Stock Code: 1454

Taiwan TAFFETA Fabric Co., Ltd.

2025 Annual Meeting of Shareholders

Meeting Handbook

Jun. 23, 2025

Table of Contents

Taiwan TAFFETA Fabric Co., Ltd.

Procedure for the 2025 Annual Meeting of Shareholders

1. Call the Meeting to Order
2. Chairperson Takes Chair
3. Chairperson Remarks
4. Management Presentation (Company Reports)
5. Proposals for Ratification
6. Discussion 1
7. Election Matters
8. Discussion 2
9. Questions and Motions
10. Adjournment

Taiwan TAFFETA Fabric Co., Ltd.

Meeting Handbook for the 2025 Annual Meeting of Shareholders

Time: 9:00 a.m., Jun. 23, 2025 (Monday)

Venue: Chang-Hua Senior High School Alumni Association (6F, No. 70-1, Xining N. Road, Taipei City)

Convening method: Physical Shareholders' Meeting

1. Management Presentation (Company Reports):
   (1) 2024 Business Report.
   (2) Audit Committee's Audit Report on the 2024 Financial Statements
   (3) 2024 Report on the Distribution of Remuneration to Directors and Employees
   (4) Report on 2024 Cash Dividends Distribution
2. Proposals for Ratification:
   (1) Ratification of 2024 Business Report, Final Accounting Books and Statements.
   (2) Ratification of 2024 Earning Distribution Proposal.
3. Discussion 1:
   (1) Proposal to amend the Articles of Incorporation
4. Election Matters:
   (1)Motion for the Re-election of Directors
5. Discussion 2:

(1) Proposal of the termination of the restrictions on the non-competing clauses for the new directors of the Company

6. Questions and Motions.

7. Adjournment.

Management Presentation (Company Reports)

1. 2024 Business Report of Taiwan TAFFETA Fabric Co., Ltd.

   The Company's revenue for 2024 was NT$1,623,569 thousand, an increase of NT$110,026 thousand, or 7.27%, from NT$1,513,543 thousand for 2023. The net income after tax was NT$12,210 thousand, a decrease of NT$7,326 thousand or 37.50% from NT$19,536 thousand for 2023.
   The following is a report on the Company's business conditions and financial position for 2024:

   (1) Business conditions:
      - A. Revenue: Net sales revenue of NT$1,623,569 thousand and non-operating revenue of NT$57,636 thousand, totaling NT$1,681,205 thousand.
      - B. Expenses: Cost of goods sold of NT$1,506,959 thousand, operating expenses of NT$163,709 thousand and non-operating expenses of NT$3,079 thousand.
      - C. Profit or loss: Gross profit of NT$116,610 thousand, gross profit margin of 7.18%, net operating loss of NT$47,794 thousand, net profit before tax of NT$6,763 thousand and net profit after tax of NT$12,210 thousand for the period.

   (2) Financial position:
      - A. Assets: Current assets totaled NT$956,138 thousand and non-current assets totaled NT$969,794 thousand, for a total of NT$1,925,932 thousand in assets.
      - B. Liabilities: Current liabilities totaled NT$333,480 thousand,

non-current liabilities totaled NT$19,132 thousand, liabilities totaled NT$352,612 thousand, and the debt ratio was 18.31%.

C. Net equity: Common stock capital of NT$1,298,338 thousand, aggregate shareholder equity of NT$1,573,320 thousand, representing 81.69% of total assets.

(3) Production and sales:

A. Production volume: In 2024, the Company produced a total of 16,893 thousand yards of gauze. Produced approximately 14,134 metric tons of yarn.

B. Sales volume: In 2024, we sold 10,527 metric tons of yarn, 3,187 thousand yards of embroidered fabric, and 15,875 thousand yards of finished fabric, for a total of 19,062 thousand yards of embroidered fabric and finished fabric.

C. Sales value: In 2024, sales of the long-fiber fabric segment amounted to NT$965,855 thousand, the processed yarn segment amounted to NT$657,177 thousand, and others amounted to NT$537 thousand, for a total sales amount of NT$1,623,569 thousand.

Chairman: Manager: Accounting Officer:

2. Audit Committee reviews the 2024 Annual Final Report.

Audit Report of the Audit Committee

The Board of Directors has prepared and submitted the Company's 2024 Business Report, Financial Statements and Consolidated Financial Statements and Proposal for Distribution of Earnings, etc. The above-mentioned Business Report, Financial Statements and Proposal for Distribution of Earnings have been examined by the Audit Committee and found to be in compliance with the relevant provisions of the Company Act. We hereby submit them for examination in accordance with Article 219 of the Company Act.

Regards

2025 Annual Meeting of Shareholders of Taiwan TAFFETA Fabric Co., Ltd.

Convener of the Audit Committee:

Feb. 26, 2025

3. Report on the Distribution of Remuneration to Directors and Employees

(1) In accordance with Article 29 of the Company's amended Articles of Incorporation, if the Company records a profit in a year, the Company shall set aside 2% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the Board of Directors and shall be distributed to employees of the subsidiaries of the Company who meet certain criteria; The Company may, by resolution of the board meeting, set aside no more than 3% of the said profit for remuneration to directors. The remuneration to employees and directors shall be reported to the Shareholders' Meeting.

However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for the employee compensation and director remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

(2) Based on the 2024 financial statements of the Company, the amount of NT$142,382 for remuneration to employees and NT$213,574 for remuneration to directors was approved by the Remuneration Committee and the Board of Directors of the Company.

4. Report on 2024 Cash Dividends Distribution

(1) In accordance with Article 29-1 of the Articles of Incorporation, the Board of Directors is authorized to resolve to approve a cash dividend of NT$32,458,462 with an allotment of NT$0.25 per share for the 2024 earnings distribution.

(2) Cash dividends are distributed in the "unconditional rounding method up to the nearest NT dollar", and the remaining amount less than one NT

dollar is adjusted from the largest to the smallest decimal point and from the first to the last account number to match the total amount of cash dividends distributed. The Board of Directors is authorized to make all necessary adjustments if changes in share capital impact the volume of shares in circulation and subsequently affect the dividend yield.

(3) The ex-dividend record date and payment date for the cash dividend distribution proposal shall be determined separately upon approval by the Board of Directors.

(4) The amount of earnings distribution will be prioritized based on the earnings of 2024, and if there is a shortfall, the distributable earnings accumulated after 1998 will be prioritized according to the year in which the earnings are generated.

Proposals for Ratification

1. Proposal: Ratification of 2024 Business Report, Final Accounting Books and Statements. (Proposed by the Board of Directors)

   Explanation:

   (1) The Company's 2024 final accounting books and statements (including the Business Report, Parent Company Only Balance Sheet, Parent Company Only Consolidated Income Statement, Parent Company Only Statement of Changes in Equity, Parent Company Only Statement of Cash Flow and Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flow, etc.) have been audited and approved by Deloitte Taiwan's Wang, Pan-Fa and Tseng, Chien-Ming and submitted to the Audit Committee for review and approval in accordance with the provisions of the Company Act.

   (2) For the 2024 Business Report, Independent Auditors' Report and financial statements, please refer to Pages 5 - 35 of the Handbook.

   Resolution:

2. Proposal: The distribution of the Company's earning for 2024 is submitted for ratification. (Proposed by the Board of Directors)

   Explanation: Please refer to Page 36 of the Handbook for the 2024 Earning Distribution Statement, which is hereby submitted for ratification.

Resolution:

Discussion 1

1. Proposal: Proposal to amend the Articles of Incorporation. Please proceed to discuss. (Proposed by the Board of Directors)

   Explanation:

   (1) To comply with the amended Securities and Exchange Act provisions aimed at improving compensation for grassroots employees, exchange-listed and OTC-listed companies shall finalize revisions to their Articles of Incorporation by 2025.

   (2) Taiwan TAFFETA Fabric Co., Ltd. Articles of Incorporation Amendment Comparison Table

Article number	Amended article	Original article
Article 29	If the Company generates a profit for the fiscal year, 2% of the profit shall be allocated as employee compensation <u>**(with at least 70% of this amount distributed to grassroots employees.)**</u> The Board of Directors shall determine, by resolution, whether the compensation is to be distributed in stock or cash, and may also include eligible employees of the Company's subsidiaries as recipients. Furthermore, the Company is authorized to allocate a maximum of 3% of the profit as directors' remuneration, subject to a formal resolution by the Board of Directors. The remuneration to employees, directors and supervisors shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, it shall first reserve a certain	If the Company records a profit in a year, the Company shall set aside 2% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the Board of Directors and shall be distributed to employees of the subsidiaries of the Company who meet certain criteria; The Company may, by resolution of the board meeting, set aside no more than 3% of the said profit for directors' remuneration. The remuneration to employees, directors and supervisors shall be reported to the Shareholders' Meeting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for

	amount for offsetting losses, then allocate for the employee compensation and director remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.	the employee compensation and director remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

Resolution:

Election Matters

1. Proposal: Proposal for the election of 11directors (including 4 independent directors) for the next term.

(Proposed by the Board of Directors)

Explanation:

(1) The term of the current directors of the Company is set to expire, and a full re-election should be conducted at this Annual Meeting of Shareholders.

(2) In accordance with the provisions of the Company's Articles of Incorporation, it is proposed to elect 9 directors, including 4 independent directors, for a term of 3 years, commencing on Jun.23, 2025.

(3) The re-election of directors shall be conducted in strict adherence to the Company's Rules for Election of Directors.

(4) A candidate nomination system is adopted in accordance with Article 17 of the Company's Articles of Incorporation. The list of candidates for this term's new directors and independent directors has been reviewed and approved by the Company's Board of Directors on May 7, 2025. The candidate list is shown below:

(5) Director Nomination List

Title	Name	Number of shares held	Education	Experience	Current Position
Directors	Chuang, Yao-Ming	4,454,256	Industrial Design MFA, Rochester Institute of	President of the Company	Chairman of the Company

Title	Name	Number of shares held	Education	Experience	Current Position
			Technology		
Directors	Yao, Fan-Chi	1,410,000	Graduated from Taipei Higher Commercial School	Director of the Company	Director of the Company
Directors	Chuang, Yun-Ta	594,154	Graduated from Central Michigan University, Master of Technology Management	President of the Prince Housing & Development Corp.	President of the Prince Housing & Development Corp.
Directors	Chuang, Yun-Chen	12,000	MS in Electrical Engineering, University of Southern California	President of Jin Ya Investment Co., Ltd.	President of Jin Ya Investment Co., Ltd.
Directors	Chang, Yu-Yuan	2,633,012	Master's in Business Administration, National Taiwan University	The Company's Vice President of Sales	The Company's Vice President of Sales

Title	Name	Number of shares held	Education	Experience	Current Position
Directors	Yang, Jen-Kai, Legal Representative of Universal Textile Co., Ltd.	29,712,218	Master's in Technology Management, Boston University	Director of Hung-Yu Enterprise Co., Ltd.	Director and President of Universal Textile Co., Ltd.
Directors	Cho, Cheng-Mao, Legal Representative of Universal Textile Co., Ltd.	29,712,218	MS in Construction Management, New York University	Chairman of Gold Rain Enterprise Corp.	Chairman of Gold Rain Enterprise Corp.
Independent Directors	Liao, Wei	0	Graduated from National Chengchi University, Bachelor of Business Administration	Vice President of Sales, MAKALOT Industrial Co., Ltd.	President of Great Time Global Co., Ltd.
Independent Directors	Tsai, Shu-Li	0	Graduated from Rensselaer Polytechnic Institute, Ph.D. of Technology Management	Dean of the College of Fashion and Textiles, Fu Jen Catholic University	Honorary Professor of the College of Fashion and Textiles, Fu Jen Catholic University

Title	Name	Number of shares held	Education	Experience	Current Position
Independent Directors	Chen, Hsin-Hung	0	Ph.D. in Technology Management, Newcastle University	Director of the Second Research Division, Chung-Hua Institution for Economic Research	Vice President of Chung-Hua Institution for Economic Research Institute
Independent Directors	Hsueh Fu-Ching	0	PhD in Accountancy, George Washington University	President of National Taipei University	President of Taoyuan American School

Discussion 2

Proposal: Proposal to request the Shareholders' Meeting to lift the non-competition restrictions on the newly elected directors of the Company for deliberation.

Explanation: Given the Company's expanded scope of business, directors elected by the Shareholders' Meeting may also serve as directors or managers in other companies with similar business operations. As their involvement in management is beneficial to the Company's diverse and international development, there is no need for such restrictions. Consequently, this matter is submitted for approval at the Shareholders' Meeting according to Article 209 of the Company Act.

Resolution:

Questions and Motions

Adjournment

Independent Auditors' Report

To Taiwan TAFFETA Fabric Co., Ltd.,

Audit Opinions

We have audited the accompanying parent company only balance sheets of Taiwan TAFFETA Fabric Co., Ltd. as at Dec. 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Taiwan TAFFETA Fabric Co., Ltd. as at Dec. 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from Taiwan TAFFETA Fabric Co., Ltd. in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Taiwan TAFFETA Fabric Co., Ltd. for the year ended Dec. 31, 2024. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following is a summary of the key audit matters of 2024 financial statements of Taiwan TAFFETA Fabric Co., Ltd.:

Key audit matter: authenticity of sales for specific customers

The operating income of Taiwan TAFFETA Fabric Co., Ltd. for 2024 was NTD 1,623,569 thousand. Based on the consideration of the materiality of the financial statements and the recognition of revenue as a significant risk in the Statement on Auditing Standards, the certified public accountants identified the revenue from specific customers with significant sales growth as a key audit matter. Please refer to Notes IV and XXIII to the parent company only financial statements.

The certified public accountants have performed the following key audit procedures with respect to the above important matters:

1. Understand, evaluate and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Obtain the details of sales revenue from specific customers in 2024, verify the original orders, shipping orders, invoices and other related documents of the relevant transactions, and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. We obtain the details of post-period sales returns from specific customers, verify the documents related to their sales returns and examine the reasonableness of the returns.

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

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

In preparing the parent company only financial statements, management is also responsible for assessing the ability of Taiwan TAFFETA Fabric Co., Ltd. to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Taiwan TAFFETA Fabric Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Taiwan TAFFETA Fabric Co., Ltd.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the R.O.C. will always detect a material misstatement when it exists in the parent company only financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the parent company only financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the parent company only financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Taiwan TAFFETA Fabric Co., Ltd.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Taiwan TAFFETA Fabric Co., Ltd. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Taiwan TAFFETA Fabric Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of Taiwan TAFFETA Fabric Co., Ltd. and provide opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit of Taiwan TAFFETA Fabric Co., Ltd. We remain solely responsible for our audit opinion.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of 2024 parent company only financial statements of Taiwan TAFFETA Fabric Co., Ltd. and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Wang, Pan-Fa	CPA Tseng, Chien-Ming
Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1100356048	Financial Supervisory Commission Approval Document No. Jin-Guan-Zheng-Shen-Zi No. 1100356048

Feb. 26, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese- language independent auditors' report and parent company only financial statements shall prevail.

Taiwan TAFFETA Fabric Co., Ltd.

Parent Company Only Balance Sheets

Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

Code	Assets	Dec. 31, 2024 Amount	%	Dec. 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes VI and XXIX)	$ 95,153	5	$ 218,843	11
1110	Financial assets at fair value through profit or loss - current (Notes VII and XXIX)	163,314	9	140,350	7
1120	Financial assets at fair value through other comprehensive profit or loss - current (Notes VIII and XXIX)	47,750	3	58,791	3
1150	Notes receivable (Notes IX and XXIX)	10,168	1	11,773	1
1170	Accounts receivable (Notes IX, XXIII and XXIX)	123,100	6	104,140	5
1200	Other receivables (Note XXIX)	5,631	-	9,961	-
1220	Current income tax assets (Note XXV)	632	-	592	-
130X	Inventories (Note X)	467,340	24	472,023	23
1410	Prepayments	39,862	2	27,933	1
1476	Other financial assets - current (Notes XV, XXIX and XXXI)	3,008	-	4,000	-
1479	Other current assets (Note XVI)	180	-	250	-
11XX	Total current assets	956,138	50	1,048,656	51
	Non-current assets				
1550	Investment accounted for under the equity method (Notes XI)	140,680	7	120,340	6
1600	Property, plant and equipment (Notes XII and XXXI)	731,028	38	766,762	38
1755	Right-of-use assets (Note XIII)	4,074	-	3,635	-
1780	Intangible assets (Note XIV)	5,199	-	10,017	-
1840	Deferred income tax assets (Note XXV)	75,609	4	75,984	4
1915	Prepayments for business facilities (Note XXXII)	11,737	1	14,454	1
1990	Other non-current assets (Notes IX, XVI and XXIX)	1,467	-	1,507	-
15XX	Total non-current assets	969,794	50	992,699	49
1XXX	Total assets	$ 1,925,932	100	$ 2,041,355	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-term borrowings (Notes XVII, XXIX and XXXI)	$ 150,000	8	$ 170,000	8
2110	Short-term bills payable (Notes XVII and XXIX)	-	-	50,000	2
2130	Contract liabilities - Current (Note XXIII)	33,226	2	34,092	2
2150	Notes payable (Notes XVIII and XXIX)	38,128	2	41,613	2
2170	Accounts payable (Notes XVIII and XXIX)	45,766	2	34,783	2
2219	Other payables (Notes XIX and XXIX)	61,470	3	59,316	3
2280	Lease liabilities - Current (Note XIII)	2,059	-	1,467	-
2250	Provision for liabilities - Current (Note XX)	533	-	832	-
2399	Other current liabilities (Notes XIX and XXIX)	2,298	-	2,007	-
21XX	Total current liabilities	333,480	17	394,110	19
	Non-current liabilities				
2570	Deferred income tax liabilities (Note XXV)	216	-	3,032	-
2580	Lease liabilities - non-current (Note XIII)	2,067	-	2,191	-
2630	Long-term deferred revenue (Notes XIX and XXVII)	10,478	1	14,228	1
2640	Net defined benefit liabilities - non-current (Note XXI)	6,371	-	28,833	2
25XX	Total non-current liabilities	19,132	1	48,284	3
2XXX	Total Liabilities	352,612	18	442,394	22
	Equity (Note XXII)				
	Share capital				
3110	Common share	1,298,338	67	1,298,338	64
3200	Capital surplus	68,611	4	66,682	3
	Retained earnings				
3310	Legal reserve	53,792	3	52,078	2
3320	Special reserve	37,213	2	37,213	2
3350	Unappropriated earnings	167,463	9	182,740	9
3300	Total retained earnings	258,468	14	272,031	13
3400	Other equities	24,935	1	38,942	2
3500	Treasury shares	(77,032)	(4)	(77,032)	(4)
3XXX	Total equity	1,573,320	82	1,598,961	78
	Total liabilities and equities	$ 1,925,932	100	$ 2,041,355	100

The accompanying notes are an integral part of the parent company only financial report.

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd.

Parent Company Only Statements of Comprehensive Income

Jan. 1 to Dec. 31, 2024 and 2023

Unit: in thousands of NTD;
except earnings per share expressed in NTD

		2024		2023	
Code		Amount	%	Amount	%
4000	Operating income (Notes XXIII and XXX)	$ 1,623,569	100	$ 1,513,543	100
5000	Operating costs (Notes X, XXIV and XXX)	(1,506,959)	(93)	(1,374,396)	(91)
5900	Gross profit	116,610	7	139,147	9
	Operating expenses (Notes IX, XXIV and XXX)				
6100	Selling expenses	(90,911)	(5)	(86,335)	(6)
6200	Administrative expenses	(63,647)	(4)	(63,226)	(4)
6300	Research and development expenses	(9,943)	(1)	(9,907)	-
6450	Gain on reversal of expected credit (impairment losses)	792	-	(417)	-
6000	Total operating expenses	(163,709)	(10)	(159,885)	(10)
6500	Net other incomes and expenses (Note XXIV)	(695)	-	(632)	-
6900	Net operating loss	(47,794)	(3)	(21,370)	(1)
	Non-operating income and expenses (Note XXIV)				
7050	Financial costs	(3,079)	-	(2,180)	-
7070	Share of profit or loss of subsidiaries recognized using the equity method	21,377	1	2,801	-
7100	Interest revenue	10,575	1	7,329	-
7110	Rental income	503	-	210	-
7130	Dividend income	7,170	1	368	-
7190	Other income	17,302	1	12,964	1

(Continued on next page)

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7235	Gain (loss) on financial assets at fair value through profit or loss	($ 9,160)	(1)	$ 11,465	1
7630	Foreign exchange gain	9,869	1	4,756	-
7000	Total non-operating incomes and expenses	54,557	4	37,713	2
7900	Net profit before income tax	6,763	1	16,343	1
7950	Income tax benefit (Note XXV)	5,447	-	3,193	-
8200	Current net profit	12,210	1	19,536	1
	Other comprehensive income (Notes XXI, XXII and XXV)				
	Items not reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit programs	8,356	-	(2,993)	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	(11,041)	(1)	12,256	1
8330	Share of other comprehensive income or loss of subsidiaries using the equity method	(2,966)	-	1,760	-
8349	Income taxes related to the items not reclassified	(1,671)	-	598	-
8310		(7,322)	(1)	11,621	1
8300	Other comprehensive income of the year (net amount after tax)	(7,322)	(1)	11,621	1
8500	Total comprehensive income (loss) for the year	$ 4,888	-	$ 31,157	2
	Earnings per Share (Note XXVI)				
9750	Basic earnings per share	$ 0.10		$ 0.16	
9850	Diluted earnings per share	$ 0.10		$ 0.16	

The accompanying notes are an integral part of the parent company only financial report.

Chairman: Chuang, Yao-Ming Manager: Chuang, Yao-Ming Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd.

Parent Company Only Statement of Changes in Equity

Jan. 1 to Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

Code		Share capital			Retained earnings			Other items of equity		
		Shares (Thousands)	Amount	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Treasury shares	Total equity
A1	Balance as of Jan. 1, 2023	129,834	$ 1,298,338	$ 64,753	$ 47,749	$ 37,213	$ 202,386	$ 24,926	($ 77,032)	$ 1,598,333
	Earning distribution for 2022									
B1	Provide legal reserve	-	-	-	4,329	-	(4,329)	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)
D1	2023 Net profit	-	-	-	-	-	19,536	-	-	19,536
D3	Other comprehensive income (loss) for 2023	-	-	-	-	-	(2,395)	14,016	-	11,621
D5	Total comprehensive income of 2023	-	-	-	-	-	17,141	14,016	-	31,157
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929
Z1	Balance as of Dec. 31, 2023	129,834	1,298,338	66,682	52,078	37,213	182,740	38,942	(77,032)	1,598,961
	Earning distribution for 2023									
B1	Provide legal reserve	-	-	-	1,714	-	(1,714)	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)
D1	2024 Net profit	-	-	-	-	-	12,210	-	-	12,210
D3	Other comprehensive income (loss) for 2024	-	-	-	-	-	6,685	(14,007)	-	(7,322)
D5	Total comprehensive income of 2024	-	-	-	-	-	18,895	(14,007)	-	4,888
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929
Z1	Balance as of Dec. 31, 2024	129,834	$ 1,298,338	$ 68,611	$ 53,792	$ 37,213	$ 167,463	$ 24,935	($ 77,032)	$ 1,573,320

The accompanying notes are an integral part of the parent company only financial report.

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd.

Parent Company Only Statements of Cash Flows

Jan. 1 to Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

Code		2024	2023
	Cash flows from operating activities		
A10000	Net profit before tax for the year	$ 6,763	$ 16,343
A20010	Income/expenses items		
A20100	Depreciation expense	71,343	74,625
A20200	Amortization expenses	4,818	5,023
A20300	(Gain on reversal of) expected credit impairment losses	(792)	417
A20400	Net loss (gain) on financial assets at fair value through profit or loss	9,160	(11,465)
A20900	Financial costs	3,079	2,180
A21200	Interest revenue	(10,575)	(7,329)
A21300	Dividend income	(7,170)	(368)
A22400	Share of profit or loss of subsidiaries recognized using the equity method	(21,377)	(2,801)
A22500	Loss on disposal or discard of property, plant and equipment	695	632
A23800	Loss (Gain from price recovery) on market price decline and obsolete and slow-moving inventories	(298)	1,531
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	1,605	(8,781)
A31150	Accounts receivable	(18,977)	37,549
A31180	Other receivables	3,912	(3,784)
A31200	Inventories	4,981	19,675
A31230	Prepayments	(11,929)	12,686
A31240	Other current assets	70	943
A31990	Debt collection	809	(645)
A32125	Contract liability	(866)	12,011
A32130	Notes payable	(3,485)	(2,601)
A32150	Accounts payable	10,983	2,325
A32180	Other payables	2,196	(5,773)
A32200	Provision for Liabilities	(299)	(7,871)
A32210	Long-term deferred income	(3,750)	(3,680)
A32230	Other current liabilities	291	168
A32240	Net defined benefit liability	(14,106)	(6,812)
A33000	Cash generated from operating activities	27,081	124,198

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Code		2024	2023
A33100	Interest received	$ 10,993	$ 5,721
A33200	Dividend received	7,170	368
A33300	Interest paid	(3,121)	(2,162)
A33500	Income tax returned (paid)	1,295	(3,111)
AAAA	Net cash inflow from operating activities	43,418	125,014
	Cash flows from investing activities		
B00030	Shares returned after capital reduction in financial assets at fair value through other comprehensive income	-	211
B00050	Disposal of financial assets measured at amortized cost	-	124,434
B00100	Purchase of financial assets at fair value through profit or loss	(148,238)	(129,134)
B00200	Disposal of financial assets at fair value through profit or loss	116,114	53,264
B02700	Purchase of property, plant and equipment	(29,453)	(21,887)
B02800	Proceeds from disposal of property, plant and equipment	-	110
B03700	Increase in refundable deposits	-	(140)
B03800	Decrease in refundable deposits	40	-
B04500	Acquisition of intangible assets	-	(882)
B06500	Increase in other financial assets	-	(4,000)
B06600	Decrease in other financial assets	992	-
B07100	Increase in prepayments for business facilities	(2,160)	(8,777)
BBBB	Net cash inflow (outflow) from investing activities	(62,705)	13,199
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(20,000)	-
C00600	Decrease in short-term bills payable	(50,000)	-
C04020	Repayment of the lease liability principal	(1,945)	(1,178)
C04500	Cash dividends paid out	(32,458)	(32,458)
CCCC	Net cash outflow from financing activities	(104,403)	(33,636)
EEEE	Increase in net (decrease) in cash and cash equivalents	(123,690)	104,577
E00100	Cash and cash equivalents at the beginning of year	218,843	114,266
E00200	Cash and cash equivalents at end of year	$ 95,153	$ 218,843

The accompanying notes are an integral part of the parent company only financial report.

Chairman: Chuang, Yao-Ming Manager: Chuang, Yao-Ming Accounting Officer: Yu, Wang-Hua

Independent Auditors' Report

To Taiwan TAFFETA Fabric Co., Ltd.,

Audit Opinions

We have audited the accompanying consolidated balance sheets of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries as at December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standard on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from Taiwan TAFFETA Fabric Co., Ltd. and subsidiaries in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of Taiwan TAFFETA Fabric Co., Ltd. and subsidiaries for the year ended Dec. 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The following is a summary of the key audit matters of 2024 financial statements of Taiwan TAFFETA Fabric Co., Ltd. and subsidiaries:

Key audit matter: authenticity of sales for specific customers

The consolidated operating income of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries for 2024 was NTD 1,623,569 thousand. Based on the consideration of the materiality of the financial statements and the recognition of revenue as a significant risk in the Statement on Auditing Standards, the certified public accountants identified the revenue from specific customers with significant sales growth as a key audit matter. Please refer to Notes IV and XXIII to the consolidated financial statements.

The certified public accountants have performed the following key audit procedures with respect to the above important matters:

1. Understand, evaluate and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Obtain the details of sales revenue from specific customers in 2024, verify the original orders, shipping orders, invoices and other related documents of the relevant transactions, and reconcile them with the recorded amounts to confirm the authenticity of the revenue.
3. We obtain the details of post-period sales returns from specific customers, verify the documents related to their sales returns and examine the reasonableness of the returns.

Other Matters

Taiwan TAFFETA Fabric Co., Ltd. has prepared the parent company only financial statements for 2024 and 2023, to which we have also issued an independent auditor’s report with unqualified opinion along with the section on other matters and provided for reference.

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

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

In preparing the consolidated financial statements, management is also responsible for assessing the ability of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of Taiwan TAFFETA Fabric Co., Ltd. and subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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

We also provide the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significant in the audit of 2024 parent company only financial statements of Taiwan TAFFETA Fabric Co., Ltd. and its subsidiaries and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

CPA Wang, Pan-Fa

Financial Supervisory Commission Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1100356048

CPA Tseng, Chien-Ming

Financial Supervisory Commission Approval Document No.
Jin-Guan-Zheng-Shen-Zi No. 1100356048

Feb. 26, 2025

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two *versions, the Chinese- language independent auditors' report and consolidated financial statements shall prevail.*

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

Code	Assets	Dec. 31, 2024 Amount	%	Dec. 31, 2023 Amount	%
	Current Assets				
1100	Cash and cash equivalents (Notes VI and XXIX)	$ 105,544	6	$ 248,447	12
1110	Financial assets at fair value through profit or loss - current (Notes VII and XXIX)	282,585	15	216,161	11
1120	Financial assets at fair value through other comprehensive profit or loss - current (Notes VIII and XXIX)	60,720	3	73,797	4
1150	Notes receivable (Notes IX and XXIX)	10,168	1	11,773	1
1170	Accounts receivable (Notes IX, XXIII and XXIX)	123,100	6	104,140	5
1200	Other receivables (Note XXIX)	6,255	-	9,961	-
1220	Current income tax assets (Note XXV)	632	-	595	-
130X	Inventories (Note X)	467,340	24	472,023	23
1410	Prepayments	39,862	2	27,933	1
1476	Other financial assets - current (Notes XV, XXIX and XXXI)	3,008	-	4,000	-
1479	Other current assets (Note XVI)	180	-	250	-
11XX	Total current assets	1,099,394	57	1,169,080	57
	Non-current assets				
1600	Property, plant and equipment (Notes XII and XXXI)	731,028	38	766,762	38
1755	Right-of-use assets (Note XIII)	4,074	-	3,635	-
1780	Intangible assets (Note XIV)	5,199	-	10,017	-
1840	Deferred income tax assets (Note XXV)	75,609	4	75,984	4
1915	Prepayments for business facilities (Note XXXII)	11,737	1	14,454	1
1990	Other non-current assets (Notes IX, XVI and XXIX)	1,467	-	1,507	-
15XX	Total non-current assets	829,114	43	872,359	43
1XXX	Total assets	$ 1,928,508	100	$ 2,041,439	100
Code	**Liabilities and Equity**				
	Current Liabilities				
2100	Short-term borrowings (Notes XVII, XXIX and XXXI)	$ 150,000	8	$ 170,000	8
2110	Short-term bills payable (Notes XVII and XXIX)	-	-	50,000	2
2130	Contract liabilities - Current (Note XXIII)	33,226	2	34,092	2
2150	Notes payable (Notes XVIII and XXIX)	38,128	2	41,613	2
2170	Accounts payable (Notes XVIII and XXIX)	45,766	2	34,783	2
2219	Other payables (Notes XIX and XXIX)	61,530	3	59,376	3
2230	Current income tax liabilities (Note XXV)	2,487	-	-	-
2280	Lease liabilities - Current (Note XIII)	2,059	-	1,467	-
2250	Provision for liabilities - Current (Note XX)	533	-	832	-
2399	Other current liabilities (Notes XIX and XXIX)	2,298	-	2,007	-
21XX	Total current liabilities	336,027	17	394,170	19
	Non-current liabilities				
2570	Deferred income tax liabilities (Note XXV)	216	-	3,032	-
2580	Lease liabilities - non-current (Note XIII)	2,067	-	2,191	-
2630	Long-term deferred revenue (Notes XIX and XXVII)	10,478	1	14,228	1
2640	Net defined benefit liabilities - non-current (Note XXI)	6,371	-	28,833	2
25XX	Total non-current liabilities	19,132	1	48,284	3
2XXX	Total Liabilities	355,159	18	442,454	22
	Equity attributable to owners of the Company (Note XXII)				
	Share capital				
3110	Common share	1,298,338	67	1,298,338	64
3200	Capital surplus	68,611	4	66,682	3
	Retained earnings				
3310	Legal reserve	53,792	3	52,078	2
3320	Special reserve	37,213	2	37,213	2
3350	Unappropriated earnings	167,463	9	182,740	9
3300	Total retained earnings	258,468	14	272,031	13
3400	Other equities	24,935	1	38,942	2
3500	Treasury shares	(77,032)	(4)	(77,032)	(4)
31XX	Total owners' equity of the Company	1,573,320	82	1,598,961	78
36XX	Non-controlling interests	29	-	24	-
3XXX	Total equity	1,573,349	82	1,598,985	78
	Total liabilities and equities	$ 1,928,508	100	$ 2,041,439	100

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

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

Jan. 1 to Dec. 31, 2024 and 2023

Unit: in thousands of NTD;
except earnings per share expressed in NTD

Code		2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating income (Notes XXIII and XXX)	$ 1,623,569	100	$ 1,513,543	100
5000	Operating costs (Notes X, XXIV and XXX)	(1,506,959)	(93)	(1,374,396)	(91)
5900	Gross profit	116,610	7	139,147	9
	Operating expenses (Notes IX, XXIV and XXX)				
6100	Selling expenses	(90,911)	(5)	(86,335)	(6)
6200	Administrative expenses	(65,525)	(4)	(64,648)	(4)
6300	Research and development expenses	(9,943)	(1)	(9,907)	(1)
6450	Gain on reversal of expected credit (impairment losses)	792	-	(417)	-
6000	Total operating expenses	(165,587)	(10)	(161,307)	(11)
6500	Net other incomes and expenses (Note XXIV)	(695)	-	(632)	-
6900	Net operating loss	(49,672)	(3)	(22,792)	(2)
	Non-operating income and expenses (Note XXIV)				
7050	Financial costs	(3,079)	-	(2,180)	-
7100	Interest revenue	13,353	1	7,371	1
7110	Rental income	503	-	210	-
7130	Dividend income	10,930	1	713	-
7190	Other income	17,371	1	12,964	1
7235	Gain on financial assets at fair value through profit or loss	9,985	1	15,366	1
7630	Foreign exchange gain	9,869	-	4,756	-
7000	Total non-operating incomes and expenses	58,932	4	39,200	3

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Code		2024 Amount	2024 %	2023 Amount	2023 %
7900	Net profit before income tax	$ 9,260	1	$ 16,408	1
7950	Income tax benefit (Note XXV)	2,955	-	3,129	-
8000	Net profit for the year from continuing operations	12,215	1	19,537	1
	Other comprehensive income (Notes XXI, XXII and XXV)				
8310	Items not reclassified subsequently to profit or loss				
8311	Remeasurement of defined benefit programs	8,356	-	(2,993)	-
8316	Unrealized equity instrument profit or loss measured at fair value through other comprehensive income	(14,007)	(1)	14,016	1
8349	Income taxes related to the items not reclassified	(1,671)	-	598	-
		(7,322)	(1)	11,621	1
8300	Other comprehensive income of the year (net amount after tax)	(7,322)	(1)	11,621	1
8500	Total comprehensive income (loss) for the year	$ 4,893	-	$ 31,158	2
	Net income attributable to:				
8610	Owners of the Company	$ 12,210	1	$ 19,536	1
8620	Non-controlling interests	5	-	1	-
8600		$ 12,215	1	$ 19,537	1
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 4,888	-	$ 31,157	2
8720	Non-controlling interests	5	-	1	-
8700		$ 4,893	-	$ 31,158	2
	Earnings per Share (Note XXVI)				
9750	Basic earnings per share	$ 0.10		$ 0.16	
9850	Diluted earnings per share	$ 0.10		$ 0.16	

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

Chairman: Chuang, Yao-Ming Manager: Chuang, Yao-Ming Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

Jan. 1 to Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

		Equity attributable to owners of the Company										
		Share capital			Retained earnings			Other items of equity				
Code		Shares (Thousands)	Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Unrealized financial assets profit or loss measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests	Total equity
A1	Balance as of Jan. 1, 2023	129,834	$1,298,338	$ 64,753	$ 47,749	$ 37,213	$ 202,386	$ 24,926	($ 77,032)	$1,598,333	$ 23	$1,598,356
	Earning distribution for 2022											
B1	Legal reserve	-	-	-	4,329	-	(4,329)	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)	-	(32,458)
D1	2023 Net profit	-	-	-	-	-	19,536	-	-	19,536	1	19,537
D3	Other comprehensive income (loss) for 2023	-	-	-	-	-	(2,395)	14,016	-	11,621	-	11,621
D5	Total comprehensive income of 2023	-	-	-	-	-	17,141	14,016	-	31,157	1	31,158
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929	-	1,929
Z1	Balance as of Dec. 31, 2023	129,834	1,298,338	66,682	52,078	37,213	182,740	38,942	(77,032)	1,598,961	24	1,598,985
	Earning distribution for 2023											
B1	Legal reserve	-	-	-	1,714	-	(1,714)	-	-	-	-	-
B5	Cash dividend to shareholders	-	-	-	-	-	(32,458)	-	-	(32,458)	-	(32,458)
D1	2024 Net profit	-	-	-	-	-	12,210	-	-	12,210	5	12,215
D3	Other comprehensive income (loss) for 2024	-	-	-	-	-	6,685	(14,007)	-	(7,322)	-	(7,322)
D5	Total comprehensive income of 2024	-	-	-	-	-	18,895	(14,007)	-	4,888	5	4,893
M1	Dividends paid out to subsidiaries to adjust capital surplus	-	-	1,929	-	-	-	-	-	1,929	-	1,929
Z1	Balance as of Dec. 31, 2024	129,834	$1,298,338	$ 68,611	$ 53,792	$ 37,213	$ 167,463	$ 24,935	($ 77,032)	$1,573,320	$ 29	$1,573,349

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

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

Jan. 1 to Dec. 31, 2024 and 2023

Unit: Amounts expressed in thousands of NTD

Code		2024	2023
	Cash flows from operating activities		
A10000	Net profit before tax for the year	$ 9,260	$ 16,408
A20010	Income/expenses items		
A20100	Depreciation expense	71,343	74,625
A20200	Amortization expenses	4,818	5,023
A20300	(Gain on reversal of) expected credit impairment losses	(792)	417
A20400	Net gain on financial assets at fair value through profit or loss	(9,985)	(15,366)
A20900	Financial costs	3,079	2,180
A21200	Interest revenue	(13,353)	(7,371)
A21300	Dividend income	(10,930)	(713)
A22500	Loss on disposal or discard of property, plant and equipment	695	632
A23700	Loss (Gain from price recovery) on market price decline and obsolete and slow-moving inventories	(298)	1,531
A30000	Net changes in operating assets and liabilities		
A31130	Note receivable	1,605	(8,781)
A31150	Accounts receivable	(18,977)	37,549
A31180	Other receivables	3,857	2,637
A31200	Inventories	4,981	19,675
A31230	Prepayments	(11,929)	12,686
A31240	Other current assets	70	943
A31990	Debt collection	809	(645)
A32125	Contract liability	(866)	12,011
A32130	Notes payable	(3,485)	(2,601)
A32150	Accounts payable	10,983	2,325
A32180	Other payables	2,196	(5,773)
A32200	Provision for Liabilities	(299)	(7,871)
A32210	Long-term deferred income	(3,750)	(3,680)
A32230	Other current liabilities	291	168
A32240	Net defined benefit liability	(14,106)	(6,812)
A33000	Cash generated from operating activities	25,217	129,197
A33100	Interest received	13,202	5,763

(Continued on next page)

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Code		2024	2023
A33200	Dividend received	$ 10,930	$ 713
A33300	Interest paid	(3,121)	(2,162)
A33500	Income tax returned (paid)	1,293	(3,223)
AAAA	Net cash inflow from operating activities	47,521	130,288
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income or loss	(930)	(5,911)
B00030	Shares returned after capital reduction in financial assets at fair value through other comprehensive income	-	211
B00050	Disposal of financial assets measured at amortized cost	-	124,434
B00100	Purchase of financial assets at fair value through profit or loss	(338,394)	(206,700)
B00200	Disposal of financial assets at fair value through profit or loss	281,955	75,513
B02700	Purchase of property, plant and equipment	(29,453)	(21,887)
B02800	Proceeds from disposal of property, plant and equipment	-	110
B03700	Increase in refundable deposits	-	(140)
B03800	Decrease in refundable deposits	40	-
B04500	Acquisition of intangible assets	-	(882)
B06500	Increase in other financial assets	-	(4,000)
B06600	Decrease in other financial assets	992	-
B07100	Increase in prepayments for business facilities	(2,160)	(8,777)
BBBB	Net cash outflow from investing activities	(87,950)	(48,029)
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	(20,000)	-
C00600	Decrease in short-term bills payable	(50,000)	-
C04020	Repayment of the lease liability principal	(1,945)	(1,178)
C04500	Cash dividends paid out	(30,529)	(30,529)
CCCC	Net cash outflow from financing activities	(102,474)	(31,707)
EEEE	Increase in net (decrease) in cash and cash equivalents	(142,903)	50,552
E00100	Cash and cash equivalents at the beginning of year	248,447	197,895
E00200	Cash and cash equivalents at end of year	$ 105,544	$ 248,447

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

Chairman: Chuang, Yao-Ming　　Manager: Chuang, Yao-Ming　　Accounting Officer: Yu, Wang-Hua

Taiwan TAFFETA Fabric Co., Ltd.

2024 Earning Distribution Statement

Unit: NT$

Beginning undistributed earnings		148,568,335
Add: Current period net profit		12,210,269
Add: Defined benefit plans are included in retained earnings in the measurement		6,684,532
Subtotal		18,894,801
Less: Provision for legal reserve (10%)		(1,889,480)
Surplus available for distribution for the period		165,573,656
Distribution		
Cash dividends to shareholders (NT$0.25 per share)	(32,458,462)	
Total distribution items		(32,458,462)
Ending undistributed earnings		133,115,194

Person in charge: Chuang, Yao-Ming

President: Chuang, Yao-Ming

Accounting Officer: Yu, Wan-Hua

Questions and Motions:

Adjournment

Appendix 1

Taiwan TAFFETA Fabric Co., Ltd.

Articles of Incorporation

第一章 General Principles

Article 1 The name of the Company shall be Taiwan TAFFETA Fabric Co., Ltd. organized in accordance with the provisions of the Company Act and related laws and regulations.

Article 2 The Company shall operate the following businesses:

(1) C301010 Spinning of Yarn

(2) C302010 Weaving of Textiles

(3) C303010 Manufacture of Non-woven Fabrics

(4) C305010 Printing, Dyeing, and Finishing

(5) C306010 Wearing Apparel

(6) C399990 Other Textile Products Manufacturing

(7) C801120 Manufacture of Man-made Fibers

(8) F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories

(9) F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories

(10) F401010 International Trade

(11) H701010 Housing and Building Development and Rental

(12) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3 The Company may provide external warranty for the businesses.

Article 4 The Company's investment in other businesses shall not be limited by the Company Act to the total amount of investment.

Article 5 The Company shall have its head office in Taipei City and, if necessary, set up branches or factories in various places at home and abroad by resolution of the Board of Directors in accordance with the law.

Article 6 Any and all public announcements to be made by the

Company shall comply with Article 28 of the Company Act.

第二章 Shares

Article 7 The total capital stock of the Company shall be NT$2.1 billion, divided into two hundred and ten million shares of NT$10 each, to be issued in installments.

Article 8 The shares of the Company shall be issued in registered form under the signatures or seals of the directors representing the Company, and shall be issued with certificates in accordance with the law. The Company shall be exempted from printing the share certificates after the public offering and shall contact the centralized securities depository for registration.

Article 9 The handling of the Company's stock affairs shall be in accordance with the "Regulations Governing the Administration of Shareholder Services of Public Companies" and the provisions of relevant laws and regulations.

Article 10 Share transfer registration shall be suspended for 60 days prior to a regular shareholders' meeting, or for 30 days prior to a special shareholders' meeting, or for 5 days prior to the record date fixed for distributing dividends, bonus, or any other benefit.

第三章 Shareholders' Meetings

Article 11 Shareholders' meetings of the Company are of two kinds: regular shareholders' meetings and special shareholders' meetings. The regular shareholders' meetings are convened once per year within six months from the close of the fiscal year. The special shareholders' meetings may be convened in accordance with applicable laws and regulations whenever necessary.

The Company's shareholders' meetings can be held by means of visual communication network or other methods promulgated by the central competent authority.

Article 12 When a shareholder could not attend the shareholders' meeting, the shareholder could appoint a proxy to attend on behalf of the shareholder at a shareholders’ meeting with a form prescribed by the Company stating the scope of authorization. However, the proxy form should be delivered to the Company or the Company’s designated stock agent five days prior to the meeting, whichever is first in case of duplication.

Article 13 The chairman of the board of directors shall be the chairperson of the shareholders’ meeting, and in the absence of the chairman of the board of directors, the chairman of the board of directors shall designate one of the other directors to act on his behalf. If no director is designated, the other directors shall elect one of them to act for them. If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.

Article 14 The shareholders of the Company shall have one vote per share, but the shares held by the Company itself in accordance with the law shall not have the right to vote.

Article 15 Unless otherwise provided by the Company Act, all resolutions of a shareholders’ meeting of the Company shall be conducted by a majority vote at a meeting attended by the attending shareholder holding at least 50% of the issued shares. Voting rights for shareholders’ meeting motions may be exercised in writing or electronically in accordance with the relevant laws and regulations.

Article 16 The resolution of the shareholders’ meeting shall be made into a resolution book containing the year, month, day and place of the meeting, the main points and results of the proceedings, the name of the chairman, the method of resolution and the number of shares represented by the shareholders present, and the chairman shall sign and seal the resolution book and distribute it to the shareholders within twenty days after the meeting. The distribution of the resolution book shall be made by public announcement. The above minutes shall be kept at the Company or at the professional shareholder services agent together with the signature book of the attending shareholders and the proxy form.

第四章 Directors

Article 17 The Company shall have nine to eleven directors, who shall be nominated by the shareholders' meeting among those who have the ability to act, and the total number of shares of the Company's registered stock held by all directors shall be handled in accordance with the relevant laws and regulations.

In accordance with Article 14-2 of the Securities and Exchange Act, the number of independent directors of the Company shall not be less than three and shall not be less than one-fifth of the number of directors, and the nomination system shall be adopted and the shareholders shall elect the independent directors from the list of candidates. Matters regarding professional qualification, shareholdings, restrictions on concurrent positions held, method of nomination and election and other matters for compliance with respect to independent directors shall be subject to the regulations prescribed by the securities governing authorities.

Article 17-1 Pursuant to Article 14-4 of the Securities and Exchange Act, the Company has established an Audit Committee, which consists of all independent directors. Its organizational procedures, exercise of authority and other matters to be followed shall be in accordance with the relevant laws and regulations or the Company's rules and regulations.

Article 18 The term of office of directors shall be three years, and they shall be re-elected for a second term. If their term of office expires without re-election, they may extend their executive offices until they are re-elected.

Article 19 When the number of the vacancies in the board of directors of the Company equals to one-third of the total number of directors or all independent directors are dismissed, the board of directors shall call a special meeting of shareholders within 60 days to elect succeeding directors to fill the vacancies. The new directors shall serve the remaining term of the predecessors.

Article 20 If the directors form the board of directors, the board of directors shall elect a chairman of the board directors from among the directors by a majority vote at a meeting attended by over two-thirds of the directors, and may elect a vice chairman to assist him/her. The chairman shall represent the Company externally and shall execute all affairs of the Company in accordance with the Articles of Incorporation and the resolutions of the board of directors and the shareholders' meeting.

Article 21 The Company's management policy and other important matters shall be resolved by the Board of Directors. The meetings of the Board of Directors shall be convened by the Chairman of the Board of Directors except for the first meeting of each session, which shall be convened by the director with the highest number of votes representing the right to vote, and shall be appointed as the chairman. If not designated, the other directors shall elect one of them to act for them.

Article 22 Except as otherwise provided in the Company Act, a majority of the directors shall be present at a meeting of the Board of Directors, and the directors may, for any reason that they are unable to attend, issue proxy forms and list the scope of authority to convene the meeting and appoint the directors present as their representatives, provided that each of them shall represent only one person, and the resolution shall be carried out with the consent of a majority of all the directors present. The resolution shall be recorded in accordance with the provisions of Article 16 of these Articles of Incorporation.

Article 23 Deleted.

Article 24 The Company shall pay remuneration to the directors for the execution of the Company's business, and the remuneration shall be authorized to be agreed upon by the Board of Directors in accordance with their participation in and contribution to the Company's operations and with reference to the level of the industry.

第五章 Manager and Staff

Article 25 The Company may employ consultants or accountants with the consent of a majority of all directors.

Article 26 The Company shall have a president, who shall handle the day-to-day business of the Company in accordance with the resolutions of the Board of Directors.

Article 27 The appointment and dismissal of the Company's president shall be submitted by the chairman of the board of directors to the board of directors with the approval of a majority of all directors.

第六章 Accounting

Article 28 At the end of each fiscal year, the Board of Directors shall prepare the following statements and submit them to the Audit Committee for examination and issuance of an audit report 30 days prior to the shareholders' meeting for recognition at the shareholders' meeting.

(1) Business report;

(2) Financial statements; and

(3) Proposal for allocation of profits or compensation of losses.

Article 29 If the Company records a profit in a year, the Company shall set aside no less than 2% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the Board of Directors and shall be distributed to employees of the subsidiaries of the Company who meet certain criteria; The Company may, by resolution of the board meeting, set aside no more than 3% of the said profit for directors' remuneration. The remuneration to employees, directors and supervisors shall be reported to the shareholders' meeting.

However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate for the employee bonuses and director compensation proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

Article 29-1 If there is a surplus in the annual accounts of the Company, the Company shall, in addition to the tax contributions paid in accordance with the law, make up 10% of the legal reserve after making up for previous years' losses, but if the legal reserve has reached the amount of the Company's paid-in capital, no further provision shall be made, and the remainder shall be provided for by law or reversed to special reserve. If there is still a balance, the Board of Directors shall, in accordance with the Company's actual operating conditions and capital requirements, prepare a proposal for distribution to the shareholders' meeting for a referendum, of which not less than 30% shall be cash dividends.

In accordance with Article 240, paragraph 5 of the Company Act, the Board of Directors is authorized to distribute dividends and bonuses or all or part of the legal reserve and capital surplus as provided in Article 241, paragraph 1 of the Company Act in cash by a resolution of at least two-thirds of the directors present and a majority of the directors present, and to report to the shareholders' meeting.

第七章 Supplementary Provisions

Article 30 Matters not addressed by these Articles of Incorporation shall be governed by the Company Act and other applicable laws and regulations.

Article 31 The rules and regulations of the Company shall be separately determined by resolution of the Board of Directors.

Article 32 These Articles of Incorporation were established by the promoters on May 3, 1973, with the first amendment on Oct. 8, 1973, the second amendment on Nov. 25, 1974, the third amendment on Feb. 13, 1980, the fourth amendment on Nov. 14, 1981, the fifth amendment on Jun. 15, 1984, the sixth amendment on Sept. 17, 1984, the seventh amendment on Feb. 16, 1985, the eighth amendment on Jun. 29, 1985, the ninth amendment on Sept. 11, 1986, the tenth amendment on May 16, 1988, the eleventh amendment on Aug. 24, 1989, the twelfth amendment on Dec. 11, 1989, the thirteenth amendment on May 10, 1991, the fourteenth amendment on Apr. 28, 1992, the fifteenth amendment on Jul. 20, 1992, the sixteenth amendment on May 20, 1994, the seventeenth amendment on May 30, 1995, the eighteenth amendment on May 24, 1996, the nineteenth amendment on Jun. 3, 1997, the twentieth amendment on Jun. 2, 1999, the twenty-first amendment on Jun. 1, 2000, the twenty-second amendment on May 29, 2001, the twenty-third amendment on Jun. 4, 2002, the twenty-fourth amendment on Jun. 20, 2012, the twenty-fifth amendment on Jun. 25, 2014, the twenty-sixth amendment on Jun. 23, 2015, the twenty-seventh amendment on Jun. 20, 2016, the twenty-eighth amendment on Jun. 6, 2018, the twenty-ninth amendment on Jun. 20, 2019 and the thirtieth amendment on Jun. 20, 2022.

Taiwan TAFFETA Fabric Co., Ltd.
Chairman: Chuang, Yao-Ming

Appendix 2

Rules of Procedure for Shareholders Meetings of Taiwan TAFFETA Fabric Co., Ltd.

Article 1

To establish a strong governance system and sound supervisory capabilities for the Company's shareholders meetings, and to strengthen management capabilities, these Rules are adopted pursuant to Article 5 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Article 2

The rules and procedures of the shareholders' meeting of the Company shall be conducted in accordance with these Rules and Procedure, unless otherwise provided by law or regulation.

Article 3

Unless otherwise provided by law or regulation, the Company's shareholders meetings shall be convened by the board of directors.

The Company shall prepare electronic versions of the shareholders meeting notice and proxy forms, and the origins of and explanatory materials relating to all proposals, including proposals for ratification, matters for deliberation, or the election or dismissal of directors, and upload them to the Market Observation Post System (MOPS) before 30 days before the date of a regular shareholders meeting or before 15 days before the date of a special shareholders meeting. The reasons for convening a shareholders meeting shall be specified in the meeting notice and public announcement. With the consent of the addressee, the meeting notice may be given in electronic form.

Election or dismissal of directors, amendments to the Articles of Incorporation, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1 of the Company Act, Articles 26-1 and 43-6 of the Securities Exchange Act, Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out in the notice of the reasons for convening the shareholders meeting. None of the above matters may be raised by an extraordinary motion.

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

Article 4

For each shareholders meeting, a shareholder may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any given shareholders meeting, and shall deliver the proxy form to the Company before five days before the date of the shareholders meeting. When duplicate proxy forms are delivered, the one received earliest shall prevail unless a declaration is made to cancel the previous proxy appointment.

If, after the Company has received a proxy form, a shareholder sending the proxy form decides to attend the shareholders' meeting in person or intends to exercise his or her voting rights in writing or electronically, he or she shall issue a written notice to revoke the authorization to the Company two days before the shareholders' meeting. If the revocation is not provided within the specified time limit, exercise of the voting rights by the proxy attending the meeting shall prevail.

Article 5

The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.

Article 6

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

The time during which shareholder attendance registrations will be accepted, as stated in the preceding paragraph, shall be at least 30 minutes prior to the time the meeting commences. The place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

The shareholders, solicitors and proxies (collectively "shareholders") shall attend shareholders meetings based on attendance cards, sign-in cards, or other certificates of attendance. This Corporation may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. Solicitors soliciting proxy forms shall also bring identification documents for verification.

The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.

The Company shall furnish attending shareholders with the meeting handbook, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be furnished.

When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

Article 7

If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman of the board. When the chairman of the board is on leave or for any reason unable to exercise the powers of the chairman, the vice chairman shall act in place of the chairperson; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairman, the chairman shall appoint one of the managing directors to act as chairperson, or, if there are no managing directors, one of the directors shall be appointed to act as chairperson. Where the chairman does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chairperson.

When a managing director or a director serves as chairperson, as referred to in the preceding paragraph, the managing director or

director shall be one who has held that position for six months or more and who understands the financial and business conditions of the company. The same shall be true for a representative of a juristic person director that serves as chairperson.
It is advisable that shareholders meetings convened by the board of directors be chaired by the chairperson of the board in person and attended by a majority of the directors, at least one independent director in person, and at least one member of each functional committee on behalf of the committee. The attendance shall be recorded in the meeting minutes.
If a shareholders meeting is convened by a party with power to convene but other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall mutually select a chairperson from among themselves.
The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity.

Article 8

The Company, beginning from the time it accepts shareholder attendance registrations, shall make an uninterrupted audio and video recording of the registration procedure, the proceedings of the meeting and the voting and vote counting procedures. The recorded materials shall be retained for at least 1 year. If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 9

Attendance at shareholders meetings shall be calculated based on numbers of shares. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in, plus the number of shares whose voting rights are exercised by correspondence or electronically.
The chairperson shall call the meeting to order at the appointed meeting time and disclose information concerning the number of nonvoting shares and number of shares represented by shareholders attending the meeting.

However, when the attending shareholders do not represent a majority of the total number of issued shares, the chairperson may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the attending shareholders fail to represent one third or more of the total number of issued shares after two postponements, the chairperson announces meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act; all shareholders shall be notified of the tentative resolution and another shareholders meeting shall be convened within one month.

When, prior to conclusion of the meeting, the attending shareholders represent a majority of the total number of issued shares, the chairperson may resubmit the tentative resolution for a vote by the shareholders meeting pursuant to Article 174 of the Company Act.

Article 10

If a shareholders meeting is convened by the board of directors, the meeting agenda shall be set by the board of directors. Votes shall be cast on each separate proposal in the agenda (including extraordinary motions and amendments to the original proposals set out in the agenda). The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders meeting.

The provisions of the preceding paragraph apply mutatis mutandis to a shareholders meeting convened by a party with the power to convene that is not the board of directors.

The chairperson may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. If the chairperson declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairperson in accordance with statutory procedures,

by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.
The chairperson shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chairperson is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chairperson may announce the discussion closed, call for a vote, and schedule sufficient time for voting.

Article 11

Before speaking, an attending shareholder must specify on a speaker’s slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be set by the chairperson.
A shareholder in attendance who has submitted a speaker’s slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker’s slip, the spoken content shall prevail.
Except with the consent of the chairperson, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder’s speech violates the rules or exceeds the scope of the agenda item, the chairperson may terminate the speech.
When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chairperson and the shareholder that has the floor; the chairperson shall stop any violation.
When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.
After an attending shareholder has spoken, the chairperson may respond in person or direct relevant personnel to respond.

Article 12

Voting at a shareholders meeting shall be calculated based the number of shares.

With respect to resolutions of shareholders meetings, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares.

When a shareholder is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item, and may not exercise voting rights as proxy for any other shareholder.

The number of shares for which voting rights may not be exercised under the preceding paragraph shall not be calculated as part of the voting rights represented by attending shareholders.

With the exception of a trust enterprise or a shareholder services agent approved by the competent securities authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed three percent of the voting rights represented by the total number of issued shares. If that percentage is exceeded, the voting rights in excess of that percentage shall not be included in the calculation.

A shareholder shall be entitled to one vote for each share held, except when the shares are restricted shares or are deemed non-voting shares under Article 179, paragraph 2 of the Company Act.
When the Company holds a shareholder meeting, it shall adopt exercise of voting rights by electronic means and may adopt exercise of voting rights by correspondence. When voting rights are exercised by correspondence or electronic means, the method of exercise shall be specified in the shareholders meeting notice.
A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person,
but to have waived his/her rights with respect to the extraordinary motions and amendments to original proposals of that meeting; it is therefore advisable that the Company avoid the submission of extraordinary motions and amendments to original proposals.
A shareholder intending to exercise voting rights by correspondence or electronic means under the preceding paragraph shall deliver a written declaration of intent to the Company before two days before the date of the shareholders meeting. When duplicate declarations of intent are delivered, the one received earliest shall prevail, except for a declaration to revoke a prior expression of intent.
If, after having exercised the voting rights in writing or electronically, a shareholder intends to attend the shareholders' meeting in person, he or she shall revoke the prior expression of intent on exercise of voting rights in the same manner as how he or she has exercised the voting rights two days before the shareholders' meeting. If the revocation is not made within the specified time limit, exercise of voting rights in writing or electronically shall prevail.
When a shareholder has exercised voting rights both by correspondence or electronic means and by appointing a proxy to attend a shareholders meeting, the voting rights exercised by the proxy in the meeting shall prevail.
Except as otherwise provided in the Company Act and in the Company's Articles of Incorporation, the passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders.

At the time of a vote, for each proposal, the chairperson or a person designated by the chairperson shall first announce the total number of voting rights represented by the attending shareholders, followed by a poll of the shareholders. After the conclusion of the meeting, on the same day it is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be entered into the MOPS.
When there is an amendment or an alternative to a proposal, the chairperson shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote.
When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chairperson, provided that all monitoring personnel shall be shareholders of the Company.
Vote counting for shareholders meeting proposals or elections shall be conducted in public at the place of the shareholders meeting. Immediately after vote counting has been completed, the results of the voting, including the statistical tallies of the numbers of votes, shall be announced on-site at the meeting, and a record made of the vote.

Article 14

The election of directors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by the Company, and the voting results shall be announced on-site immediately, including the names of those elected as directors and the numbers of votes with which they were elected, and the names of directors not elected and number of votes they received.
The ballots for the election referred to in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year.
If, however, a shareholder files a lawsuit pursuant to Article 189 of the Company Act, the ballots shall be retained until the conclusion of the litigation.

Article 15

Matters relating to the resolutions of a shareholders meeting shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairperson of the meeting and a copy distributed to each shareholder within 20 days after the conclusion of the meeting. The meeting minutes may be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by means of a public announcement made through the MOPS.

The meeting minutes shall accurately record the year, month, day, and place of the meeting, the chairperson's full name, the methods by which resolutions were adopted, and a summary of the deliberations and their voting results (including the number of voting rights), and disclose the number of voting rights won by each candidate in the event of an election of directors.

The minutes shall be retained for the duration of the existence of the Company.

Article 16

On the day of a shareholders meeting, this Corporation shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation, the number of shares represented by proxies and the number of shares represented by shareholders attending the meeting by correspondence or electronic means, and shall make an express disclosure of the same at the place of the shareholders meeting.

If matters put to a resolution at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation regulations, the Company shall upload the content of such resolution to the MOPS within the prescribed time period.

Article 17

Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.

The chairperson may direct the proctors or security personnel to help maintain order at the meeting place.

When proctors or security personnel help maintain order at the meeting place, they shall wear an identification card or armband bearing the word “Proctor.”
At the place of a shareholders meeting, if a shareholder attempts to speak through any device other than the public address equipment set up by the Company, the chairperson may prevent the shareholder from so doing.
When a shareholder violates the rules of procedure and defies the chairperson’s correction, obstructing the proceedings and refusing to heed calls to stop, the chairperson may direct the proctors or security personnel to escort the shareholder from the meeting.

Article 18

When a meeting is in progress, the chairperson may announce a break based on time considerations. If a force majeure event occurs, the chairperson may rule the meeting temporarily suspended and announce a time when, in view of the circumstances, the meeting will be resumed.
If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been addressed, the shareholders meeting may adopt a resolution to resume the meeting at another venue.
A resolution may be adopted at a shareholders meeting to defer or resume the meeting within five days in accordance with Article 182 of the Company Act.

Article 19

These Rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner

Appendix 3

Taiwan TAFFETA Fabric Co., Ltd. Rules for Election of Directors

Article 1: The election of the Company's directors shall be conducted in accordance with the Rules.

Article 2: The election of the Company's directors shall be conducted at the Shareholders' Meeting.

Article 2-1: The election of the Company's directors shall be conducted according to the candidate nomination procedures stipulated in Article 192-1 of the Company Act. Independent director qualifications and election shall comply with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

Article 3: The election of the Company's directors shall be conducted using the single transferable vote cumulative voting system. Each share carries voting rights equal to the number of directors or supervisors to be elected, which may be allocated entirely to one candidate or distributed among multiple candidates. The Company shall issue ballot papers featuring serial numbers and the number of voting rights.

Article 4: The election of the Company's directors shall be conducted based on the number specified in the Articles of Incorporation, with candidates receiving the highest number of votes elected in descending order. If 2 or more candidates receive the same number of votes, resulting in exceeding the specified number of directors, a drawing shall be held to determine the elected candidate. If a candidate is absent, the chairperson shall draw on their behalf.

Article 5: At the beginning of the election, the chairperson shall appoint ballot supervisors, vote counters, and vote recorders to fulfill their respective duties. In particular, ballot supervisors must be shareholders of the Company.

Article 6: The duties of the ballot supervisors are as follows:

(1) The ballot boxes shall be opened and verified in the presence of all attendees and sealed before voting begins.

(2) Maintain order and supervise the voting procedures to make sure there are no omissions or legal violations.

(3) After the voting is completed, the seals shall be broken, the ballots retrieved, and the number of ballots verified.

(4) Review the ballots for any invalid votes and submit the valid ballot count to the vote counters.

(5) Supervise the vote counters as they announce and record the results.

(6) Supervise the vote recorders as they record and certify the tabulation of voting rights received by each candidate.

Article 7: At the beginning of the election, shareholders or their authorized proxies shall enter the candidates' names and shareholder account numbers on the official ballots provided in the agenda. For corporate shareholders, the candidate section of the ballot may include the corporate name and its representative. Completed ballots shall be placed into the ballot box.

Article 8: A ballot shall be deemed invalid if any of the following conditions are met:

(1) Ballots that have not been prepared by the convener shall be deemed invalid.

(2) Blank ballots that are deposited into the ballot box shall be deemed invalid.

(3) Ballots that are illegible or have been altered shall be deemed invalid

(4) Ballots where the candidates listed are not consistent with the official list of director candidates shall be deemed invalid.

(5) Ballots that contain any additional writing beyond the allocation of voting rights shall be deemed invalid.

Article 9: For the election of directors, the Board of Directors shall prepare ballot boxes, and the ballots shall be opened and counted on-site immediately upon the conclusion of voting.

Article 10: The vote counting and recording shall be conducted under the supervision of the ballot supervisors, and the election results shall be announced on-site by the chairperson.

Article 11: Any matters not specified in the Rules shall be governed by the Company Act and other relevant laws and regulations.

Article 12: These Regulations shall take effect upon approval by a resolution of the Shareholders' Meeting, with the same procedure applicable to any amendments.

Appendix 4

Shareholding of Directors of Taiwan TAFFETA Fabric Co., Ltd.

1. The minimum number of shares to be held by all directors and the number of shares recorded in the register of shareholders

Title	Number of shares to be held	Number of shares registered in the register of shareholders
Directors	8,000,000 shares	10,694,260 shares

2. Shareholding of Directors

Title	Name	Number of shares registered in the register of shareholders	Note
Chairman	Chuang, Yao-Ming	4,454,256 shares	
Directors	Chuang Ying-Chih	3,557,707 shares	
Directors	Yao, Fan-Chi	1,410,000 shares	
Directors	Hung, Hui-Chen	678,143 shares	
Directors	Chuang, Yun-Ta	594,154 shares	
Independent Directors	Chang, Ming-Chiang	0 shares	
Independent Directors	Tsai, Shu-Li	0 shares	
Independent Directors	Liao, Wei	0 shares	
Independent Directors	Chen, Hsin-Hung	0 shares	

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