion		According to the Sustainability Development Roadmap for TWSE/TPEX Listed Companies, the following disclosures are required at a minimum: <div>■ Parent company standalone inventory      <input type="checkbox"/> Subsidiaries under consolidated financial statements inventory</div> <div><input type="checkbox"/> Parent company standalone assurance      <input type="checkbox"/> Subsidiaries under consolidated financial statements assurance</div>			Scope 1	Total Emissions (tons of CO <sub>2</sub> e)	Intensity (tons of CO <sub>2</sub> e/NT\$ million)	Assurance Institution	Description of assurance	Parent Company	9,083.7886	0.278	Bureau Veritas Certification Taiwan	Verification was successfully completed on October 25, 2024.	Subsidiary	-	-	Total	9,083.7886	0.278	Scope 2	Total Emissions (tons of CO <sub>2</sub> e)	Intensity (tons of CO <sub>2</sub> e/NT\$ million)			Parent Company	47,319.0727	1.446			Subsidiary	-	-			Total	47,319.0727	1.446			Scope 3	Total Emissions (tons of CO <sub>2</sub> e)	Intensity (tons of CO <sub>2</sub> e/NT\$ million)			Parent Company	18,236.5721	0.557			Subsidiary	-	-			Total	18,236.5721	0.557		
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Subsidiary	-	-																																																												
Total	18,236.5721	0.557																																																												
(2) Greenhouse Gas Assurance Information	<div><div>Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.</div><div>The 2023 carbon emission data was verified on October 25, 2024. The verification body was Bureau Veritas (BV). BV conducted verification of direct and indirect greenhouse gas emissions in accordance with the requirements of ISO 14064-3:2019. The verification period covered January 1, 2023, to December 31, 2023, and included the following facilities: He Fa Plant (Headquarters), Dafa Plant, Dafa Plant No. 2, Dafa Plant No. 3, Dafa Plant No. 5, and He Fa Plant (Dormitory). The verification results confirmed compliance with a reasonable assurance level (Categories 1–2) and a limited assurance level (Categories 3–6).</div></div>																																																													
(3) Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan	<div><div>Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets</div><div><p>In addition to replacing outdated equipment and continuously implementing various energy-saving measures, Flexium is also actively addressing the issue of electricity shortages. On September 5, 2022, the Company announced its participation in RE100, a global renewable energy initiative led by The Climate Group and the Carbon Disclosure Project (CDP). To demonstrate the Company’s strong commitment to sustainability, it has advanced the RE100 goal of achieving 100% renewable energy usage by 2050 by ten years. The Group now pledges to achieve RE100 by 2040, with an interim goal of RE60 by 2030. As part of its current renewable energy planning, the Company aims to complete the installation of 4.791 MW of solar energy capacity by 2025, which will be used for on-site self-generation. Based on this capacity, the estimated annual electricity generation is 6,204,588 kWh, with an expected carbon reduction benefit of 3,759.98 metric tons of CO<sub>2</sub>e. The Company will continue expanding its solar energy infrastructure in subsequent years and, in line with the Group’s broader carbon neutrality roadmap, will further evaluate the feasibility of purchasing green electricity from external sources to maximize the use of renewable energy.</p><p>To reach the RE60 target by 2030, the original plan in 2023 was to purchase 1 MW of renewable energy for the Kaohsiung Plant and 2 MW for the Kunshan Plant. Following a strategic adjustment at the Group level, the current approach focuses on the Kunshan Plant continuing to purchase renewable energy certificates (RECs). In 2024, the Kunshan Plant purchased 10,000 MWh of RECs, clearly demonstrating that the Group’s commitment to sustainability is not only a promise, but also backed by decisive action.</p></div></div>																																																													

(VI) The state of the company's performance in the area of ethical corporate management, any variance from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reason for any such variance:

Item	Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
I. Establish ethical business policies and programs				
(I) Has the company established an ethical management policy that has been passed by its Board of Directors, and clearly specified in its rules and external documents the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods?	✓		(I) The Company has established the “Ethical Management Rules” as well as the relevant internal rules which clearly document the policy, method the ethical corporate management policies and the commitment by the Board of Directors and senior management on rigorous and thorough implementation of such policies and methods.	No deviation
(II) Has the company established a risk assessment mechanism against unethical behavior, analyzed and assessed business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?	✓		(II) The Company has clearly stated the risk assessment mechanism against unethical behavior in the “Ethical Corporate Management Best Practice Principles”, and analyzes and assesses business activities within their business scope on a regular basis which are at a higher risk of being involved in unethical behavior, and established prevention programs at least covering the preventive measures specified in Paragraph 2, Article 7 “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”.	No deviation
(III) Has the company specified operational procedures, behavioral guidelines, disciplines of violations, as well as an appeal system in the program against unethical behavior, and implemented such programs, and reviewed and revised the previous program on a regular basis?	✓		(III) The Company has clearly stated various unethical conducts in the “Ethical Corporate Management Best Practice Principles”, as well as operating procedures, behavioral guidelines, disciplines of violations, as well as an appeal system against unethical behavior, and revises the previous program on a regular basis.	No deviation
II. Implementation of ethical management				
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) Before establishing a business relationship with another person, the Company shall evaluate the legal compliance and ethical management records of agents, suppliers, customers or other trading counterparts and check whether they involve any unethical records to ensure that its business operates in a fair and transparent manner, and it will never ask for, provide or accept bribe.	No deviation

Item	Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
(II) Has the company set up a dedicated responsible unit to promote corporate ethical management under the Board of Directors, and has such unit reported its execution in terms of ethical management policy and preventive programs against unethical behaviors and the supervision status to the Board of Directors on a regular basis (at least once a year)?	✓		(II) To fulfill the oversight duty of the ethical management, the Company has the Ethic Committee in place, consisting of the Administration Division, legal unit, audit unit, and the dedicate unit under the Board, to take the charges of reviewing and improving the Company's ethical management policies and promotional measures, as well as monitoring the development of international and domestic regulations related to the ethical management. This dedicated unit reported its execution to the Board on November 7, 2024.	No deviation
(III) Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(III) The Company has established the prevention of conflict of interest in the "Ethical Corporate Management Best Practice Principles" and it also provides appropriate report channels for explanations on the potential conflict of interest of the Company.	No deviation
(IV) Has the company established an effective accounting system and internal control system in order to implement ethical management, and propose relevant audit plans according to the assessment results of the risks of unethical behaviors, and review the compliance status of the prevention of unethical behaviors, or entrust an account to carry out the review?	✓		(IV) The Company has established the "internal control system". The internal audit unit will assess the risk periodically and set the audit plan, and conduct the relevant audit per the plan, and special audit, if necessary. The internal audit unit will also report the audit result to the board of directors periodically to enable the management to understand the status of the Company's internal control and achieve the purpose of management.	No deviation
(V) Does the Company regularly hold internal and external educational trainings on ethical management?	✓		(V) The Company arranges anti-corruption training courses (including training courses relating to ethical management and anti-corruption) for members of the Board and general employees on a regular basis. In 2024, 2,251 people took part contributing 1,257 hours.	No deviation
III. Operations of the Company's complaining system				
(I) Does the company have a specific whistleblowing and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?	✓		(I) The Company's "Ethical Corporate Management Best Practice Principles" clearly specifies 1. The Company encourages internal and external personnel to complain unethical conduct or misconduct, and will grant reward subject to the complained case. If the internal personnel make false or malicious accusation, the personnel shall be disciplined, and dismissed if the case is material. 2. The Company has set up and published the internal independent complaining mailbox ( <a href="https://www.flexium.com.tw/Sustainability/EthicsReport">https://www.flexium.com.tw/Sustainability/EthicsReport</a> ) available to the Company's internal and external staff on the Company's website and intranet.	No deviation



Item	Status			Deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and reasons thereof
	Yes	No	Summary	
(II) Has the company implemented any standard procedures and/or subsequent measures after carrying out an investigation or confidentiality measures for handling reported misconduct?	✓		(II) The Company has defined the standard operating procedures for accepting the complaints and related non-disclosure mechanism in “Ethical Corporate Management Best Practice Principles”.	No deviation
(III) Has the company taken appropriate measures to protect the whistle-blower from suffering any consequences of reporting an incident?	✓		(III) The Company keeps the identity of the whistle-blower confidential and takes appropriate measures to protect the whistle-blower from suffering consequences of reporting an incident	No deviation
IV. Strengthening of Information Disclosure Does the company have the contents of ethical corporate management and its implementation disclosed on the website and MOPS?	✓		The annual report posted by the Company on the Company’s website (also posted on MOPS) has detailed the information about the effect achieved by the Company for promoting ethical management.	No deviation
V. For companies who have established Ethical Corporate Management Best Practice Principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”, please describe the current practice and any deviations from the code of conduct:				
VI. Other important information facilitating understanding of the importation information on the ethical business operation status of the Company: None.				

(VII) If the Company established the corporate governance guidelines and related articles, please disclose the inquiry method:

The Company has established the “Corporate Governance Best-Practice Principles”, “Operating Procedures for Ethical Management” and related regulations; for these measures please see the Company’s website at <https://www.flexium.com.tw> or on “MOPS”.

(VIII) Other significant information that will provide a better understanding of the state of the Company’s implementation of corporate governance may also be disclosed:

The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, applicable regulations for TWSE/TPEX companies and other related acts and regulations in connection to business conducts as the basic principles for the implementation of ethical management. Moreover, the recuse system is clearly stated in the Company's “Rules of Procedure for Board of Directors Meetings” and the “Management for the Operation of Board Meetings”. When a motion given at a Board meeting concerns the personal interest of the Board member or their representatives, and if his or her participation is likely to prejudice the interest of the company, the concerned person may not participate in discussion of or voting on the proposal and shall recuse himself or herself from the discussion or the voting, and may not exercise voting rights as a proxy for another director.

(IX) Status of internal control system:

1. Statement of Internal Control System: Please refer to the MOPS > Single Company > Corporate Governance > Company Regulations/Internal Control > Internal Control Statement Announcement, web site:  
<https://mops.twse.com.tw/mops/#/web/t06sg20>
2. If the Company retains CPA's service for examining internal control system, the independent auditor's report shall be disclosed: None.

(X) List of discipline, significant deficit and improvement status of violation of internal control system in most recent year and as of the publication date of the annual report: None.

(XI) Materials resolution by shareholders' meeting and the Board of Directors during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report:

Important Resolutions of Shareholders Meeting		
Date	Material resolution	Execution status:
2024.05.30 Shareholders' Meeting	Matters to be resolved: 1. 2023 Business report and financial statements 2. 2023 earnings distribution plan	1. The resolution has been followed. 2. The resolution has been followed.
	Discussion items: 1. Proposal for the 2024 issuance of new restricted employee shares. 2. Proposal to conduct public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds. 3. Restriction on the prohibition of non competition of directors and representatives.	1. Approved for issuance by the Financial Supervisory Commission on July 31, 2024. 2. By considering the capital market conditions, it is intended to discontinue the aforesaid capital increase. 3. The resolution has been followed.

Date	Material resolution
2024.01.04	1. Approved drafting of the 2024 business plan. 2. Approved the proposal for 2024 capital expenditure budgets. 3. Approved the proposal for the personnel restructuring of the Company. 4. Approved the Company's employee remuneration and directors' remuneration distribution in 2023.
2024.02.15	1. Approved the Company's 2023 internal control system declaration statement. 2. Approved the Company's 2023 annual financial report and business report. 3. Approved the Company's 2023 dividend distribution proposal. 4. Approved the Company's distribution in cash with the capital reserve. 5. Approved the matters related to the setting of the dividend record date for the Company's cash dividend distribution. 6. Approved the proposal for the 2024 issuance of new restricted employee shares. 7. Approved the independence and adequacy assessment for the Company's attesting public accountants. 8. Approved the proposal of 2024 CPAs' audit appointment and fees. 9. Approved proposal to terminate the public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds that was adopted at the 2023 General Shareholders' Meeting. 10. Proposal to terminate the public offerings of ordinary shares, or issue new shares to participate in GDRs, or private placements of ordinary shares, or overseas or domestic convertible bonds. 11. Approved the convening of the Company's 2024 General Shareholders' Meeting. 12. Approved the amendments to the Company's Rules of Procedure for Board of Directors Meetings. 13. Approved the amendments to the Company's Audit Committee Charter. 14. Approved provision of endorsements and guarantees to others.
2024.05.08	1. Proposal for the the issuance of the fifth and sixth domestic unsecured convertible corporate bonds of the Company.

(XII) Any other documented objections or qualified opinions raised by directors or supervisors against board resolutions in relation to matters, and their content in most recent year and as of the publication date of the annual report: None.

**IV. Attesting CPA professional fee information**

- (I) The Company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting certified public accountants and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services:

Unit: NT\$ thousand

Name of Accounting Firm	CPA's Name	CPA audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Liao, Ah-Shen	January 1, 2024 to December 31, 2024	5,097	819	5,916	Non-audit fee items: reporting of inventory write-offs, transfer pricing report, new restricted employee shares, and other matters conducted on behalf of the Company
	Wang, Chun-Kai					

- (II) Audit fee for the change of accounting firms paid in the year is less than the previous year, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.
- (III) Over 15% decrease in audit fee on a year-to-year basis, the decreased amount, percentage and reason of the audit fee shall be disclosed: None.

**V. Change of CPA information: None.****VI. Information on the chairman, president, financial and accounting manager of the Company who has worked with the Company's external auditors or the affiliates to such auditors in the most recent year: None.**

## VII. Changes in shareholding and shares pledged by directors, managerial officers and shareholders with 10% shareholdings

### (I) Changes in shareholding by directors, managers and major Shareholders

Job Title	Name	2024		As of March 31, 2025	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman and managerial officers	Cheng Ming-Chi	0	0	0	0
Name of corporate shareholder	Chilien Investment Co., Ltd.	0	0	0	0
Representative of juristic-person director	Chen Yong-Chang	0	0	0	0
Representative of juristic-person director	Hung Chi-Shan	0	0	0	0
Name of corporate shareholder	Tai Peng Development Co., Ltd.	0	0	0	0
Representative of juristic-person director	Jeng Xi Shih	0	0	0	0
Representative of juristic-person director and managerial officers	JJ Chen	0	0	0	0
Director	Lin Pei-Ru	0	400,000	0	38,000
Director	David Cheng	0	0	0	0
Independent director	Xin-Bin Fu	0	0	0	0
Independent director	Huang Shui-Tong	0	0	0	0
Independent director	Wu Pei-Jun	0	0	0	0
Independent director	Anson Tseng	0	0	0	0
Managerial Officers	Shan Yi-Wen	(390,000)	0	0	0
Managerial Officers	Gong Chao-Rong	0	0	0	0
Managerial Officers	Arthur Shiung	(32,000)	0	0	0
Managerial Officers	Austin Li	1,000	0	0	0
Managerial Officers	Eva Liao	(3,000)	0	0	0
Managerial Officers	Brian Cheng	0	0	0	0

Note: The officers identified in the name list are the existing officers on the date of publication of the annual report.

(II) During the transfer of shares in which the counterparty is a related party: None.

(III) During the pledge of shares in which the counterparty is a related party: None.

**VIII. Information about top 10 shareholders in proportion of shareholdings and who are related parties to one another, spouses, or blood relatives within the second degree of kinship**

March 29, 2025

Unit: Thousand shares; %

Name	Shares held in own name		Current shares held by the spouse and children of minor age		Total shareholding under the name of a third party		Information on top 10 shareholders in proportion of shareholding, who are related to one another, or are kin at the second pillar tier under the Civil Code related to one another, their names and relationship.		Remark
	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Shares held	Ratio of shareholding	Name	Relationship	
Tai Peng Development Co., Ltd.	15,459,784	4.79%	0	0	0	0	Walter Cheng	Chairman of Board	
Fuh Hwa Taiwan Technology Dividend Highlight ETF under custody of Taipei Fubon Commercial Bank Co., Ltd.	11,553,000	3.57%	0	0	0	0	None	None	
Labor Pension Fund	10,720,400	3.32%	0	0	0	0	None	None	
Nan Shan Life Insurance Co., Ltd.	9,328,000	2.89%	0	0	0	0	None	None	
Chang Gung Medical Foundation	8,297,000	2.57%	0	0	0	0	None	None	
Labor Insurance Fund	5,089,200	1.57%	0	0	0	0	None	None	
Walter Cheng	4,702,360	1.45%	426,546	0.13%	0	0	Tai Peng Development Co., Ltd.	Chairman of Board	
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	4,135,334	1.28%	0	0	0	0	None	None	
Standard Chartered International Commercial Bank Business Department as entrusted with custody of Prodigy Fund SPC Investment Account	4,093,441	1.27%	0	0	0	0	None	None	
Investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, managed by JPMorgan Chase Bank N.A., Taipei Branch	3,954,990	1.22%	0	0	0	0	None	None	

Note: This form includes information till the last book closure of the Company before the publication date of the annual report.

**IX. Number of shares held and shareholding percentage of the Company, the Company's directors, managerial officers and directly or indirectly controlled entities on the same investee**

Unit: thousand shares; %

Invested businesses	Held by the Company		Held by directors, supervisors, managers, and directly/indirectly controlled entities		Combined investment	
	Shares held	Shareholding ratio	Shares held	Shareholding ratio	Shares held	Shareholding ratio
FLEXIUM INTERCONNECT INC.	50	100%	-	-	50	100%
UFLEX TECHNOLOGY CO., LTD.	50	100%	-	-	50	100%
Junfeng Investment Co., Ltd.	5,000	100%	-	-	5,000	100%
Universe Energy Co., Ltd.	5,000	100%	-	-	5,000	100%
Rafael Microelectronics, Inc.	9,222	30%			9,222	30%
SUCCESS GLORY INVESTMENTS LTD	-	-	23,510	100%	23,510	100%
FLEXIUM INTERCONNECT AMERICA LLC	(Note2)	100%	-	-	(Note2)	100%
Rafael Microelectronics Korea	-	-	200	100%	200	100%
BOOM BUSINESS LIMITED	35,000	100%	-	-	35,000	100%
CLEAR SUCCESS GLOBAL LIMITED	-	-	35,000	100%	35,000	100%
Han Tang Co., Ltd.	-	-	707	100%	707	100%
HONG YU CO., LTD.	-	-	705	100%	705	100%
Flexium Interconnect (Kunshan) Inc.	-	-	(Note2)	100%	(Note2)	100%
Flexium Interconnect (Suzhou) Inc.	-	-	(Note2)	100%	(Note2)	100%
ShenZhen Rafael Microsystems, Inc.	-	-	(Note2)	100%	(Note2)	100%
Aluksen Hongxin Technology Co., Ltd.	-	-	(Note2)	49%	(Note2)	49%
Rafael Semiconductors, Inc.	-	-	(Note2)	100%	(Note2)	100%

Note1: Long-term investment by made by the Company using the equity method.

Note2: Not applicable, as It is a limited company.

## Two. Status of fund raising

### I. Capital and shares

#### (I) Source of capital stock

Unit: shares/NT\$

Year / Month	Issuing price	Authorized capital stock		Paid-in capital		Remark		
		Shares held	Amount	Shares held	Amount	Source of capital stock	Offset by any property other than cash	Others
September 2024	10	600,000,000	6,000,000,000	323,200,981	3,232,009,810	New restricted employee shares NT\$7,000,000	-	Note 1

Note 1: September 27, 2024 Jing-Shou-Shang-Tzi No. 11330170980 Letter approval.

Type of share	Authorized capital stock			Remark
	Outstanding shares	Unissued shares	Total	
ordinary shares	323,200,981	276,799,019	600,000,000	Publicly listed

Note: Shelf registration system related information: Not applicable.

#### (II) Roster of major shareholders

March 29, 2025

Name of major shareholder	Shares	Shares held	Shareholding ratio
Tai Peng Development Co., Ltd.		15,459,784	4.79%
Fuh Hwa Taiwan Technology Dividend Highlight ETF under custody of Taipei Fubon Commercial Bank Co., Ltd.		11,553,000	3.57%
Labor Pension Fund		10,720,400	3.32%
Nan Shan Life Insurance Co., Ltd.		9,328,000	2.89%
Chang Gung Medical Foundation		8,297,000	2.57%
Labor Insurance Fund		5,089,200	1.57%
Walter Cheng		4,702,360	1.45%
Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds		4,135,334	1.28%
Standard Chartered International Commercial Bank Business Department as entrusted with custody of Prodigy Fund SPC Investment Account		4,093,441	1.27%
Investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds, managed by JPMorgan Chase Bank N.A., Taipei Branch		3,954,990	1.22%

#### (III) Dividend policy and status of implementation:

##### 1. Dividend policy defined under the Articles of Incorporation

Article 29: If the Company has surplus profits after annual accounting of revenues and expenditures, it shall have its losses covered and all taxes and dues paid and set aside ten percent of the remaining profits as a legal reserve. However when the legal reserve amounts to the authorized capital, this shall not apply. In addition, after a special reserve is provided or reserved in compliance with the laws and regulations, the board of directors may combine the remaining balance with the undistributed earnings at beginning period as accumulated distributed earnings, and depending on the available fund and economic situation, to formulate a proposal; if such distribution is made in the manner of issuing new shares, the distribution shall be submitted for approval in the shareholders meeting. The Company complies with Article 240, Paragraph 5 of the Company Act and Article 241 of the Company Act such that

dividends may be distributed or statutory surplus reserve and capital reserve paid by cash upon authorization of board meetings with two thirds or more of directors present and resolution adopted by half or more of directors present, with the matter to be reported to the shareholders meeting.

Article 30: The industry that the Company is in is still in the growing stage. The Company expects it will have cash demand for the expansion of production line in the coming years. The proposal to distribute earnings out of distributable accumulated earnings in relation to Article 29 is submitted for approval by the Shareholders Meeting. Among which, the cash dividends shall not be less than 5% of total dividends distributed. However if cash dividend will be less than NT\$ 0.1 per share it will not be distributed, the stock dividends will be distributed instead.

2. Resolution by the Board of Directors, February 21, 2025 not to distribute dividends because 2024 net loss.
3. Expected materials changes in the dividend policy: None.

(IV) The Impact of allotment of free dividends on business Performance and EPS: Not applicable.

(V) Remuneration to Employees and Directors:

1. Proportion or scope of remuneration to employees and directors as stated in the Company's Articles of Incorporation:  
Depending on the profits of the current year, the Company shall distribute no lower than 2% of the profit as employees' remuneration, and no higher than 2% of the profit as remuneration to directors. However, if the Company has accumulated losses the profits shall be used to cover the losses before it can make any distribution. The employee's remuneration may be distributed in stocks or cash, The parties to whom the remuneration distributed to may include employees of affiliated companies The distribution of employees' remuneration and directors' remuneration shall be decided by the board of directors with a resolution made by at least two-thirds of the directors present and a majority of the directors in agreement, and this shall be reported to the shareholders meeting.
2. The accounting in the case of deviation from the basis for stating employee bonus and remuneration to directors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:  
It is deemed to be a change in accounting estimates and is listed as the change of annual profit and loss.
3. Information about the motion for allocation of remuneration resolved by a directors' meeting:
  - (1) The company's board of directors resolved on February 21, 2025, that due to 2024 net loss, in accordance with the provisions of the articles of association, no employee compensation or director remuneration will be distributed.
  - (2) The amount of remuneration to employee distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income and total remuneration to employees: Not applicable.
4. The Company want to attract and retain talent needed, issuance of restricted stock awards and connect operating performance, please see page 47 of the annual report for the related assessments.
5. Actual distribution status of the remunerations for employees, directors of the previous fiscal year:



The proposal of 2023 distribution approved by the Company's Board of Directors meeting held on January 4, 2024 is as follows:

Item	Estimated amount for the year (NT\$)	Actual distribution (NT\$)	Difference
Employee remuneration	80,000,000	80,000,000	None
Remuneration of directors and supervisors	20,000,000	20,000,000	None

(VI) Repurchase of the Company's shares:

1. Completed: None.
2. Still undergoing implementation: None.

## II. Status of corporate bond

### Status of corporate bond

March 31, 2025

Type of corporate bond	Fifth unsecured convertible corporate bonds	Sixth unsecured convertible corporate bonds
Date issued	August 2, 2024	August 2, 2024
Face value	NT\$100,000	NT\$100,000
Place of issuance and exchange	Taipei Exchange	Taipei Exchange
Issuing price	The bond is issued at 115.07% of the face value.	The bond is issued at 100% of the face value.
Total amount	NT\$ 2,301,463 thousand dollars	NT\$ 1,000,000 thousand dollars
Interest rate	Coupon rate: 0%	Coupon rate: 0%
Duration	3 years, Expiry date: August 2, 2027	3 years, Expiry date: August 2, 2027
Guaranteeing institution	None	None
Trustee	Yuanta Bank	First Bank
Underwriting institution:	Yuanta Securities	Yuanta Securities
Certifying attorney	Century International Law Offices Wang Yawen, Attorney-at-Law	Century International Law Offices Wang Yawen, Attorney-at-Law
Independent auditor	PwC Taiwan A-Shen Liao, CPA	PwC Taiwan A-Shen Liao, CPA
Repayment method	Except where bondholders convert their holdings into the Company's common shares pursuant to Article 10 of these Regulations, or where the Company redeems the bonds early pursuant to Article 17 of these Regulations, or where the Company repurchases and cancels the bonds through securities dealers, the Company shall repay the convertible bonds in full, in cash, at face value within ten business days following the maturity date of the bonds. If such date falls on a day when the Taipei Exchange is closed, the repayment date shall be postponed to the next business day.	Except where bondholders convert their holdings into the Company's common shares pursuant to Article 10 of these Regulations, or where the Company redeems the bonds early pursuant to Article 17 of these Regulations, or where the Company repurchases and cancels the bonds through securities dealers, the Company shall repay the convertible bonds in full, in cash, at face value within ten business days following the maturity date of the bonds. If such date falls on a day when the Taipei Exchange is closed, the repayment date shall be postponed to the next business day.
Outstanding principle (as of March 31, 2025)	NT\$ 2,000,000 thousand dollars	NT\$ 1,000,000 thousand dollars
Terms for redemption or early repayment	1. From the day following the third month after the issuance date of the convertible corporate bonds (November 3, 2024) until forty days prior to the maturity date (June 23, 2027), if the closing price of the Company's common shares on the Taiwan Stock Exchange exceeds the then-current conversion price by 30% or more for 30 consecutive trading days, the Company may, within 30 trading days thereafter, send a "30-Day Bond Redemption Notice" by registered mail to the bondholders (based on the bondholder register as of the fifth business day prior to the mailing date; for bondholders who acquired the bonds thereafter by purchase or other means, notice shall be given via public announcement). The 30-day notice period shall commence from the date of mailing and end on the bond redemption record date, which must not	1. From the day following the third month after the issuance of the bonds (November 3, 2024) until forty days prior to the maturity date (June 23, 2027), if the closing price of the Company's common shares on the Taiwan Stock Exchange exceeds the then-current conversion price by 30% or more for 30 consecutive trading days, the Company may, within 30 trading days thereafter, send a "30-Day Bond Redemption Notice" by registered mail to the bondholders (based on the bondholder register as of the fifth business day prior to the mailing date; for bondholders who acquired the bonds thereafter by trading or other means, notice shall be given via public announcement). The 30-day period shall begin on the mailing date of the notice and end on the bond redemption record date, which shall not fall within the conversion

Type of corporate bond		Fifth unsecured convertible corporate bonds	Sixth unsecured convertible corporate bonds
		<p>fall within a conversion suspension period as defined in Article 9. The Company shall also request an announcement from the Taipei Exchange. Within five business days after the bond redemption record date, the Company shall redeem the convertible bonds held by bondholders in cash at face value.</p> <p>2. From November 3, 2024 (the day following the third month after issuance) to June 23, 2027 (forty days prior to the maturity date), if the outstanding balance of the convertible corporate bonds falls below 10% of the total original issue amount, the Company may, at any time thereafter, issue a "30-Day Bond Redemption Notice" by registered mail to the bondholders (based on the bondholder register as of the fifth business day prior to the mailing date; public announcement shall be used for subsequent transferees). The notice period begins from the date of mailing, and the bond redemption record date shall be the 30th day after the notice is issued. This period must not overlap with the conversion suspension period defined in Article 9. The Company shall also request a public announcement by the Taipei Exchange. Within five business days after the bond redemption record date, the bonds shall be redeemed in cash at face value.</p> <p>3. If a bondholder does not respond in writing to the Company's stock affairs agent prior to the bond redemption record date stated in the "Bond Redemption Notice" (effectiveness is upon receipt, or based on postmark if mailed), the Company will redeem the bonds in cash at face value within five business days following the redemption record date.</p> <p>4. If the Company exercises the redemption right, the last date on which bondholders may request conversion shall be the second business day following the delisting of the bonds from the OTC market.</p>	<p>suspension period specified in Article 9. The Company shall also submit a written notice to the Taipei Exchange. Within five business days after the bond redemption record date, the Company shall redeem the bonds in cash at face value from the bondholders.</p> <p>2. From November 3, 2024 (the day following the third month after issuance) until June 23, 2027 (forty days prior to the maturity date), if the outstanding balance of the convertible bonds falls below 10% of the total original issuance amount, the Company may, at any time thereafter, issue a "30-Day Bond Redemption Notice" by registered mail to bondholders (based on the bondholder register as of the fifth business day prior to the mailing date; public announcement shall be used for subsequent transferees). The 30-day period shall begin from the date the notice is mailed and end on the bond redemption record date, which must not fall within the conversion suspension period specified in Article 9. A written notice shall also be submitted to the Taipei Exchange. Within five business days after the bond redemption record date, the Company shall redeem the bonds in cash at face value from the bondholders.</p> <p>3. If a bondholder does not provide a written response to the Company's stock affairs agent prior to the bond redemption record date specified in the "Bond Redemption Notice" (such response shall be deemed effective upon receipt; if sent by mail, the postmark date shall serve as the basis), the Company shall redeem the bonds in cash at face value within five business days following the bond redemption record date.</p> <p>4. If the Company exercises the redemption right, the last date on which bondholders may request conversion shall be the second business day following the delisting of the bonds from the OTC market.</p>
Restrictive terms		None	None
Name of credit rating organization, rating date, bond rating results		None	None
Other rights	Amount of ordinary shares converted as the publication date of the annual report	NT\$ 0 thousand dollars	NT\$ 0 thousand dollars
	Issuance and conversion (traded or subscribed) regulations	See MOPS-various exclusive sections-bond section	See MOPS-various exclusive sections-bond section
Possible dilution of equity and impact on equity of existing shareholders		6.25%; the dilution effect is limited and, therefore, no material impact would be rendered against the equity of existing shareholders.	2.98%; the dilution effect is limited and, therefore, no material impact would be rendered against the equity of existing shareholders.
Name of commissioned custodial institution for objects exchanged		Not applicable	Not applicable

### Information about the convertible bonds

Type of corporate bond		Fifth unsecured convertible corporate bonds		Sixth unsecured convertible corporate bonds	
Item	Year	2024	Current year up to March 31, 2025	2024	Current year up to March 31, 2025
Market value of convertible corporate bond(NT\$) (Note )	Highest	114.85	107.00	111.75	105.00
	Lowest	100.00	99.00	97.55	98.00
	Average	110.00	103.50	106.67	101.63
Conversion price (NT\$)		NT\$93		NT\$101	
Issuance date and conversion price at time of issuance		Issuance date: August 2, 2024 Conversion price at time of issuance: NT\$93		Issuance date: August 2, 2024 Conversion price at time of issuance: NT\$101	
Method of fulfilling conversion duty		Issuance of new shares		Issuance of new shares	

Note: Referring to Taipei Exchange

### III. Status of preferred shares

None

### IV. Status of GDR/ADR

None

### V. Status of employee stock option certificates

None

### VI. Handling of restricted employee shares

#### (I) Handling of restricted employee shares

March 31, 2025

Type of stock for restricted employee shares	1st restricted employee shares for 2024
Effective date of declaration and shares	July 31, 2024 700,000 shares
Issuance date	September 4, 2024
Issued shares for restricted employee shares	700,000 shares
Available number of new restricted employee shares for issuance	0 share
Issue price	NT\$ 0
Ratio of issued restricted employee shares vs. total issuance of shares	0.22%
Restricted employee shares vesting conditions	<p>I. Restricted employee shares granted under these Regulations shall vest only if the employee remains employed from the grant date through the vesting date, and achieves a performance appraisal rating of 3A or above in the year preceding the vesting date. The vesting schedule is as follows:</p> <p>(1) After 1 year of service from the grant date: 30% of the granted shares shall vest. (Shares shall be rounded up to the nearest whole share)</p> <p>(2) After 2 year of service from the grant date: 30% of the granted shares shall vest. (Shares shall be rounded up to the nearest whole share)</p> <p>(3) After 3 years of service from the grant date: The remaining shares shall vest.</p> <p>II. The granting date of years of serve is defined as the date when shares distributed to the shareholder registry.</p> <p>III. In case of holidays at the above times, then matters should be handled in advance on the prior business day.</p>
Restrictions on restricted employee shares	<p>I. Once the restricted employee stocks are issued, they shall be trusted immediately. The Company or a person designated by the Company shall act as an agent for all assigned employees to sign and revise trust-related contracts with the trust institution and authorize them to handle relevant trust affairs. In addition, before the vesting conditions are met, employees must not request to return the restricted stock for employees with any excuse or in any manner.</p> <p>II. Before the vesting conditions set in the preceding Article are fulfilled, except in cases of inheritance, employees must not use the restricted employee are allocated according to these measures to sell, pledge, transfer, gift to others, set up, or discriminate in other ways.</p> <p>III. Before meeting the vesting conditions, the shareholders' rights in shareholders' meeting, including attendance, proposal, speech, casting votes, and voting rights are entrusted to the trustee institution for exercising.</p> <p>IV. Before the vesting conditions are met, there shall be no rights to earnings distributions (including but not limited to: dividends, bonuses, capital reserve allocated rights) nor to</p>

Type of stock for restricted employee shares	1st restricted employee shares for 2024
	<p>cash-enhanced share options.</p> <p>V. From the day of the Company's non-gratuitous allotment stop transfer day, the cash dividend stop transfer day, the cash capital increase subscription stop transfer day, the shareholders' meeting transfer period determined by Article 165, Paragraph 3 of the Company Law, or other legal business stoppage period based on the facts from the first 15 business days to the reference date for the distribution of rights, employees who meet the acquired conditions during this period do not have the right to surplus distribution.</p> <p>VI. During the vesting period, where the Company decreases the capital due to any non-statutory capital decrease, such as the capital decrease in cash, the capital decrease for offsetting losses, the restricted employee shares shall decrease proportionally based on the capital decrease percentage. The cash refunded due to the capital decrease in cash shall be trusted, and refunded to employees without interest when the vesting conditions are met; provided, where the vesting conditions are not met, the Company will retrieve such cash.</p>
Custody of restricted employee shares	Custody shall be entrusted in the names of the employees
Where employees fail to meet the acquired conditions after being allocated or subscribed for new shares	For employees who have been assigned restricted employee shares in accordance with this method, if the time limit set in Article 5 expires but does not meet the vested conditions for performance evaluation, the shares that do not meet the vested conditions will be recovered by the Company free of charge and cancelled.
Number of shares of restricted employee shares recovered or repurchased	0 shares
Number of shares of restricted employee shares released	0 shares
Number of shares of restricted employee shares still unreleased	0 shares
Ratio of unreleased restricted employee shares vs. total issuance of shares (%)	0.22%
Impact on shareholder rights	One year after the issuance of restricted employee shares of the company, it will be implemented in the following three years and the original shareholders' equity will be diluted year by year. In addition, this can incentivize employees' long-term willingness to serve and enhance their motivation, and jointly create the interests of the company and shareholders, which will help shareholders' rights.

(II) Managers who obtained restricted employee shares and the names and acquisition status of the top ten employees

1st restricted employee shares for 2024

March 31, 2025

Job title	Name	Number of restricted employee shares obtained (thousand shares)	Ratio of restricted employee shares obtained vs. total issuance of shares (%) (Note)	Restrictions removed				Restrictions not removed			
				Number of shares with removed restrictions (thousand shares)	Issuing price (NT\$ thousand dollars)	Issuing amount	Shares with removed restrictions vs. total issuance of shares (%) (note)	Number of shares with restrictions not removed (thousand shares)	Issuing price (NT\$ thousand dollars)	Issuing amount	Shares with restrictions not removed vs. total issuance of shares (%) (Note)
Managerial Officers	President	Cheng Ming Chi	0.04%	-	-	-	-	137	-	-	0.04%
	VP of Quality	Shan Yi Wen									
	VP of Administration and CFO	Arthur Shiung									
	Director of Sourcing Division	Gong Chao Rong									
	Manufacturing Plant Manager	Austin Li									
	Corporate Governance Director	Eva Liao									
Employee	Director	Cheng Yang	0.05%	-	-	-	-	155	-	-	0.05%
	Vice Director	Zhang Fu gui									
	Vice Director	Lin Chi hsiung									
	Vice Director	Zhang Jun yuan									
	Vice Director	Chiang Shih feng									
	Vice Director	Lin Yi da									
	Vice Director	Liu De liang									
	Manager	Chen Yan tang									
	Manager	Cai Cheng qi									
	VP of Kunshan Plant	Cheng Wei									

Note: Total number of shares issued refers to the number of shares listed in the change registration information filed with the Ministry of Economic Affairs.

**VII. Mergers and acquisitions, or as assignee of new shares issued by another Company**

None .

**VIII. Status of execution of capital utilization plan**

Please refer to the MOPS > Single Company > Equity Changes / Securities Issuance > Financing / Private Placement > Financing Plan

Execution for details, website: [https://mopsov.twse.com.tw/mops/web/bfhtm\\_q2](https://mopsov.twse.com.tw/mops/web/bfhtm_q2) .

### Three. Overview of operations

#### I Business contest

##### (I) Scope of business

##### 1. Primary content of business

The Company and its subsidiaries are primarily engaged in design, development, manufacturing and sale of Flexible Print Circuits (FPC), and assembly, sampling and modules thereof.

##### 2. Current products and business weight portion thereof:

Main products	Year	2023		2024	
		Operating amount (NT\$ thousand dollars)	Business proportion (%)	Operating amount (NT\$ thousand dollars)	Business proportion (%)
Flexible printed circuit (FPC)		32,667,490	99.81	25,378,291	95.97
Radio Frequency Integrated Circuit (RFIC)		61,372	0.19	1,065,491	4.03
Total		32,728,862	100.00	26,443,782	100.00

##### 3. New products (services) under development:

R&D projects	Future market needs
25um/25um fine line carrier boards	Carrier boards for LCD/HD
Soft and hard composite boards with 4-8 layers	Communication/medical carrier boards
multi-layer FPC	Carrier board for cameras
LED backlight module FPC	LCD monitors
FPC with laser blind and/or buried hole	Smartphone and notebooks
Double-panel continuous process	Ultra thin/high precision/high bend resistant electronic products
Liquid crystal polymer multilayer lamination	Smartphone and wearable electronic devices 5G and high-frequency antenna boards High-speed signal transmission module

##### (II) Overview of industry

##### 1. Business Overview and Development and Various Development Trends of Products

A printed circuit board (PCB) is the substrate used for the assembly of electronic components. The main function of a PCB is to solder electronic components onto a PCB and connect it with metal conductors to form an electronic circuit with specific functions, making PCBs indispensable basic parts for all electronic products.

PCBs can be categorized into 3 types: rigid PCBs, flexible print circuits (FPCs) and IC substrates. Among these, FPCs are made by flexible copper clad laminates (FCCL) and a flexible insulating layer (FIL) using an adhesive. They then go through process such as etching to leave the necessary circuit for electronic signal transmission. Due to the characteristics of FPC including high wiring density, thin, light, small, low wiring error rate, and good ductility, it is being widely used in consumer electronics products. In recent years, as the demand for electronics products are leaning towards thinner, lighter, power-saving and touch-control, not only is the application for FPC being used more widely, they are also used more largely, indicating that they are the type of product which has the most PCB growing potential.

The largest FPC application market is still mobile phones worldwide. Due to the improvement of the smartphone penetration rate, FPC used in each smartphone is at the same time continuing increasing. Aside from components and motherboards that are connected to FPC for products such as screens, camera modules, peripherals keys, etc., connection including wireless charging function modules, several motherboards, etc. are new demand for the urge of FPC, making mobiles still the most crucial battlefield for future FPC plants. Compared to smartphones, although the annual shipment of cars is lower, the number of FPC used in each car is diverse and is growing faster. Parts used in cars include LED lights, image sensors, in-car information/entertainment display systems, door handles, and even power engine systems already using FPC. Even though portable ultrasound examination machines, robotic arms/robots, high-frequency transmission/reception antennas used in the field of biomedicine account for a small proportion of FPC, they are however, all niche products with high profits.

The rise of emerging digital technologies drives the innovation and robust development of electronic technology products. Flexible printed circuit boards (FPC) play the role of assisting in the realization of innovative applications, and are critical components in the supply chain of electronic products.

In recent years, the emergence of blockchain, cognitive technology, and virtual reality has become a key driving force for destructive innovation, changing human behaviors and activities. On the other hand, technologies such as social networks and cloud computing have led the overall electronic industry to integrate with the digital industry for a transformation. Benefiting from advancements in communication infrastructure (including 5G, 6G, and low-orbit satellites), as well as the growing adoption of smart home kits, automotive electronics, and AR/VR applications, flexible printed circuits (FPCs) offer significant advantages—being lighter, thinner, and more flexible—compared to traditional rigid PCBs. These features make FPCs better suited to meet the creative and innovative demands of next-generation electronic devices. As a result, FPCs hold a competitive edge across a wide range of applications and are expected to see expanding adoption in high-end use cases, driving strong demand growth in the market.

## 2. Relations with industries upstream, mid-stream, and downstream

The primary products at Flexium are PCBs, with upstream raw materials including copper foil laminates, chemicals, films, and electronic parts and components; downstream is for applications of various electronics products, including information, communication and consumer products. Characteristics of upstream materials, manufacturer process, technology level all pose material impact to PCBs; therefore, the expertise and cooperation are relatively important for upstream, midstream and downstream manufacturers.



### 3. Competition status

The local procurement of raw materials of FPC, such as FCCL and PI, is critical to the industrial development. At the very beginning of FPC development in Taiwan, the raw materials were primarily supplied by Japan, and the profit to be sought by the relevant manufacturer was low. In the recent years, the manufacturers engaged in processing FCCL, such as Taiflex and Dupont, developed considerable production capacity in Taiwan and Mainland China. Therefore, there is no concern about supply of raw materials, and the price becomes more competitive.

The chief technology officer of the Company has earned plentiful experience in design, marketing, production and management in the FPC industry, and become the professional and top team in the FPC circle. Flexium Interconnect focuses on and steadily positions itself in the technology fields of high-frequency, high-performance conduction, and millimeter wave, while jointly developing new products with world-class strategic partners. The Company adopts the most advanced Roll-to-Roll (R2R) automated continuous production line, emphasizing high efficiency and human-machine integrated automation. Through continuous technical and process optimization, Flexium maintains its competitiveness and provides comprehensive, modular



solutions—including simulation platforms, design concepts, and testing methods. At the same time, the Company is rapidly enhancing product specifications (such as electrical properties, number of layers, line width/spacing, and integration level), moving toward applications in high density, high speed/frequency, and multi-functionality. These efforts help customers realize their product designs, significantly accelerate development schedules, and shorten the time from concept to market—effectively meeting market demands.

(III) Overview of technology and R&D

1 R&D expenses in the most recent year

Unit: NT\$ in thousand

Year	2024
R&D expenses	2,163,038
Operating revenues	26,443,782
To operating revenue (%)	8.18

2 Technology or product successfully developed in the most recent year

By product	Technology
Mobile phone wireless charging module, smart identification lens module, AR/VR virtual reality application module, AI artificial intelligence application module, smart home security system module, 3D sensing lens module, wearable sensors, and high-speed signal transmission module.	Wireless charging FPC measurement technology, laser microvias, antenna coupling simulation software, blind and buried vias technology development, substrate-like RTR manufacturing technology development, fine-line flexible printed circuit, liquid crystal polymer multilayer lamination technology development.

(IV) Long-term and short-term business development plan

1. Short-term plan: Continue to develop the existing primary customers thoroughly, integrate technical service team, focus on high valued product lines of consumer electronics, such as onboard and medical products as well as the development of other products.
2. Long-term plan: committed to the application of high-frequency, high-speed, and cloud-based intelligent systems, such as Smart TV, Smart Car, IoT (Internet of Things) electronic products, virtual reality (VR)/ augmented reality (AR) / substitutional reality (SR)/ mixed reality (MR) and other technical improvements of products and material research and development.

(V) Intellectual property management

The Company proactively moves towards the acquisition of international patents, aiming to protect research and development achievements through patent applications, and further securing the R&D outcomes shared with customers and suppliers. By holding patents, the Company enhances its value and competitiveness through strategic patent deployment. In 2024, a total of 14 invention patents were obtained and distributed across global markets, including 10 patents in Taiwan, 3 in the United States, and 1 in China. In the patent positioning, through the systematic establishment of patent operation instruction with patent incentives, the number of patent applications has been significantly increased since the establishment in 2020. To increase the approval rate of invention patent applications, since 2021, Flexium Interconnect has added legal courses, mainly for the patent education and training of R&D personnel as a long-term education and training course. The management representatives reports such to the board of directors at least once a year and the latest report was made on November 7, 2024.

## II Overview of market and production and marketing

### (I) Market analysis

#### 1. Territories where the Company's main products are sold

Unit: NT\$ in thousand

Territory \ Year		2023		2024	
		Amount	%	Amount	%
Domestic marketing		1,448,957	4.43	1,678,041	6.35
Export	Asian region	2,729,572	8.34	3,188,672	12.05
	Territories in Europe and the U.S.A.	28,550,333	87.23	21,577,069	81.60
	Sub-total	31,279,905	95.57	24,765,741	93.65
Total		32,728,862	100.00	26,443,782	100.00

#### 2. Market share and future supply & demand and growth of the market

Flexum is one of the 3 major FPC suppliers in Taiwan with manufacturing double side, single side, and multilayer FPCs used in products in communications, computers and consumer electronics products.

With smart watches, smart bracelet and wearable medical monitors becoming more and more common, it indicates that consumers are able to accept various types of smart wearable devices. The demand is gradually increasing. In terms of medical monitors, with the trend of the aging society and health care, information and communication manufacturers also seized such business opportunity by developing corresponding healthcare products for future elderly and groups of people who take health-care seriously. These healthcare products include smart wearable products that enable support of long-time wear without affecting the wearer's daily life with advantages of the ability to automatically detect, collect, display and transmit data over the Internet. Furthermore, according to researchers at the Moscow Institute of Physics and Technology (MIPT) and biotechnology company GERO, it has been confirmed that it only takes one week to extract body activity data from a wearable device, which can be used to generate digital biological indicators of aging and deterioration . Therefore, via the concept of continuous health risk monitoring and real-time feedback to life and health insurance, healthcare and sports fitness providers can drive the future sales of wearable devices.

In addition, smart bracelets/watches are also gradually improving. Not only they are equipped with touch-screens, they also have functions including mobile phone message browsing and replying, music control, mobile payment, voice assistant, etc. They even provide a detachable bracelet screen to be used as Bluetooth headset for calls. The development of diverse functions also attract more consumers, leading the trend of wearable devices.

#### 3. Competitive niche

##### (1) The increase shipment of smartphones drives the growth of FPC industry.

In the past, 3-5 flexible boards were required in a functional mobile phone. Given the fact that consumers demand products to be lighter and thinner with diversity, the demand for flexible boards that can modularize electronic component functions in limited space is greater. Nowadays, flexible boards needed for a smartphone exceed 20 boards, which is four times more than a traditional mobile phone. The sale of smartphones will also affect the development of industry.

##### (2) Complex design needs of 5G will bring a new wave of business opportunities

From the concept of 5G technology to it being mass produced, the large scale MIMO (Multi-input Multi-output) antenna configurations that accompany it will become more complex, making the RF front-end occupy take up more space in 5G smart phones. In addition, the amount of data processed by the 5G system will grow geometrically which means the battery capacity will also need to improve, meaning that PCBs and other electronic components will be compressed to complete the package in a higher density, compact form. With 5G becoming more common, the most direct contribution is the FPC demand, especially in MIMO antenna described previously, which also pose a certain degree of promotion of innovation in terms of materials and manufacturing processes. In 2019, as 5G had not yet become widespread, Modified Polyimide (MPI)—which still performed well in 4G frequency bands—was used as the primary material. However, with the rise in demand for 5G equipment manufacturing, Liquid Crystal Polymer (LCP), which can accommodate higher frequency bands, has now become the mainstream material. In anticipation of the upcoming 6G era, Taijun has proactively developed a strategic response by investing early in optical waveguide technology to provide customers with a complete solution.

(3) FPC for electric vehicles

Generally, there will be more than 100 FPC applications on one electric vehicle. The FPC battery modules in the vehicle battery BMS, and the vehicle camera modules have the highest application values, which are also a market where various FPC manufacturers compete.

4. Positive and negative factors for future development, and the Company's response to such factors

(1) Favorable factors: The FPC application keeps emerging on an ongoing basis, and there is no concern about the growth:

Flexible boards are used widely; downstream end products mainly include high-end consumer electronics such as smartphones, tablets, PCs and wearable devices.

FPC is primarily applied to the binding of main panel and external components. Following the increasing diversification of smart phone functions, the additional external components are increasing relatively, e.g. the connection between screen and main panel, camera module and buttons etc. Generally speaking, the quantity of FPC applied to a smart phone is several multiple of that applied to the general mobile phone.

(2) Unfavorable factors: High labor-intensive industry

The production process of FPC per se is complicate, and the back-end production process requires massive labors. Nevertheless, due to the shortage of domestic labors and the increasing wage in Mainland China year by year, the product cost is increased and the competitive strength is weakened accordingly.

(3) Response to the factors

A. Purchase automatic and semi-automatic test equipment, improve production process and quality, and increase employees' benefit to retain high-quality talents, and reduce the HR demand and operating cost to upgrade the Company's competitive strength.

B. Transfer production of some middle-ranked and low-ranked products to the factory premises in Mainland China through the international breakdown, and introduce foreign employees adequately and perform

professional training on them permanently to solve the problem about shortage of domestic labors and talents.

## (II) Important purpose and production process of main products

### 1. Important purpose of main products

Main products	Important purpose or function
Flexible printed circuit (FPC)	Computer: Notebooks, tablet computers, printers and displays etc.
	Communication: Mobile phones and fax machines etc.
	Others: Stereo, TV, video recorder, video camera system, digital camera, electronic products for car, industrial instrument, medical instrument, and high-speed signal transmission module etc.

### 2. Production process of main products



### (III) Primary raw material supply status

The Company maintains long-term partnership relationship with suppliers of main raw materials to make the source of supply of main raw materials free from concern and make the cost most competitive.

(IV)A list of any suppliers and clients accounting for 10%or more of the Company's total procurement (sales) amount in either of the most two recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each.

1. Information about main suppliers for the most recent two years

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	To the annual net purchase (%)	Relationship with the issuer	Name	Amount	To the annual net purchase (%)	Relationship with the issuer
1	Company R	2,224,608	11.48	None	Company R	2,133,112	12.55	None
	Others	17,146,659	88.52	—	Others	14,862,653	87.45	—
	Net purchase	19,371,267	100.00	None	Net purchase	16,995,765	100.00	None

Over the last two years, the number of suppliers accounted for more than 10% of the material inbound of the Company is only 1 supplier, and the number of suppliers for material inbounds of the Company less than 10% accounts for 80%, which indicates that the main suppliers of the Company are in excellent cooperation, the material supply sources are stable, and there are no concentration of material inbound.

2. Information about main customers for the most recent two years

Unit: NT\$ thousand; %

Item	2023				2024			
	Name	Amount	To the annual net sale (%)	Relationship with the issuer	Name	Amount	To the annual net sale (%)	Relationship with the issuer
1	Company A	26,355,298	80.53	None	Company A	19,244,267	72.77	None
	Others	6,373,564	19.47	-	Others	7,199,515	27.23	-
	Net sale	32,728,862	100.00		Net sale	26,443,782	100.00	

It is mainly caused by the change of the sales of customers and cooperation with the adjustment of the terminal brand manufacturer sales strategies.

### III Employee information in the last 2 years up until the publication date of this annual report

Unit: person; %

Year		2023	2024	As of March 31, 2025
Number of employees	Direct labor	5,092	4,127	4,646
	Indirect labor	959	774	823
	Total	6,051	4,901	5,469
Average age		32.54	33.51	33.26
Average service seniority		4.12	4.97	4.74
Ratio of educational background	Ph.D	0.09%	0.17%	0.09%
	Master	5.87%	6.83%	7.02%
	University (college)	35.03%	36.78%	33.84%
	Senior high school	52.67%	50.58%	49.97%
	Below senior high school	6.34%	5.66%	9.09%

### IV Environmental protection expenditure information

In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (specifying compensation and environmental protection audit results that violate environmental protection regulations, sanction date, sanction code, regulatory provisions that were violated, details of the regulatory violation, and sanction

details) and disclosure of current and future estimated amounts and possible measures: None.

## **V Labor relationship**

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans

- (1) The Company maintains the labor insurance and health insurance for all of its employees and also contributes pension fund on a monthly basis, term group insurance of NT\$3 million to NT\$12 million for its employees, and additional travel insurance of NT\$5 million if the employees take a business trip.
- (2) Health examination each year.
- (3) Orientation training, on-the-job training, and periodic or irregular training inside and outside the factory;
- (4) Issuance of employee stock and dividend as well as quarterly performance bonus, year-end bonus according to the company business operation performance and employee individual performance.
- (5) Worker Welfare Commission will organize the employees' tour and family day periodically each year, and subsidize marriage, funeral and celebration, and also emergent relief, and also grant the coupon (gift) for three major festivals and birthday coupon.

2. Continuing education and training

To increase the overall competitiveness and continuous development of talents, Flexium Interconnect, Inc. has invested a lot of resources on employee trainings and development, such that through On-job training (OJT), Off-job training and Self-development of individuals, the work abilities and diverse professional skills can be improved. With our effort, in 2014, the Company received the Talent Quality-management System (hereinafter referred to as "TTQS") "Enterprise Mechanical Board Silver Award" from the Ministry of Labor, and in 2016, the Company further improved and received the Golden Award. It demonstrates that our efforts in the talent development and training performance are greatly recognized by the nation.

Flexium Interconnect, Inc. upholds the vision of "becoming the role model for global FPC industry training" for talent training and implement the training policy of "improvement promotion culture" such that through three main core occupational skill training and planning courses, the Company continues to improve the abilities of employees and to exploit innovation energy. Various key cultivation courses are created for employees at all levels. Through the method of "learning during practice, practice during learning," the professional and management abilities of employees can be improved such that the professional skills of employees can be developed while creating the maximum benefits for the Company.

There was a total of 45,162 employee training hours in 2024. The average training time per employee is 23 hours. The content includes training for new recruits, general courses, occupational safety training, project management, training on various functions, and so on. The annual training expenditure is approximately NT\$4.54 million.

3. Retirement system and implementation thereof

The Company has established the defined the appropriation for retirement in accordance with the "Labor Pension Act," which is applicable to employees

of the nationality of R.O.C. The Company will contribute the pension fund equivalent to no less than 6% of the salary to the employee's personal pension account maintained at the Bureau of Labor Insurance, according to the labor pension system defined under the "Labor Pension Act" chosen by the employees. Employees' pension would be paid on a monthly basis or in a lump sum according to the balance in the employees' personal pension accounts and accumulated income generated.

In addition, according to the Labor Standards Act (old labor retirement in old system), 2% of the employee tax payable salary is appropriated to the labor retirement reserve at the old system retirement reserve account at the Trust Department of Bank of Taiwan.

4. Status of labor agreement and employee interests and rights protection measures:

The Company is used to valuing humane management and adhering to the philosophy about "labor integration and intergrowth and co-prosperity". Therefore, the labor-management communication is handled in multiple manners to enable the labor and management to know each other better and develop toward the same goal.

- (1) Complaint channel: The Company and its subsidiaries all have established the complaining channels immediately subordinated to the President's Office, so that the employees may report any illegal activity or event impairing employees' interest and right found by them in work to the supreme management via the confidential channels to rectify and maintain the employees' interest and right in a timely manner.
- (2) Staff meeting: The staff meeting shall be held on a bi-weekly basis, in order to discuss and solve multi-departmental problems and to propagate policies to make the management more reasonable and help operations more successful.
- (3) Monthly labor-management meeting: The meeting shall be held once per month in order to understand all employees' opinion and solve problems to gather employees' cohesion.
- (4) Worker Welfare Commission meeting: The labor-management members may conduct special discussion about the benefit plans at the Worker Welfare Commission meeting, including the comments on employees' work and life, in order to enable the labor and management to communicate with each other as the reference for the management.

In addition, the Company has not established a corporate labor union, so it has not requested the Company to negotiate a group agreement, and has not signed a group agreement.

- (II) Explain that, as of the publication of the annual report, the losses caused from labor disputes (including labor inspection result which violates the regulations stipulated in the Labor Standards Act - the date of penalty, penalty reference, the violation of provision, the content of the violation, penalty content). The current and future possible estimated amount and countermeasures shall also be disclosed. If it cannot be reasonably estimated, facts of the reason shall be given: None.

## **VI Cyber security management**

### **(I) Information security management policies and framework**

#### **1. Information security risk assessment:**

In order to ensure the security of customer products and confidential

information, and to ensure that assets are properly protected, stored, and applied, Flexium Interconnect has formulated the SRC Security Responsibility Management Manual to state the security responsibilities for customers (SRC), covering management responsibility, manufacturing responsibility, security project office responsibility, and information protection responsibility. To boot, there is a management organization, led by the Chairman of the group, with the plant managers or managerial level supervisors serving as the management representatives, and personnel designated by the management representative serving as the direct person in charge and four working groups were set up to implement the measures. It applies to all employees of the company and all guests, visitors, and outsourced service provider personnel who enter the plant.

## 2.Information safety organization:

Approved by the head of IT division, the information security policy is formulated with the aim of achieving zero violation of the information security policy. and shall be used to regularly control the achievement of the goal. Various information security measures are implemented, and based on the principles of sustainability, legality, concept and control, Flexium have established various security responsibility management systems for the protection of customers' products and confidential information, so as to assist customers to understand the group's safety responsibility work and establish customers' confidence in the Group fulfilling its security responsibilities. Dedicated personnel for information security are appointed to maintain information security policies and goals, as well as formulate standard operating procedures, to implement improvement recommendations of audits, and track the implementation of deficiencies and information security incident reporting and handling, to ensure that various information security management regulations can be effectively and continuously implemented.



## (II) Information security risk management

In terms of information security risk management, Flexium provides information security protection for five asset categories, namely, equipment, application, network, data, and user. Taking reference from the National Institute of Standards and Technology (NIST) network security framework, Flexium established the Flexium Interconnect Network Security Protection Framework for five aspects of



	Identity		Protect	Detect	Response	Recover
Devices	Asset Management		Endpoint antivirus Group Policy Object(GPO)	Endpoint Antivirus		
Applications	CICD	Jump server	Web application firewall	Third-party cybersecurity testing		High availability architecture
Networks	Change Manage	Vulnerability scan	Intrusion detection	Log Analysis Management Platform		
	NAC		External firewall			
Data	Email delivery record		SPAM and Outgoing email executive sign-off	File Data Access Audit Management		Data backup
	Data classification		Hard disk encryption			
People	Security awareness training		Social engineering training	User Behavior Analysis	Cybersecurity Incident Response Team (CIRT)	
	AD identity authentication		Multi-Factor Authentication (MFA)		Security Incident drill	Data recovery drill
Governance	Cyber Security Management System(CSMS)					
	Information Security Executive Team					

identification, defense, detection, response, and recovery, and regularly reviews the corresponding protection measures before, during, and after incidents.

#### Flexium Interconnect Network Security Protection Framework

In view of various information security risks, such as computer equipment management, hardware protection, application system security monitoring and alarming, internet active detection protection and endpoint protection, system vulnerability scanning and patching, multi-factor authentication (MFA), etc., the Company unceasingly conduct risk assessment and take corresponding measures, over and above outsourcing the implementation of third-party information security and health diagnosis projects to reinforce the management of information security. With an eye towards fulfilling the corporate responsibility of protecting customers' personal information, the Company completed the relevant verification measures on the technical and management aspects in accordance with the information security assessment project of the Information Protection Management Measures, so as to improve and enhance the security protection capabilities and information governance level of the network and information system.

For good measure, in order to reduce the risk of disruptions to the continuous operation due to information system downtime, the ELK log management platform collects and stores the information or records of the operation of the information system and network communication equipment, and analyzes the abnormality in real time. Perform system vulnerability scanning to detect potential security vulnerabilities and proactively patch and prevent them, reducing the risk of security attacks. For critical operating systems with the ability of redundant load mechanism, equipment replacement and architecture optimization are carried out, and the Kubernetes Execution Application Container Platform is adopted to transfer the application service layer of the production and operation system to containerized management, so that the system automatically has the load and redundancy capabilities, and can be automatically deployed and expanded across host clusters to boost the system's uninterrupted recovery capabilities. The Company also implement and improve data backup protection, establish a data backup mechanism, an offline backup mechanism, and remote backup of storage equipment.

To ensure uninterrupted operation of the information system, in addition to setting the goal of stable operation of the Group's information system, monitoring operations from both institutional and executive perspectives, 1-2 information protection drills will be conducted annually. In May and August 2023, the IT division conducted core system security updates and uninterrupted simulation drills

and initiated the automatic backup mechanism switch of the system according to the maintenance system or disaster scenarios to ensure the normal operation of system services without interruption.

(III) Resources committed to information security management

1. Introduce log management system platform to collect and save the information or records of the operation log of the information system and network communication equipment, and then analyze and detect potential abnormalities, issue immediate warnings, and take action promptly to nip issues in the bud.
2. Introduce a vulnerability scanning system, regularly detect security vulnerabilities in devices and system hosts, proactively patch them in advance to prevent them, and reduce the risk of cyber attacks.
3. Conduct regular information security inspections annually for firewalls and intrusion detection system rules. New measures to address security risks will be implemented through annual improvement goals and information security meetings to review and adjust strategies.
4. Formulate relevant regulations and execution plans for machine equipment virus prevention to prevent virus infection and reduce the occurrence of security incidents based on the frequency of occurrence of risk factors and the evaluation results of their impact on operations.
5. Strengthen the awareness of information security among all employees through diverse channels and methods. Health inspections and proof-of-concepts (POCs) are conducted annually on newly purchased information products to examine potential information security threats and risks, before purchasing or strengthening information security, by enhancing basic equipment, such as network speed optimization, software updates, conducting advocacy through monthly meetings, emails, education and training, etc.. The Company leaves no stone unturned when it comes to information security to ensure that robustness of network security is maintained, and regularly conducts employee security awareness training and promotions to reinforce information security threat awareness and vigilance capabilities.

Results of 2024 information security education and training

Target audience	Course content	No. of trained personnel (Unit: person)	No. of training hours (Unit: hour)	Training rate (%)
New hires	Information security training and test for new hires	443	443	100%
Information and related colleagues	Information security general course	7	10.5	100%
General colleagues	Information security general course	443	664.5	100%

- (IV) Any losses incurred due to major cyber security incidents, potential impacts, and countermeasures in the most recent year and up to the publication date of this annual report: None.

## VII Important contracts

Sales contract, technical cooperation contracts, engineering contracts, long term loans contracts and other significant contracts that are active or ending within a year which are sufficient to affect the interests of shareholders; with the parties, the main content, restrictions and the date of commencement and duration of the contract clearly stated.

As of March 31, 2025

Nature of contract	Contractual parties	Duration	Main contents	Restrictive clauses
Real estate lease contract	Tatung Company	May 5, 2019 to April 30, 2034	Roof lease (for solar power generation)	None
Real estate lease contract	HongXing Energy Co., Ltd.	April 16, 2021 to April 15, 2041	Roof lease (for solar power generation)	None
Real estate lease contract	Yuan An Enterprise Co., Ltd.	March 15, 2023 - March 14 2028	Land and plant lease	None
Real estate lease contract	Yu-Ping-Tang Electronic Technology (Suzhou) Co., Ltd.	July 20, 2022 to July 19, 2032	Dormitory and land leased	None
Real estate lease contract	Kunshan Weifeng New Energy Co., Ltd.	November 5, 2024 to November 4, 2049	Roof lease (for solar power generation)	None
Real estate lease contract	Jiawei Electronics (Kunshan) Co., Ltd.	June 1, 2022 to May 31, 2028	Plant lease	None
Long-term borrowing contract	CTBC Bank	May 2019 to May 2029	Long-term borrowing	None
Long-term borrowing contract	E. Sun Commercial Bank	May 2019 to July 2026	Long-term borrowing	None

## Four. Review and analysis of the Company's financial position and financial performance, and a listing of risks

### I Financial status

Unit: NT\$ in thousand

Item \ Year	2024	2023	Difference	
			Amount	%
Current assets	19,103,442	19,523,907	(420,465)	-2.15
Non-current assets	19,490,684	20,772,519	(1,281,835)	-6.17
Total assets	38,594,126	40,296,426	(1,702,300)	-4.22
Current liabilities	7,180,072	9,682,411	(2,502,339)	-25.84
Non-current liabilities	5,826,437	3,556,547	2,269,890	63.82
Total liabilities	13,006,509	13,238,958	(232,449)	-1.76
Capital	3,232,010	3,225,010	7,000	0.22
Capital reserve	976,833	778,955	197,878	25.40
Retained earnings	19,798,840	21,902,253	(2,103,413)	-9.60
Other equities	(63,923)	(514,023)	450,100	-87.56
Equity attributable to owners of the parent	23,943,760	25,392,195	(1,448,435)	-5.70
Non-controlling interests	1,643,857	1,665,273	(21,416)	-1.29
Total equity	25,587,617	27,057,468	(1,469,851)	-5.43
<p>1. The main reasons for significant changes (over 20%) in the past two years:</p> <p>(1) Decrease in current liabilities: Mainly due to the losses incurred in 2024, resulting in a reduction in income tax payable.</p> <p>(2) Increase in non-current liabilities: Mainly due to the issuance of the fifth and sixth domestic convertible corporate bonds in 2024.</p> <p>(3) Decrease in capital surplus: Mainly due to the issuance of the fifth and sixth domestic convertible corporate bonds in 2024.</p> <p>(4) The increase in other equities: This is due to the increase in the cumulative translation adjustment generated from the long-term investment.</p> <p>2. The impact of significant changes in the past two years and future countermeasures:</p> <p>There are no material anomalies in the overall performance of the Company and its subsidiaries, so there is no need to formulate countermeasures.</p>				

### II Financial performance

Unit: NT\$ in thousand

Item \ Year	2024	2023	Amount increased (decreased)	Ratio of change (%)
Operating revenues	26,443,782	32,728,862	(6,285,080)	-19.20
Operating costs	24,923,777	27,875,335	(2,951,558)	-10.59
Operating expenses	3,334,035	3,215,960	118,075	3.67
Operating profit	(1,814,030)	1,637,567	(3,451,597)	-210.78
Non-operating revenues and expenses	613,849	690,609	(76,760)	-11.11
Net profit before tax	(1,200,181)	2,328,176	(3,528,357)	-151.55
Income tax expenses	(383,263)	272,453	(655,716)	-240.67
Net income this period	(816,918)	2,055,723	(2,872,641)	-139.74
Other comprehensive income	504,550	(185,295)	689,845	-372.30
Total amount of comprehensive income of the current term	-312,368	1,870,428	(2,182,796)	-116.70
<p>1. The main reasons for significant changes (over 20%) in the past two years:</p> <p>(1) The decrease in operating profits, net income before tax, income tax expenses, and net income: Mainly due to the decrease in operating profits in 2024.</p> <p>(2) Decrease of other comprehensive income: mainly due to the decrease of the cumulative translation adjustment generated from the long-term investment.</p> <p>2. Sales forecast and basis thereof: the Company does not prepare and publicly announce the financial forecast and so this is not applicable.</p> <p>3. Possible impacts and countermeasures on the Company's future financial operations: there are no material anomalies in the overall performance of the Company.</p>				

### III Cash flow analysis

Unit: NT\$ in thousand

Balance of cash and cash equivalents - beginning of year	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Effect of Exchange Rate Changes	Balance of cash and cash equivalents - end of year
6,000,287	2,287,895	(5,972,178)	585,377	293,185	3,194,566

(I) Cash flow change analysis and explanation

1. Cash flow change analysis and explanation and current year cash flow change status analysis:

- (1) Operating activities: Net cash inflow of NT\$2.3 billion, mainly due to an increase in depreciation expenses.
- (2) Investment activities: Net cash outflow of NT\$6.0 billion, mainly due to the acquisition of financial assets.
- (3) Financing activities: Net cash inflow of NT\$0.3 billion, mainly due to the issuance of corporate bonds and distribution of cash dividends.

2. The corrective measures for cash deficiency forecast and liquidity analysis: Not applicable.

(II) Improvement plan for insufficient liquidity: The Company is not subject to the condition of insufficient liquidity.

(III) Cash liquidity analysis for the coming year: Not applicable.

### IV Impact of major capital expenditure in recent years on financial operations

(I) Application of major capital expenditures and the source of funds

Project item	Actual or estimated source of funds	Actual or estimated date of completion	Expected possible benefit generated
Purchasing land and machineries	Own fund/corporate bond	In progress	Refers to benefits for expanding production capacity, enhancing competitiveness of the Company and increasing the operation efficiency .

(II) Financial Impact of Major Capital Expenditures During the Most Recent Fiscal Year:

The major capital expenditures of the Company in 2024 were mainly on self-owned funds, which do not have major unfavorable effect upon the Company's financial operations.

### V The re-investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(I) Re-investment policy of the Company

The investment policy of the Company is to invest in industries related to the primary business and is based on the consideration of enhancing the competitiveness of the Company such that each investment project is executed upon thorough evaluation.

(II) Main reasons for profit or loss of invested companies and improvement plan

In 2024, the recognized investment profit is of the total amount of NT\$385,805 thousand, which mainly came from the profit of subsidiaries.

(III) Investment plan for the coming year

According to the global plan of the Company, in the future, the Company will set up manufacturing sites at important regions internationally in order to deliver products to customers locally and to reduce the production and logistics costs. In addition, depending upon the development of business, the operating scale of subsidiaries will be expanded.

**VI Analysis and evaluation of risk factors in the most recent year and until the date of publication of the annual report**

(I) The effect upon the Company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future:

1. Interest rate:

The Company and subsidiaries have sound financial structures. In the aspect of interest rates for loans, the Company will strengthen the connection with banks and understand the trend of interest rate in order to obtain the best interest rate for loans. In addition, in the aspect of the application of short-term idle funds, we will take the low risk deposits and repurchase (government repurchase) as investment targets in order to obtain return on short-term investment.

2. Exchange rate:

The Group operates internationally; therefore, it is subject to currency risk generated due to various types of currencies, which are mainly USD and RMB. Relevant currency risk mainly comes from future commercial transactions and assets and liabilities listed.

The management level of the Group has established policies to specify the all companies of the Group to manage the currency risks for their functional currencies. Each Company of the Group shall perform hedges for the overall currency risks via the Financial Department of the Group. To management the currency risks associated with the future commercial transactions and assets and liabilities listed, each Company of the Group shall perform by using forward exchange agreements via the Financial Department of the Group. When the future commercial transactions and assets or liabilities listed use the foreign currency of non-individual functional currency for calculation, currency risk is then generated.

3. Inflation:

Inflation is the changes in the overall economics, and this element is expected to have minor effect on the Company's income.

(II) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. Engaging in high-risk and high-leverage investing activities

The Company has never engaged in any high-risk and high-leverage investing activities.

2. Lending funds to others and endorsements & guarantees

Handled according to the Company's "Operational Procedures for Lending Funds to Others" and "Handling Procedures of Enforcements/Guarantees".

3. Derivatives transactions

The Company adopts the principles of forward exchange and financial products and deposits, which aim to earn interest gains and are 100% capital guaranteed, when conducting derivatives. Thus, the income generated is limited. They are conducted in accordance with “Regulations Governing the Acquisition and Disposal of Assets”.

- (III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

With regard to the future R&D plans, please refer to the disclosure of the technology development status in the “Report to Shareholders” of this Annual Report. R&D invested by the Company and its subsidiaries for 2025 is expected to account for 5.0%-7.0% of the annual revenue of the Company and its subsidiaries.

- (IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response:

To cope with the domestic and foreign important changes of policies and laws, the Company and its subsidiaries review and revise the Company management rules at all time and readily establish necessary countermeasures in order to satisfy the business operation needs of the Company. In recent years and up to the publication date of the annual report, there are no major impacts of changes of domestic and foreign important policies and laws on the financial business of the Company.

- (V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response:

Following the gradual emerging of wearable devices which are equipped with more and more functions, along with services of application software and content provided, it is possible that they may even replace smartphones as the mainstream technology of the future. To maintain the competitiveness of the Company and its subsidiaries, the market trend of products must be understood such that the development direction will head toward the high-density layout, slim in size and fine wire with small holes. In recent years and up to the publication date of the annual report, there are no major impacts due to changes of technology and changes of industry on the financial business of the Company and its subsidiaries.

- (VI) Impacts of change of corporate image on risk management of corporate and countermeasures:

In September 2003, the Company was officially listed in the stock exchange market for public trading. All employees strive for reaching the goal of profit, fulfilling the responsibility to all shareholders. We will continue to strive for the improving the product quality in the future, maintaining the consistent excellent corporate image, and enhancing the status of the Company in the industry. In recent years and up to the publication date of the annual report, there are no changes of image of the Company such that the Company faces crisis management.

- (VII) Expected benefit, possible risk and countermeasures for mergers:

In recent years and up to the publication date of the annual report, the Company has no plans for mergers.

- (VIII) Expected benefit, possible risk and countermeasures for expansion of facilities:

The expansion of the facility of the Company is evaluated carefully based on the existing production capacity and future business growth. Major investments and expenditures are reviewed by the board of directors, and the investment benefits and possible risks have been considered appropriately.

(IX) Risks and counter-measures for material inbound and sales concentration:

The main product of the Company is FPC, and the main materials used are copper cladded laminates, protection films and electronic components. Since there are numerous suppliers supplying main materials at home or abroad, the supply is not over concentrated on specific suppliers for the Company. In addition, the main customers of the Company are big companies at home or abroad, and sales does not concentrate on specific customers.

(X) Impact upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and corresponding measures being or to be taken:

The Company is not subject to large amount of transfer or change of equity made by directors, supervisors or shareholders with shareholding over 10%.

(XI) Impacts, risks and counter-measures for change of management right on the Company:

The equities of the main shareholders and directors of the Company are stable, and there is no event of change of management right.

(XII) Litigious and non litigious matters; the directors, supervisors, general managers and substantial principals of the Company, the majority shareholders and affiliated companies with a shareholding ratio of more than 10% have been determined or are included in the lawsuit; non litigation or administrative litigation results may have a significant effect on the Company's shareholders' equity or securities price as of the publication of the annual report: None.

(XIII) Other important risks and corresponding measures: None.

**VII Other important matters:**

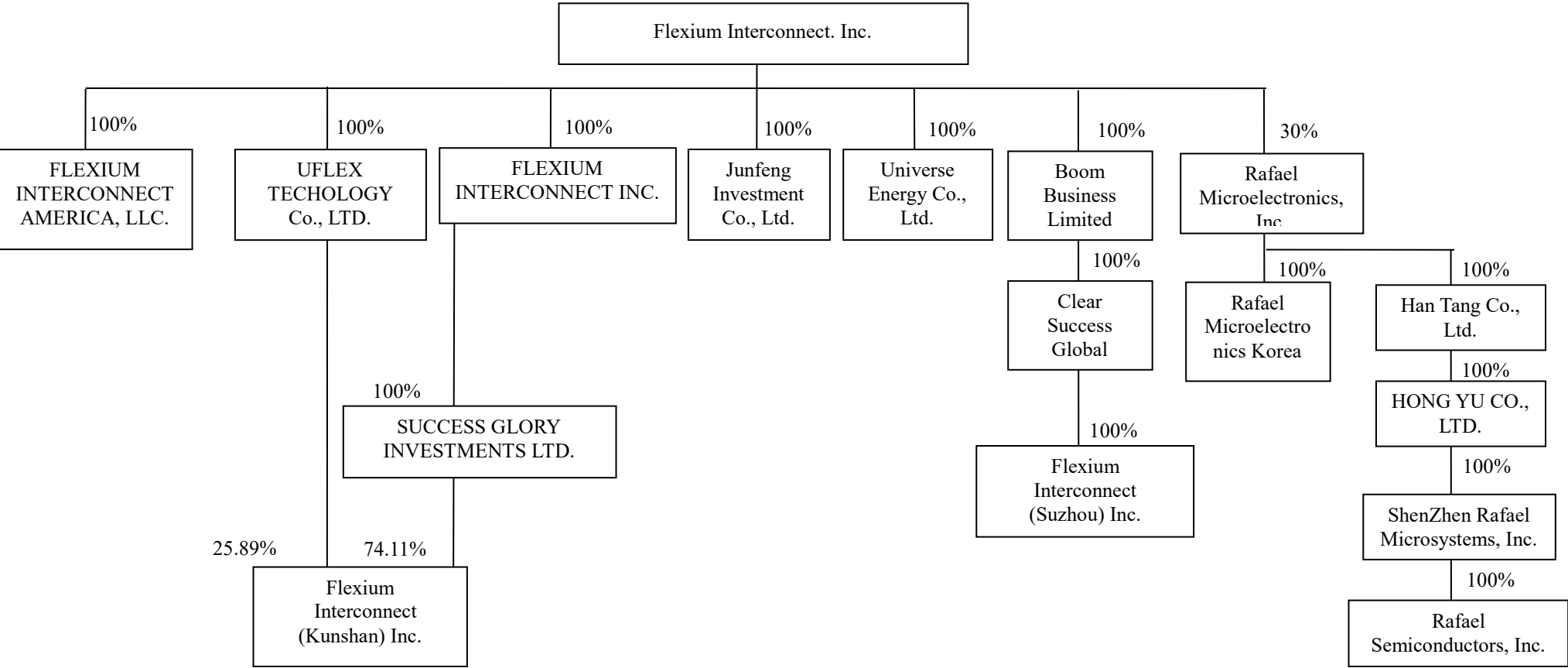
None



Five. Special notes

I Relevant information of affiliates

- (I) The consolidated business report of the Company's affiliates
1. Organizational chart of the Company's affiliates (2024/12/31)



## 2. Basic information of the Company's affiliates

Unit: NT\$ thousand

Name of corporation	Date of establishment	Address	Paid-in Capital	Main business or products
FLEXIUM INTERCONNECT INC	2002.02.20	P.O. Box 3152, Road Town Tortrola, British Virgin Islands	835,252	Reinvestment in variable businesses
UFLEX TECHNOLOGY CO., LTD	2000.10.30	Akara Building, 24 De Castro Street, Wickhams Cay 1.Road Town, Tortola, British Virgin Islands.	39,711	Reinvestment in variable businesses
Junfeng Investment Co., Ltd.	2010.04.15	21F-6, No. 91, Zhongshan 2nd Rd., Qianzheng District, Kaohsiung City	50,000	Reinvestment in variable businesses
Universe Energy Co., Ltd.	2022.09.06	No. 39, Huaxi Rd., Daliao Dist., Kaohsiung City	150,000	Renewable energy self-use power generation equipment and energy technology services, etc.
Rafael Microelectronics, Inc.	2006/11/06	8F., No.28, Chenggong 12th St., Zhubei City, Hsinchu County	310,080	Research, design, manufacturing, and sales of RF integrated circuits, integrated RF systems, and related products.
FLEXIUM INTERCONNECT AMERICA LLC	2011.01.06	4020 Moorpark Avenue Suite 216 San Jose, CA 95117 USA	8,067	Conducting marketing support, and customer and technical services
Rafael Microelectronics Korea	2018.11.23	R1135, 11F., Owners Tower, 28, Hwangsaoul-ro 200beon-gil, Bundang-gu, Seongnam-si, Gyeonggi-do, 13595 KOREA	2,913	Business promotion of RF integrated circuit products.
SUCCESS GLORY INVESTMENTS LTD	2003.03.21	Offshore Chambers, P.O. Box 217, Apia, Samoa	719,042	Reinvestment in variable businesses
BOOM BUSINESS LIMITED	2016.09.21	Unit 25, 2nd Floor, Nia Mall, Saleufi Street, Apia, Samoa	1,064,460	Reinvestment in variable businesses
CLEAR SUCCESS GLOBAL LIMITED	2017.01.09	Offshore Chambers, P.O. Box 217, Apia, Samoa	1,064,460	Reinvestment in variable businesses
Han Tang Co., Ltd.	2013.01.31	Vistra Corporate Services Centre, Suite 23,1st Floor, Eden Plaza, Eden Island,Mahé, Republic of Seychelles	23,144	Reinvestment in variable businesses
HONG YU CO., LTD.	2013.02.01	Vistra Corporate Services Centre, Suite 23,1st Floor, Eden Plaza, Eden Island,Mahé, Republic of Seychelles	23,078	Reinvestment in variable businesses
Flexium Interconnect (Kunshan) Inc.	2000.11.16	National High-Technology Industrial Park, No. 1399, Hanpu Rd., Kunshan City, Jiangsu Province	2,642,071	Research ,development, manufacturing and sales of new electronic components like flexible circuit boards
Flexium Interconnect (Suzhou) Inc.	2017.04.11	No. 1889, Hanpu Road, Yushan Township, Kunshan City, Jiangsu Province	1,145,725	Research ,development, manufacturing and sales of new electronic components like flexible circuit boards
ShenZhen Rafael Microsystems, Inc.	2013.09.09	Shenzhen 2906, Building A, Phase I, Zhuoyue Baozhong Times Square, No.15-1 Haitian Road, N23 Haibin Community, Xin'an Street, Bao'an District, Shenzhen	11,457	Research, design, manufacturing, and sales of RF integrated circuits, integrated RF systems, and related products.
Rafael Semiconductors, Inc.	2020.09.18	Shenzhen 2906, Building A, Phase I, Zhuoyue Baozhong Times Square, No.15-1 Haitian Road, N23 Haibin Community, Xin'an Street, Bao'an District, Shenzhen	4,098	Research, design, manufacturing, and sales of RF integrated circuits, integrated RF systems, and related products.

3. Shareholders presumed to have control and subordinate relationship with the same information: Not applicable.
4. Business covered by each afflicted company:  
The businesses of the Company and affiliates cover the design, development, manufacturing and sale of Flexible Print Circuits (FPC), as well as assembly and sampling of modules and general investment business.
5. Information on directors, supervisors and presidents of affiliates

2024/12/31

Name of corporation	Job title	Name or representative	Shares held	
			Shares held (thousand shares)	Shareholding ratio (%)
UFLEX TECHNOLOGY CO., LTD	Director	Flexium Interconnect. Inc. (Representative: Cheng Ming-Chi)	50	100%
FLEXIUM INTERCONNECT INC	Director	Flexium Interconnect. Inc. (Representative: Cheng Ming-Chi)	50	100%
Junfeng Investment Co., Ltd.	Chairman of Board	Flexium Interconnect. Inc. (Representative: Cheng Ming-Chi)	5,000	100%
	Director	Flexium Interconnect. Inc. (Representative: Blue Lan)		
	Director	Flexium Interconnect. Inc. (Representative: Su Shao-Shan)		
	Supervisor	Flexium Interconnect. Inc. (Representative: Liao Yi-Wen)		
Universe Energy Co., Ltd.	Chairman of Board	Flexium Interconnect. Inc. (Representative: Cheng Ming-Chi)	15,000	100%
Rafael Microelectronics, Inc.	Chairman of Board	Flexium Interconnect. Inc. (Representative: David Cheng)	9,222	30%
	Director	Flexium Interconnect. Inc. (Representative: Walter Cheng)		
	Director	Flexium Interconnect. Inc. (Representative: Moffatt, Robert Alexander)		
	Director	Flexium Interconnect. Inc. (Representative: Lin Pei-Ju)		
	Director	Flexium Interconnect. Inc. (Representative: Sun Te-Feng)		
	Director	Lin Kun-Hsi	937	0.30%
	Independent Director	Huang Shui-Tong	0	0.00%
	Independent Director	Anson Tseng	0	0.00%
	Independent Director	Chen Che-Hsiung	40	0.01%
FLEXIUM INTERCONNECT AMERICA LLC	Responsible person	David Cheng	-	100%
Rafael Microelectronics Korea	Legal Representative	Hyunsu Lee	-	0.00%
SUCCESS GLORY INVESTMENTS LTD	Director	FLEXIUM INTERCONNECT INC. (Representative: Cheng Ming-Chi)	23,510	100%
BOOM BUSINESS LIMITED	Director	Flexium Interconnect. Inc. (Representative: Cheng Ming-Chi)	35,000	100%
CLEAR SUCCESS GLOBAL LIMITED	Director	BOOM BUSINESS LIMITED (Representative: Cheng Ming-Chi)	35,000	100%

Name of corporation	Job title	Name or representative	Shares held	
			Shares held (thousand shares)	Shareholding ratio (%)
Han Tang Co., Ltd.	Director	JJ Chen	0	0.00%
HONG YU CO., LTD.	Director	JJ Chen	0	0.00%
Flexium Interconnect (Kunshan) Inc.	Chairman of Board	Cheng Ming-Chi	Note	100%
	Director	Brian Cheng		
	Director	Joann Lin		
	Supervisor	Chen, Lung-Cheng		
Flexium Interconnect (Suzhou) Inc.	Chairman of Board	Cheng Ming-Chi	Note	100%
	Director	Joann Lin		
	Director	Brian Cheng		
	Supervisor	Chen, Lung-Cheng		
ShenZhen Rafael Microsystems, Inc.	Executive Director	JJ Chen	0	0.00%
	President	JJ Chen		
	Supervisor	Su Qinya		
Rafael Semiconductors, Inc.	Executive Director	JJ Chen	0	0.00%
	President	JJ Chen		
	Supervisor	Su Qinya		

Note: It is a limited company; therefore, there are no shares.



6. Operational overview of affiliates(2024)

Unit: NT\$ in thousand

Name of corporation	Capital amount	Total amount of assets	Total amount of liabilities	Net value	Operating revenues	Operating profit	Current term income (after tax)	Earnings per share (NT\$) (after tax)
FLEXIUM	835,252	8,384,335	-	8,384,335	-	-	263,607	-
UFLEX	39,711	2,897,021	-	2,897,021	-	-	92,090	-
Junfeng Investment	50,000	30,654	45	30,609	-	(592)	(1,545)	-
FLEXIUM (AMERICA)	8,067	2,135	(78)	2,213	-	(26,956)	(2,476)	-
Universe Energy	150,000	184,410	35,238	149,172	12,593	1,013	737	-
Rafael	310,080	1,662,340	195,926	1,466,414	1,065,491	99,066	117,105	3.85
Rafael (Korea)	2,913	3,636	93	3,543	4,140	222	628	-
SUCCESS	719,042	8,411,030	26,697	8,384,333	-	-	263,607	-
BOOM	1,064,460	1,285,886	-	1,285,886	-	-	1,884	-
CLEAR	1,064,460	1,285,886	-	1,285,886	-	-	1,884	-
Han Tang	23,144	20,885	-	20,885	-	-	(423)	-
HONG YU	23,078	20,807	-	20,807	-	-	(425)	-
Flexium (Kunshan) Inc.	2,642,071	17,569,251	6,298,016	11,271,235	24,122,090	52,273	355,681	-
Flexium (Suzhou) Inc.	1,145,725	3,768,012	2,482,126	1,285,886	2,948,480	5,912	1,884	-
ShenZhen Rafael	11,457	17,629	3,508	14,121	25,542	172	66	-
Rafael Semiconductors	4,098	4,106	-	4,106	-	(11)	(4)	-

Note: The above foreign company's assets and liabilities are converted at the exchange rate on date of reporting date; the profit and loss amounts are converted at the average exchange rate during the reporting period.

(II) Consolidated Financial Statement Announcement of Affiliates is as follows:

<b>Flexium Interconnect. Inc. and subsidiaries</b> <b>Declaration of consolidated financial statement of related parties.</b>	
<p>The entities that are required to be included in the combined financial statements of the Company for 2024 (from January 1, 2024 to December 31, 2024), under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those included in IFRS 10. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, the Company and Subsidiaries do not prepare a separate set of combined financial statements.</p>	
Hereby declare	<div style="text-align: right;"> Company name: Flexium Interconnect. Inc. and subsidiaries  Person in Charge: Cheng Ming-Chi   February 21, 2025</div>

(III) Affiliated enterprises report: None.

**II During the most recent year and as of the publication date of the annual report, the status of private placement of securities**

None.

**III Status of holding or disposal of shares of the Company by the subsidiaries in recent years or up to the publication date of the annual report**

None.

**IV Other supplementary information**

None.

**Six. Whether any of the situations listed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of printing of the annual report**

None.

**Flexium Interconnect, Inc.**



**Cheng Ming-Chi**

