

Stock Code: 4440

Yi Shin Textile Industrial Co., Ltd.

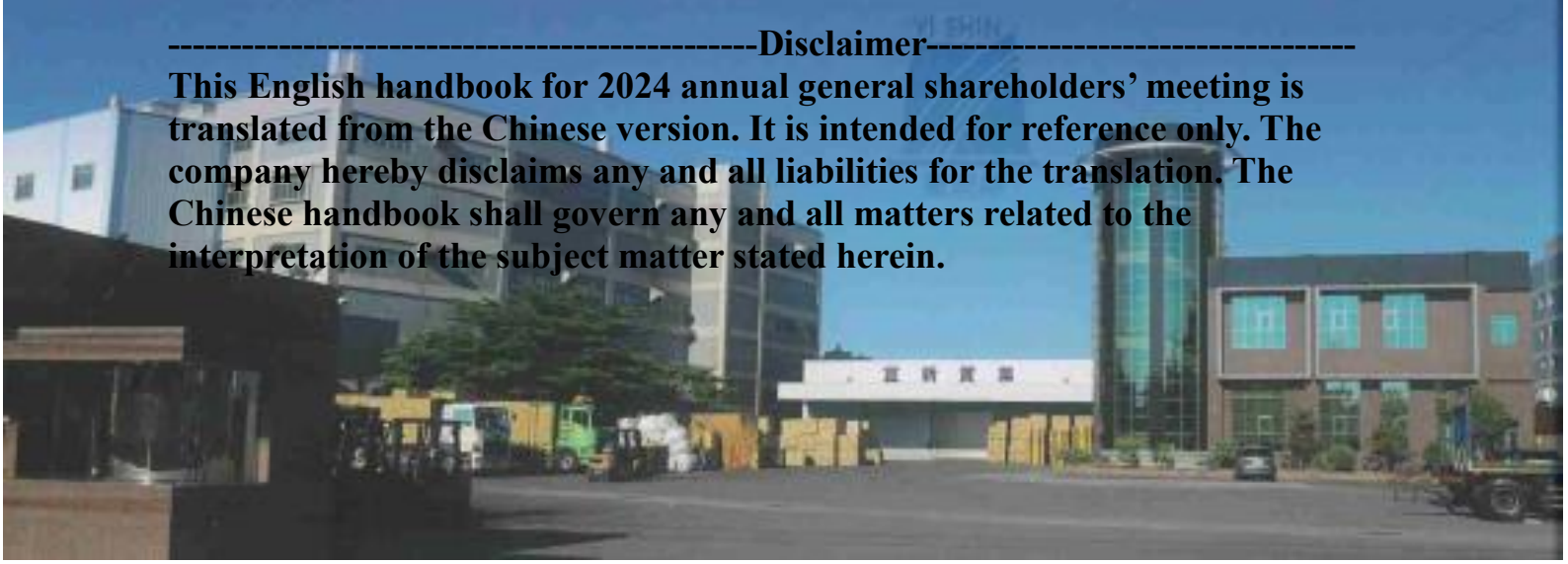


Annual Report 2024 (Translation)

For inquiries about the Annual Report, please visit
<http://mops.twse.com.tw>.
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Disclaimer

This English handbook for 2024 annual general shareholders' meeting is translated from the Chinese version. It is intended for reference only. The company hereby disclaims any and all liabilities for the translation. The Chinese handbook shall govern any and all matters related to the interpretation of the subject matter stated herein.



I. Name, Title, Telephone Number, and E-mail Address of the Spokesman or Acting Spokesman

	Spokesperson	Deputy Spokesperson
Name	Huang, Chao-Chin	Chen Shu-Hui
Title	Assistant General Manager, Manufacturing Department	Vice Manager, Finance and Accounting Department
Telephone Number	(02)2657-6158	(02)2657-6158
E-mail Address	ysspkmn@yishin-textile.com.tw	ysspkmn@yishin-textile.com.tw

II. Address and Telephone Number of the Company's Headquarters and Factories

Headquarter: 11F, No. 266, Ruiguang Rd., Neihu Dist., Taipei City

TEL: (02)2657-6158

Factory: No. 91-1, Section 1, Zhongshan Road, Huatan Township, Changhua County

TEL: (04)787-0729

III. Name, Address, E-mail Address, and Telephone Number of the Agency Handling Shares Transfer

Name: Stock Agency Department, Grand Fortune Securities

Address: 6F, No. 6, Section 1, Zhongxiao West Road, Zhongzheng District, Taipei City

Website: [https:// www.gfortune.com.tw](https://www.gfortune.com.tw)

TEL: (02)2371-1658

IV. Names of the Certified Public Accountants Who Duly Audited the Annual Financial Report for the Most Recent Fiscal Year, and the Name, Address, and Telephone Number of the Accounting Firm to Which They Belong

Name of CPAs: Pan Jun-Ming and Tsou, I-Yun

Accounting Firm: KPMG

Website: [http:// www.kpmg.com.tw](http://www.kpmg.com.tw)

Address: 68F, No. 7, Section 5, Xinyi Road, Xinyi District, Taipei City

TEL: (02)8101-6666

V. Name of Any Exchanges Where the Company's Securities Are Traded Offshore, and the Method by Which to Access Information on Said Offshore Securities: None.

VI. Address of the Company's Website: <http://www.yishin-textile.com.tw>

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One. Letter to Shareholders

1. 2024 Business Report

(I) Business Plan Implementation Result

The Company's net revenue for 2024 amounted to NT\$1,123,724 thousand, representing an increase of approximately 13% compared to the net revenue of NT\$994,301 thousand in 2023. Gross profit for 2024 was NT\$133,789 thousand, up approximately 50% from NT\$89,076 thousand in 2023. Overall, the Company achieved a net income after tax of NT\$118,786 thousand in 2024, a 162% increase compared to NT\$45,274 thousand in 2023.

(II) Review Budget Implementation: The Company did not disclose its 2024 financial forecast, so there is no need to disclose the budget implementation status.

(III) Financial income and expense and profitability analysis

Unit: NT\$ thousand

Item		2024	2023	2024 & 2023 Increase (decrease) %
Financial receipts and expenditures	Operating income	1,123,724	994,301	13%
	Gross profit	133,789	89,076	50%
	Net income before tax	130,396	52,391	149%
	Profit after tax	118,786	45,274	162%
Profitability	Return on total assets (%)	5.83	2.54	-
	Return on equity (%)	8.43	3.27	-
	Pre-tax income to paid-in capital (%)	19.29	7.75	-
	Profit margin (%)	10.57	4.55	-
	Earnings per share (NT\$)	1.76	0.67	-

Notes:

1. The Company's inventory decreased from 2,751 tons in January 2024 to 1,540 tons in December 2024, representing a 44% reduction. This significantly mitigated valuation losses from obsolete inventory. Benefiting from strong demand starting in Q3, the Company achieved a positive cycle across inventory, production, and sales.
2. While Q4 has traditionally been the off-season for elastic yarns, market demand defied expectations starting in Q3 2024, showing strong upward momentum. With a rapid ramp-up in production capacity and early alignment with target product specifications, the Company gained a first-mover advantage in market demand.

2. Summary of the 2025 Business Plan

(1) Market Demand Growth

With the expansion of textile and industrial applications, the demand for drawn textured yarn (DTY) is expected to continue rising. In particular, the need for high-strength and abrasion-resistant yarns in high-performance textiles and industrial uses is increasing.

(2) Technological Innovation

- a) The production technology of DTY continues to advance. The application of new materials and processing technologies enhances both product performance and quality.
 - b) Adoption of automation and intelligent manufacturing technologies to improve production efficiency and reduce costs.
- (3) Diversified Applications
- a) DTY is widely used in textiles, packaging, medical, and industrial sectors. As emerging markets develop, Yi Shin Textile Industrial can explore more opportunities for application.
 - b) Especially with increasing demand for eco-friendly and sustainable products, the development of environmentally friendly yarns will become a competitive edge.
- (4) Global Market Expansion
- a) Increasing global demand for high-quality DTY presents an opportunity for Yi Shin Textile Industrial to expand into international markets and enhance export capabilities.
 - b) Participation in international exhibitions and building overseas partnerships will help strengthen brand influence.
- (5) Supply Chain Management
- a) Strengthen supply chain flexibility and stability to ensure a steady supply of raw materials in response to market fluctuations.
 - b) Establish long-term cooperative relationships with suppliers to enhance overall competitiveness. The Company will continue investing in R&D to develop new technologies that enhance product performance and reduce production costs.

Chairman: Chan, Cheng-Tien
General Manager: Weng, Mao-Cheng

Two. Corporate Governance Report

I. Information on Directors, Supervisors, the General Manager, Vice General Managers, Assistant Managers, and the Heads of Various Departments and Branches

(I) Information on Directors

1. Directors (including independent directors)

April 7, 2025; Unit: Shares; %

Title	Nationality or Place of Registration	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse and Minor Shareholding		Shares Held by Nominee Arrangement		Major Education and Experience	Concurrent Duties in the Company and in Other Companies	Spouse or Relatives Within Second Degree of Kinship Who Are Other Managers, Directors, or Supervisors of the Company			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	ROC	Guang Shun Investment Limited	-	May 24, 2022	3 years	May 24, 2022	1,951,646	2.89	1,951,646	2.89	-	-	-	-	-	-	-	-	-	Note 1
		Representative: Chan Cheng-Tien	Male 81-90 years old	April 2, 2024	1.2 years	April 2, 2024	50,000	0.07	1,484,400	2.20	517,080	0.76	-	-	Graduate from high school Chairman of Yijin Industrial Co., Ltd. Chairman of Hongzhou Fiber Industry Co., Ltd Chairman of Kwang Ming Silk Mill Co., Ltd	Representative of the Corporate Director, Everest Textile Co., Ltd. Chairman of the Jin-Xian Foundation Chairman of the Yuan-Zhen Medical Foundation Chairman of the Zheng Tian Foundation for Small and Medium Enterprises	-	-	-	
Director	ROC	Chiu, Tsang-Pei	Male 51-60 years old	May 24, 2022	2 years	June 17, 2013	3,019,114	4.47	1,524,714	2.26	-	-	-	-	-	-	-	-	-	Note 2 Note 3
Director	ROC	Lee, Kuo-Chih	Male 71-80 years old	May 24, 2022	3 years	June 17, 2013	2,126,700	3.15	2,126,700	3.15	-	-	-	-	Graduate Institute of Textile Engineering, Feng Chia University Vice General Manager of Formosa Chemicals and Fiber Corporation Vice General Manager of Kwang Ming Silk Mill Co., Ltd	Plant Manager, Nan Ya Plastics Corporation	-	-	-	
Director	ROC	Yu Liang Investment Limited	-	May 24, 2022	2 years	March 30, 2018	1,818,120	2.69	1,818,120	2.69	-	-	-	-	-	-	-	-	-	Note 4
		Representative: Liu, Ya-Ling	Female 41-50 years old	May 24, 2022	2 years	March 30, 2018	35,020	0.05	-	-	1,524,714	2.26	-	-	-	-	-	-	-	
Director	ROC	Guang Shun Investment Limited	-	May 24, 2022	3 years	May 24, 2022	1,951,646	2.89	1,951,646	2.89	-	-	-	-	-	-	-	-	-	
		Representative: Tsai, Chin-Hsiang	Male 71-80 years old	May 24, 2022	3 years	May 28, 2019	0	1.04	714,560	1.06	-	-	-	-	National Changhua Senior High School General Manager of Li Shin Rubber Co., Ltd.	Independent Director of Roundtop Machinery Industries Co., Ltd. Director of KUANG CHENG PRODUCTS CO., LTD.	-	-	-	
Director	ROC	Guang Shun Investment Limited	-	May 24, 2022	3 years	May 24, 2022	1,951,646	2.89	1,951,646	2.89	-	-	-	-	-	-	-	-	-	Note 1
		Representative: Chan, Shun-Da	Male 41-50 years old	May 24, 2022	1.8 years	May 24, 2022	800,000	1.18	300,000	0.44	-	-	-	-	-	-	-	-	-	
Independent Director	ROC	Tsai, Lien-Sheng	Male 71-80 years old	May 24, 2022	3 years	May 28, 2019	0	0	0	0	-	-	-	-	Department of International Business, Feng Chia University Graduate Institute of China Studies, Tamkang University	Director of the Vocational Training Research and Development Center Independent Director of Kangshu Technology Co., Ltd.	-	-	-	

Title	Nation ality or Place of Registr ation	Name	Gender / Age	Date Elected	Term	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse and Minor Shareholding		Shares Held by Nominee Arrangement		Major Education and Experience	Concurrent Duties in the Company and in Other Companies	Spouse or Relatives Within Second Degree of Kinship Who Are Other Managers, Directors, or Supervisors of the Company			Remar ks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relatio nship	
														Chief of Secretary, Bureau of Foreign Trade, MOEA Executive Secretary, Investment Commission, MOEA Director, Intellectual Property Office, MOEA Secretary General, Chinese National Federation of Industries (CNFI)	Independent Director of Xiangyao Industrial Co., Ltd. Independent Director of Sinopec Corporation					
Independent Director	ROC	Lin, Wen- Chung	Male 71–80 years old	May 24, 2022	3 years	May 28, 2019	0	0	0	0	–	–	–	–	Graduate Institute of Business Automation, National Taipei University of Technology Vice Chairman of LEALEA Enterprise Co.,Ltd. Vice Chairman of Li Peng Enterprise Co.,Ltd. Chairman of LIBOLON Enterprise Co., Ltd.	General Manager of Li Bao Investment Co., Ltd. Independent Director of Tah Tong Textile Co., Ltd.	–	–	–	
Independent Director	ROC	Lin, Ku-Tung	Male 61–70 years old	May 24, 2022	3 years	May 28, 2019	0	0	0	0	–	–	–	–	Department of Accounting, National Chengchi University M.B.A., University of Tennessee, USA Chairman, Deloitte Taiwan	Independent Director of Taiwan Rui Biotechnology Co., Ltd. Independent Director of Yuanjing Solar Technology (Co., Ltd.) Independent Director of Invar Biotech Pharmaceutical Co., Ltd.	–	–	–	
Independent Director	ROC	Chen, Rui- Liang	Male 51–60 years old	May 24, 2022	3 years	May 24, 2022	0	0	0	0	–	–	–	–	Department of Business Administration, National Taiwan University Business Manager of Yidong Fiber Co., Ltd.	Chairman and General Manager of Jiuwei Co., Ltd.	–	–	–	

Note 1: On April 2, 2024, Guang Shun Investment Limited reappointed its corporate representative, Mr. Chan Cheng-Tien, to succeed Mr. Chan Shun-Da in exercising the duties of a director. On April 10, 2024, he was elected by the Board of Directors as the new Chairman.

Note 2: On April 11, 2024, Chairman Mr. Chiu, Tsang-Pei tendered his resignation.

Note 3: On June 28, 2024, Director Mr. Chiu, Tsang-Pei resigned from his position.

Note 4: On June 28, 2024, the corporate director Yu Liang Investment Limited tendered its resignation.

2. Major Shareholders of Corporate Shareholders

April 30, 2025

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholders
Guang Shun Investment Limited	Chan, Shu-Ling (21.7%), Chan, Zheng-Gan (11.7%), Chan, Shun-Quan (21.7%), Chan, Shun-Da (21.7%), Chan, Shu-Ting (16.6%), Chen, Bi-Qin (6.6%)

3. If any Major Shareholder is a Corporate/Juristic Person, List its Major Shareholders in this Form: Not applicable.

4. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies Where the Individual Serves as an Independent Director Concurrently
Corporate director Guang Shun Investment Limited Representative: Chan Cheng-Tien	Currently he serves as Chairman of Yijin Industrial Co., Ltd., Chairman of Hongzhou Fiber Co., Ltd., and Chairman of Kwang Ming Silk Mill Co., Ltd. He has more than five years of work experience required in commercial and corporate business. He has been dedicated to textile industry-related fields. He has the capabilities of professional leadership, market marketing, operations management and strategic planning.	Not under any of the circumstances under the subparagraphs of Article 30 of the Company Act.	0
Director Lee, Kuo-Chih	He graduated from Feng Chia University, Graduate Institute of Textile Engineering, and served as the Vice General Manager of Formosa Chemicals and Fiber Corporation and Vice General Manager of Kwang Ming Silk Mill Co., Ltd. He is now the Plant Manager of Nan Ya Plastics Corporation. He has more than five years of working experience required in commercial and corporate business, specializing in the textile industry and management practices.	Not under any of the circumstances under the subparagraphs of Article 30 of the Company Act.	0
Corporate director Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang	He graduated from Chang Hwa High School and was the Chairman of Li Shin Rubber (Taicang) Limited. He is currently the independent director of a listed company, Roundtop Machinery Industries Co., Ltd. He has more than five years of practical experience in textile industry management and the working experience required for the company's business.	Not under any of the circumstances under the subparagraphs of Article 30 of the Company Act.	1
Independent Director Tsai, Lien-Sheng	He graduated from the Department of International Business, Feng Chia University and Graduate Institute of China Studies, Tamkang University. He is a member and convener of the Audit Committee and Remuneration Committee of the Company. He was the Chief of Secretary, Bureau of Foreign Trade, MOEA, Executive Secretary, Investment Commission, MOEA, and Director, Intellectual Property Office, MOEA. He is now the Secretary General, Chinese National Federation of Industries. He has five years of professional experience required in commerce and corporate business and has an international market perspective, global professional market judgment, and innovative leadership skills.	The following conditions were met during the two years before being elected or during the term of office: (1) Not an employee of the Company or any of its affiliates. (2) Not a director or supervisor of the Company or its affiliates (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary, or a subsidiary under the same parent company in accordance with the Act or local laws and regulations). (3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the Company, or ranking among the top 10 natural-person shareholders in holdings.	3
Independent Director Lin, Wen-Chung	He graduated from the Department of Accounting, Chengchi University and received a M.B.A. from the University of Tennessee, USA. He is a member of the Audit Committee and Remuneration Committee of the Company, and is a licensed CPA. He was the Chairman of Deloitte Taiwan, and provided services to many listed companies. He has more than five years of working experience and professional qualifications in commerce, finance, accounting, and corporate businesses, specializing in corporate finance and accounting practices.	(4) Not the manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3). (5) Not a director, supervisor, or employee of an corporate shareholder who directly holds more than 5% of the Company's total issued shares, who are among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with Article 27, paragraph 1 or 2 of the Company Act (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).	1
Independent Director Lin, Ku-Tung	He graduated from the Department of Accounting, Chengchi University and received a M.B.A. from the University of Tennessee, USA. He is a member of the Audit Committee and Remuneration Committee of the Company, and is a licensed CPA. He was the Chairman of Deloitte Taiwan, and provided services to many listed companies. He has more than five years of working experience and professional qualifications in commerce, finance, accounting, and corporate businesses, specializing in corporate finance and accounting practices.	(6) Not a director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares and those of another company are controlled by the same person (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations). (7) Not a director (managing director), supervisor, or employee of another company or institution where the Chairman, the General Manager, or person holding an	3

Criteria Name	Professional Qualifications and Experience	Independence	Number of Other Public Companies Where the Individual Serves as an Independent Director Concurrently
Independent Director Chen, Rui-Liang	He graduated from the Department of Business Administration of National Taiwan University, he used to be the business manager of Yidong Fiber Co., Ltd., and now serves as the chairman and general manager of Jiuwei Co., Ltd. He has more than five years of business, textile industry, management practice experience and company business experience work experience required	equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses (except for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations). (8) Not a director (managing director), supervisor, manager, or shareholder holding 5% or more of the shares of a specific company or institution which has a financial or business relationship with the Company (except for a specific company or institution holding more than 20% and no more than 50% of the total issued shares of the Company and for an independent director engaged concurrently by the Company, its parent company, and its subsidiary or a subsidiary under the same parent company in accordance with the Act or local laws and regulations). (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Security and Exchanges Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations. (10) Not a spouse or relative within the second degree of kinship of any other director. (11) Not under any of the circumstances under the subparagraphs of Article 30 of the Company Act. (12) Not the government, juridical person, or representative thereof elected as per Article 27 of the Companies Act.	0

5. Board Diversity and Independence:

●Board diversity:

The composition of the Company's Board of Directors shall take diversity into consideration. In principle, the number of directors concurrently serving as managerial officers of the Company shall not exceed one-third of the total number of Board seats. An appropriate diversity policy shall be formulated in accordance with the Company's operations, business model, and developmental needs, and should include, but not be limited to, the following two major aspects:

- (1) Basic qualifications and values gender, age, nationality, and culture.
- (2) Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience. Members of the Board of Directors shall generally possess the knowledge, skills, and integrity necessary to perform their duties. To achieve the Company's governance objectives, the Board as a whole shall possess the following core competencies: 1.Ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Operational management ability. 4. Crisis management ability. 5. Industry knowledge. 6. Global market perspective. 7. Leadership ability. 8. Decision making ability.

Implementation of the Board Diversity Policy for the Current Board:

Name	Nationality	Gender	Operational Judgment Ability	Accounting and Financial Analysis Ability	Operational Management Ability	Risk Management	Industry Knowledge	Global Market Perspective	Leadership Ability	Decision Making Ability
Chan Cheng-Tien	ROC	Male	V	V	V	V	V	V	V	V
Lee, Kuo-Chih	ROC	Male	V		V	V	V	V	V	V
Tsai, Chin-Hsiang	ROC	Male	V		V	V	V	V	V	V
Tsai, Lien-Sheng	ROC	Male	V		V	V		V	V	V
Lin, Wen-Chung	ROC	Male	V		V	V	V	V	V	V
Lin, Ku-Tung	ROC	Male	V	V	V	V		V		V
Chen, Rui-Liang	ROC	Male	V		V	V	V	V	V	V
Diversity Policy Objective: (At least members)		0	7	2	7	7	5	7	6	7
Status of Achievement		Not Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant	Compliant

Note: The corporate representative of Guang Shun Investment Limited, Mr. Chan, Shun-Da, was removed from office on April 2, 2024, and replaced by Mr. Chan, Cheng-Tien as the new corporate representative. Mr. Chan, Cheng-Tien assumed the duties of director previously exercised by Mr. Chan, Shun-Da and was elected as the new Chairman of the Board by the Board of Directors on April 10, 2024. Mr. Chiu, Tsang-Pei, a natural-person director of the Company, and Ms. Liu, Ya-Ling, the corporate representative of Yu Liang Investment Limited, tendered their resignations from the Board of Directors on June 28, 2024.

To enhance the diversity of professional knowledge and skills of the board members, the Company prioritizes recommending relevant courses to directors or enrolling them in such courses as part of the annual six-hour continuing education program for directors. The course fees will be fully covered by the Company.

● Independence of the board:

The Company has a total of nine board seats, of which four are independent directors, accounting for more than one-third of the total board seats. There are no situations as stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act between the independent directors and the Company or its board members. Moreover, there are no familial relationships (spouse or within two degrees of kinship) between the directors, nor do any directors concurrently serve as managers. Additionally, when the board discusses matters in which any director has a conflict of interest, the interested director(s) must abstain from participating in the discussion and voting. Such matters will be discussed and voted on by the independent directors and non-interested directors to maintain the independence of the Company's board of directors.

(II) Information on the General Manager, Vice General Managers, Assistant Vice General Managers, and the Heads of Various Departments and Branches

April 7, 2025; Unit: Shares; %

Title	Nationality	Name	Gender	Date Elected	Shareholding		Shares Held by Spouse & Minors		Shares Held by Nominee Arrangement		Experience (Education)	Selected Current Positions at Other Companies	Spouse or Relatives Within Second Degree of Kinship Who Are Other Managers of the Company			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
General Manger	ROC	Weng, Mao-Cheng	Male	July 15, 2024	–	–	–	–	–	–	Graduated from Feng Chia University. Business Manager at Yijin Industrial Co., Ltd.	–	–	–	–	Note 1
General Manger	ROC	Chiu, Tsang-Pei	Male	July 1, 2013	1,524,714	2.26	–	–	–	–	–	–	–	–	–	Note 1
Assistant Manger	ROC	Huang, Chao-Chin	Male	December 24, 2021	77,360	0.11%	–	–	–	–	Graduate Institute of Textile Engineering, Feng Chia University Business Manager of Kwang Ming Silk Mill Co., Ltd	–	–	–	–	–
Assistant Manger	ROC	Kuo, Chia-Chi	Male	December 24, 2021	–	–	–	–	–	–	Department of Textile Engineering, Feng Chia University Chief of the False-Twist Section, Yi Jinn Industrial Co., Ltd.	–	–	–	–	–
Assistant Manger	ROC	Wang, Zheng-Hong	Male	December 1, 2022	14,216	0.02%	17,000	0.03%	436,128	0.65%	Graduated from Feng Chia Institute of Textile Engineering Executive MBA program in Business Administration at Tunghai University. Chief of the False-Twist Section, Yi Jinn Industrial Co., Ltd.	–	–	–	–	–
Assistant Manger	ROC	Lin, Chin-Tsung	Male	August 12, 2019	–	–	–	–	–	–	MBA, National Chung Hsing University Accounting Manager, Dreamtek International Corp.	–	–	–	–	Note 2
Assistant Manger	ROC	Chen Shu-Hui	Female	November 16, 2024	–	–	–	–	–	–	Graduated from the Department of Accounting, Shih Chien University. Chief of the Finance Department, Yi Jinn Industrial Co., Ltd.	–	–	–	–	Note 2

Note 1: On July 15, 2024, the Board of Directors resolved to appoint Weng, Mao-Cheng as General Manager, following the resignation of former General Manager Chiu, Tsang-Pei on June 28, 2024.

Note 2: On November 11, 2024, the Board of Directors resolved to adjust the position of the Company's internal accounting officer and appointed Ms. Chen Shu-Hui as Vice Manager of the Accounting Department, effective November 16, 2024.

II. Remuneration paid to directors, supervisors, the General Manager, and Vice General Managers in the most recent year

(I) Remuneration Paid to Directors (including Independent Directors)

December 31, 2024; Unit: NT\$ thousand; %

Title	Name	Remuneration of Directors								Sum of A, B, C, and D as a % of the Net Income after tax		Remuneration Received for Serving as an Employee Concurrently										Summation of A,B,C, D, E, F and G and as a % of After-Tax Income		Remuneration from Parent Company and Affiliates Other than Subsidiaries
		Remuneration (A)		Pensions (B)		Director Remuneration (C)		Business Expenses (D)				Salary, Bonuses, and Special Allowance (E)		Pensions (F)		Employees' Remuneration (G) (Note 3)								
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities			
																Cash	Stock	Cash	Stock					
Chairman	Kwang Ming Silk Mill Co., Ltd: Chan Cheng-Tien(Note 1)	—	—	—	—	100	100	5	5	105 0.09%	105 0.09%	—	—	—	—	—	—	—	—	105 0.09%	105 0.09%			
Director	Chiu, Tsang-Pei (Note 2)	348	348	0	0	0	0	15	15	363 0.31%	363 0.31%	1,479	1,479	0	0	0	0	0	0	1,842 1.55%	1,842 1.55%			
Director	Lee, Kuo-Chih	96	96	0	0	100	100	30	30	226 0.19%	226 0.19%	0	0	0	0	0	0	0	0	226 0.19%	226 0.19%			
Director	Yu Liang Investment Limited: Liu, Ya-Ling (Note 3)	48	48	0	0	0	0	10	10	58 0.05%	58 0.05%	0	0	0	0	0	0	0	0	58 0.05%	58 0.05%			
Director	Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang	96	96	0	0	100	100	30	30	226 0.19%	226 0.19%	0	0	0	0	0	0	0	0	226 0.19%	226 0.19%			
Director	Kwang Ming Silk Mill Co., Ltd: Chan, Shun-Da (Note 1)	24	24	0	0	0	0	5	5	29 0.02%	29 0.02%	0	0	0	0	0	0	0	0	29 0.02%	29 0.02%			
Independent Director	Tsai, Lien-Sheng	480	480	0	0	0	0	25	25	505 0.43%	505 0.43%	0	0	0	0	0	0	0	0	505 0.43%	505 0.43%			
Independent Director	Lin, Wen-Chung	480	480	0	0	0	0	30	30	510 0.43%	510 0.43%	0	0	0	0	0	0	0	0	510 0.43%	510 0.43%			
Independent Director	Lin, Ku-Tung	480	480	0	0	0	0	25	25	505 0.43%	505 0.43%	0	0	0	0	0	0	0	0	505 0.43%	505 0.43%			
Independent Director	Chen, Rui-Liang	480	480	0	0	0	0	30	30	510 0.43%	510 0.43%	0	0	0	0	0	0	0	0	510 0.43%	510 0.43%			
1. Please describe the policy, system, standard and structure of the remuneration of independent directors, and describe the relationship between the amount of remuneration paid and the responsibilities, risks, time commitment, etc.: The remuneration of the Company's independent directors shall be determined in accordance with Article 21 of the Company's Articles of Incorporation, which states, "The remuneration of directors may be set by the Board of Directors based on their level of participation in the Company's operations and the value of their contributions, with reference to industry standards." 2. Apart from the disclosure in the table above, no remuneration was received by the Company's directors in the most recent fiscal year for providing services (such as serving as a consultant without being an employee): None.																								

Note 1: On April 2, 2024, Guang Shun Investment Limited reappointed its corporate representative, Mr. Chan Cheng-Tien, to succeed Mr. Chan Shun-Da in exercising the duties of a director.

Note 2: On June 28, 2024, Director Chiu, Tsang-Pei resigned from the position.

Note 3: On June 28, 2024, the corporate director Yu Liang Investment Limited tendered its resignation.

Remuneration Scale Table

Remuneration Bracket for Directors of the Company	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Below NT\$1,000,000	Guang Shun Investment Limited Representative: Chan Cheng-Tien / Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang: Tsai, Chin-Hsiang / Guang Shun Investment Limited Representative: Chan, Shun-Da / Chiu, Tsang-Pei / Lee, Kuo-Chih / Yu Liang Investment Limited Representative: Liu, Ya-Ling / Tsai, Lien-Sheng / Lin, Wen-Chung / Lin, Ku-Tung / Chen, Rui-Liang	Guang Shun Investment Limited Representative: Chan Cheng-Tien / Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang: Tsai, Chin-Hsiang / Guang Shun Investment Limited Representative: Chan, Shun-Da / Chiu, Tsang-Pei / Lee, Kuo-Chih / Yu Liang Investment Limited Representative: Liu, Ya-Ling / Tsai, Lien-Sheng / Lin, Wen-Chung / Lin, Ku-Tung / Chen, Rui-Liang	Guang Shun Investment Limited Representative: Chan Cheng-Tien / Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang: Tsai, Chin-Hsiang / Guang Shun Investment Limited Representative: Chan, Shun-Da / Lee, Kuo-Chih / Yu Liang Investment Limited Representative: Liu, Ya-Ling / Tsai, Lien-Sheng / Lin, Wen-Chung / Lin, Ku-Tung / Chen, Rui-Liang	Guang Shun Investment Limited Representative: Chan Cheng-Tien / Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang: Tsai, Chin-Hsiang / Guang Shun Investment Limited Representative: Chan, Shun-Da / Lee, Kuo-Chih / Yu Liang Investment Limited Representative: Liu, Ya-Ling / Tsai, Lien-Sheng / Lin, Wen-Chung / Lin, Ku-Tung / Chen, Rui-Liang
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)	—	—	Chiu, Tsang-Pei	Chiu, Tsang-Pei
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)	—	—	—	—
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	—	—	—	—
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)	—	—	—	—
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)	—	—	—	—
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)	—	—	—	—
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)	—	—	Chiu, Tsang-Pei	Chiu, Tsang-Pei
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)	—	—	—	—
NT\$100,000,000 or above	—	—	—	—
Total	10 people	10 people	10 people	10 people

(II) Remuneration to General Manager and Vice General Manager

December 31, 2024; Unit: NT\$ thousand; %

Title	Name	Salary (A)		Pensions (B)		Bonuses and Allowances (C)		Employees' Remuneration (D)				Sum of A, B, C, and D as a % of the Net Income after Tax		Remuneration from Parent Company and Affiliates Other than Subsidiaries
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	Weng, Mao-Cheng	600	600	0	0	1,575	1,575	500	0	500	0	2,675 2.25%	2,675 2.25%	None
General Manager	Chiu, Tsang-Pei	1,479	1,479	0	0	0	0	0	0	0	0	1,479 1.25%	1,479 1.25%	None

Note: On July 15, 2024, the Board of Directors resolved to appoint Weng, Mao-Cheng as General Manager, following the resignation of former General Manager Chiu, Tsang-Pei on June 28, 2024.

Remuneration Scale Table

Range of remuneration paid to the General Manager and Vice General Managers of the Company	Name of General Manager/Vice General Manager	
	The Company	All Consolidated Entities
Below NT\$1,000,000	—	—
NT\$1,000,000 (inclusive)–NT\$2,000,000 (exclusive)	Chiu, Tsang-Pei	Chiu, Tsang-Pei
NT\$2,000,000 (inclusive)–NT\$3,500,000 (exclusive)	Weng, Mao-Cheng	Weng, Mao-Cheng
NT\$3,500,000 (inclusive)–NT\$5,000,000 (exclusive)	—	—
NT\$5,000,000 (inclusive)–NT\$10,000,000 (exclusive)	—	—
NT\$10,000,000 (inclusive)–NT\$15,000,000 (exclusive)	—	—
NT\$15,000,000 (inclusive)–NT\$30,000,000 (exclusive)	—	—
NT\$30,000,000 (inclusive)–NT\$50,000,000 (exclusive)	—	—
NT\$50,000,000 (inclusive)–NT\$100,000,000 (exclusive)	—	—
NT\$100,000,000 or more	—	—
Total	2 people	2 people

Note: On July 15, 2024, the Board of Directors resolved to appoint Weng, Mao-Cheng as General Manager, following the resignation of former General Manager Chiu, Tsang-Pei on June 28, 2024.

(III) Remuneration of the Top Five Highest Paid Supervisors of TWSE/TPEX Listed Companies (Individual Disclosure of Name and Remuneration)

December 31, 2024; Unit: NT\$ thousand; %

Title	Name	Salary (A)		Pensions (B)		Bonuses and Allowances (C)		Employees' Remuneration (D)				Sum of A, B, C, and D as a % of the Net Income after Tax		Remuneration from Parent and Other Company Affiliates and Subsidiaries
		The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company	All Consolidated Entities	The Company		All Consolidated Entities		The Company	All Consolidated Entities	
								Cash	Stock	Cash	Stock			
General Manager	Weng, Mao-Cheng	600	600	0	0	1,575	1,575	500	0	500	0	2,675 2.25%	2,675 2.25%	None
General Manager	Chiu, Tsang-Pei (Note 1)	1,479	1,479	0	0	0	0	0	0	0	0	1,479 1.25%	1,479 1.25%	None
Assistant Manager	Kuo, Chia-Chi	1,068	1,068	0	0	608	608	200	0	200	0	1,876 1.58%	1,876 1.58%	None
Assistant Manager	Huang, Chao-Chin	972	972	0	0	596	596	200	0	200	0	1,768 1.49%	1,768 1.49%	None
Assistant Manager	Wang, Zheng-Hong	1,004	1,004	0	0	493	493	200	0	200	0	1,697 1.43%	1,697 1.43%	None
Accounting Manager	Lin, Chin-Tsung (Note 2)	903	903	0	0	0	0	0	0	0	0	903 0.76%	903 0.76%	None
Accounting Manager	Chen Shu-Hui	126	126	0	0	197	197	100	0	100	0	423 0.36%	423 0.36%	None

Note 1: Former General Manager Chiu, Tsang-Pei resigned on June 28, 2024.

Note 2: On November 11, 2024, the Board of Directors resolved to adjust the position of the Company's internal accounting officer and appointed Ms. Chen Shu-Hui as Vice Manager of the Accounting Department, effective November 16, 2024.

(IV) Name of Managers Who Received Employees' Compensation and the Distribution Status in the Most Recent Year

December 31, 2024; Unit: NT\$ thousand

	Title	Name	Stock	Cash	Total	Total Remuneration as a % of Net Income
Managers	General Manager	Weng, Mao-Cheng	0	1,200	1,200	1.01%
	Assistant Manager	Kuo, Chia-Chi				
	Assistant Manager	Huang, Chao-Chin				
	Assistant Manager	Wang, Zheng-Hong				
	Accounting Manager	Chen Shu-Hui				

- (V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its correlation to operating performance and future risk exposure.

1. Analysis of the Total Remuneration Paid to the Company's Directors, the General Manager, and Vice General Managers by the Company as a Percentage of the Net Income After Tax for the Most Recent Two Years

Unit: %

Title	2024		2023	
	The Company	All Consolidated Entities	The Company	All Consolidated Entities
Director	2.56%	2.56%	9.56%	9.56%
General Manager (Vice General Manager)	3.50%	3.50%	12.17%	12.17%

Note: The decrease in the director's remuneration ratio in 2024 compared to 2023 was due to the significant increase in the net profit after tax in 2024; the decrease in the general manager's remuneration ratio in 2024 compared to 2023 was also due to the significant increase in the net profit after tax in 2024.

2. Remuneration Policies, Standards, and Composition, the Procedure for Determining Remuneration, and Its Correlation to Operating Performance and Future Risk Exposure

(1) Policy, standard and Combination of Payment of Remuneration:

(a) The remuneration of directors of the company shall be determined in accordance with the provisions of Article 21 of the company's articles of association. Directors' remuneration for performing their duties shall be determined by the board of directors with reference to the usual industry standard of payment based on the degree of participation and contribution value of individual directors. In addition, if the company makes profits in the current year. In accordance with Article 25 of the company's articles of association, no more than 1% shall be allocated as director's remuneration, and independent directors shall not participate in the distribution of director's remuneration. The company regularly evaluates the remuneration of directors in accordance with the "Director and Manager Salary Remuneration Measures". The relevant performance appraisal and remuneration rationality are reviewed by the remuneration committee and the board of directors.

(b) The company's manager's remuneration, according to the director and manager's

salary and remuneration method, clearly stipulates various work allowances and bonuses to sympathize with and reward employees for their efforts in work. Relevant bonuses also depend on the company's annual operating performance, financial status, operating In addition, if the company makes profits in the current year, according to Article 25 of the company's articles of association, no less than 2% shall be allocated as employee remuneration. The company's performance evaluation results implemented in accordance with the "Performance Management Measures" are used as a reference for the issuance of managers' bonuses. Managers' performance evaluation items are divided into 1. Financial indicators: according to the company's management profit and loss report; 2. Non-financial indicators: The practice of the company's core values, operational management capabilities, and participation in sustainable operations are two parts that calculate the remuneration for its operating performance, and review the remuneration system at any time depending on the actual operating conditions and relevant laws and regulations.

(2) Procedures for Determining Remuneration:

- (a) In order to regularly evaluate the remuneration of directors and managers, it is based on the evaluation results of the company's "Board of Directors Performance Evaluation Method" and the applicable manager's "Performance Management Method" respectively. In addition, the chairman's performance measurement standard is Based on the company's annual operating indicators related to operations, governance and financial results, the evaluation scope includes: net profit before tax, credit rating and corporate governance evaluation indicators; the general manager's performance measurement evaluation scope includes: operation management , the implementation of financial plans, revenue management, strengthening internal control and other major tasks related to various performance objectives.
- (b) The performance self-evaluation results of the board of directors, director members and members of each functional committee in 2024 all significantly exceeded the standard.
- (c) The relevant performance appraisal and salary rationality of the company's directors and managers are regularly evaluated and reviewed by the salary compensation committee and the board of directors. In addition to referring to the individual's performance achievement rate and contribution to the company, the company's overall operating performance, industry Future risks and development trends, as well as reviewing the remuneration system at any time depending on the actual operating conditions and relevant laws and regulations and giving reasonable remuneration to achieve a balance between the company's sustainable operation and risk control. The actual amount of remuneration for directors and managers in 2024 was reviewed by the remuneration committee and then submitted to the board of directors meeting for decision.

(3) Correlation with Business Performance and Future Risks:

The Company's remuneration policy related payment standard and system review is based on the company's overall operating status as the main consideration, and the payment standard is approved based on the performance achievement rate and contribution, so as to improve the overall organizational team effectiveness of the board of directors and management department. In addition, industry remuneration standards are taken into account to ensure that the compensation for the Company's management team is competitive within the industry, aiming to retain outstanding management talent.

III. Corporate Governance Implementation Status

(I) Operations of the Board of Directors

The Board of Directors held 6 meetings in the most recent year (2024), with the following attendance details for the directors:

Title	Name	Attendance in Person	Attendance by Proxy	Expected Attendances	Actual Attendance Rate	Remarks
Chairman	Guang Shun Investment Limited Representative: Chan Cheng-Tien	5	0	5	100%	Change of Corporate Representative on April 2, 2024
Director	Chiu, Tsang-Pei	3	0	3	100%	Resigned on June 28, 2024
Director	Lee, Kuo-Chih	6	0	6	100%	Reappointed on May 24, 2022
Director	Yu Liang Investment Limited Representative: Liu, Ya-Ling	2	0	3	67%	Resigned on June 28, 2024
Director	Guang Shun Investment Limited Representative: Tsai, Chin-Hsiang	6	0	6	100%	Reappointed on May 24, 2022
Director	Guang Shun Investment Limited Representative: Chan, Shun-Da	1	0	1	100%	Change of Corporate Representative on April 2, 2024
Independent Director	Tsai, Lien-Sheng	5	1	6	83%	Reappointed on May 24, 2022
Independent Director	Lin, Wen-Chung	6	0	6	100%	Reappointed on May 24, 2022
Independent Director	Lin, Ku-Tung	5	1	6	83%	Reappointed on May 24, 2022
Independent Director	Chen, Rui-Liang	6	0	6	100%	Took Office on May 24, 2022

- I. Other matters to be recorded
If any of the following circumstances occurs, the dates of the meetings, sessions, contents of motion, all Independent Directors' opinions and the Company's response shall be specified:
- (I) Conditions described in Article 14-3 of the Securities and Exchange Act: Not applicable as the Company has established an Audit Committee.
 - (II) Other matters involving objections or expressed reservations by Independent Directors that were recorded or stated in writing that require a resolution by the Board of Directors: None
- II. If there are Directors' avoidance of motions due to conflicts of interest, the names of the Directors, the content of the motion, the reasons for avoidance, and the voting participation should be disclosed:

Meeting Dates	Director Name	Motion Details	Reasons for Avoidance	Participation in Voting
March 11, 2024 5th term 10th meeting	Chiu, Tsang-Pei, Liu, Ya-Ling	Proposal on the Chairman's Remuneration	Personal Interest Disclosure: Mr. Chiu, Tsang-Pei serves concurrently as Director and General Manager; Ms. Liu, Ya-Ling is Mr. Chiu's spouse.	The individuals did not participate in the discussion or voting. The proposal was approved without objection by the remaining attending directors.
April 10, 2024 5th term 11th meeting	Chiu, Tsang-Pei, Liu, Ya-Ling	Proposal for the Adjustment of the Company's General Manager's Remuneration	Personal Interest Disclosure: Mr. Chiu, Tsang-Pei serves concurrently as Director and General Manager; Ms. Liu, Ya-Ling is Mr. Chiu's spouse.	The individuals did not participate in the discussion or voting. The proposal was approved without objection by the remaining attending directors.
March 11, 2024 5th term 12th meeting	Chan Cheng-Tien, Chiu, Tsang-Pei, Lee, Kuo-Chih, Tsai, Chin-Hsiang	Proposal on Distribution of Director Remuneration for 2023	Personal Interest Disclosure	The individuals did not participate in the discussion or voting. The proposal was approved without objection by the remaining attending directors.
March 11, 2024 5th term 15th meeting	Chan Cheng-Tien, Lee, Kuo-Chih, Tsai, Chin-Hsiang, Tsai, Lien-Sheng, Lin, Wen-Chung,	Remuneration for the Company's Managers.	Personal interest matters were recused accordingly	The individuals did not participate in the discussion or voting. The proposal was approved without objection by the

	Chen, Rui-Liang			remaining attending directors.	
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III. Evaluation cycle, period, scope, method, and content of Self-Evaluation (or Peer Evaluation) of the Board of Directors:

A. Results of the 2024 Board Performance Evaluation: The average score for the "Self-Assessment of the Board's Operations" was 4.8, indicating near-excellent performance. The average score for the "Self-Assessment of Board Members" was 4.8, indicating near-excellent performance. (Full score: 5) The average score for the "Self-Assessment of Functional Committees (Audit Committee) Performance" was 4.9, indicating near-excellent performance. The average score for the "Self-Assessment of Functional Committees Remuneration Committee) Performance" was 4.8, indicating near-excellent performance. (Full score: 5)

B. Evaluation of the Board Performance:

Frequency	Period	Scope	Method	Content
Once a year	January 1, 2024 to December 31, 2024	Board of Directors Meeting	Board Internal Self-Assessment	The evaluation covers the level of the board's participation in company operations, decision-making quality, board composition and structure, director selection and ongoing education, and internal control.
Once a year	January 1, 2024 to December 31, 2024	Individual Director	Director Self-Assessment	The evaluation covers the understanding of company goals and tasks, awareness of board duties, participation in company operations, management and communication of internal relationships, professionalism and continuing education of directors, and internal control.
Once a year	January 1, 2024 to December 31, 2024	Audit Committee	Board Internal Self-Assessment	The evaluation covers five major areas: participation in company operations, awareness of the responsibilities of functional committees, enhancement of the decision-making quality of functional committees, composition and member selection of functional committees, and internal control.
Once a year	January 1, 2024 to December 31, 2024	Remuneration Committee	Board Internal Self-Assessment	The evaluation covers five major areas: participation in company operations, awareness of the responsibilities of functional committees, enhancement of the decision-making quality of functional committees, composition and member selection of functional committees, and internal control.

IV. Objectives and Implementation Status of Strengthening Board Functions in the Current and Most Recent Fiscal Years (For example, the establishment of an Audit Committee, enhancement of information transparency, etc.)

- (1) The Company established an Audit Committee on August 12, 2019, to replace the supervisor. The committee meets at least once each quarter and is responsible for ensuring the proper presentation of the company's financial statements, the selection (dismissal) of certified public accountants, the independence and performance of auditors, the effective implementation of internal controls, compliance with relevant laws and regulations, and the management and control of the company's existing or potential risks. In 2024, the committee held five meetings, and operations were smooth.
- (2) The board of directors has formulated a code of corporate governance practice, a code of integrity management, a code of ethical conduct, etc. to implement the code of conduct to build correct corporate values, integrity culture and ethics. On November 11, 2024, the Board of Directors adopted additional policies to enhance the company's sustainable development, including the "Corporate Social Responsibility Best Practice Principles," "Risk Management Best Practice Principles," "Risk Management Policy," "Business Continuity Plan," "Supplier Sustainability Management Policy," "Supplier/Outsourced Manufacturer Social Responsibility Commitment," "Yixin Company Compensation Policy," "Board Member and Key Management Succession Planning," "Stakeholder Whistleblowing and Complaint Handling Mechanism," "Standard Operating Procedures for Directors' Requests," "Yixin Company Human Rights Policy," "Written Declaration Prohibiting Workplace Sexual Harassment," "2030 Sustainable Development Goals (SDGs)," and "Vendor Integrity and Anti-Bribery Commitment."
- (3) The Board of Directors is also committed to establishing sound corporate governance systems, strengthening supervisory functions, and enhancing management capabilities. In accordance with the regulations of the competent authorities, the Board has established meeting rules, which include key matters of discussion, operational procedures, items to be recorded in the minutes, announcements, and other matters that must be followed, all of which are handled in compliance with the regulations.
- (4) To implement corporate governance and enhance the effectiveness of the Board of Directors, the Board resolved on May 8, 2023, to establish a Governance Officer to support the Board in its duties and improve its effectiveness.
- (5) The Board of Directors resolved on August 12, 2019, to establish the Remuneration Committee, which is responsible for formulating and regularly reviewing the annual and long-term performance targets, compensation policies, systems, standards, and structures for directors and managers. The committee regularly evaluates the achievement of performance goals of the company's directors and managers and determines the content and amount of their individual compensation. In 2024, the Remuneration Committee held 4 meetings, and its operations have been smooth.

(II) Information on Operation of the Audit Committee

1. Focus of the work of the Audit Committee

The Company's Audit Committee is composed of four independent directors. The Audit Committee aims to assist the Board of Directors in supervising the company's quality and integrity in implementing relevant accounting, auditing, financial reporting processes and financial controls. The main matters reviewed by the Audit Committee include: (1) Review financial reports; (2) Review the internal audit plan; (3) Review the amendments to the internal control system; (4) Review the amendments to the operating procedures for capital loans and others; (5) Review fund loan cases; (6) Review production capacity investment cases; (7) Conduct a visa accountant's independence assessment; (8) Appoint a certification accountant and review the remuneration of the certification accountant

2. Information on Operation of the Audit Committee

The Audit Committee held 5 meetings in 2024, with the following attendance details for the independent directors:

Title	Name	Attendance in Person	Attendance by Proxy	Actual Attendance Rate (%)	Remarks
Independent Director	Tsai, Lien-Sheng	4	1	80%	Reappointed on May 24, 2022
Independent Director	Lin, Wen-Chung	5	0	100%	Reappointed on May 24, 2022
Independent Director	Lin, Ku-Tung	4	1	80%	Reappointed on May 24, 2022
Independent Director	Chen, Rui-Liang	5	0	100%	Took Office on May 24, 2022

Other matters to be recorded

- I. If any of the following circumstances occur during the operation of the Audit Committee, the Company shall disclose the date of the Audit Committee meeting, the meeting session, the content of the proposals, any objections, reservations, or major recommendations made by Independent Directors, the resolutions adopted by the Audit Committee, and the Company's handling of the Audit Committee's opinions.

(I) Conditions described in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting Dates	Motion Details	The Results of the Audit Committee's Resolutions and the Company's Response to the Audit Committee's Opinions
March 11, 2024 2nd term, 9th meeting	1. Self-Assessment Report on the Company's Internal Control System for 2023 and Statement on the Internal Control System. 2. The 2023 Business Report and Financial Statements. 3. 2023 Earnings Distribution Plan. 4. Proposal for Cash Distribution from Capital Surplus 5. Proposal for the Evaluation of the Independence and Competence of the Certified Public Accountant 6. Proposal to Amend the General Principles of the Pre-approval Policy for Non-assurance Services	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.
May 13, 2024 2nd term, 10th meeting	1. The Company's 2024 Q1 financial statements.	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.
July 15, 2024 2nd term, 11th meeting	1. Proposal to Increase the Limit for Acquisition and Disposal of Listed Company Shares by the Company	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.
August 5, 2024 2nd term, 12th meeting	1. The Company's 2024 Q2 Financial Statements.	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.
November 11, 2024 2nd term, 13th meeting	1. The Company's 2024 Q3 Financial Statements. 2. Proposal on Changes in the Company's Accounting Officer and Corporate Governance Officer. 3. Proposal on Changes in the Company's Internal Audit Officer. 4. Proposal for the Appointment of the Certified Public Accountant, Including Evaluation of Independence, Competence, and Fee Review	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.

	5. Proposal to Amend Section 15, Chapter 8 of the Company's Internal Control System, Add Section 23 to Chapter 8, and Add Sections 1 to 7 under Chapter 11 on Corporate Sustainability (ESG) and Related Internal Audit Systems 6. Proposal to Establish Relevant Guidelines, Systems, Policies, and Declarations in Accordance with Sections 1 to 7 of Chapter 11 (Corporate Sustainability Cycle) of the Company's Internal Control System to Enhance the Company's Corporate Sustainability Development	
March 11, 2025 2nd term, 14th meeting	1. The Company's 2025 Risk Report (Including Identification of ESG Topics of Concern to Stakeholders in 2024) 2. The Company's "Statement on Internal Control System" for 2024 3. The 2024 Business Report and Financial Statements. 4. 2024 Earnings Distribution Plan. 5. Proposal to Amend Chapter 4, Section 9 "Salary Calculation and Disbursement Procedures" of the Company's Internal Control System	After being approved by the Audit Committee, the proposal was submitted to the Board of Directors and was approved by all attending directors.

(II) In addition to the matters referred to above, any matter that was not approved by the Audit Committee but was approved by a two-thirds or a greater majority resolution of the Board of Directors: None.

II. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: None.

III. Communication between independent directors and the chief internal auditor/CPAs (including material financial and business matters communicated and communication methods and results):

- (I) The Audit Chief shall, in accordance with the audit plan, submit audit reports to the independent directors on time when the audit projects are finalized, as required by law, and shall also report on the audit implementation status at the periodic board meetings. The independent directors have no objections.
1. The internal audit unit submits internal audit reports to the independent directors for review on a monthly basis.
 2. The implementation status of the internal audit plan is reported to the Board of Directors quarterly. Any questions raised by the directors (including independent directors) during the meetings are addressed with detailed explanations.
 3. On a quarterly and annual basis, the certified public accountants (CPAs) issue written financial review/audit reports and communicate with the Audit Committee (independent directors) regarding the overall audit status of the parent company, internal control assessments, and recent regulatory updates.
 4. Annually, the CPAs provide a written declaration regarding their independence and competence and communicate with the Audit Committee (independent directors) to confirm compliance with relevant requirements.
 5. After each Board or Audit Committee meeting, the Chief Internal Auditor communicates with the Audit Committee (independent directors) regarding audit findings and follow-up matters, and collects their opinions and instructions.

(II) Communication between the independent directors and the CPAs:

Date	Method	Key Item	Result
March 11, 2024	Audit Committee	(1) Description regarding the audit scope and key audit matters of the CPAs' 2023 financial statement audit. (2) Explanation of recent legal updates and key corporate governance measures.	(1) No dissenting opinion. (2) Implement according to the law.
March 11, 2025	Audit Committee	(1) Description regarding the audit scope and key audit matters of the CPAs' 2024 financial statement audit. (2) Explanation of recent legal updates and key corporate governance measures.	(1) No dissenting opinion. (2) Implement according to the law.

3. Information on the Participation in Board Meetings by the Supervisors: Not applicable.
The Company established an Audit Committee in 2019.

(III) The Operations of Corporate Governance and the Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons Therefor
	Yes	No	Brief Description	
I. Has the Company established and disclosed its Corporate Governance Best Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies?	V		The Company established and obtained approval from the Board of Directors for the Corporate Governance Best Practice Principles on February 22, 2021, and disclosed them on the Company's website. In reference to the revised Corporate Governance Best Practice Principles issued by the Taiwan Stock Exchange, the Company amended its "Corporate Governance Best Practice Principles" and submitted them to the Board of Directors for approval on December 24, 2021, with the amended version disclosed on the Company's website.	In compliance with Articles 1 and 2 of the Corporate Governance Best Practice Principles for listed and over-the-counter companies. To align with the Company's actual circumstances, some minor adjustments were made to the content.
II. Shareholding Structure and Shareholders' Rights				
(I) Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, have these procedures been implemented accordingly?	V		(I) The General Manager's Office has dedicated personnel and spokespersons, as well as deputy spokespersons, to handle shareholder suggestions, inquiries, and disputes. The contact phone number, address, and email of the designated contact window are published on the Company's website. The internal procedures for handling shareholder suggestions, inquiries, disputes, and litigation matters are set forth in Articles 4-13 of Chapter 2, "Protection of Shareholders' Rights," of the "Corporate Governance Best Practice Principles," and responses are provided by the spokesperson or deputy spokesperson, either orally or in writing.	In compliance with Article 13 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(II) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(II) The Company has entrusted a shareholder services agency to handle shareholder-related matters. The shareholder registry and information regarding changes in shareholding by insiders are regularly reported according to regulations, allowing the Company to track shareholder holdings.	
(III) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(III) The Company has established internal operating procedures to manage related party transactions, endorsements, guarantees, and fund lending in accordance with the Securities Exchange Act. Additionally, procedures for supervising and managing subsidiaries are in place to implement risk control mechanisms for subsidiaries. For details, please refer to Articles 14-19 of Chapter 2, Section 3, "Governance Relationship Between the Company and Related Enterprises," of the "Corporate Governance Best Practice Principles." Transactions with related enterprises are clearly regulated to ensure risk control mechanisms are in place and to prevent irregular transactions.	In compliance with Article 19 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies.
(IV) Has the Company established internal rules prohibiting insider trading of securities based on undisclosed information?	V		(IV) The Company has established the "Procedures for Handling Material Inside Information" and the "Procedures for Preventing Insider Trading" to regulate and urge insiders not to trade securities using non-public information in the market. 2. On September 5, 2024, the Company conducted legal compliance training for directors, managers, and employees, covering insider trading prevention and awareness. Additionally, on November 11, 2024, a report on the 2024 Corporate Governance Education and Advocacy was presented at the Board of Directors meeting for further dissemination. 3. When the annual financial report or quarterly financial report is submitted for discussion or reporting at the Board of Directors meeting, directors are reminded that "directors and insiders are prohibited from trading company stock during the closed period, which is thirty days prior to the announcement of the annual financial report and fifteen	In compliance with Article 4 to Article 19 of Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. In compliance with Article 10, Paragraph 2 of the Corporate Governance Best

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Brief Description	
			days prior to the announcement of each quarterly financial report."	Practice Principles for TWSE/TPEx Listed Companies.
III. Composition and Responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the Board and have they been fully implemented?	V		(1) Article 20 of the Company's Corporate Governance Best Practice Principles clearly stipulates that the composition of the Board of Directors should consider diversity. To implement the diversification of board members, the Company has established the "Board Member Diversity Policy" and set specific diversity targets. Every year, the Corporate Governance Promotion Task Force evaluates the progress toward achieving these targets. The concrete method for implementing this policy is to "enhance the board's professional knowledge and skills through diversified expertise, the Company prioritizes recommending relevant courses to directors or enrolling them in such courses as part of the annual six-hour continuing education program for directors. The course fees will be fully covered by the Company. The Company's corporate director, Liu, Ya-Ling, resigned from the Board on June 28, 2024, resulting in non-compliance with the gender diversity policy. In the future, the Board will seek suitable female candidates for director positions. The Company's Board of Directors consists of four independent directors and three general directors. The current directors possess diverse professional backgrounds and extensive management experience, including expertise in business management, leadership decision-making, industry knowledge, international perspective, and financial analysis. For details on the directors' educational qualifications, experiences, professional qualifications, and work experience, please refer to the explanation of the "Board Member Diversity Policy" in this year's annual report.	In compliance with Article 20 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?		V	(2) The Company has established a Remuneration Committee and an Audit Committee in accordance with the law. Other functional committees will be established based on the Company's operational needs and regulatory requirements.	
(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	V		(3) The Company has established performance evaluation procedures and methods for the Board of Directors. Performance evaluations are conducted annually for the overall Board, individual directors, and functional committees (the Remuneration Committee and the Audit Committee). The results serve as a reference for operational review and improvement, as well as for the selection or nomination of directors. The evaluation was conducted through self-assessment questionnaires.	In compliance with Articles 28 and 28-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
(IV) Does the Company regularly evaluate its external auditors' independence?	V		(4) The Company's Audit Committee conducts an annual assessment of the independence of the Certified Public Accountant and reports the results to the Board of Directors. After confirmation that the CPA has no financial interests or business relationships with the Company other than fees for attestation and tax-related services, the CPA's independence and competence for the year 2024 were evaluated with reference to the Audit Quality Indicators (AQIs). The results of the evaluation were approved by the Board of Directors on November 11, 2024. The relevant assessment procedures are as follows: ● Name of CPAs: Pan Jun-Ming and Tsou, I-Yun	In compliance with Articles 37, Paragraphs 3 and 4 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor																											
	Yes	No	Brief Description																												
			● Accounting Firm: KPMG ● Assessment Content: The evaluation was conducted with reference to Article 47 of the Certified Public Accountant Act and Bulletin No.10 of the Norm of Professional Ethics for Certified Public Accountant of the Republic of China. <table><tr><th>Item</th><th>Result</th><th>Independence Compliance</th></tr><tr><td>1. Does the CPA have any direct or significant indirect financial interest in the Company?</td><td>No</td><td>Yes</td></tr><tr><td>2. Has the CPA engaged in any financing or guarantee arrangements with the Company or its directors?</td><td>No</td><td>Yes</td></tr><tr><td>3. Does the CPA have any close business relationships or potential employment relationships with the Company?</td><td>No</td><td>Yes</td></tr><tr><td>4. Has the CPA or any member of the audit team held any position as a director, manager, or other role with significant influence over the audit at the Company currently or within the past two years?</td><td>No</td><td>Yes</td></tr><tr><td>5. Has the CPA provided any non-audit services to the Company that could directly affect the audit work?</td><td>No</td><td>Yes</td></tr><tr><td>6. Has the CPA acted as an agent for the Company in issuing stocks or other securities?</td><td>No</td><td>Yes</td></tr><tr><td>7. Has the CPA served as a legal representative or advocate for the Company in disputes with third parties?</td><td>No</td><td>Yes</td></tr><tr><td>8. Does the CPA have any familial relationship with any of the Company's directors, managers, or personnel in positions that significantly influence the audit?</td><td>No</td><td>Yes</td></tr></table> ● Assessment Result: Certified Public Accountants Pan, Jun-Ming and Tsou, I-Yun have no conflicts of interest or familial relationships with the Company. They have maintained a fair and objective attitude while providing professional services and are in compliance with the standards of independence and competence.	Item	Result	Independence Compliance	1. Does the CPA have any direct or significant indirect financial interest in the Company?	No	Yes	2. Has the CPA engaged in any financing or guarantee arrangements with the Company or its directors?	No	Yes	3. Does the CPA have any close business relationships or potential employment relationships with the Company?	No	Yes	4. Has the CPA or any member of the audit team held any position as a director, manager, or other role with significant influence over the audit at the Company currently or within the past two years?	No	Yes	5. Has the CPA provided any non-audit services to the Company that could directly affect the audit work?	No	Yes	6. Has the CPA acted as an agent for the Company in issuing stocks or other securities?	No	Yes	7. Has the CPA served as a legal representative or advocate for the Company in disputes with third parties?	No	Yes	8. Does the CPA have any familial relationship with any of the Company's directors, managers, or personnel in positions that significantly influence the audit?	No	Yes	In compliance with Article 29 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
Item	Result	Independence Compliance																													
1. Does the CPA have any direct or significant indirect financial interest in the Company?	No	Yes																													
2. Has the CPA engaged in any financing or guarantee arrangements with the Company or its directors?	No	Yes																													
3. Does the CPA have any close business relationships or potential employment relationships with the Company?	No	Yes																													
4. Has the CPA or any member of the audit team held any position as a director, manager, or other role with significant influence over the audit at the Company currently or within the past two years?	No	Yes																													
5. Has the CPA provided any non-audit services to the Company that could directly affect the audit work?	No	Yes																													
6. Has the CPA acted as an agent for the Company in issuing stocks or other securities?	No	Yes																													
7. Has the CPA served as a legal representative or advocate for the Company in disputes with third parties?	No	Yes																													
8. Does the CPA have any familial relationship with any of the Company's directors, managers, or personnel in positions that significantly influence the audit?	No	Yes																													
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	V		The Company appointed a Corporate Governance Officer on May 8, 2023, to safeguard shareholder rights and enhance the functions of the Board of Directors. The Corporate Governance Officer has more than three years of experience in financial management for publicly listed companies. The main responsibilities include handling matters related to Board of Directors meetings, functional committee meetings, and shareholder meetings, preparing the meeting minutes, assisting directors with their appointments and continuous education, providing the necessary materials for directors to perform their duties, and ensuring compliance with relevant laws and regulations in collaboration with relevant departments. The routine corporate governance tasks for 2024 are as follows: 1 Handling matters related to Board of Directors and Remuneration Committee meetings and preparing meeting minutes: 6 Board meetings, 5 Audit Committee meetings, and 2 Remuneration Committee meetings, totaling 13 meetings. 2 Handling matters related to the shareholder meeting and preparing meeting minutes: 1 meeting. 3 Assisting directors with training: 7 directors, totaling 42 hours. 4 Providing directors with the materials needed to perform their duties, including relevant meeting materials provided 7 days before Board of Directors and Remuneration Committee meetings.	In compliance with Article 3-1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.																											

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Brief Description	
			5 Assisting directors in complying with applicable laws and regulations during their duties and formal Board decisions. The Corporate Governance Officer's training has been conducted in accordance with the requirement to complete at least 12 hours of training annually.	
V. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	V		The Company's General Manager's Office has dedicated personnel (spokesperson) responsible for handling responses from stakeholders such as investors, shareholders, banks, employees, customers, and suppliers, ensuring smooth communication channels. Additionally, the Company's website has dedicated sections for stakeholders and corporate governance, listing the contact person (spokesperson), phone number, and email address. All issues raised are personally responded to by the contact person (spokesperson). The Company also addresses concerns raised by stakeholders through the following channels: 1. Shareholders: The Annual General Meeting is held every year, and shareholders can exercise their voting rights electronically. The Company publishes an annual report and corporate responsibility report, announces monthly revenue, and discloses quarterly financial reports, providing shareholders with insights into the Company's operations. 2. Employees: Issues related to employee welfare, occupational safety and health, gender equality, harassment prevention, and labor relations are communicated through meetings at various plant locations, emails, document circulation, and bulletin boards. 3. Suppliers: The Company adheres to the principles of integrity in business operations and sustainable development, abiding by fair trade practices. Suppliers are required to prioritize environmental protection, occupational safety, and labor rights protection. Communication is strengthened through annual supplier evaluations and regular supplier visits. 4. Customers: The Company engages with customers through visits, exhibitions, customer satisfaction surveys, and analysis of customer complaints to address concerns about product quality and after-sales service. The website also offers a dedicated customer contact channel, providing a phone number and email address for gathering valuable feedback from customers. Other Stakeholders or the Public: The Company organizes an investor conference once a year (2024/10/23 for the 2024 invited event hosted by Grand Fortune Securities Co.,Ltd) to facilitate face-to-face communication with stakeholders and the public.	In compliance with Article 47 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VI. Has the Company appointed a professional shareholder services agent to handle matters related to its shareholders' meetings?	V		The Company has appointed the Shareholder Services Department of Grand Fortune Securities Co.,Ltd to handle the shareholder meeting affairs.	In compliance with Article 7, Paragraph 1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.
VII. Public disclosure of information (I) Has the Company set up a website to disclose information on financial business and corporate governance? (II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	V V	 V	(I) The Company has set up its website at www.yishin-textile.com.tw to disclose information related to its financials, business, and corporate governance. Additionally, the Company submits its financial, business, and corporate governance information to the designated regulatory website (Market Observation Post System). (II) The Company's General Manager's Office, Finance Department, and other units have appointed specific personnel responsible for collecting and disclosing company information, with the spokesperson being responsible for the unified release of information to the public. The Company will also participate in the corporate briefing hosted by Grand Fortune Securities Co., Ltd. on October 23, 2024. The presentation materials from the corporate briefing and the video link of the event will be made available on the website for investors to access and view on their own.	In compliance with Article 57, Paragraph 1 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. In compliance with Article 55 to Article 58 of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Brief Description	
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?			(III) Due to factors such as the closing of accounts and the auditor's review schedule, the Company has not yet announced and filed the annual financial report within two months after the end of the fiscal year. However, the financial reports for the first, second, and third quarters, as well as monthly operational performance, have all been announced ahead of the regulatory deadlines, and the relevant information has also been disclosed on the Market Observation Post System (MOPS) and the Company's website.	(III) As explained in the left column.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	V		Relevant information on the Company's corporate governance practices can be obtained through the Corporate Governance Section of the Market Observation Post System (http://mops.twse.com.tw/) by entering the stock code 4440. Inquiries may also be directed to the Company's spokesperson regarding publicly available corporate governance information. Other key information that facilitates a better understanding of the Company's corporate governance operations is as follows: 1. Employee Rights: The Company has always valued harmonious labor relations. To encourage employees to express their opinions, the Company has established suggestion boxes and a grievance hotline at the factory, as well as an online suggestion box on the company website. Both the suggestion boxes and the grievance hotline are managed by designated personnel responsible for investigating and responding, ensuring smooth communication channels for employee feedback. Additionally, the Company holds quarterly labor-management meetings, with relevant supervisors attending to communicate with employee representatives, enhancing harmonious labor relations and promoting sustainable corporate development. 2. Investor Relations: The Company has a spokesperson (or deputy spokesperson) responsible for addressing inquiries from shareholders, potential investors, stakeholders, and the general public. The Company website features an "Investor Zone," providing relevant information to build good relationships with investors. 3. Supplier Relations: The Company selects suppliers based on the quality, quantity, timeliness, and competitive pricing of their products. To meet corporate social responsibility expectations, the Company requires suppliers to focus on occupational safety, work environment, supply chain management, and hardware safety. This is achieved through annual supplier evaluations, adherence to the company's code of ethics, and safety training for contractors. 4. Stakeholder Rights: The Company's measures to respond to stakeholder rights include: - Nearby Communities: Sponsorship of community activities, financial subsidies, and provision of social welfare supplies. - Non-Governmental Organizations and Civil Groups: Participation in occasional activities and exchanges, appropriately demonstrating the company's good management and image, and sharing sustainability topics. - Industry Peers: Participation in industry associations and exchanging industry information. - Government: Compliance with regulations of government authorities, support for government policies and issues, and fulfilling good corporate citizenship responsibilities. 5. Board Member Continuing Education (see attached table on the next page): (Complies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, Articles 40 and 50) All board members have participated in courses organized by organizations such as the Taiwan Corporate Operating and Sustainable and Development Association, the Securities and Futures Institute, and the Chinese National Association of Industry and Commerce.	In compliance with Articles 28-2 and 51 to 54 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. In compliance with Articles 40 and 50 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies. In compliance with Articles 39 and 49 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies.

Item	Operation Status (Note)			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons Therefor
	Yes	No	Brief Description	
			6. On November 11, 2024, the Board of Directors approved the addition of the "Risk Management Practice Guidelines" and "Risk Management System." A risk report (including the identification of ESG topics of interest to stakeholders for the year 2024) will be presented and discussed annually at the Board of Directors meeting (the meeting for the 2024 fiscal year will be held on March 11, 2025). 7. Directors' Liability Insurance: The Company has purchased directors' and officers' liability insurance through MSIG Mingtai Insurance Company, Ltd. The coverage amount is USD 5 million, and the insurance period is from June 18, 2024, to June 18, 2025. This is to reduce the legal risks and financial liabilities of the Company's directors and to protect against potential damages arising from the execution of their duties. (This was reported to the Board of Directors on August 5, 2024).	
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Evaluation Committee, for the items that have yet been rectified. (Not included in the list of evaluated companies): 1. In the 10th Corporate Governance Evaluation (2023), the Company scored 58.22, ranking within the 66%–80% percentile range. 2. Improvement measures for items with no score in this evaluation: (1) Enhancements in corporate governance disclosures to strive for scoring: 1.1, 1.2, 1.3, 2.3, 2.15, 2.18, 2.22, 3.6, 3.13, 3.18, 3.21, 4.9, (2) To be improved upon the next re-election of the Board of Directors: None (3) No urgent need for improvement: 2.14, 2.21, 2.23, 2.27, 2.30, 3.2, 3.4, 3.14, 3.20, 4.1, 4.2, 4.3, 4.4, 4.5, 4.7, 4.13, 4.22				

Table: Information on Directors' Continuing Education:

Title	Name	Date	Organizer	Course Title	Training Hours
Independent Director	Lin, Wen-Chung	October 25, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Labor Disputes in the Workplace, Resolution Mechanisms, and Case Studies	3.0
		November 12, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Building a Corporate Security Fortress: Essential cyber security Strategies for Senior Executives	3.0
Independent Director	Lin, Ku-Tung	August 8, 2024	Chinese National Association of Industry and Commerce, Taiwan	Carbon Risk Management Strategies for Enterprises in the Era of Carbon Pricing	3.0
		September 4, 2024	Securities and Futures Institute	Emerging Risk Management in Enterprises: Ransomware, Trade Secret Protection, and Ethical Business Practices	3.0
Independent Director	Tsai, Lien-Sheng	September 4, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Corporate Governance and Practical Operations of Independent Directors	3.0
		September 12, 2024	Taiwan Corporate Operating and Sustainable and Development Association	ESG Trends and the Impact of the Pandemic on Global Tax Reform and Corporate Tax Governance	3.0
Independent Director	Chen, Rui-Liang	September 26, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Promoting Corporate Sustainability through Risk Management	3.0
		October 30, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Corporate M&A Equity Investment Planning and Practical Analysis of Joint Venture Agreements	3.0
Corporate Director Representative	Chan Cheng-Tien	August 1, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Regulations and Practical Disputes Related to the Board of Directors	3.0
		August 20, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Identifying Corporate Misconduct or Operational Risks Through Financial Statements	3.0
Director	Lee, Kuo-Chih	September 12, 2024	Taiwan Corporate Operating and Sustainable and Development Association	ESG Trends and the Impact of the Pandemic on Global Tax Reform and Corporate Tax Governance	3.0
		September 26, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Promoting Corporate Sustainability through Risk Management	3.0
Corporate Director Representative	Tsai, Chin-Hsiang	November 12, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Building a Corporate Security Fortress: Essential cyber security Strategies for Senior Executives	3.0
		December 17, 2024	Taiwan Corporate Operating and Sustainable and Development Association	Identifying Corporate Misconduct or Operational Risks Through Financial Statements	3.0

(IV) Composition and Operation of Remuneration Committee
Composition of the Remuneration Committee

April 30, 2025

Criteria Title (Note 1) / Name		Professional qualifications and experience	Independence	Number of Other Taiwanese Public Companies Concurrently Serving as a Committee
Independent Director (Convener)	Tsai, Lien-Sheng	For relevant information, please refer to Section 2, Chapter 2 (1) of the Annual Report, which contains the Director Information.	For relevant information, please refer to Section 2, Chapter 2 (1) of the Annual Report, which contains the Director Information.	3
Independent Director	Lin, Wen-Chung			1
Independent Director	Lin, Ku-Tung			3

1. Information on the operation of the Remuneration Committee

- (1) The Company's Remuneration Committee consists of 3 members. The Remuneration Committee is responsible for assisting the Board of Directors in implementing and evaluating the Company's overall remuneration and benefits policy, as well as the remuneration of managers.
- (2) The current term of the committee members is from August 9, 2022, to May 23, 2025.
- (3) In the year 2024, the Remuneration Committee held 4 meetings (A). The qualifications of the committee members and their attendance are as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Actual Attendance Rate(%) (B/A)	Remarks
Convener	Tsai, Lien-Sheng	4	0	100%	None
Committee Member	Lin, Wen-Chung	4	0	100%	None
Committee Member	Lin, Ku-Tung	3	1	75%	None

Other matters to be recorded

- I. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.
- II. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

Meeting Date	Motion Details	Opinions of All Remuneration Committee Members and the Company's Response to Such Opinions
March 11, 2024 (2nd Term, 6th Meeting)	Proposal on Distribution of Employees' and Directors' Remuneration for the 2023	Resolutions approved by the Remuneration Committee are submitted to the Board of Directors and are passed as originally proposed by resolution of all directors present.
April 10, 2024 (2nd Term, 7th Meeting)	Proposal for the Adjustment of the Company's General Manager's Remuneration	
May 13, 2024 (2nd Term, 8th Meeting)	Proposal on Distribution of Director Remuneration for 2023	
November 11, 2024 (2nd Term, 9th Meeting)	1. Various Remuneration for the Company's Managers. 2. Proposal on Changes in the Company's Accounting Officer and Corporate Governance Officer.	

(V) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons

Item	Implementation Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor
	Yes	No	Brief Description	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the board of directors, which supervises the implementation?		V	1. The Company approved the establishment of the position of Corporate Governance Manager at the sixth meeting of the fifth session of the Board of Directors on May 8, 2023. He is mainly responsible for the operations of the Board of Directors and shareholders' meetings, assists the Board of Directors in complying with laws, and strengthens corporate governance and sustainable development of the company. Implement. 2. Implementation Status of the Company's Sustainability Development Task Force: (1) On November 11, 2024, the Board of Directors approved the addition of Chapter 11, "Sustainability (ESG) Cycle," Sections 1 to 7, to the Company's Internal Control System. Section 1 defines the responsibilities and division of authority of the sustainability development organization. The "Sustainability Development Task Force" serves as a part-time unit responsible for promoting sustainability initiatives within the Company. (2) The Task Force is composed of senior executives of the Company and is primarily responsible for promoting corporate governance initiatives, managing charitable donations, selecting donation recipients, and collecting and compiling the Corporate Social Responsibility (CSR) Report. (3) The Task Force prepares the CSR Report annually to summarize the results of the Company's sustainability efforts from the previous year and submits it to the Board of Directors. The Company plans to complete and submit its first "Corporate Sustainability ESG Report" to the Board of Directors in August 2025. 3. The Board of Directors will review the "Corporate Sustainability ESG Report" submitted by the Sustainability Development Task Force and will discuss adjustments to the management policies, strategies, and objectives of sustainability development with the Corporate Governance Officer.	In compliance with the Sustainable Development Best Practice Principles
II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality? Has the Company formulated relevant risk management policies or strategies?		V	1. On November 11, 2024, the Company's Board of Directors approved the "Risk Management Best Practice Principles" and the "Risk Management Policy." An annual assessment is conducted based on materiality to evaluate environmental, social, and corporate governance (ESG) issues relevant to the Company — including natural disasters, economic conditions, employee conduct, business and legal matters, management activities and controls, and infrastructure. The risk assessment is carried out jointly by plant department heads and managers of subsidiaries to evaluate the likelihood and significance of each risk and to determine whether to adopt specific risk management policies or strategies. The Company submits an annual risk report to the Board of Directors; the risk report for 2025 was submitted on March 11, 2025. 2. The Company's managers and plant department heads jointly conduct the risk assessment process. In addition, they identify material non-financial (ESG) topics to determine significant issues related to environmental, social, and corporate governance matters. These findings are incorporated into the annual risk report, which is submitted to the Board of Directors once a year. (For further details, please refer to the Corporate Governance section on the Company's website.) 3. The 15th meeting of the 5th Board of Directors, held on November 11, 2024, approved the "Risk Management Best Practice Principles" and the "Business Continuity Planning Procedures."	In compliance with the Sustainable Development Best Practice Principles
III. Environmental Issues				
(I) Has the Company established an appropriate environmental management system based on industry characteristics?	V		(I) The Company reviews the efficiency of energy usage on a monthly basis in accordance with the Greenhouse Gas Reduction and Management Act, the Energy Administration Act, and the Renewable Energy Development Act.	In compliance with the Corporate Social Responsibility Best Practice Principles
(II) Is the Company committed to improving energy use efficiency and using renewable materials with a low impact on the environment?	V		(II) The Company has obtained the Global Recycled Standard (GRS) certification for its polyester yarn products. GRS is an international, voluntary, and full-product standard that covers chain-of-custody control over recycled/recyclable content in the supply chain, as	

Item	Implementation Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																															
	Yes	No	Brief Description																																
(III) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		well as social responsibility, environmental practices, and chemical restrictions. Certification is conducted by an independent third-party verification body. (III) In line with the “Corporate Governance 3.0 – Sustainable Development Roadmap” issued by the Financial Stability Board (FSB), the Company adopts the framework of the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify the climate-related risks and opportunities facing the Company, as well as corresponding response strategies. The Company quantifies and assesses the potential impacts of significant climate risks and implements appropriate mitigation measures. For further details, please refer to page [] of this Annual Report under “Climate-Related Information of TWSE/GTSM Listed Companies.”																																
(IV) Has the Company counted the greenhouse gas emissions, water consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?	V		(IV) 1. The Company is (1) actively engaged in building a circular supply chain through the recycling and reuse of PET bottles and will continue to collaborate with international sports and leisure brands in promoting environmental initiatives through its existing portfolio of GRS-certified eco-friendly yarns. (2) The Company has also developed solutions to reduce pollution arising from polyester product processing, including BES biodegradable fibers and Acetate "Ice Silk" fibers, both of which contribute to minimizing water pollution in its original dope-dyed yarn operations. To manage greenhouse gas emissions, water consumption, and waste generation, the Company has defined its inventory boundary to include the Taipei office, the Changhua plant, and dormitory facilities. 1) Greenhouse Gases: The Company conducts greenhouse gas inventories in accordance with ISO 14064 standards. Covered gases include CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, all reported in terms of carbon dioxide equivalent (CO₂e). Emission sources are categorized into: The sources of greenhouse gas emissions are categorized into direct emissions (Scope 1), which refer to emissions directly generated from sources owned or controlled by the Company; energy indirect emissions (Scope 2), which refer to greenhouse gas emissions resulting from the generation of purchased electricity, heat, or steam consumed by the Company; and other indirect emissions (Scope 3), which are emissions arising from the Company’s activities but originate from sources not owned or controlled by the Company and are not classified under energy indirect emissions. For further details, please refer to page [] of this Annual Report under “Climate-Related Information of TWSE/GTSM Listed Companies.” 2) Water Usage: <table><tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr><tr><td>Tap Water (1,000 m³)</td><td>1.63</td><td>1.54</td><td>1.67</td></tr><tr><td>Groundwater (1,000 m³)</td><td>47.42</td><td>30.45</td><td>36.62</td></tr><tr><td>Total</td><td>49.05</td><td>31.99</td><td>38.29</td></tr></table> 3) Waste: <table><tr><th>Year</th><th>2022</th><th>2023</th><th>2024</th></tr><tr><td>Hazardous Waste (ton)</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Non-hazardous Waste (ton)</td><td>34.57</td><td>36.53</td><td>46.7</td></tr><tr><td>Total (ton)</td><td>34.57</td><td>36.53</td><td>46.7</td></tr></table> Non-hazardous waste refers to general household waste. 4) Wastewater Treatment: The production process (false twisting) at the Company’s Changhua plant is a physical processing method that does not generate industrial wastewater. The domestic sewage from employees is treated by the plant’s sedimentation facilities and then discharged through the factory's outflow outlet. 2. The Company’s greenhouse gas reduction policy uses 2021 as the base year, with the goal of reducing greenhouse gas emissions by 30% by 2030 and achieving net-zero emissions by 2050.	Year	2022	2023	2024	Tap Water (1,000 m³)	1.63	1.54	1.67	Groundwater (1,000 m³)	47.42	30.45	36.62	Total	49.05	31.99	38.29	Year	2022	2023	2024	Hazardous Waste (ton)	0	0	0	Non-hazardous Waste (ton)	34.57	36.53	46.7	Total (ton)	34.57	36.53	46.7
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Item	Implementation Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief Description	
			(1) The Company will continue to promote greenhouse gas inventory, enabling each department to understand the results of energy-saving and carbon-reduction efforts. (2) The Company will continue discussions on introducing energy-saving equipment at the headquarters and conduct benefit evaluations. (3) The Company will continue to involve all employees in energy-saving and carbon-reduction activities and promote energy conservation measures. (4) The Company actively collaborates with green energy (solar energy) equipment manufacturers to obtain carbon credits from green energy. (5) The Company complies with environmental protection regulations, customer requirements, and relevant regulations. (6) Energy Saving: In the fourth quarter of 2023, the Company completed the installation of solar power generation equipment on the rooftop of the Changhua Huatan factory building. The solar power generation equipment has an installed capacity of 793.98KW, in accordance with regulations for large electricity consumers. The average monthly power generation is approximately 80,000 kWh, and the electricity consumption is self-generated and self-consumed. 3. The goal for water conservation and waste reduction at the Changhua factory is set at 5%. Water conservation mainly involves adjusting water valve flow and installing water-saving faucet devices. Waste management is focused on "classified recycling—paper, plastic bottles, and metal cans," "waste reduction—using one-sided blank paper for secondary photocopying," and "reuse—recycling and reusing packaging materials from customers." 4. Taking into comprehensive consideration the Company's environmental impact, external verification bodies have been engaged. As of the publication date of this annual report, the valid certifications include the Global Recycled Standard (GRS) certification. In addition, the Company has commissioned organizational-level greenhouse gas (GHG) verifications. For the years 2021 through 2023, GHG emissions were verified by DNV Business Assurance Co., Ltd. in accordance with the ISO 14064-1:2018 standard, as well as other generally accepted criteria referenced for the purposes of identifying, calculating, monitoring, and reporting GHG emissions. Upon completion, a GHG verification statement was issued. As for 2024, the Company has also commissioned DNV Business Assurance Co., Ltd. to carry out the verification, which is currently in progress.	
IV. Social Issues				
(I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(I) 1. The Company complies with government labor regulations and policies, establishes or revises personnel systems, provides employees with stable salaries, meals, accommodation, training, and improves safety and health. It also safeguards employees' rights and creates a work environment that allows for the development of various professional skills. 2. In accordance with the principles of the United Nations Sustainable Development Goals and the International Labour Organization's human rights conventions, the Company legally and appropriately employs foreign workers. Regular communication is conducted through translation by foreign labor agencies to address the needs of foreign workers, including their living conditions, cultural activities, and two-way communication. 3. The Company recognizes and follows the human rights protection spirit and fundamental principles set forth in international human rights conventions such as the "Universal Declaration of Human Rights," the "United Nations Global Compact," the "United Nations Guiding Principles on Business and Human Rights," and the "ILO Declaration on Fundamental Principles and Rights at Work." The Company is committed to preventing any violations of human rights and pledges to treat and respect all colleagues with fairness and justice.	In compliance with the Corporate Social Responsibility Best Practice Principles
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	V		(II) 1. The Company's employee attendance and leave days are managed in accordance with the Labor Standards Act and the annual calendar of the Directorate-General of Personnel Administration, Executive Yuan. The Company has established an "Employee Benefits Policy" that regulates various allowances, gifts, subsidies, and promotes employee welfare measures. Additionally, the Company has implemented a "Workplace Sexual Harassment Prevention and Complaint Handling and Disciplinary Measures" and a "Written Declaration Prohibiting Workplace Sexual Harassment" to ensure workplace diversity and equality for employees.	

Item	Implementation Status (Note 1)				Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																												
	Yes	No	Brief Description																														
(III) Does the Company provide employees with a safe and healthy working environment, and implement regular health and safety and education to employees?	V		<table><tr><td>Year</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Number of Female Employees:</td><td>74</td><td>68</td><td>61</td></tr><tr><td>Percentage of Female Employees:</td><td>39.78</td><td>44.73</td><td>43.26</td></tr><tr><td>Total Number of Employees:</td><td>186</td><td>152</td><td>141</td></tr><tr><td>Number of Female Managements:</td><td>0</td><td>0</td><td>1</td></tr><tr><td>Percentage of Female Managements:</td><td>0</td><td>0</td><td>20.08</td></tr><tr><td>Number of Managements</td><td>5</td><td>5</td><td>5</td></tr></table>			Year	2022	2023	2024	Number of Female Employees:	74	68	61	Percentage of Female Employees:	39.78	44.73	43.26	Total Number of Employees:	186	152	141	Number of Female Managements:	0	0	1	Percentage of Female Managements:	0	0	20.08	Number of Managements	5	5	5
			Year	2022	2023	2024																											
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			2. The Company appropriately reflects its operational performance in employee compensation. According to Articles of Incorporation of the Company, if the Company generates profits in a given year, no less than 2% of the earnings shall be allocated as employee remuneration. Employee compensation includes salary and bonuses. Bonus distribution is determined based on the Company's overall operating performance, individual performance, and the employee's contribution to corporate results, ensuring fair and reasonable remuneration. The Company adjusts salaries based on market salary levels, economic trends, and individual performance.																														
			(III) 1. The Company's employees primarily work in office settings. The Company provides safe, high-quality, and comfortable facilities to ensure a secure and well-maintained working environment. Workplace maintenance: From the procurement stage, strict occupational safety and health standards are applied. Office spaces are cleaned weekly, and any malfunctioning office equipment is repaired or replaced promptly. If any hazardous conditions are identified in the workplace, they are immediately addressed or appropriate protective equipment is installed. Employee health maintenance: The Company arranges regular health check-ups for employees and provides a two-hour orientation and safety and health training for new hires.																														
2. The Company has not obtained relevant certifications.																																	
3. Occupational injury statistics for Company employees over the past three years:																																	
<table><tr><td>Year</td><td>2022</td><td>2023</td><td>2024</td></tr><tr><td>Number of Incidents</td><td>0</td><td>1</td><td>0</td></tr><tr><td>Number of People Affected</td><td>0</td><td>1</td><td>0</td></tr></table>			Year	2022	2023	2024	Number of Incidents	0	1	0	Number of People Affected	0	1	0																			
Year	2022	2023	2024																														
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4. In 2024, there were no fire incidents and no employee casualties reported by the Company. To prevent the occurrence of fires and minimize potential losses to personnel and property, the factory has established fire prevention and disaster response guidelines, as well as a fire protection plan. A designated fire prevention manager conducts monthly self-inspections in accordance with the Self-Inspection Checklist for Hazardous Material Safety Supervision. An annual fire inspection is carried out, and any deficiencies found in the fire safety equipment, along with improvement plans and results, are documented in the Fire Safety Equipment Inspection Report and submitted to the local fire department. Additionally, two annual fire drills and training sessions for internal emergency response teams are conducted, with the results reported to the fire department.																																	
(IV) The Company has also established an internal training policy to support employee career development through job-related skills and professional knowledge training. This includes internal training and external programs for employees. Managements assign training or job rotations based on employees' areas of expertise to ensure the right person is in the right position and to support individual career planning. From January to December 2024, the factory conducted 8 hours of internal general occupational safety and health training, attended by 143 participants. Furthermore, 11 employees participated in 58 hours of external training for special operations.																																	
(V) 1. The Company has established a quality control mechanism covering the entire process from product manufacturing to delivery to customers. Product safety information continues to be tracked even after delivery, ensuring the Company's																																	
(IV) Has the Company established effective career development training programs for employees?	V																																

Item	Implementation Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor																																
	Yes	No	Brief Description																																	
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	V		commitment to the safety of its products. 2. The labeling of the Company's products is in full compliance with the Trademark Act and relevant government regulations. 3. The Company adheres to the Personal Data Protection Act and has established an Information Security and Personal Data Protection Policy as well as a Code of Integrity and Ethical Conduct. These policies define the responsibilities and guidelines for all employees regarding the protection of customer privacy and confidential information. Implementation of these policies is reinforced through internal audits and training to safeguard customer rights. 4. The Company has established a customer complaint handling procedure. Feedback on product or service quality is addressed objectively and rigorously to understand customer expectations and protect their rights and interests.																																	
(VI) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof?	V	(VI)	1. On November 11, 2024, the Board of Directors of the Company's Japanese subsidiary approved the "Supplier Sustainability Management Policy," the "Supplier Commitment to Corporate Social Responsibility," and the "Supplier Integrity and Anti-Bribery Commitment." Suppliers are required to comply with relevant regulations regarding environmental protection, occupational health and safety, and labor rights. The supplier evaluation process also includes bonus points for holding relevant certifications. An annual supplier evaluation is conducted for all trading partners, and any history of negative environmental or social publicity is considered in the assessment 2. Suppliers with superior environmental performance and labor conditions are given priority in the supplier selection process. Those with negative records may be temporarily suspended from transactions to prevent potential adverse social impacts until further clarification is obtained. 3. The Company conducts an annual "Supplier Corporate Social Responsibility (CSR) Evaluation." If a supplier is found to have violated the CSR policy and caused significant environmental or social impact, it will be deemed non-compliant and disqualified from future transactions. <table><tr><th></th><th>Year</th><th>Number of Forms Issued</th><th>Number of Forms Returned</th><th>Return Rate</th></tr><tr><td>Supplier Commitment to Corporate Social Responsibility</td><td>2024</td><td>16</td><td>16</td><td>100%</td></tr><tr><td>Supplier Integrity and Anti-Bribery Commitment</td><td>2024</td><td>16</td><td>16</td><td>100%</td></tr><tr><td>Supplier Corporate Social Responsibility (CSR) Evaluation</td><td>2024</td><td>16</td><td>16</td><td>100%</td></tr></table> 4. Sustainable Supplier Evaluation Grades and Corresponding Actions <table><tr><th>Evaluation Grade</th><th>Response Measures</th></tr><tr><td>Excellent (90-100)</td><td>Recommend increasing the procurement volume.</td></tr><tr><td>Good (80-89)</td><td>Maintain the current procurement volume.</td></tr><tr><td>Acceptable (70-79)</td><td>Maintain the current procurement volume, but request improvements in CSR scores.</td></tr><tr><td>Poor (60-69)</td><td>Discuss reducing procurement volume and request improvements in CSR scores. Suppliers scoring below 70 for two consecutive years will be disqualified.</td></tr><tr><td>Bad (Below 60)</td><td>Immediately suspend or revoke qualified supplier status.</td></tr></table>		Year	Number of Forms Issued	Number of Forms Returned	Return Rate	Supplier Commitment to Corporate Social Responsibility	2024	16	16	100%	Supplier Integrity and Anti-Bribery Commitment	2024	16	16	100%	Supplier Corporate Social Responsibility (CSR) Evaluation	2024	16	16	100%	Evaluation Grade	Response Measures	Excellent (90-100)	Recommend increasing the procurement volume.	Good (80-89)	Maintain the current procurement volume.	Acceptable (70-79)	Maintain the current procurement volume, but request improvements in CSR scores.	Poor (60-69)	Discuss reducing procurement volume and request improvements in CSR scores. Suppliers scoring below 70 for two consecutive years will be disqualified.	Bad (Below 60)	Immediately suspend or revoke qualified supplier status.	
	Year	Number of Forms Issued	Number of Forms Returned	Return Rate																																
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Item	Implementation Status (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief Description	
V. Does the Company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information?		V	The Company intends to independently compile its inaugural "2024 Corporate Sustainability Report" by the end of August 2025. The report will be prepared in accordance with the targets and specific measures outlined in the "Corporate Governance 3.0 – Sustainable Development Roadmap" and the amended "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" issued by the Taiwan Stock Exchange. Its content framework is developed based on the 2021 edition of the Global Reporting Initiative (GRI) Sustainability Reporting Standards. At the same time, a dedicated chapter will be included in the report to disclose the Company's Task Force on Climate-related Financial Disclosures (TCFD), with reference to the Sustainability Accounting Standards Board (SASB) standards (May 2022 version). Considering the characteristics of the industry, the Company will define significant sustainability-related indicators that are material and of interest to investors. The company has implemented a code of practice for sustainable development. The company actively implements information disclosure and transparency to fulfill its commitment to society, employees, and shareholders.	In compliance with the Corporate Social Responsibility Best Practice Principles
VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please specified the differences between the implementation and the principles: Explanation: On November 11, 2024, the Company established its Corporate Social Responsibility (CSR) Practical Code. The ESG (Environmental, Social, and Governance) Promotion Team, led by the head of the Sustainability Development Team, convenes annually with the environmental and safety personnel from each plant. They discuss topics such as "environmental and occupational health," "quality and environmental health and safety management," "environmental and occupational health and safety performance," "sustainable development," and "social responsibility." The dedicated personnel are responsible for collecting, organizing, and reviewing the data and evaluating the implementation results. These efforts contribute to the preparation of the Company's Corporate Sustainability Development Report (2024 is scheduled to be completed by August 2025), which will then be submitted to the Board of Directors for a report on the ESG performance and actions taken by the Company. This explains the operational details of the Company's corporate social responsibility activities.				
VII. Other important information to facilitate better understanding of the Company's promotion of sustainable development: Explanation: The Company ensures that all employees, regardless of their race, gender, or age, enjoy equal employment rights. It also provides opportunities for individuals to freely express themselves and develop professionally.				

Note 1: If the operational situation is marked as "Yes," please explain the key policies, strategies, measures, and implementation status adopted. If the operational situation is marked as "No," please explain the reason and outline the plans for adopting related policies, strategies, and measures in the future.

Note 2: For companies that have already prepared a Corporate Social Responsibility (CSR) report, the operational situation can be marked with a reference to the CSR report, including the method of access and page index as a substitute.

Note 3: The principle of materiality refers to environmental, social, and corporate governance issues that have a significant impact on the company's investors and other stakeholders.

Climate-Related Information of TWSE/GTSM Listed Companies

1. Implementation of Climate-Related Information

Item	Implementation Status	
1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities 2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long term) 3. Description on the impact extreme climate events and transitional actions have on finance 4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system	The Company complies with the "Corporate Governance 3.0 – Sustainable Development Roadmap" issued by the competent authority, the Financial Supervisory Commission (FSC), and refers to international guidelines, specifically the Task Force on Climate-related Financial Disclosures (TCFD) framework, to disclose the Company's climate change risk assessment and management. I. Climate Change Risk Management Framework (TCFD)	
	Management Policy	Implementation Status
	Corporate Governance ◎ The Company regularly reports to the Board of Directors on the evaluation and management of climate change-related risks and opportunities. ◎ The Corporate Governance Promotion Task Force is responsible for driving this initiative.	The Corporate Governance Promotion Task Force will assess and manage the implementation status of climate change-related risks and opportunities and submit an annual report to the Board of Directors. (The first report is expected to be submitted by the end of August 2025.)
	Strategy ◎ Through communication and discussions with department heads, identify the short, medium, and long-term risks and opportunities of climate change to the Company. ◎ Evaluate the impact of climate change on the Company's operations, strategy, and financial planning. ◎ Use scenario analysis and science-based reduction targets as the Company's strategy for addressing climate change.	Identify risks and opportunities based on TCFD's framework, resulting in the identification of 11 risks and 3 opportunities. (A new global policy on plastic usage restrictions or bans has been added.) Assess the probability and significance of the identified risks and opportunities. Using the 2°C global warming scenario presented by the Intergovernmental Panel on Climate Change (IPCC), simulate the risks and opportunities for the Company's operations and formulate measures to address climate change.
	Risk Management ◎ Regularly review and assess climate change risks based on the TCFD framework. ◎ Formulate response plans based on the identification and ranking of climate change risks. ◎ Integrate with the Company's risk management system and evaluate annually.	Quantify and rank the probability and significance of the identified risks and opportunities to assess their impact on the Company's operations and finances. Formulate response measures and prioritize actions for the Company. Please refer to the Company's "Risk Management Policy" for further details.
	Indicators and Targets ◎ Establish indicators for managing climate risks and opportunities. ◎ Conduct an annual greenhouse gas inventory in accordance with ISO 14064-1 standards. ◎ Set climate change management goals and regularly review progress toward achieving those goals.	Conduct an annual greenhouse gas inventory. Reduce greenhouse gas emissions per unit of product and use renewable energy generated from solar power. Continue implementing carbon reduction measures.
	II. Identification of TCFD Risks and Opportunities	
	Opportunities	Explanation
	Resource Efficiency	Increase the use of variable frequency drives for energy-consuming equipment such as air compressors, cooling towers, refrigeration units, and dryers, and fully switch to LED energy-saving light tubes to reduce electricity consumption.

5. Should scenario analysis be used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided

Energy Sources	Increase the use of low-carbon or renewable energy.
Products and Services	Recycle and reuse waste materials. Recycle and reuse PET bottles into environmentally-friendly products.
Market	N/A
Resilience	N/A

III. Climate Risk Matrix

Risk Probability	High	●Increased sustainability-related demands and regulations	●Increased greenhouse gas emission costs	●Changes in customer consumption behavior
	Medium		●Shifts in customer preferences	●Increased cost expenditures for low-carbon technology transformation
	Low	●Increased average temperature	●Increased frequency and severity of typhoons/floods ●Increased frequency and severity of heavy rain	●Failures in new technology investments ●Changes in rainfall patterns and extreme weather changes ●Global Plastic Restrictions or Bans
		Medium Term (approximately 3–5 years)	Medium 3–5 years)	Long Term (>5 years)
		Time Horizon		

IV. Climate Change Risk Scenarios, Parameters, Assumptions, Analysis Factors, and Major Financial Impacts

Climate Risk	Climate Change	Financial Impact Aspects	Countermeasures and Actions
Increased sustainability-related demands and regulations	2°C Scenario	Production plants may need to adapt to revised Renewable Energy Development Act, leading to increased costs for renewable energy system installation and green power certificate purchases.	In Q4 of 2023, the Company completed the installation of solar power generation equipment at the rooftop of the Changhua Huatan Factory building, with an installed capacity of 793.98 kW. The installation complies with regulations for large electricity users, and the average monthly power generation is about 80,000 kWh, with a self-consumption electricity model.
Increased greenhouse gas emission costs	2°C Scenario	In response to Taiwan's Greenhouse Gas Reduction and Management Act, the Company needs to improve energy efficiency in production equipment and office spaces. It may also be affected by	The Company conducts greenhouse gas inventory according to ISO 14064 standards. The Company aims for net-zero emissions, applying for carbon offset projects, and continuing energy-saving plans.

6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks 7. Should the internal carbon pricing be used as the planning tool, the pricing mechanism should be explained 8. Should climate-related targets be in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and			potential carbon taxes and carbon trading systems, increasing operational costs.	
	Changes in customer consumption behavior	Well-beow 2°C Scenario	Due to the increased awareness of sustainability and environmental protection among end customers and brand owners, there is a greater willingness to pay a premium for low-carbon and eco-friendly products, which may impact the revenue of other products.	The Company will increase production of recycled PET bottle eco-friendly yarn and biodegradable eco-friendly yarn to respond to changes in customer consumption behavior and enhance product value.
	VI.			
	Risk Category	Risk Aspect	Climate Risk	Financial Impact Description
	Transition Risk	Regulatory and Policy	Increased sustainability-related demands and regulations	Production plants may need to adapt to revised Renewable Energy Development Act, leading to increased costs for renewable energy system installation and green power certificate purchases.
			Increased greenhouse gas emission costs	In response to Taiwan's Greenhouse Gas Reduction and Management Act, the Company needs to improve energy efficiency in production equipment and office spaces. It may also be affected by potential carbon taxes and carbon trading systems, increasing operational costs.
		Technology	Increased cost expenditures for low-carbon technology transformation	The global progress of low-carbon transition technologies will prompt the Company to accelerate the replacement of machinery, equipment, and vehicles to enhance energy efficiency, resulting in increased operational costs.
			Failures in new technology investments	The Company invests in new technologies in a phased, small-scale manner to assess their effectiveness, so there is little risk of significant investment losses from failed investments, and the financial impact is relatively minor.
		Market	Changes in customer consumption behavior	Due to the increased awareness of sustainability and environmental protection among end customers and brand owners, there is a greater willingness to pay a premium for low-carbon and eco-friendly products, which may impact the revenue of other products.
		Reputation	Shifts in customer preferences	High carbon emissions and low climate resilience may affect customer trust in the Company, damaging its reputation and further impacting revenue.
	Physical Risk	Acute Physical Risks	Increased frequency and severity of typhoons/floods	Extreme physical risks may cause damage to factories and warehouses, damaging production equipment or products, resulting in customer complaints and affecting brand image.
			Increased frequency and severity of heavy rain	
		Long-term risks	Changes in rainfall patterns and extreme weather changes	Long-term drought caused by changes in rainfall patterns will affect the stability of water supply for production, causing production interruptions. The extreme variation in temperature, such as the increase in the number of extreme hot days, will also change customer consumption patterns, making sales and production forecasting more difficult and leading to imbalances between production and sales.
			Increased average temperature	Rising average temperatures will lead to increased electricity consumption, causing strain on the power supply and increasing the likelihood of factory power outages.

number of RECs should be stated 9. Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans	VII. The Company is currently in the stage of understanding and evaluating the content and usage of an internal carbon pricing system. In the future, the use of internal carbon pricing as a planning tool cannot be ruled out. VIII. The greenhouse gas (GHG) reduction policy of the Company and its subsidiaries is based on the year 2021 as the reference year, with a target of reducing GHG emissions by 30% by 2030 and achieving net-zero emissions by 2050. The activities covered include: 1. The Company will continue to promote energy conservation and carbon reduction results in accordance with the ISO 14064-1:2018 standard and other guidelines generally recognized for identifying, calculating, monitoring, and reporting GHG emissions, ensuring that all departments are aware of the achievements in energy-saving and carbon reduction efforts. The Company aims for net-zero emissions, applying for carbon offset projects, and continuing energy-saving plans. 2. Continue discussions at the headquarters regarding the introduction of energy-saving equipment and conducting benefit assessments. 3. Ongoing promotion of energy-saving and carbon-reduction activities involving all employees, encouraging energy-saving measures. 4. Actively collaborate with green energy (solar) equipment manufacturers to obtain carbon credits from green energy. 5. Comply with environmental protection regulations, customer requirements, and relevant regulations. IX. The greenhouse gas inventory and assurance status of the Company are provided in sections 1-1 and 1-2.
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1-1 Greenhouse Gas Inventories and Assurance Status for the Most Recent Two Years

1-1-1 Provide details of the GHG emissions (tons of CO2e), intensity (tons of CO2e per million dollars in revenue), and the scope of data coverage for the most recent two years.				
	Year	Total Emissions (tons of CO2e)	Revenue - Individual (million dollars)	Intensity (tons of CO2e per million dollars)
Scope 1	2023	120.6341	994	0.1214
	2024	138.7292	1,224	0.1133
Scope 2	2023	12,970.26	994	13.0485
	2024	15,304.9047	1,224	12.5040
Scope 3	2023	2,584.52	994	2.6001
	2024	3,075.5814	1,224	2.5127

Note 1: Direct emissions (Scope 1) refer to greenhouse gas (GHG) emissions from sources that are owned or controlled by the company. Energy indirect emissions (Scope 2) refer to GHG emissions resulting from the generation of purchased electricity, heat, or steam consumed by the company. Other indirect emissions (Scope 3) refer to emissions resulting from company activities that occur from sources not owned or directly controlled by the company but are related to its operations.

Note 2: The reporting scope for direct emissions (Scope 1) and energy indirect emissions (Scope 2) shall comply with the implementation timeline as prescribed under Paragraph 2, Article 10 of the Guidelines. Disclosure of other indirect emissions may be provided on a voluntary basis.

Note 3: Greenhouse gas inventory standards: ISO 14064-1:2018 standard and other generally recognized guidelines for identifying, calculating, monitoring, and reporting greenhouse gas emissions, to ensure consistency in these processes.

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or revenue, but at a minimum, the data should be provided based on revenue (in millions of New Taiwan Dollars).

1-1-2 GHG Assurance Information: Provide details of the assurance status for the most recent two years as of the date of the publication of annual report, including the scope of assurance, the assurance provider, the assurance standards adopted, and the assurance opinion.

2023 (January 1, 2023 – December 31, 2023)

Scope of Assurance: The greenhouse gas assertions in the greenhouse gas inventory report provided by Yi Xin Industrial Co., Ltd. cover the following sites: Taipei Headquarters (11th Floor, No. 266, Ruiguang Road, Neihu District, Taipei City); Changhua Factory (No. 91-1, Section 1, Zhongshan Road, Hualan Township, Changhua County); Dormitories (No. 37 and 39, Zhongzheng East Road, Cunshang Village, Dacun Township, Changhua County)

Inventory Period: From January 1, 2023, to December 31, 2023.

Assurance Provider: DNV Business Assurance Co., Ltd

Assurance Standards: ISO 14064-1:2018. This assurance was performed in accordance with the standards outlined in ISO 14066:2011, ISO 14065:2020, and ISO 14064-3:2019.

Assurance Opinion: Based on the procedures outlined above, DNV confirms that the greenhouse gas inventory report, published on July 30, 2024 (Version 1.2), does not contain any material discrepancies that would prevent it from meeting the verification standards. The assurance was based on the following approach: Direct greenhouse gas emissions and indirect greenhouse gas emissions from energy consumption were verified with a reasonable level of assurance. Other categories of indirect emissions were verified according to the agreed-upon procedure (AUP) between both parties.

2024 (January 1, 2024 – December 31, 2024) Yi Xin Industrial Co., Ltd. has completed the organizational greenhouse gas inventory and is in the process of third-party verification or assurance. As of the date of this report, no verification statement has been obtained from the assurance provider.

Scope of Assurance: The greenhouse gas assertions in the greenhouse gas inventory report provided by Yi Xin Industrial Co., Ltd. cover the following sites: Taipei Office (11th Floor, No. 266, Ruiguang Road, Neihu District, Taipei City); Changhua Factory (No. 91-1, Section 1, Zhongshan Road, Hualan Township, Changhua County); Dormitories (No. 37 and 39, Zhongzheng East Road, Cunshang Village, Dacun Township, Changhua County)

Assurance Provider: DNV Business Assurance Co., Ltd

Assurance Standards: ISO 14064-1:2018.

Assurance Opinion: Not applicable

Note 1: In accordance with the schedule stipulated by the regulations of Article 10, Section 2 of the Standards, if the Company has not obtained the complete GHG assurance opinion by the publication date of the annual report, it shall indicate that "the complete assurance information will be disclosed in the Sustainability Report." If the Company does not prepare a Sustainability Report, it shall indicate that "the complete assurance information will be disclosed on the Market Observation Post System," and disclose the complete assurance information in the following year's annual report.

Note 2: The assurance provider must comply with the relevant regulations for assurance agencies as set forth by the Taiwan Stock Exchange and the Taiwan Exchange Market.

Note 3: Disclosure content can refer to the best practice reference examples provided on the Corporate Governance Center website of the Taiwan Stock Exchange.

1-2 Greenhouse Gas Inventories and Assurance Status for the Most Recent Two Years

Disclosure of the greenhouse gas (GHG) emissions base year and related data, emissions reduction targets, strategies and specific action plans, as well as the progress toward achieving the reduction targets. Disclosure of the greenhouse gas (GHG) emissions base year and related data, emissions reduction targets, strategies and specific action plans, as well as the progress toward achieving the reduction targets.

Baseline Year: The Company uses the 2021 greenhouse gas inventory (verified by DNV Business Assurance) as the baseline year.

Reduction Target: The Company aims to reduce greenhouse gas emissions by 30% by 2030, and to achieve net-zero emissions by 2050.

Strategies and Specific Action Plans:

To achieve the greenhouse gas reduction policy, the company and its subsidiaries' production facilities should gradually replace energy-intensive equipment, establish and use solar power generation and other green energy sources, and adopt variable frequency drives to improve energy efficiency. These measures are intended to meet the carbon reduction goals. If the greenhouse gas emission reduction target is not met by the target year, the difference will be compensated through carbon neutralization methods to achieve the goal. The carbon neutralization method adopted by the company follows the PAS 2060/Carbon Neutrality Implementation Standard.

	Scope 1 (tons)	Scope 2 (tons)	Scope 3 (tons)
Baseline (2021)	203.8089	24,912.4407	4,339.2305
2024	138.7292	15,304.9047	3,075.5814
Comparison to Baseline	-65.0797	-9,607.5360	-1,263.6491
Ratio	-31.93%	-38.56%	-29.12%

Note 1: The schedule for implementation should be in accordance with the provisions stipulated in Article 10, Paragraph 2 of the Standards.

Note 2: The baseline year should be the year in which the inventory is completed for the consolidated financial reporting boundary. For example, according to the provisions in Article 10, Paragraph 2 of the Standards, companies with a capital of over NT\$10 billion should complete the inventory for the 2024 of the consolidated financial report by the end of the 2025. Therefore, the base year is 2024. If a company has completed the inventory for the consolidated financial report earlier, that earlier year may be used as the baseline year. Furthermore, the data for the baseline year can be calculated as a single-year value or an average value over multiple years.

Note 3: Disclosure content can refer to the best practice reference examples provided on the Corporate Governance Center website of the Taiwan Stock Exchange.

(VI) Implementation Status and Deviations From the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Item	Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Brief description	
I. Establishment of the Corporate Conduct and Ethics Policy and Implementation Measures				
(I) Has the Company formulated an ethical management policy approved by the board of directors and disclosed the policy and practice of ethical management in its regulations and public documents? Are the board of directors and the senior management committed to actively implementing the policy?	V		(I) .1. The Company's Board of Directors approved the "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Procedures for Ethical Management and Guidelines for Conduct" on February 22, 2021. These documents clearly define the responsibilities of the Board of Directors and management, representing a concrete commitment by the Company's management. The Company emphasizes its commitment to ethical management in its internal regulations and external cooperation contracts, ensuring that the principles of integrity are implemented in operations and business activities. 2. The Company fulfills its contractual obligations, including transaction terms, payment methods, and interest payments. All products sold by the Company are accurately labeled with their names, specifications, and quantities. The Company also honors its cheques, ensuring they are cashed on time.	In compliance with Articles 4 and 5 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) 1. The Company has established an Ethical Corporate Management Best Practice Principles, which addresses the prevention of unethical conduct in the following areas: (1) Criteria for providing or accepting improper benefits (2) Procedures for handling legal political donations (3) Procedures and standards for legitimate charitable donations or sponsorships (4) Regulations to avoid conflicts of interest related to duties, and the reporting and handling procedures (5) Confidentiality regulations for sensitive business and confidential information obtained in the course of business (6) Guidelines and procedures for dealing with suppliers, customers, and business partners involved in unethical conduct (7) Procedures for handling violations of the Company's Ethical Corporate Management Best Practice Principles (8) Disciplinary actions for violators The Company has established a "Code of Conduct and Ethics" for its directors, audit committee members, and managers. This code was approved by the Board of Directors on February 22, 2021. Both the Board and management have committed to actively implementing and overseeing the enforcement of the ethical management policy. (For more details, please refer to the Company's website.) 3. In the Company's Personnel Management Regulations, provisions have been set to prohibit any direct or indirect acceptance of improper benefits or engagement in any actions that violate integrity, law, or fiduciary duties. This is to prevent personal fraud, embezzlement, bribery, leaking of confidential information, benefiting others improperly, or falsifying reports. These ethical standards are included in the performance evaluation and disciplinary measures for employees.	In compliance with Articles 2, 6, and 10-14 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(III) Does the Company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) 1. The Company prohibits employees in positions related to sales, procurement, contracting, supervision, budgeting, or any other roles with vested interests in vendors from accepting bribes, offering illegal political donations, improper charitable donations or sponsorships, or accepting or providing unreasonable gifts, hospitality, or other improper benefits. Such actions are expressly prohibited, and violators will face enhanced disciplinary actions to prevent various forms of corruption. 2. On February 22, 2021, the Board of Directors approved the addition of "Procedures for Ethical Management and Guidelines for Conduct" to further strengthen the Company's commitment to ethical business practices. 3. To foster a culture of integrity and prevent unethical behavior, the Company conducts annual educational campaigns for employees and internal stakeholders, reminding them of the importance of adhering to and respecting the Company's ethical and integrity standards. Relevant operational procedures, guidelines, and disciplinary measures for violations, along with the grievance system, are disclosed on the Company's website.	In compliance with Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."

Item	Operations			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Brief description	
			form	
II. Ethical Management Practice				
(I) Does the Company evaluate each counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty?	V		(I) The Company strives to avoid transactions with suppliers or customers who are found to have a history of unethical conduct in order to prevent damage to the Company's interests.	In compliance with Article 9 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(II) Has the company set up a dedicated unit to promote ethical corporate management under the Board of Directors, and does it regularly (at least once a year) report to the Board of Directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?	V		(II) The Company has established the "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," and "Personnel Management Regulations." The corporate sustainability (ESG) promotion task force is responsible for implementing ethical corporate management. The task force plans to report annually to the Board of Directors on the progress of ethical corporate management initiatives, in conjunction with the "Sustainability Report." (The Company plans to complete its first Sustainability Report by the end of August 2025.)	In compliance with Article 17 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(III) Has the Company established policies to prevent conflicts of interest, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(III) 1. The General Manager's Office is the unit responsible for receiving reports of violations of ethical corporate management to prevent conflicts of interest, with a reporting channel available on the Company's website. 2. The Board of Directors follows the "Rules of Procedure for Board of Directors Meetings" (refer to the Company's website) and upholds a high level of self-discipline. Directors who have a conflict of interest with any agenda item or the interests of their represented entities must disclose the details of their interest. If the matter may harm the Company's interests, they must abstain from discussing or voting on the issue, and the interested parties should voluntarily recuse themselves. 3. The Company has stipulated in the "Personnel Management Regulations" and the "Material Information Handling and Insider Trading Prevention Management Guidelines" that employees must strictly adhere to conflict-of-interest avoidance behaviors. They are required to report any conflicts of interest proactively and are subject to non-compete clauses to prevent conflicts of interest. The Company has established a "Stakeholder Whistleblowing and Complaint Handling Mechanism," allowing employees and both internal and external stakeholders to report or file complaints about any illegal or improper behavior.	
(IV) Has the Company has established an effective accounting system and an internal control system for the implementation of ethical management and assigned the internal audit unit to formulate relevant audit plans based on the assessment results of the risk of unethical conduct and audit the compliance with the unethical conduct prevention plan accordingly or commissioned a CPA to perform such audits?			(IV) 1. The Company has established effective accounting and internal control systems to supervise and implement ethical corporate management operations. 2. The Company has implemented a comprehensive accounting system and internal control structure based on cycles such as sales, procurement, production, financing, real estate, factories and equipment, investments, R&D, and IT. The first level involves daily checks and approvals by supervisors. The second level includes the review of accounting vouchers. The third level includes audits by the audit department based on annual plans and special project audits. The fourth level involves each department performing self-assessments of internal controls annually. In addition, external accountants conduct annual internal control checks, performing random checks and reconciling original forms, and provide an internal control report based on the audit findings.	
(V) Does the Company provide internal and external ethical corporate management training programs on a regular basis?	V		(V) 1. The Company conducts annual ethical corporate management education and training for employees and internal stakeholders. It also regularly sends emails to promote case studies of ethical management. 2. The Chairman repeatedly emphasizes the "ethical corporate management" philosophy in meetings and public events. The Company also encourages and provides opportunities for directors to participate in continuous education courses organized by external institutions	
	V			

(VII) Any other important information that could enhance understanding of the Company's governance operations may also be disclosed.

1. For the Company's Corporate Governance Guidelines and related regulations, please refer to the Company's website: www.yishin-textile.com.tw

2. Succession Planning for Board Members and Key Management Personnel

In the succession planning for the board members and key management personnel of Yi Shin Textile Industrial Co., Ltd., the successor's personality traits must align with the Company's core business philosophy of "Innovation, Integrity, Growth, and Harmony," as well as a "Sincere and Pragmatic" work attitude.

Succession Planning and Operations for Board Members

The Company acknowledges that board members are elected by shareholders, and the election of directors depends entirely on the number of votes received. However, during the qualification review and nomination process for board candidates, the Company will do its best to follow the provisions set forth in the "Corporate Governance Guidelines."

The composition of the Company's Board of Directors shall take diversity into consideration. Except that the number of directors concurrently serving as managerial officers of the Company shall not exceed one-third of the seats on the Board, an appropriate diversity policy shall be established based on the Company's own operations, business model, and development needs. Such policy should include, but is not limited to, the following two main aspects:

1. Basic qualifications and values: Gender, age, nationality, and culture.
2. Professional knowledge and skills: Professional background (such as law, accounting, industry, finance, marketing, or technology), professional expertise, and industry experience. Members of the Board of Directors shall generally possess the knowledge, skills, and integrity necessary to perform their duties. To achieve the Company's governance objectives, the Board as a whole shall possess the following core competencies: 1. Ability to make judgments about operations. 2. Accounting and financial analysis ability. 3. Operational management ability. 4. Crisis management ability. 5. Industry knowledge. 6. Global market perspective. 7. Leadership ability. 8. Decision making ability.

To enhance the diversity of professional knowledge and skills of the board members, the Company prioritizes recommending relevant courses to directors or enrolling them in such courses as part of the annual six-hour continuing education program for directors. The course fees will be fully covered by the Company.

The Company has established the "Performance Evaluation Measures for the Board of Directors and Functional Committees." At the end of each fiscal year, the Company conducts evaluations of the performance of the Board of Directors and its functional committees. The results of these evaluations serve as a reference for the future selection or nomination of directors.

Succession Planning and Operations for Key Management Personnel

The Company holds quarterly management meetings chaired by the Chairman. Attending executives are key personnel of the Company and are considered part of the training and succession planning process for future key management roles.

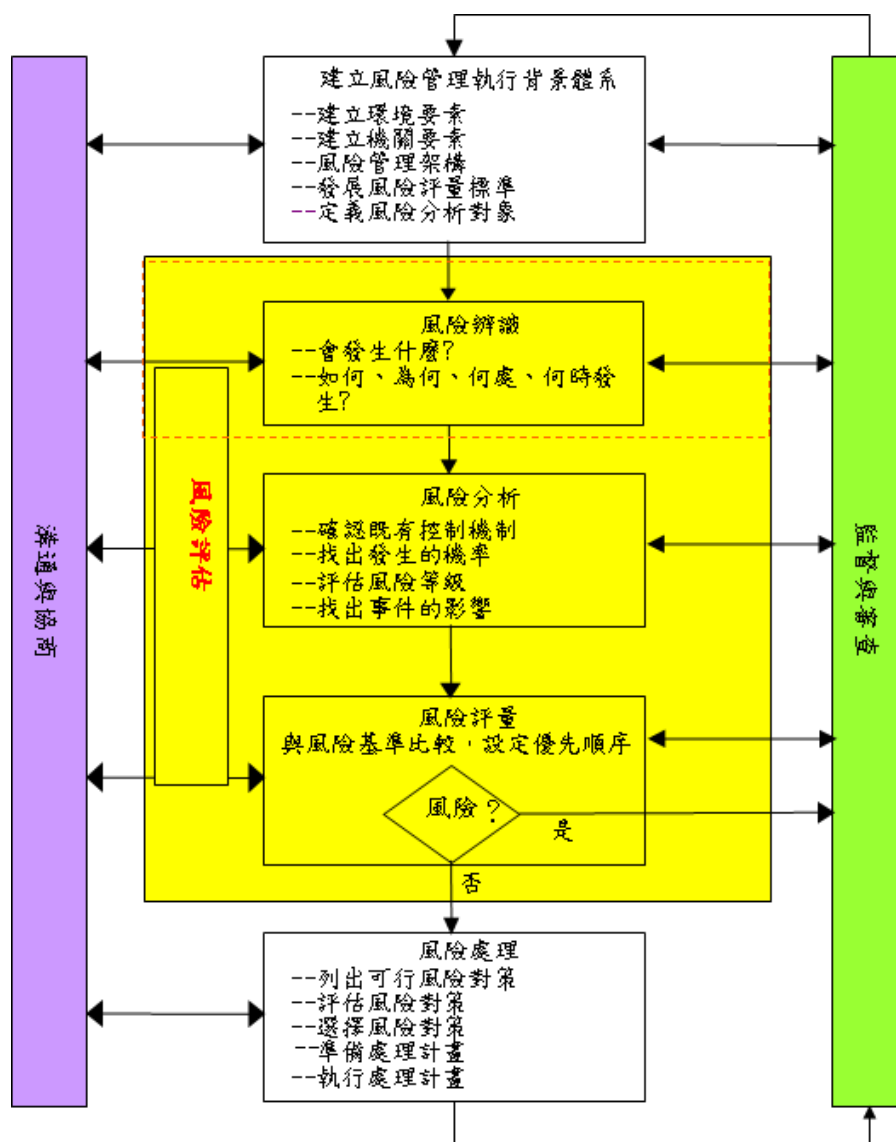
- The Chairman shares business philosophy, personal experiences, and insights on company operations with the attending executives.
- Attending executives establish and report on the achievement of annual (and quarterly) business goals.
- Executives share their work experiences and insights with each other, fostering mutual learning.
- Through the review and discussion of business performance during these meetings, a succession structure is formed and the Company's management philosophy is passed on.

In addition to the succession planning and operations for key management personnel, the Company also requires all senior executives to cultivate one to two successors in order to lay a solid foundation for sustainable human resource development.

3. Risk Management Organizational Structure:

At the 15th meeting of the 5th Board of Directors held on November 11, 2024, the Company approved the "Risk Management Best Practice Principles" and established a "Risk Management Policy. Each

year, a comprehensive risk assessment is jointly conducted by the Company's managers and plant department heads based on materiality, covering environmental, social, and corporate governance (ESG) issues related to the Company. These include natural disasters, economic environment, human behavior, commercial and legal matters, management activities and controls, and infrastructure. The assessment evaluates the likelihood and materiality of potential risks and determines whether risk management policies or strategies should be adopted. The Company prepares an annual risk report, which is submitted to the Board of Directors. The 2025 Risk Report was approved by both the Audit Committee and the Board of Directors on March 11, 2025.

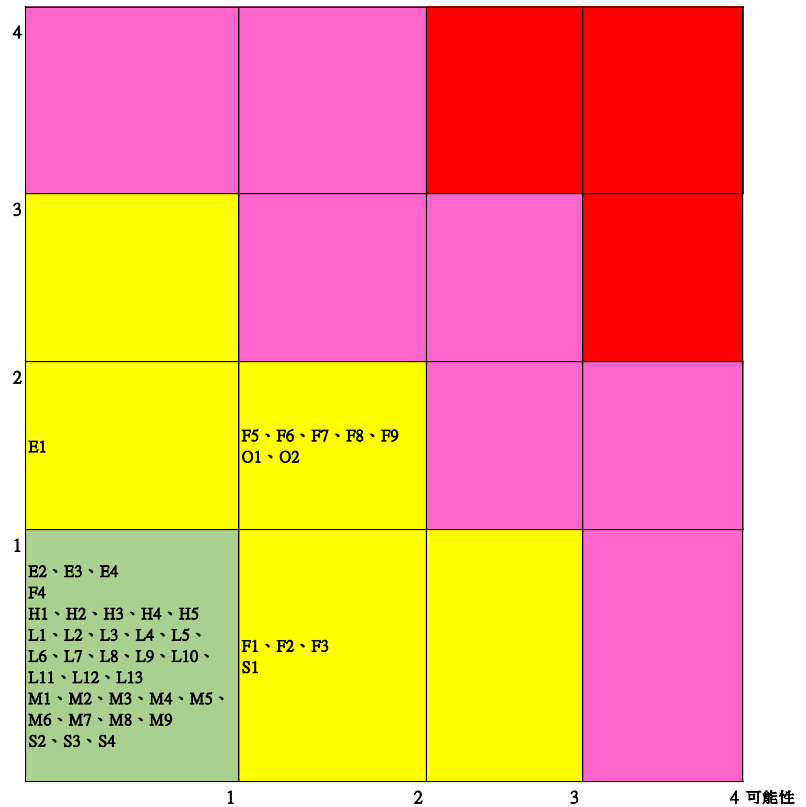


2025 (114)年度 宜新公司 風險分析圖

現行風險		整體風險 (現有控制)		剩餘風險 (新增控制)	
		可能性	影響	可能性	影響
天然災害	E				
火災	E1	1	2	1	2
地震	E2	1	1	1	1
颱風(水災)	E3	1	1	1	1
傳染病	E4	1	1	1	1
經濟環境	F				
匯率	F1	2	1	2	1
利率	F2	2	1	2	1
股市	F3	2	1	2	1
房市	F4	1	1	1	1
市場景氣	F5	2	2	2	2
原物料	F6	2	2	2	2
市場競爭	F7	2	2	2	2
銷售數量	F8	2	2	2	2
產品毛利	F9	2	2	2	1
人員行為	H				
居民	H1	1	1	1	1
媒體報導	H2	1	1	1	1
舞弊	H3	1	1	1	1
洩露資訊	H4	1	1	1	1
退休離職	H5	1	1	1	1
商業和法律	L				
供應商	L1	1	1	1	1
承包商	L2	1	1	1	1
承租戶	L3	1	1	1	1
公司法	L4	1	1	1	1
證券交易法	L5	1	1	1	1
環保法規	L6	1	1	1	1
勞基法	L7	1	1	1	1
營所稅法	L8	1	1	1	1
工廠法	L9	1	1	1	1
建築法規	L10	1	1	1	1
專利法	L11	1	1	1	1
智慧財產法規	L12	1	1	1	1
商業會計法	L13	1	1	1	1
管理活動及控制	M				
生產數量	M1	1	1	1	1
產品品質	M2	1	1	1	1
產品交期	M3	1	1	1	1
員工能力	M4	1	1	1	1
員工招募	M5	1	1	1	1
生產效率	M6	1	1	1	1
生產成本	M7	1	1	1	1
設備妥善率	M8	1	1	1	1
業務資料	M9	1	1	1	1
基礎設施	S				
停(跳)電	S1	1	2	1	2
斷(缺)水	S2	1	1	1	1
資訊系統失效	S3	1	1	1	1
能源稅/碳稅	S4	1	1	1	1
其他(請自述)	O				
外勞引入限制	O1	2	2	2	2
海外進口原絲	O2	2	2	2	2

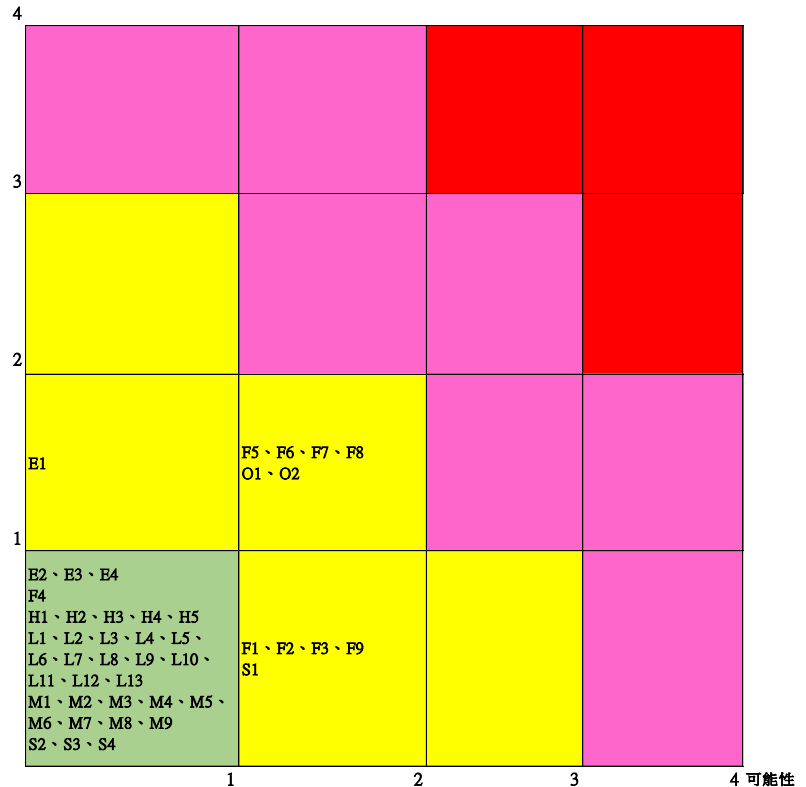
2025(114)年度宜新公司整體風險(現有控制)圖像分析圖

影響



2025(114)年度宜新公司 剩餘風險(新增控制)圖像分析圖

影響



極度危險的風險，需立即採取行動
高度危險的風險，管理階層需督導所屬研擬計劃
中度危險的風險，必須明訂管理階層的責任範圍
低度危險的風險，以一般步驟處理

2025 (114) 年度 宜新 公司風險管理制度問卷 提出新增對策 一覽表

類別	代碼	現有控制 風險等級	新 增 對 策	新增控制 風險等級	評估人
天然災害	E				
火災	E1	2	提高保額	2	黃肇欽
地震	E2	1		1	
颱風(水災)	E3	1		1	
傳染病	E4	1		1	
經濟環境	F				
匯率	F1	2		2	
利率	F2	2		2	
股市	F3	2		2	
房市	F4	1		1	
市場景氣	F5	4		4	
原物料	F6	4		4	
市場競爭	F7	4		4	
銷售數量	F8	4		4	
產品毛利	F9	4	每月依市場狀況修改牌價	2	郭家奇
人員行為	H				
居民	H1	1		1	
媒體報導	H2	1		1	
舞弊	H3	1		1	
洩露資訊	H4	1		1	
退休離職	H5	1		1	
商業和法律	L				
供應商	L1	1		1	
承包商	L2	1		1	
承租戶	L3	1		1	
公司法	L4	1		1	
證券交易法	L5	1		1	
環保法規	L6	1		1	
勞基法	L7	1		1	
營所稅法	L8	1		1	
工廠法	L9	1		1	
建築法規	L10	1		1	
專利法	L11	1		1	
智慧財產法規	L12	1		1	
商業會計法	L13	1		1	
管理活動及控制	M				
生產數量	M1	1		1	
產品品質	M2	1		1	
產品交期	M3	1		1	
員工能力	M4	1		1	
員工招募	M5	1		1	
生產效率	M6	1		1	
生產成本	M7	1		1	
設備妥善率	M8	1		1	
業務資料	M9	1		1	
基礎設施	S				
停(跳)電	S1	2		2	
斷(缺)水	S2	1		1	
資訊系統失效	S3	1		1	
能源稅/碳稅	S4	1	找出節能設備更換	1	王政弘
其他(請自述)	O				
外勞引入限制	O1	4		4	王政弘
海外進口原絲	O2	4		4	王政弘

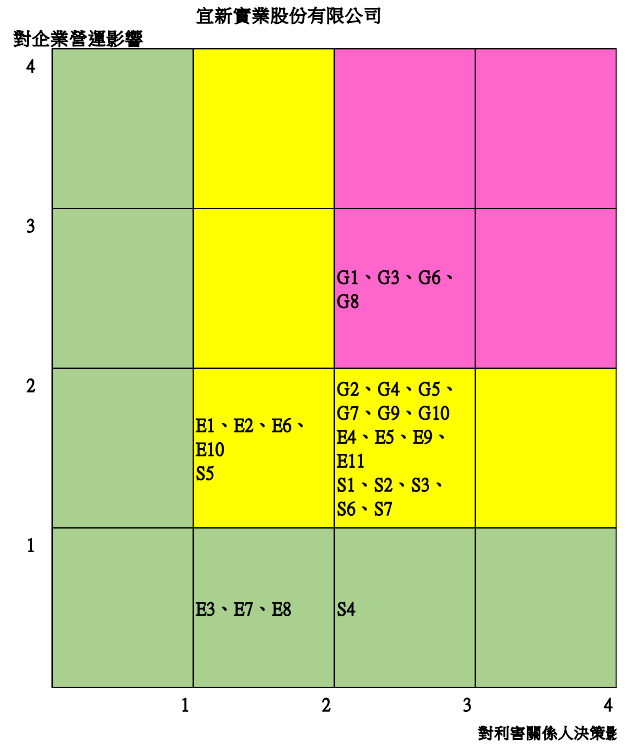
113年度 利害關係人關注的ESG 主題鑑別

宜新實業股份有限公司

整體鑑別

項次	範圍	主 題	對關係利害人決策的影響程度	對企業營運的影響程度	衝擊度
G1	治理	經營績效	3	3	9
G2	治理	經營策略與發展	3	2	6
G3	治理	研發與創新	3	3	9
G4	治理	企業經營遵循相關法規	3	2	6
G5	治理	反貪腐政策及預防措施	3	2	6
G6	治理	客戶關係管理	3	3	9
G7	治理	供應商永續管理	3	2	6
G8	治理	產品品質與服務	3	3	9
G9	治理	誠信經營	3	2	6
G10	治理	資訊安全管理	3	2	6
E1	環境	遵循環境法規	2	2	4
E2	環境	廢棄物處理	2	2	4
E3	環境	水資源管理及廢污水處理	2	1	2
E4	環境	減少能資源及原物料消耗	3	2	6
E5	環境	溫室氣體排放	3	2	6
E6	環境	有毒物質管理	2	2	4
E7	環境	空氣污染物防治	2	1	2
E8	環境	生物多樣性	2	1	2
E9	環境	循環經濟	3	2	6
E10	環境	氣候變遷風險	2	2	4
E11	環境	噪音管理	3	2	6
S1	社會	職業安全與健康	3	2	6
S2	社會	保障勞工權益與福利	3	2	6
S3	社會	人才培育與職涯發展	3	2	6
S4	社會	員工組成多元化及工作平等	3	1	3
S5	社會	社會公益與回饋地方	2	2	4
S6	社會	友善及優良的工作環境	3	2	6
S7	社會	勞資關係	3	2	6

113年度宜新公司利害關係人關注的ESG 主題圖像分析圖



	高度重大關注議題	4
	中度重大關注議題	20
	低度重大關注議題	4

(VIII) The status of the implementation of the internal control system should disclose the following matters:

1. Statement of Internal Control System

Please refer to the Market Observation Post System (MOPS) at <https://mopsplus.twse.com.tw/>, and navigate through: [Individual Company] → [Corporate Governance] → [Company Regulations/Internal Control] → [Internal Control Statement Announcement]

2. If CPAs were engaged to conduct a special audit of the internal control system, provide their audit report: None.

(IX) Major resolutions of the shareholders' meeting and the board of directors for the most recent fiscal year and as of the date of the publication of the annual report:

Major resolutions of shareholders' meeting and implementation status:

Resolution Date	Major Resolution	Resolution Results	Implementation Status
May 27, 2024 Annual General Shareholders' Meeting	Recognition of the 2023 Annual Business Report and Financial Statements. Recognition of 2023 Earnings Distribution Proposal of the Company.	The proposal was approved as the number of votes in favor exceeded the statutory threshold.	(1) Major resolutions of the shareholders' meeting were announced on the date of the meeting as material information and disclosed on the Company's website. (2) June 12, 2024, was set as the record date for dividend distribution, and cash dividends (NT\$1 per share) were distributed on July 5, 2024.

Major resolution of the Board of Directors and implementation status

Date	Major Resolution	Implementation Status
March 11, 2024	1. Self-Assessment Report on the Company's Internal Control System for 2023 and Statement on the Internal Control System. 2. The 2023 Business Report and Financial Statements. 3. Proposal for the Distribution of Employees' and Directors' Remuneration for 2023 4. Proposal on 2023 Distribution of Earnings of the Company. 5. Proposal for Distribution of Capital Surplus in Cash. 6. Assessment and Appointment of the Independence and Competency of the Certified Public Accountant. 7. Amendment to the "General Principles for Pre-Approval of Non-Assurance Services." 8. Proposal to Establish "Regulations on Financial and Business Operations Between Related Parties." 9. Proposal for Application of Bank Financing Facilities. 10. Proposal to Convene the 2024 Annual General Shareholders' Meeting.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).
April 10, 2024	1. Election of the Chairman of the Board. 2. Adjustment of the General Manager's Salary.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).
May 13, 2024	1. Financial Statements of the Company for the First Quarter of 2024. 2. Distribution of Director Remuneration for 2023. 3. Proposal for application of bank financing facilities.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the

		Market Observation Post System (MOPS).
July 15, 2024	1. Appointment of General Manager. 2. Lifting of the Non-Compete Restriction on the General Manager. 3. Proposal to Increase the Limit for Acquisition and Disposal of Listed Shares.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).
August 5, 2024	1. Financial Statements of the Company for the Second Quarter of 2024. 2. Proposal for application of bank financing facilities.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).
November 11, 2024	1. Financial Statements of the Company for the Third Quarter of 2024. 2. Discussion of Various Remuneration Proposals for the Company's Managers. 3. Proposal on Changes in the Company's Accounting Officer and Corporate Governance Officer. 4. Proposal on Changes in the Company's Internal Audit Officer. 5. Appointment of Certified Public Accountant, and Review of their Independence, Competency, and Audit Fees. 6. Amendments and Additions to the Company's Internal Control System 7. Proposal for the "2025 Annual Internal Audit Plan" 8. Changes in the Chief Cybersecurity Officer and Cybersecurity Personnel 9. Proposal for application of bank financing facilities.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).
March 11, 2025	1. The Company's 2025 Risk Report (Including Identification of ESG Topics of Concern to Stakeholders in 2024) 2. 2024 Statement of Internal Control System. 3. Proposal for the Distribution of Employees' and Directors' Remuneration for 2024. 4. The 2024 Business Report and Financial Statements. 5. 2024 Earnings Distribution Plan. 6. Full re-election of Directors. 7. Nomination and resolution of the list of Director candidates. 8. Proposal to lift the non-compete restrictions for newly elected Directors and their representatives. 9. Amendments to the Company's Articles of Incorporation. 10. Proposals relating to the convening of the 2025 Annual General Shareholders' Meeting. 11. Amendments to the Company's Internal Control System. 12. 2025 Business Plan of the Company 13. Proposal for application of bank financing facilities.	In accordance with the resolutions. Major resolutions of the Board of Directors were announced as material information on the date of the meeting and disclosed on the Market Observation Post System (MOPS).

- (X) During the most recent fiscal year or during the current fiscal year up to the date of publication of the Annual Report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the Board of Directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclosing the principal content thereof: None.

IV. Information Regarding the Company's Audit Fee Paid to the CPA

Unit: NT\$ thousands

Name of Accounting Firm	Name of CPA	Audit Period	Audit fees	Non-audit Fees	Total	Remarks
KPMG	Pan Jun-Ming	From January 01, 2024 to December 31, 2024	1,180	220	1,400	Note 1
	Chen, Chung-Che					

Note 1: The non-audit fees include NT\$220 thousand for tax audit fees.

- (I) When the Company changes its accounting firm and the audit fees paid for the fiscal year in which such change takes place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.
- (II) When the audit fees paid for the current year are lower than those paid for the prior year by 10% or more, the amount and percentage of the decrease and thereof shall be disclosed: None.

V. Replacement of CPAs

In order to align with the internal operations and personnel adjustments of KPMG, the financial statement certification accountants were changed to Mr. Pan Jun-Ming and Ms. Tsou I-Yun, effective from the first quarter of 2024. This change was approved by the Board of Directors on March 11, 2024.

- VI. Where the Company's Chairperson, General Manager, or Any Managerial Officer in Charge of Finance or Accounting Matters Has in the Most Recent Year Held a Position at the Accounting Firm of Its Certified Public Accountant or at an Affiliated Enterprise of Such Accounting Firm, the Name and Position of the Person, and the Period During Which the Position Was Held, Shall Be Disclosed. "Affiliated Enterprises" Refer to Those in Which the CPA Holds More Than 50% of the Shares or Controls a Majority of the Board Seats, or Any Company or Institution Listed as an Affiliate in the CPA Firm's Public Materials: None.

- VII. Changes in Equity Transfers and Pledges by Directors, Supervisors, Managerial Officers, and Shareholders Holding More Than 10% of the Company's Shares During the Most Recent Year and Up to the Publication Date of the Annual Report. If the Counterparty to the Equity Transfer or Pledge Is a Related Party, the Name of the Counterparty, Its Relationship with the Company, Directors, Supervisors, Managerial Officers, or Shareholders Holding More Than 10% of the Shares, and the Number of Shares Acquired or Pledged Shall Be Disclosed

(1) Movements in shareholdings of directors, supervisors, managers, and major shareholders: Please refer to the Market Observation Post System (MOPS) at <https://mopsplus.twse.com.tw/>, and navigate through: [Individual Company] → [Equity Changes / Securities Issuance] → [Shareholding / Pledge / Transfer of Directors, Supervisors, and Major Shareholders], [Insider Pledge and Release of Pledge], and [Equity Transfer Information Inquiry].

(2) Information on directors, supervisors, and major shareholders where the counterparties in any such transfer of equity interests is a related party: None.

(3) Information on directors, supervisors, and major shareholder where the counterparties in any such pledge of equity interests is a related party: None.

VIII. Relationship Between the Top Ten Shareholders of Related Parties, or Spouse or a Relative within Second-Degree of Kinship.

April 7, 2025; Unit: shares; %

Name	Current Shareholding		Shares Held by Spouse & Minors		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Lee, Kuo-Chih	2,126,700	3.15%	—	—	—	—	—	—	—
I Jinn Industrial Co. Ltd. Representative: Chen, Chun-Kai	2,063,632	3.05%	—	—	—	—	—	—	—
Guang Shun Investment Limited Representative: Chan, Shu-Ling	1,951,646	2.89%	—	—	—	—	—	—	—
Yu Liang Investment Limited Representative: Liu, Ya-Ling	1,818,120	2.69%	—	—	—	—	Chiu, Tsang-Pei	Spouse of the representative	—
Yidong Fiber Co., Ltd. Representative: Chan Cheng-Tien	1,774,000	2.62%	—	—	—	—	Da Tien International Development	Same Representative	—
Hsin Mao Investment Co., Ltd. Representative: Chan Cheng-Tien	1,748,064	2.59%	—	—	—	—	Da Tien International Development	Same Representative	—
Da Tien International Development Representative: Chan, Cheng-Tien	1,668,000	2.47%	—	—	—	—	Hsin Mao Investment	Same Representative	—
Representative of Kwang Ming Silk Mill Co., Ltd: Chan Cheng-Tien	1,542,000	2.28%	—	—	—	—	Da Tien International Development	Same Representative	—
Chiu, Tsang-Pei	1,524,714	2.26%	—	—	—	—	Yu Liang Investment	The representative is a relative within the first degree of kinship.	—
Chan Cheng-Tien	1,484,400	2.20%	517,080	0.76%	—	—			

IX. The Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company: None.

Three. Fundraising Status

I. Capital and Shares

(I) Source of share capital

1. Formation of Share Capital

Unit: thousand shares; NT\$ thousand

Month/ Year	Issue Price (NT\$)	Authorized Share Capital		Capital Stock		Remarks		
		Shares	Amount	Shares	Amount	Source of share capital	Capital Increase by Assets Other than Cash	Others
June 2013	10	20,000	200,000	10,000	100,000	Initial establishment	None	Note 1
March 2015	10	20,000	200,000	13,000	130,000	Cash capital increase of NT\$30,000 thousand.	None	Note 2
August 2015	12	20,000	200,000	20,000	200,000	Cash capital increase of NT\$70,000 thousand.	None	Note 3
September 2017	10	32,000	320,000	24,000	240,000	Capitalization of retained earnings of NT\$40,000 thousand.	None	Note 4
October 2017	20	36,000	360,000	36,000	360,000	Cash capital increase of NT\$120,000 thousand.	None	Note 5
August 2020	10	80,000	800,000	43,200	432,000	Capitalization of retained earnings of NT\$43,200 thousand. Capitalization of capital reserve of NT\$28,800 thousand.	None	Note 6
July 2021	10	80,000	800,000	60,048	600,480	Capitalization of retained earnings of NT\$125,280 thousand. Capitalization of capital reserve of NT\$43,200 thousand.	None	Note 7
November 2021	38	80,000	800,000	67,598	675,980	Cash capital increase of NT\$75,500 thousand.	None	Note 8

Note 1: Approved by the letter Fu-Chan-Yeh-Shang-Zi No. 10285126810 dated June 21, 2013.

Note 2: Approved by the letter Fu-Chan-Yeh-Shang-Zi No. 10481934900 dated March 11, 2015.

Note 3: Approved by the letter Fu-Chan-Yeh-Shang-Zi No. 10486567100 dated August 04, 2015.

Note 4: Approved by the letter Ching-Shou-Chung-Zi No. 10633560970 dated September 21, 2017.

Note 5: Approved by the letter Ching-Shou-Chung-Zi No. 10633631910 dated October 27, 2017.

Note 6: Approved by the letter Fu-Chan-Yeh-Shang-Zi No. 10952587600 dated August 04, 2020.

Note 7: Approved by the letter Ching-Shou-Chung-Zi No. 11001106970 dated July 02, 2021.

Note 8: Approved by the letter Ching-Shou-Chung-Zi No. 11001206430 dated November 18, 2021.

2. Type of Share Capital

Share Type	Authorized Capital			Remarks
	Outstanding Shares (Note)	Number of Shares Unissued	Total	
Common Share	67,598,000	12,402,000	80,000,000	Listed stock

Note: The Company did not issue preferred shares.

3. Information on Shelf Registration: Not applicable.

(II) Major Shareholders

April 7, 2025; Unit: shares; %

Major Shareholders	Shares	Shares Held	Shareholding Ratio
Lee, Kuo-Chih		2,126,700	3.15%
I Jinn Industrial Co. Ltd.		2,063,632	3.05%
Guang Shun Investment Limited		1,951,646	2.89%
Yu Liang Investment Limited		1,818,120	2.69%
Yidong Fiber Co., Ltd.		1,774,000	2.62%
Hsin Mao Investment Co., Ltd.		1,748,064	2.59%
Da Tien International Development		1,668,000	2.47%
Kwang Ming Silk Mill Co., Ltd: Chan Cheng-Tien		1,542,000	2.28%
Chiu, Tsang-Pei		1,524,714	2.26%
Chan Cheng-Tien		1,484,400	2.20%

(III) Dividend Policy and Implementation

1. The Dividend Policy Stipulated in the Articles of Incorporation

When the Company's annual final accounts show a surplus, the Company shall first pay taxes and make up for accumulated deficits, and then set aside 10% of the legal reserve, as well as sets aside or reverses the special reserve when necessary. If there is still a surplus, the remaining balance can then be added to undistributed earnings carried from previous years. The Board of Directors shall propose the distribution of the earnings, subject to resolution in a shareholders meeting.

The Company authorizes the distributable dividends and bonuses or the statutory surplus reserves and capital reserves in whole or in part, to be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by at least two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

The Company's dividend policy takes into account current and future development plans, the business environment, capital requirements, and local and international competition, as well as the interests of its shareholders. The Company shall distribute dividends to its shareholders at a rate of not less than 20% of its distributable earnings each year. However, if the accumulated distributable earnings is less than 10% of the paid-in capital, it may not be distributed. Dividends and bonuses to shareholders may be distributed in cash or in the form of shares, provided that cash dividends and bonuses shall not be less than 10% of the total dividends and bonuses.

2. Dividend Distribution Proposed at the Most Recent Shareholders' Meeting

(1) The proposal for the distribution of earnings for 2024 was approved by the Board of Directors on March 11, 2025, with a cash dividend of NT\$1.6 per share.

(2) The aforementioned cash dividend was fully distributed on April 29, 2025.

3. Expected Significant Change in Dividend Policy: None.

- (V) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share
The Company is not required to make public financial projections; therefore, information on changes in operating results, pro forma earnings per share and cost/benefit ratio is not applicable.
- (VI) Employee Remuneration and Directors' and Supervisors' Remuneration
1. The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the Company's Articles of Incorporation.
 - (1) When the Company makes a profit in a year, it shall allocate no less than 2% of the profit as employees' compensation and no more than 1% of the profit as the remuneration to directors. However, where the Company still has accumulated losses, the amount shall be reserved for making up the accumulated losses first.
 - (2) Employees' compensation may be distributed in the form of shares or in cash. Qualification requirements of employees, including employees of parents or subsidiaries of the Company meeting certain specific requirements. The aforesaid remuneration to directors shall be distributed in cash only.
 2. Basis for estimation of employee's compensation and remuneration to directors in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount
 - (1) The employees' compensation and remuneration to directors of the Company are determined according to current year's profits and in accordance with Article 25 of the Company's Articles of Incorporation.
 - (2) If there is a significant change in the distribution amount resolved by the Board of Directors before the date of issuance of the Company's annual financial report, the change is adjusted to the expenses for the year in which it was originally recorded. If the distribution amount changes after the date of issuance of the Company's annual financial report, the change is recorded in the following year based on the change in accounting estimate.
 3. The distribution of remuneration approved by the Board of Directors
 - (1) The amount of employees' compensation and remuneration to directors distributed in cash or in the form of shares. Where there is a difference with the estimated amount for the year, in which the expenses are recognized, the amount of difference, reason, and accounting treatment shall be disclosed. The Board of Directors' Meeting on March 11, 2025 resolved to distribute employees' compensation in the amount of NT\$2,681 thousand and remuneration to directors in the amount of NT\$300 thousand for the year 2024. Both were paid in cash. There is no difference between the amounts of employees' compensation and remuneration to directors resolved by the Board of Directors and the amounts recognized in the financial statements.
 - (2) The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation
The Company did not have any employee compensation distributed in stocks, so it is not applicable.
 4. Where there is a difference between the employee remuneration and directors' and supervisors' remuneration paid out and the estimated amounts for the prior year (including

the number of shares distributed, amount, and stock price), the amount of the difference, reason, and accounting treatment shall also be specified:

The amount of employees' remuneration of NT\$1,200 thousand and remuneration to directors of NT\$500 thousand were approved by the Board of Directors on March 11, 2024, both of which have been paid.

(VII) Repurchase of the Company's Own Shares: None.

- II. Issuance of Corporate Bonds (Offshore Included): None.**
- III. Issuance of Preferred Shares: None.**
- IV. Issuance of Oversea Depositary Shares: None.**
- V. Issuance of Employee Share Subscription Warrants: None**
- VI. Issuance of Restricted Employee Shares: None.**
- VII. Issuance of New Shares in Connection With Mergers or Acquisitions or With Acquisitions of Shares of Other Companies: None.**
- VIII. Execution of the Fund Application Plan: None.**

Four. Overview of Operations

I. Business Activities

(I) Scope of Business

1. Major Lines of Business

In recent years, the global market has undergone rapid changes, and all enterprises are facing multiple challenges, including the tightening of environmental regulations, accelerated digital transformation, and intensifying international competition. As a result, low-carbon emission reduction, sustainable materials, and supply chain transparency have become fundamental requirements for international brands. Looking ahead, the pace of digital transformation will inevitably accelerate. The Company will actively adopt smart manufacturing and strengthen its green supply chain deployment to enhance competitiveness in response to global market disruptions and opportunities.

Driven by market demand, the Company has developed and introduced innovative production processes, focusing on the production and sales of functional and flexible covered yarns. By emphasizing functionality, differentiation, and customization, the Company aims to reshape conventional perceptions of synthetic fibers and create new market segments for the chemical fiber industry, while also aligning with the future trends of the emerging textile sector. Major lines of business of the Company are as follows:

C301010 Spinning Industry

C302010 Weaving Industry

C305010 Dyeing and Finishing Industry

C306010 Garment Industry

C399990 Other Textile and Textile Product Manufacturing Industry

C801120 Manufacture of Man-made Fibers

C801990 Other Chemical Materials Manufacturing

F104110 Wholesale of Clothes, Garments, Shoes, Hats, Umbrellas and Clothing Accessories

F204110 Retail Sale of Clothes, Garments, Shoes, Hats, Umbrellas and Clothing Accessories

H201010 Investment

H701010 Housing and Building Development and Rental

H701020 Industrial Factory Development and Rental

H701040 Specific Area Development

H701050 Investment, Development and Construction in Public Construction

H701060 New Towns, New Community Development

H703090 Real Estate Business

H703100 Real Estate Leasing

I101110 Textile Consulting

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

2. Main Products and Main Products and Revenue Composition

Unit: NT\$ thousand; %

Product	Year	2023		2024	
		Operating Income	Percentage of Net Revenue (%)	Operating Income	Percentage of Net Revenue (%)
Spandex Covered Yarn		460,191	46.29	631,531	56.20
Textured Yarn		522,272	52.52	484,354	43.10
Others		11,838	1.19	7,839	0.70

Total	994,301	100.00	1,123,724	100.00
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3. Current Merchandise and Service Items

Product Category	Product Item	Main Usage or Function
Spandex Covered Yarn	Polyester/nylon spandex covered yarn (20D-600D)	Stretch fabric for trousers, suits and coats, T-shirts, leotards, spandex covered shoes, garments, stretch mesh fabrics, stretch spacer fabric for shoes.
	Color compound spandex covered yarn (40D-600D)	
	Polyester/nylon eco-friendly spandex covered yarn (50D-300D)	
Textured Yarn	Polyester/nylon textured yarn (30D-1200D)	Knitted functional fabric, plain weave windproof and breathable jacket, seamless underwear, golf pants material, high-shrinkage textured yarn (HCR-DTY)
	Solution dyed textured yarn (50D-900D)	
	Multi-color compound textured yarn (50D-900D)	
	Polyester/nylon eco-friendly textured yarn (50D-300D)	
Special yarn	Woolenex yarn, stretch yarn, single-dyeing multi-color textured yarn	Pattern textured yarns, multi-color compound yarns, and compound yarns with different materials, as well as customized specifications

4. New Products and Services Planned for the Future

As the population of sports, leisure, and outdoor activities continues to grow, consumers are also paying more attention to the comfort and functionality in their daily wear. In addition to basic functionalities (e.g., stretch-ability, comfort, etc.), functional textiles are also being developed to meet the needs of different consumer groups and types of activities, as well as to combine different functional characteristics and materials to create complex functional textiles as a result of the development of functional fiber technology. In addition to continuously improving the quality and technology of the products, the Company also collects the latest information from both domestic and overseas to provide customers with the latest supply and demand analysis of the market and future trends in order to meet the greatest consumer demand. We still maintain our product development direction to lead market demand. In addition to continuously improving the quality of original basic functional products, we are also developing new products with diversified characteristics (e.g., skin-friendly fiber covered materials, ultra-fine eco-friendly fiber covered yarn, Dope-dye series and high-end antibacterial skin-friendly functional fiber series, etc.). We are developing products with high value-added and diversified features to meet the different functional needs for our customers. We provide comprehensive and differentiated services to our customers with a more complete product line, so that they can purchase products to suit all their needs at once.

(II) Overview of the Industry

1. Current and Future Industry Prospects

Polyester Draw Textured Yarn (DTY) is manufactured by first producing polyester filament yarn from petrochemical-based raw materials, followed by a false-twisting process. Polyester products are primarily derived from PTA (Purified Terephthalic Acid) and EG (Ethylene Glycol), both of which are fundamental petrochemical organic materials. As such, fluctuations in international crude oil prices are closely linked to the price trends of upstream raw materials in the textile industry.

Global economic conditions and the pricing of petrochemical raw materials exert significant influence on the man-made fiber industry. In response to the current issue of global oversupply, Taiwan's man-made fiber industry should adopt specialization and innovation as its key development strategies. By advancing the functional and technical applications of fibers in industrial, home furnishing, and apparel sectors, the industry can stimulate fiber consumption. The man-made fiber industry is expected to continue growing in high value-added and new application areas. Manufacturers must respond to evolving market demands while upholding environmental sustainability, improving production

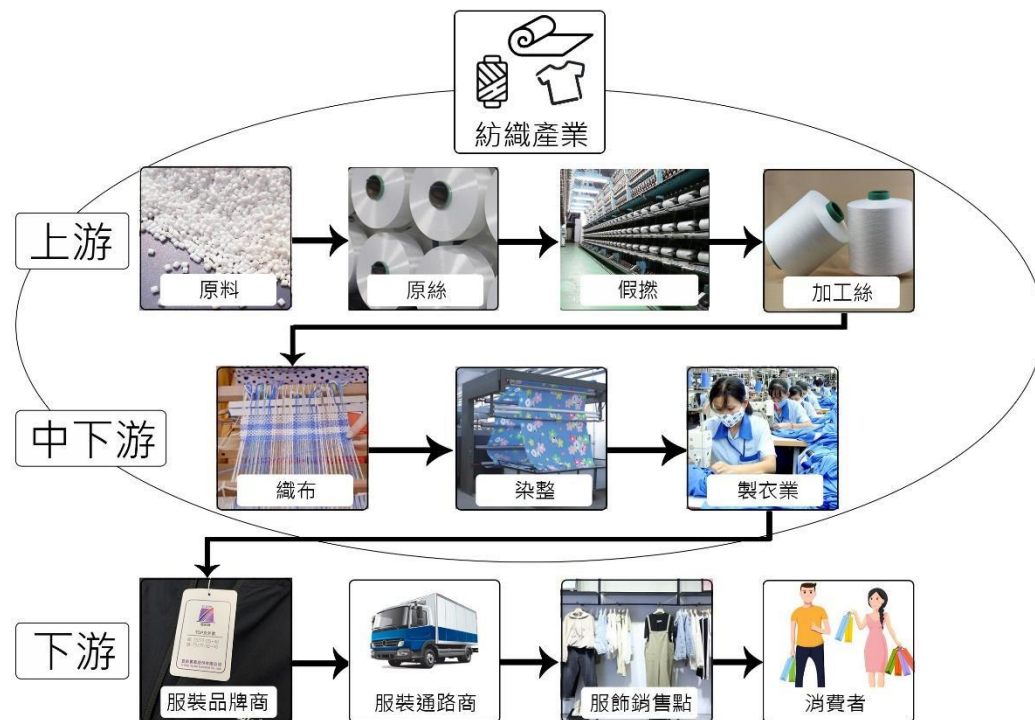
processes, and developing new fibers and innovative textiles.

As the global economic landscape shifts and the downstream textile industries undergo relocation, export competition has intensified. The Company will continue to monitor the impact of global regional economic integration on its industry, actively explore new markets, invest in product innovation, and strengthen collaboration with brand partners to create new competitive advantages.

2. Upstream, Midstream, and Downstream Linkages within the Tourism Industry

The upstream segment of the textile industry comprises the petrochemical raw materials and fiber manufacturing sectors, which utilize petrochemical derivatives—such as PTA (Purified Terephthalic Acid) and EG (Ethylene Glycol)—to produce regenerated and synthetic fiber products. The midstream segment includes the primary, secondary, and tertiary processing stages, encompassing spinning, weaving, and dyeing and finishing operations. Primary processing involves blending man-made and natural fibers (such as cotton, linen, and wool) into various yarn types for use by downstream fabric manufacturers. Secondary processing refers to the weaving of man-made fiber yarns, cotton yarns, or blended yarns into a variety of fabrics, which are then either further dyed and finished or used directly in garments and artificial leather. Tertiary processing involves dyeing and finishing greige yarns or fabrics to create final yarns or finished fabrics. The apparel and garment manufacturing sector represents the downstream end of the textile industry value chain.

The Company is a specialized false-twist texturing manufacturer in the textile industry, primarily engaged in the first- and second-stage processing of false-twist texturing. Polyester partially oriented yarn (POY), an upstream raw material, is subjected to false-twist texturing and heat setting to produce textured polyester yarn. This yarn is then woven into greige fabric through processes such as sizing. The correlation of the industry supply chain is illustrated as follows:



3. Various Product Development Trend

The Company is at the forefront of the industry in developing environmentally friendly polyester products. The Company has launched recycled yarn made from post-consumer

textile waste, supporting a closed-loop circular economy in the textile sector. It has also collaborated in creating a mélange effect using cationic yarns derived from modified polyester fibers recycled from PET bottles.

In addition, the Company has successfully mass-produced dope-dyed black recycled polyester yarn, eliminating the need for downstream dyeing and thereby reducing environmental pollution. It has also developed wool-like elastic yarns that minimize the need for subsequent brushing processes, thereby reducing microfiber shedding and its impact on water resources.

The Company continues to advance its development and production of environmentally sustainable materials and processes that emit lower greenhouse gases per production unit. Current initiatives include: (1) mechanically recycled polyester, (2) mechanically recycled nylon, (3) biodegradable bio-based PET, (4) easily decomposable materials such as acetate fiber, and (5) innovative polyester-based raw materials. Two key areas of innovation are carbon capture and utilization, as well as the application of bio-based polymers.

4.Product Competition

Taiwan’s textile industry, once labeled a sunset industry, has undergone significant transformation after periods of volatility. Thanks to the dedicated efforts of a select group of companies, the sector has shifted toward upstream innovation, emphasizing refinement and differentiation. This strategic pivot has allowed the industry to forge a new path forward. With the global rise in sports and outdoor activities, functional textiles have gained increasing importance. Taiwanese manufacturers have successfully established a comprehensive value chain for functional textiles, making them key suppliers to many world-renowned apparel brands. Taiwanese textiles have evolved into high-performance fabrics with features such as windproof and breathable properties, waterproofing, quick-drying, anti-pilling, stretch-fit technology, and lightweight insulation. At the same time, the integration of advanced technologies into textiles—such as wearable tech—has further highlighted Taiwan’s strong competitive advantage in this space. Currently, Taiwan supplies approximately 70% of the world’s functional fabrics used by major international brands, particularly in the outdoor and athletic sectors. These brands span across global markets, affirming Taiwan’s position as a leading supplier of man-made fibers.

Fabric exports remain a major growth driver for Taiwan’s textile industry, with functional and high-quality fabrics representing key competitive strengths. In addition, Taiwanese textured yarn manufacturers are adopting global deployment strategies—not only expanding export markets but also establishing overseas production bases to reduce costs and enhance international competitiveness. Taiwanese companies are now heavily invested in developing high-value functional products. Leveraging advanced technologies and stable product quality, they have successfully attracted international buyers to place orders directly from Taiwan. Functional textile materials developed in Taiwan include fibers with antibacterial and odor-resistant properties, flame resistance, UV protection, elasticity, thermal insulation, and cooling capabilities. Other innovations include 3D textured yarns that offer moisture-wicking, stretchability, stain resistance, and color retention, bamboo charcoal fibers with deodorizing and anti-mildew effects, and eco-friendly materials made from recycled PET bottles that align with sustainability goals.

(III) Technology and R&D

1. R&D Expenses Made in the Last Year up to the Publication Date of the Annual Report

Unit: NT\$ thousand; %

Item	Year	2024	As of Q1 2025
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R&D Expense (A)	2,869	698
Net Operating Revenue (B)	1,123,724	227,118
Percentage to Net Operating Revenue (A)/(B)	0.26%	0.31

2. Technologies or Products Successfully Developed in the Last Five Years

Year	Product Category	R&D results and benefits description
2020	Biodegradable Materials	Introduced the Biodegradable Enhancement Solution (BES). It can significantly shorten the time for chemical fiber products to decompose in the natural environment to fulfill the environmental protection declaration for a green earth.
	Fiber Development for Vehicle Materials	We cooperate with Japanese and American car manufacturers to develop automotive interior fibers. The customers specified the quality to meet the standard for mass production, and in this year, we are shipping the products out to customers accordingly.
	Product Development for New Equipment	We continue to modify our own machines to produce specially designated nylon spandex. We also continue to challenge ourselves to push the limits on our production equipment. We proactively plan the yield for high unit price products to create quality barriers in product specifications in order to maximize the profitability from innovative products.
2021	All Weather Fiber	We use yarn from volcanic rocks licensed by Cocona, USA, and combine it with the BES improvement project to give the fiber warmth and perspiration characteristics, and it can decompose continuously in appropriate landfill environments. After adding spandex fiber, it can make decomposable outdoor functional casual wear with high elasticity and a covered function at the same time.
	Graphene Fiber	We produce clothing, blankets, face masks, eye masks, and thermal products such as neck guards, shoulder pads, waist supports, and wristbands to meet the demand for end-use products. To meet the strong demand for health care and medical textiles in the post-epidemic period, we have entered the field of medical and health care textile production.
	Eco-friendly Decomposable Acetate Multi-color Composite Yarn	The color difference of the applied material, together with the material application promotion, can create a variety of patterns. This differentiation is not easy to be imitated. We supply fiber materials to downstream fabric manufacturers and high quality apparel manufacturers to optimize the product features.
2022	BIO-PET	Use agricultural waste to make biomass raw material formic acid (PTA), and then make biomass polyester fiber, which can reduce the use of petrochemicals by 30%, reduce the environmental damage caused by oil exploitation, achieve environmental friendliness, reduce dependence on petroleum, and increase raw materials supply diversity
	Recycled Yarn from Waste Cloth	WTG (Magic Recycle-WTG), a fiber material recycled from textiles, is recycled and reused through GRS-certified single polyester component, providing a solution for waste cloth treatment, achieving the goal of sustainable product development and implementing environmental friendliness to reduce carbon emissions.
	Ice Silk Series	Originated from sustainable forest farms, the cellulose fibers derived from the forest trees made into wood pulp have cooling properties, easy finishing and dimensional stability. They are compounded with various functional polyester fibers, combined with biodegradable yarns or Post-consumer PET bottles recycle yarn to protect the earth's ecology and implement sustainable actions.
2023	Elastic yarn series	It meets the needs of comfort, shaping and stretching at one time, and can customize suction, cooling, cotton feel, environmental protection and other demands according to market demand. The characteristics of a single material satisfy the convenience of current waste cloth recycling, and in addition to the functional characteristics, it is also a friendly recycling system.
	Carbon Fiber Series	Overcome the loss of easy breakage when carbon fiber is woven into protective clothing, and process it into a fiber material that is softer, easier to transport, and suitable for both knitting and plain weaving systems. This increases the scope of product application and is no longer limited to specific special machines.

Year	Product Category	R&D results and benefits description
2024	PTT Fiber Series	- This material is produced through the side-by-side melt spinning of two distinct components—PET and PTT. - It features excellent elasticity, wrinkle resistance, and superior processability, along with enhanced dyeability and abrasion resistance, making it particularly well-suited for apparel applications.

(IV) Long-term and Short-term Business Development Plans

1. Short-term Business Development Plans

The company sells products and continues to develop recycled materials raw materials biodegradable materials carbon reduction materials.

- (1) Increase research and development efforts, combine circular economy materials with recyclable elastic materials, produce cotton-like/wool-like yarns, and create a single fully recyclable material with elastic/special feel.
- (2) Elasticity/thinness/function is the core requirement of the brand. It will combine the company's existing 37.5 volcanic rock product exclamation mark-graphene to produce mechanical elastic products and apply them to the sports and leisure market.
- (3) Active Collaboration Across the Industry Value Chain: In response to the increasingly intense regional competition, it is imperative to strengthen collaboration within Taiwan's textile industry value chain to secure a stable supply of raw materials and to facilitate the development and production of specialty materials. By working closely with raw material suppliers, the Company is able to obtain more competitive pricing and lead times, thereby better meeting downstream customers' demands for shorter delivery schedules and faster time-to-market for new products.

- (4) Increase solar renewable energy settings, cooperate with global environmental policies, replace high-energy-consuming equipment, independently develop multi-functional production machines, and reduce packaging materials and transportation.

2. Long-term Business Development Plans

The Company aims to enhance its in-house production technologies and form a highly capable team combining professional marketing and customer service expertise to work alongside clients in expanding into overseas textile markets. At the same time, it will continue to strengthen its organizational R&D capabilities to deliver products globally, targeting markets across Europe, the Americas, the Asia-Pacific region, and China.

- (1) Participate in various textile exhibitions to increase the company's visibility, directly conduct face-to-face research and development with multinational buyers, and expand the market territory.
- (2) ESG investment implements climate change risk management to meet regulations and customer needs.
- (3) Digital investment improves industrial production capacity, reduces energy waste, and reduces the number of employees to quickly respond to demand.

II. Market and Sales Overview

(I) Market analysis

1. Locations Where Products are Mainly Sold

Unit: NT\$ thousand; %

Year		2023		2024	
Region		Amount	Proportions (%)	Amount	Proportions (%)
Domestic Sales		940,018	94.54	1,092,590	97.23
Export	Asia (Note)	54,283	5.46	31,134	2.77

Total	994,301	100.00	1,123,724	100.00
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Note: Including Vietnam, Japan, Thailand, and Hongkong, etc.

2. Market Share

The Company primarily engages in the manufacture and sale of spandex covered yarn and various types of filament yarn, serving as a collaborative supplier to globally renowned brands. Among the four major types of synthetic fibers—polyester, nylon, acrylic, and cellulosic fibers—polyester accounts for approximately 70% of global synthetic fiber production. The Company utilizes both polyester and nylon as raw materials, which are processed through false-twisting to create textured yarns with bulkiness and elasticity, offering comfort comparable to that of natural fibers. These yarns are used by downstream weaving mills in the production of various garments and industrial fabrics, with performance that often surpasses the capabilities of natural fibers. Within the textured yarn industry, the Company has secured an irreplaceable position.

3. Supply and demand and growth potential of the market in the future

Under the pressure of weak end-market demand, a recovery in the synthetic fiber industry is not expected until the second half of the year. Revenue for the first quarter showed little variation compared to both the previous quarter and the same period last year. Based on the current production line utilization and order visibility, second-quarter performance is anticipated to surpass that of the first quarter. The outlook for overall market conditions and order intake in the second half of the year remains optimistic.

Judging from the order trends in the garment OEM sector, a rebound in the apparel industry is expected in the second quarter, with synthetic fiber and textile mills likely to see a gradual increase in orders in the latter half of the year. However, with the reopening of the Chinese market, the supply of general textile and fiber products is expected to rise, and the entry of standardized products from Southeast Asian countries such as Vietnam will intensify competition. As a result, the aggressive price-cutting seen in the first half of the year to secure orders may negatively impact the profitability of Taiwan's synthetic fiber industry.

4. Competitive Niche

(1)Market Leader

The Company has a clear analysis of the market trends and fashions, and quickly deploys products with a global focus. For example: six years ago, we developed the recycling yarn for PET bottles earlier than the industry, so we have the present achievement. The Company's products are combined with fashionable design fashions and promoted to well-known brands worldwide.

(2)Provide High Quality Products and Run Our Own Brand Magic Yarn

We use our own brand "Magic Yarn" to supply the world's leading manufacturers, and work with them to design and develop application products, establishing a partnership of mutual trust and cooperation with our customers. The Company is able to meet the diversified needs of customers and provide customers with good quality and stable products in a fast delivery time, and can satisfy customers' needs, from raw materials to finished products. Our management team has many years of experience in textile sales and manufacturing, and has been working hard in the market, and our professionalism has been highly recognized by brand manufacturers. We have accumulated brand awareness and value in spandex covered yarn.

(3)Provide Diversified Products and Create Diversified Markets

The Company's elastic covered yarn contains elastic fibers, which are not of the same material. According to the physical recycling system of a single material, it is indeed difficult to recycle, but (1) in view of the fact that the physical recycling system mainly

uses waste cloth (grey cloth) Recycling is the main focus, and the recycling effect on textiles (such as old clothes, mostly made of composite materials) on the market is not obvious. Therefore, the current environmental protection trend has advanced to chemical recycling as the mainstream, and technology has gradually made breakthroughs. This is "Clothing-to-clothing textile recycling can really help. (2) In the past, the demand for spandex (elastic fiber) increased significantly in 2020-2021, losing the balance between supply and demand, resulting in chaos such as soaring prices. This phenomenon also made prices higher Cheap mechanical elastic products are born. The price of our company's mechanical elastic products is more affordable and competitive than that of its peers. In addition, in order to cater to the environmental protection trend, upstream suppliers are also actively developing single-material elastic fibers to facilitate recycling. System, (3) In 2024, the price of spandex has fallen sharply, even far lower than the price of mechanical elastic yarn. The brand Under cost considerations, manufacturers will still take elastic covered yarn as the mainstream of long-term demand.

Among the elastic yarn products of the Company's elastic family, the elastic yarn is produced by mechanical elastic method, using double groups of poly material yarns. After special compounding technology, the fibers can produce curling and stretch elastic effects, and the cloth surface after dyeing is soft and elastic. , fibers that are not easy to shed and have good dimensional stability. The advantages of this product: (1) The elastic properties and quality are close to the effect of elastic covered yarn, (2) It is a single material and can enter the physical recycling system, or it can be combined with other environmentally friendly recycled material yarns to create yarns with more diversified environmental protection appeals. (3) Yixin's elastic yarn family includes products with different properties such as micro-elasticity, medium elasticity, high elasticity, etc. The product series is complete and can meet the different needs of customers in terms of effect and cost. After consideration, it is recommended to use suitable yarn types, which has considerable advantages in the competition in the same industry.

5. Positive and Negative Factors for Future Development, and the Company's Response to Such Factors

(1) Positive Factors

- A. Stable Raw Material Supply: The Company has established multiple sourcing channels to ensure a stable supply of raw materials. Both supply volume and pricing remain steady, with no signs of monopolistic or oligopolistic control over sources.
- B. Technological Leadership: The Company's plant supervisors possess extensive experience in the textured yarn industry. Our superior manufacturing techniques, research and development capabilities, and management efficiency consistently outperform industry peers.
- C. Production Machine: Our production machine is unique in Taiwan and we can produce a wide range of products with great applicability. We can also produce small quantities and quantitative products. We are the largest spandex covered yarn manufacturer in the industry, and we have been introducing high production efficiency models. We are working together with our R&D staff to modify new equipment for production.

(2) Negative Factors and Countermeasures

- A. Labor Shortage Problem is Getting Worse
The Company is in the textile manufacturing industry, which has a certain quantity and quality of manpower demand. In recent years, the government has placed importance on the service industry and related electronic technology industries,

resulting in a serious labor shortage and limiting the development of traditional manufacturing space.

Countermeasures

(A) Diversified Recruitment

In order to ensure the Company's long-term manpower needs for sustainable development, we reach out to campuses and establish industry-academia cooperation with senior high schools and universities to help students get to know the job early. We also help students to become self-sufficient and complete the tripartite co-dependency relationship, so that enterprises can alleviate the crisis of labor shortage.

(B) Improve the Operating Environment and Increase Employee Retention Factor
Improve or refine the current operating environment. In addition to improving the hard environment into a friendly one, we can provide more space for leisure, and create another living space for employees to feel like home, so that they can rely on each other and cooperate with each other.

(C) Increase the degree of automation and related auxiliary equipment that reduces manpower use, reducing manpower expenses and dependence.

B. For factors such as the source of talent and stability, if there is a talent gap, it will lead to higher operational risks.

The textile manufacturing process requires a certain number of technical personnel to maintain the smooth operation of the production line. However, the area where the Company is located is a labor migration area, and new employees are prone to frequent turnover due to factors such as environment, hard work, salary, and job attractiveness, resulting in unstable employment. As a result, the instability of our employees will indirectly affect our production and product quality stability.

Countermeasures

(A) Improve Employee Benefits

We will continue to strengthen the welfare and care measures for current employees, provide subsidies for childcare, and take care of women's employment rights. We will also study to establish a reward system for employees, and share the Company's profits with outstanding employees in order to build up loyalty to the Company.

(B) Reserve Officer

- a. The Company negotiates industry-university cooperation with senior vocational schools and universities of science and technology in nearby Taichung and Changhua areas, provides scholarships, grants, internships, and employment opportunities to cultivate new talents..
- b. We promote outstanding employees to become management officers, so that the promotion of staff is transparent to boost employees' ambition.

C. Some of the textile downstream spinners and weavers closed their plants or moved out to China and Southeast Asia, which affected the development of upstream polyester texture yarn.

Due to the increasing labor cost in Taiwan, the textile industry is now dominated by the middle and upper streams, and downstream manufacturers like garment manufacturers are moving out to lower wage zones abroad for production, which in turn affects yarn procurement.

Countermeasures

(A) Strengthen interaction with brand customers and work directly with end-users to increase sales volume and enhance the stability of the order source. In this way we can actively control the main and potential customer base.

- (B) We are actively expanding our export market, developing and restructuring our production of high value-added products, and accelerating the development of more distinctive and differentiated products in order to increase our attractiveness to customers.
- (C) We will continue to diversify our products, to differentiate the market strongly, to make special products and markets, and to be a market maker rather than a market follower.

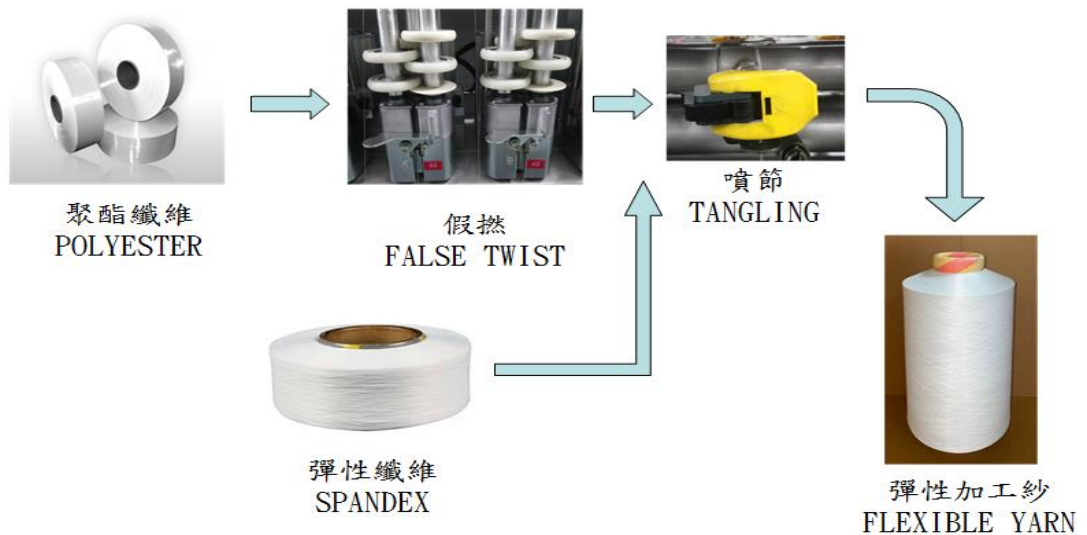
(II) Important functions and production processes of main products

1. Main Product Applications

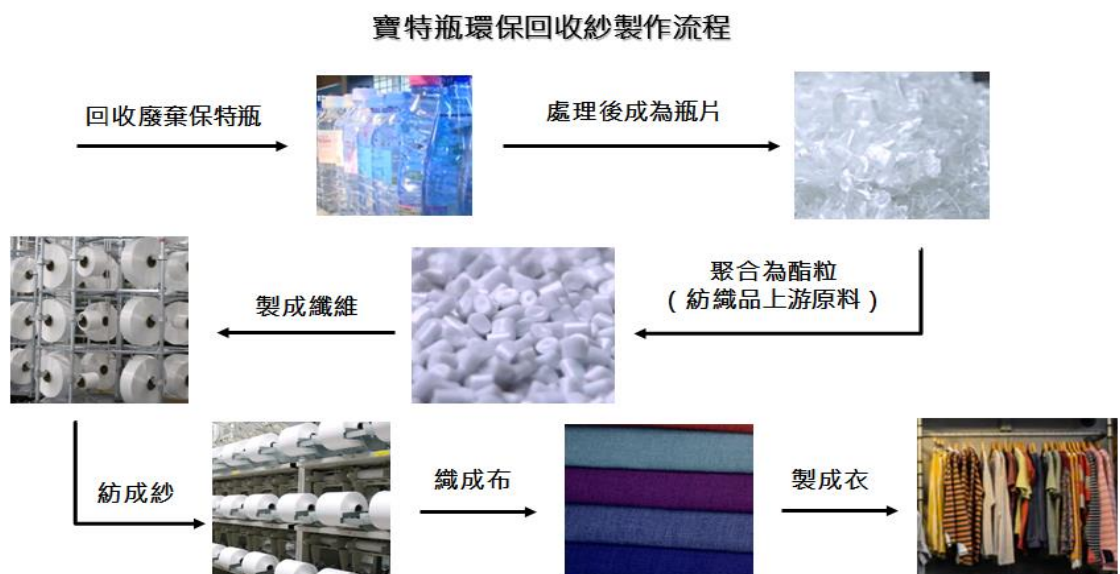
Main Product	Main Applications
Spandex Covered Yarn	Spandex fabric for trousers, suits and coats, T-shirts, leotards, covered shoes, garments, stretch mesh fabrics, stretch spacer fabric for shoes
Textured Yarn	Knitted functional fabric, plain weave windproof and breathable jackets, seamless underwear, golf pants material, swimwear, casual wear
Special yarn	Variable frequency composite patterned fabric for trousers, multi-color composite fabric, composite fabric with different materials

2. Production processes of main products

(1) Spandex Covered Yarn



(2) Eco Textured Yarn



(III) Supply of main raw materials

The Company's main raw materials include polyester fiber, nylon fiber, and polyurethane fiber (spandex). Most of the suppliers are listed companies with good reputations in Taiwan (e.g. Far Eastern, Formosa Chemical), which have a stable supply, good quality, and on-time delivery. In addition to maintaining stable and close cooperative relationships with our suppliers, we also conduct regular supplier evaluations in order to obtain good quality supplies. At the same time, we have added the GRS qualification examination to our evaluation of raw material suppliers. In addition, the Company maintains more than two qualified suppliers for most of the raw materials, and the supply sources are still decentralized, so there will not be a shortage in the sources and quantities of raw materials.

Raw Materials	Name	Supply Status
Main Material	Polyester, nylon fiber	Stable, good quality, delivery on time, good supply situation
Sub-material	Spandex	Stable, good quality, delivery on time, good supply situation

(IV) Names of Customers Whose Purchases (or Sales) Accounted for 10% or More of the Total Purchase (or Sales) Amount in Either of the Most Recent Two Fiscal Years, Along With Their Respective Transaction Amounts and Ratios, and Explanations of the Reasons for Any Increases or Decreases

1. Main Suppliers in the Last Two Years

Unit: NT\$ thousand; %

Year Item	2023				2024				
	Name	Amount	As a Percentage of the Annual Net Purchase (%)	Relationship With the Issuer	Name		Amount	As a Percentage of the Annual Net Purchase (%)	Relationship With the Issuer
1	Supplier A	320,102	52.26	None	Supplier A	289,846	46.11	Associates (Note)	Associated Enterprise (Note) None
2	Supplier B	118,923	19.42	None	Supplier B	164,364	26.15	None	None
3	Supplier F	61,395	10.02	None	Supplier E	76,356	12.15	None	None
4	Supplier E	51,225	8.36	None	Supplier D	34,742	5.53	None	None
5	Supplier D	18,410	3.01	None	Supplier C	24,490	3.90	None	None
6	Supplier G	11,675	1.91	None	Supplier G	21,234	3.38	None	None
	Others	30,768	5.02	-	Others	17,527	2.78	-	-
	Net Purchase	612,498	100.00	-	Net Purchase	628,560	100.00	-	-

Note: Classified as an affiliate starting from April 2024.

Explanation of the Reasons for Increases or Decreases:

- (1) Raw materials from Supplier E enhance the added value of processed products, accounting for 40% of production capacity and 60% of revenue.
- (2) Supplier C provides another major source of raw materials, contributing to the diversification of processed products.

2. Main Customers in the Last Two Years

Unit: NT\$ thousand; %

Year Item	2023				4			
	Name	Amount	As a Percentage of the Annual Net Sale (%)	Relationship With the Issuer	Name	Amount	As a Percentage of the Annual Net Sale (%)	Relationship With the Issuer
1	-	-	-	-	-	-	-	-
2	Others	994,301	100.00	-	Others	1,123,724	100.00	-
	Net Sales Revenue	994,301	100.00	-	Net Sales Revenue	1,123,724	100.00	-

Explanation of the Reasons for Increases or Decreases:

The proportion of sales customers for the year was less than 10%.

III. Number of Employees, Average Years of Service, Average Age, and Educational Distribution Ratio for Employees in the Past Two Fiscal Years and as of the Date of Publication of the Annual Report

Unit: person

Year		2023	2024	As of April 30, 2025
Total Number of Employees:	R&D segment	2	2	2
	Business segment	10	9	6
	Administrative segment	24	18	18
	Manufacturing segment	116	113	115
	Total	152	142	141
Average Age		40.78	41.77	41.59
Average Years of Service		5.33	6.69	6.70
Educational Distribution Rate (%)		0%	0%	0%
		3.97%	2.12%	2.12%
		32.45%	32.62%	31.22%
		43.71%	43.62%	44.68%
		19.87%	21.64%	21.98%

IV. Environmental Protection Expenditure

- (I) Losses Incurred Due to Environmental Pollution in the Most Recent Fiscal Year and Up to the Date of the Annual Report Publication (Including Compensation and Violations of Environmental Protection Regulations Identified Through Inspections, with Details on the Date of Disposition, Disposition Reference Number, Violated Regulatory Provisions, Violation Details, and Disposition Content), as well as Disclosure of Estimated Current and Future Potential Costs and Corresponding Countermeasures. If a Reasonable Estimate Cannot Be Made, an Explanation Should Be Provided: Not Applicable.

V. Labor-Management Relations

- (I) Description of Employee Welfare Measures, Continuing Education, Training, Retirement System and Its Implementation Status, as well as Labor-Management Agreements and Measures for Safeguarding Employee Rights and Interests

1. Employee Welfare Measures

(1) Employee Benefit Plans

- i. From the date of employment, all employees are enrolled in labor insurance and National Health Insurance in accordance with the law. All benefits are administered in compliance with relevant regulations. Employee leave and holidays are granted in accordance with the Labor Standards Act.
- ii. Provision of group insurance for employees.
- iii. Annual year-end banquet, monetary gifts for weddings, funerals, and traditional holidays, as well as holiday gifts or vouchers; birthday cash gifts are also provided to employees.
- iv. Regularly organize company-wide employee trips, with encouragement for employees to bring family members.
- v. Annual employee health check-ups are conducted to monitor and care for employees' well-being.
- vi. In the event of emergencies or hardships faced by employees, the Company is committed to providing immediate care and concern, along with timely and appropriate financial assistance.
- vii. The Company will appropriately reflect its operating performance in employee compensation. According to the company's regulations, if the company makes a profit every year, it must allocate at least 2% of employee compensation. Employee compensation includes salary and bonuses. Bonus distribution is determined based on the Company's overall operating performance, individual performance, and the employee's contribution to corporate results, ensuring fair and reasonable remuneration. The Company adjusts salaries

based on market compensation levels, economic trends, and individual performance evaluations to maintain overall external competitiveness. In 2024, the Company implemented an average salary adjustment of 3.03%.

(2) Employee Welfare Committee

The Company has established an employee welfare committee in accordance with the Employee Welfare Fund Act to coordinate various employee benefits, hold quarterly employee welfare committee meetings, and prepare annual budgets and plan welfare measures.

2. Continuing Education and Training for Employees

The Company currently conducts training operations based on the individual needs of employees and encourages employees to improve themselves and participate in vocational training courses to enhance their career abilities and develop their careers.

In 2024, a total of 199 people participated in training, including both internal and external programs, accumulating a total of 885 training hours.

(1) Newcomer training should include a comprehensive learning journey that provides guidance from the personnel department to help newcomers adapt and integrate into the environment.

(2) On-the-job training should include special classes tailored to the functional categories of each department (such as business, procurement, manufacturing, maintenance, quality control, etc.) to enhance the professional skills of colleagues. Additionally, each department can plan appropriate courses or colleagues can apply for external training to provide diverse study options.

3. Retirement System and Implementation Status

In order to ensure that our employees can work comfortably during their employment and to maintain their post-retirement life, all employees of the Company are subject to the new labor retirement system, which is based on the Labor Pension Act and related regulations. The Company contributes 6% of the employee's monthly salary to the individual's designated labor pension account at the Labor Insurance Bureau. If the employee makes a voluntary contribution, the amount of the voluntary contribution is also deposited into the same account according to the employee's application form (the maximum contribution rate is 6%), and the retirement-related matters are handled in accordance with the pension regulations.

4. Labor-management Agreement

The Company has followed the Labor Standards Act. The Company, working under the management and labor as one concept and emphasizing reasonable and humane management, has established smooth communication channels to maintain good relations between management and labor, create productivity and share profits, and establish stable and harmonious labor relations. Therefore, for the Company's most recent year and as of the date of publication of the Annual Report, the information on labor disputes is : none.

5. Measures for Preserving Employees' Rights and Interests

The Company provides a safe and healthy working environment for employees, which includes providing necessary health care and first aid facilities. The company is also committed to reducing employee safety and health risks to prevent occupational disasters or injuries.

The Company adheres to stringent electrical safety regulations, conducting annual internal inspections and implementing corresponding improvements to ensure workplace safety. Additionally, the Company regularly carries out the following initiatives to provide a safe and healthy environment for employees:

1. The Company convenes regular Occupational Safety and Health Committee meetings to promote interaction on workplace safety and health topics, aiming to ensure a safe and healthy working environment for all employees.
2. Regular fire safety inspections and reporting for office premises, including safety awareness sessions and training.
3. Monthly maintenance of office elevators.
4. Office disinfection procedures (as-needed basis).
5. A comprehensive employee health check-up program is in place. In 2024, the Company achieved a 100% completion rate for health examinations, accompanied by one-on-one report consultations and proactive follow-up by the HR department on employees' health conditions.

- (II) Disclosure of Losses Incurred Due to Labor-Management Disputes in the Most Recent Year and as of the Date of the Annual Report Printing (Including Violations of Labor Standards Law Identified by Labor Inspections, with Details of Disciplinary Action, Date, Reference Number, Violated Legal Provisions, Content of Violations, and Disciplinary Actions), and Disclosure of Estimated Amounts and Mitigation Measures for Current and Future Potential Issues. If Estimation is Not Reasonable, the Company Should Explain the Facts Surrounding Its Inability to Make Such Estimates: None.

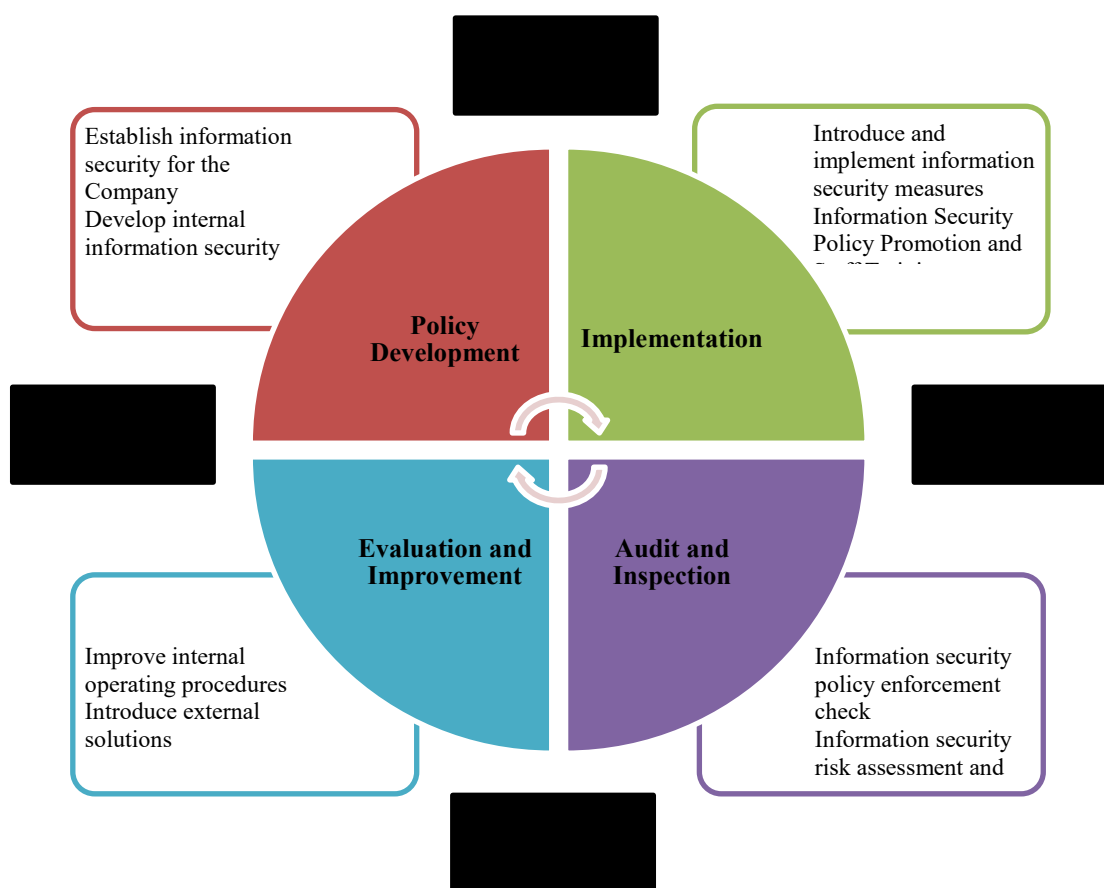
VI. Cyber Security Management

(I) Cyber Security Management Strategy and Framework

In order to comply with the national policy on cyber security, strengthen the internal cyber security management of the Company, ensure the confidentiality, integrity, and availability of the Company's information assets and the information environment for the continuous operation of information services, and comply with the relevant laws and regulations, the Company has established the relevant cyber security management rules to comply with the requirements.

1. Cybersecurity Risk Management Framework

The Company's auditors conduct annual audits. If the audits reveal any deficiencies, the auditors will request to propose improvement measures and track the improvement results in order to reduce the risk of internal cyber security. We adopt the PDCA (Plan-Do-Check-Action) model to manage cyber security to ensure that the reliability target is achieved and continuously improved.



2. Cyber Security Policy

The Company's cyber security policy includes three aspects: system specification, technology utilization, and personnel training.

- A. System Specification: To establish the Company's cyber security management system and regulate personnel's operation behavior.
- B. Technology Utilization: Set up cyber security management equipment and implement cyber security management measures.
- C. Personnel Training: Conduct cyber security education and training to raise awareness of cyber security among all employees.

3. Concrete Management Solutions

- A. System Regulation: The Company has established many cyber security management rules and measures to regulate the cyber security behavior of its employees, and performs internal audits and CPA information audits annually to review whether the relevant regulations are in line with changes in the operating environment and adjust them according to the needs as needed.
- B. Technology Utilization: In order to prevent various external cyber security threats, we have adopted a multi-layer network framework design and signed an cyber security fleet service with Chunghwa Telecom to enhance the security of the overall information environment.
- C. Personnel Training: The Company conducts cyber security education and training courses for new employees and regularly participates in cyber security seminars to enhance cyber security knowledge and professional skills among the Company's employees.

4. Commitment of Cybersecurity Management Resources

The Company provides quarterly cyber security promotion by using current news topics as case studies. In order to strengthen cyber security, the Company has reserved a budget for 2022 to strengthen cyber security protection. The Company also regularly reports to the Board of Directors on the results of cyber security management and implementation.

(II) Key Strategies for Cyber Security Management

- 1. Access Management: Division of responsibilities and auditing of personnel information operations, with regular inventory and review of access accounts.
- 2. Implementation of Access Control: Management of File Server account permissions, monitoring of data transmission channels, enforcement of mixed password encoding, and regular password changes.
- 3. External Threat Prevention: UTM firewall endpoint protection, anti-hacking gateway enterprise edition, and intrusion protection services provided by Chunghwa Telecom's cybersecurity team.
- 4. System Availability: Use of NAS data backup and off-site disaster recovery measures, along with regular disaster recovery drills.

(III) Major Cyber Security Incidents

There were no major cyber security incidents that caused any losses and impacts on the Company in the recent year and up to the date of the Board of Directors' meeting.

The following is the description of the company's cyber security incident levels: major cyber security incidents are the second and third levels:

Level	Description	Scope of Influence	Notification Level
Level 1	Individual computer	Personal computer, data	cyber security→cyber security supervisor, unit supervisor
Level 2	Office area	Personal computer, data, Server, network equipment, database	cyber security→ cyber security supervisor, department supervisor → general manager
Level 3	All Company		

(IV) Cyber security Risk Management and Control Measures

The Company manages and controls cyber security risks through internal control and continuously improves them by referring to external examples or manufacturer recommendations. The control measures, shown in the table below, reflect the consensus of the operating management on the company's purpose and values, and are focused on the core business and important work development process. Based on the 10 categories of the "Cyber Security Company Self-Checklist" from ISACA International Computer Audit Association Taiwan Chapter, the company conducts regular self-assessment and analysis every year, and then reviews and analyzes the higher risk areas. The company plans improvement measures, takes appropriate actions to address known threats at the system, technical, and procedural levels, and proactively analyzes and identifies potential threats to protect the confidentiality, availability, and integrity of its information assets. By avoiding exposure to various threats and minimizing potential harm or losses, the company enhances its protection capabilities and resilience against external attacks, mitigates the impact level, reduces possible damage, and effectively responds to risks.

Item	Cyber security Management Classification	Important control and Protective Measures	Execution Frequency
1	cyber Security Policy	1. Clearly define the cyber security organization, rights and responsibilities, and an outline for reporting and handling incidents. 2. Regularly review and revise the cyber security policy.	Viewed once/year
2	Establish an Cyber Security Organization	1. Establish a cyber security management team and a personal data protection team. 2. Establish emergency response and reporting procedures for cyber security incidents.	Yearly Every time
3	Personnel Safety and Management	1. The internal control system defines the division of work authority among information personnel and users, as well as the operating principles for personnel changes and resignations. 2. Carry out operation authority review every six months. 3. Regularly check personal computers every year to prevent private use of public equipment.	Viewed once/year Half a year Yearly
4	Asset Classification and Control	1. Listing and management of information software and hardware assets. 2. Conduct regular computer census every year to confirm software and hardware assets.	Yearly Yearly
5	Physical and Environmental Security Management	1. Dedicated computer room with automatic temperature and power control. 2. Anti-virus software should be installed on servers and personal computers. Computers used for important tasks should be backed up regularly every day, and the number of backup copies should be at least two generations. 3. Off-site backup mechanism. 4. Conduct regular vulnerability scans on important servers or network equipment.	Daily Daily Weekly Yearly
6	Communications and Operations Management	1. The email host has the functions of self-protection and preservation and auditing. 2. Analyze firewall records every day, and use Trend Cloud anti-virus and anti-hacking software to analyze and record Internet behavior to prevent internal and external abnormal behaviors in real time. 3. Promote cyber security incidents, notices or cases in real time to enhance protection awareness. 4. Use the Hinet security fleet's anti-hacking gatekeeper, advanced network defense and other services to expand the breadth and depth of defense and prevent internal and external attacks.	Weekly Daily Quarterly Weekly
7	Access Control	1. Access permissions for electronic file data are set according to departments and individuals. 2. Applications for external connection operations must be notified by phone or email. 3. E-mails have different permissions. Those who do not need to contact external parties can only send emails internally. 4. The human resources system automatically records the access track	Irregularly Irregularly Need to apply Irregularly

		when reading personal information.	
8	System Development and Maintenance	The application system is a software package that is outsourced for development and maintenance. When updating programs and systems, connection methods and times are limited to prevent external intrusion and tampering.	Irregularly
9	Project Management for Sustainable Operations	1. Regularly simulate accident drills and tests on the operational database.	Quarterly
		2. Establish emergency response plans for important equipment to follow and respond when major security incidents occur.	Execute when needed
10	Internal Audit and Others	1. The company will be informed of the scope of software authorization during the annual computer census. Software outside the specifications will be required to be removed or provide authorization certificates; the software and hardware census data will be updated at any time based on the asset status.	Yearly
		2. Information units regularly conduct self-evaluations on the safety of the information operating environment every year.	Year
		3. Internal auditors and accountants conduct regular audits of information control operations every year.	Year

In December 2024, the IT department evaluated the effectiveness and completeness of the control measures listed above. The evaluation was conducted using a five-level maturity scale: Complete, Good, Acceptable, Needs Improvement, and Poor. The self-assessment concluded with an "Acceptable" rating. The self-assessment report was reviewed by the cybersecurity officer and the General Manager, and based on higher-risk areas, a review and improvement measures were developed.

(V) Conclusion

Based on the 2024 risk assessment of the implemented cybersecurity measures, the existing internal control and management mechanisms have played a critical role in identifying and responding to risks, effectively reducing the likelihood of potential security incidents. Therefore, despite the presence of some unpredictable latent threats, the internal systems remain within controllable parameters. Nonetheless, there is still room for improvement, particularly in areas with elevated threat and risk levels.

For computer systems and software classified as medium risk, the Company will ensure timely updates of operating systems and all application software to prevent known vulnerabilities from being exploited, thereby reducing the risk of security breaches. Regular performance optimization will also be conducted to maintain system stability and efficiency. In terms of intellectual property associated with operational information systems and databases, the Company will continue to strengthen data access control, evaluate the implementation of encryption mechanisms, and ensure the integrity and traceability of database logs.

As cybersecurity threats continue to evolve, the Company will further enhance internal controls and management in the coming year, focusing on strengthening risk early-warning mechanisms and emergency response procedures to ensure the effective implementation of information security policies. This will include enhanced employee education and training, optimization of cybersecurity technologies, improvement of defenses against emerging threats, and regular risk reviews and assessments. We are confident that through continuous improvement and refinement of our cybersecurity management system, the Company will be well-equipped to address future risk challenges, ensuring the security of information and the stable operation of our business.

VII. Important Contracts

Nature of Contract	Parties Involved	Beginning and End Dates of Contract	Main Contents	Restrictive Covenants
Loan Contract	Bank of Taiwan Co., Ltd.	May 23, 2018 - May 23, 2033	Loan guarantee on the factory land in Huatan, Changhua	Only for the acquisition of factory buildings
Loan Contract	First Commercial Bank	February 21, 2022 - February 21, 2042	Real estate mortgage loan on the 9th floor of Nei-hu De-fu Burghardt Road Office Building	Only for the acquisition of commercial real estate property

Five. Review and Analysis of Financial Status, Financial Performance, and Risk Factors

I. Financial Status

1. Major Reasons for and Impact of Significant Changes in Consolidated Assets, Liabilities, and Equity in the Most Recent Two Years

Unit: NT\$ thousand

	2023	2024	Difference	
			Amount	%
Current Assets	574,445	672,913	98,468	17.14
Property, Plant and Equipment	1,583,707	1,541,223	(42,484)	(2.68)
Intangible Assets	0	0	0	0.00
Other Assets	55,330	54,457	(873)	(1.58)
Total Assets	2,213,482	2,268,593	55,111	2.49
Current Liabilities	411,243	407,621	(3,622)	(0.88)
Non-current Liabilities	498,267	505,619	7,352	1.48
Total Liabilities	909,510	913,240	3,730	0.41
Capital Stock	675,980	675,980	0	0.00
Capital Surplus	302,183	281,904	(20,279)	(6.71)
Retained Earnings	320,352	391,819	71,467	22.31
Others	5,457	5,650	193	3.54
Non-controlling Interest	0	0	0	0.00
Total Equity	1,303,972	1,355,353	51,381	3.94
The Main Reasons for the Material Changes in Assets, Liabilities and Equity in the Most Recent 2 Years (Deviation Over 20%, and the Absolute Change Amount of NT\$10 Million) and the Countermeasures:				
1. Retained Earnings: Primarily attributable to the increase in net income compared to the previous year.				

II. Financial Performance

- (I) Major Reasons for Significant Changes in Operating Revenue, Operating Net Income, and Net Income Before Tax in the Most Recent Two Years

Unit: NT\$ thousand

Item	Year	2023	2024	Difference	
				Amount	%
Operating Revenue		994,301	1,123,724	129,423	13.02%
Gross Profit (loss) from Operations		89,076	133,789	44,713	50.20%
Operating Profit		31,813	75,823	44,010	138.34%
Non-Operating Income and Expenses		20,578	54,573	33,995	165.20%
Net Income before Tax		52,391	130,396	78,005	148.89%
Income Tax Expenses		7,117	11,610	4,493	63.13%
Net Income for the Current Period		45,274	118,786	73,512	162.37%
Other Comprehensive Income (Loss) for the Period		223	193	(30)	-13.45%
Total Consolidated Gains (Losses) in Current Period		45,497	118,979	73,482	161.51%

Explanation and Analysis of the Main Reasons and Impacts of Material Changes (Over 20% and NT\$10 Million) in Assets, Liabilities, and Equity:

1. Gross Profit (Loss) from Operations: Starting from the second half of the year, market demand remained strong despite expectations of a slowdown. In addition, the Company actively cleared sluggish inventory, thereby mitigating valuation losses arising from obsolete stock.
2. Operating Profit: This was mainly due to the increase in operating revenue and the decrease in cost of goods sold in 2024.
3. Non-operating Income and Expenses: This was mainly attributable to dividend income in 2024.
4. Net Income Before Tax: Mainly attributable to the increase in gross profit from operations and dividend income in 2024.
5. Net Income for the Current Period: Mainly attributable to the increase in net income before tax in 2024.
6. Total Consolidated Gains (Losses) in Current Period: Mainly attributable to the increase in net income for the current period in 2024.

- (II) Expected Sales, the Basis of Estimation, Likely Impacts on the Company's Future Financial Position, and Response Plans

III. Cash Flows

- (I) Analysis of Cash Flow Variations in 2024

Unit: NT\$ thousand

Cash at Beginning of Year Balance (1)	Net Cash Flows From Operating Activities (2)	Net Cash Flows From Investing and Financing Activities (3)	Cash at End of Year (1)+(2)+(3)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financing plan
62,183	140,733	(89,774)	113,142	N/A	N/A
1. Analysis of Changes: 2. 1. Operating Activities: The primary reason is the increase in cash inflows due to sales growth in 2024.					

- (II) Improvements for Lack of Liquidity: Not applicable.

- (III) Liquidity Analysis for the Next Year (2025)

Unit: NT\$ thousand

Cash at Beginning of Year Balance (1)	Net Cash Flows from Operating Activities (2)	Net Cash Flows From Investing and Financing Activities (3)	Cash at End of Year (1)+(2)+(3)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financing plan
113,142	72,204	(117,450)	67,896	N/A	N/A
Analysis of Changes: 1. Operating Activities: The primary source is operating revenue. 2. Investing and Financing Activities: The main reasons are (1) repayment of short-term loans, and (2) distribution of cash dividends. The Company will have no issues with operating funds in the coming year.					

IV. Effect Upon Financial Operations of Any Major Capital Expenditures During the Most Recent Fiscal Year

None.

V. Company Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year

None.

VI. Risk Matters Should be Analyzed and Evaluated

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profit or loss and future countermeasures

1. The impact of interest rate, exchange rate changes, and inflation on the Company's profit or loss and future countermeasures

(1) The impact of interest rate on the Company's profit or loss and future countermeasures
Interest expenses for 2024 amounted to NT\$16,438 thousand, representing 1.46% of operating income. This proportion is relatively low, so interest rate fluctuations have a minimal impact on overall profitability.

The Company maintains good and stable relationships with its banks in order to obtain funds at lower interest rates. In addition, the Company observes the impact of changes in interest rates in the financial market on the Company's capital in order to take flexible measures at any time. All of our financial institutions are reputable and large-scale institutions in Taiwan and around the world. The Company's own funds are becoming more and more abundant as its operating scale and profitability are growing steadily. Therefore, the impact of interest rate changes on the Company's revenue and profitability is limited.

(2) The impact of exchange rate on the Company's profit or loss and future countermeasures

The denominated currency of the Company's sales and purchase transactions is New Taiwan dollars. The Company's exchange gain for 2024 was NT\$322 thousand, representing 0.03% of operating income. This indicates that the impact of exchange rate changes on the Company's revenue and income was not significant. The Company generally adopts a prudent and conservative approach in managing foreign currency funds, and maintains close contact with its regular bankers at all times. The Company also collects international financial information related to exchange rates in order to fully monitor the exchange rate movement to reduce the impact of exchange rate fluctuations on the Company as a whole.

(3) The impact of inflation on the Company's profit or loss and future countermeasures

The Company has not been significantly affected by inflation since its establishment. The Company has been paying close attention to the changes in raw material market prices and has maintained good relationships with major suppliers in order to obtain stable and competitive purchase prices. In the future, we will continue to closely monitor the movements of raw material prices. If inflation causes an increase in the cost of goods, the Company will communicate with some of its customers and seek their consent to adjust sales prices, stock levels of raw materials, and purchase inventory at the appropriate low prices to meet these needs.

(II) Policy on High-Risk, High-Leverage Investments, Lending Funds to Others, Endorsements and Guarantees, and Derivative Transactions, Main Causes of Profits or Losses, and Future Countermeasures

1. The Company focuses on its own business and does not engage in high-risk, highly leveraged investments.

2. The Company has established the "Regulations for the Acquisition or Disposal of Assets", "Regulations for the Handling of Endorsements and Guarantees", and

“Regulations for the Lending of Funds to Others” as the basis for the Company’s compliance with these regulations. As of the date of publication of the Annual Report, the policies and measures set forth above have been followed.

3. The Company has established the “Regulations Governing the Trading of Derivative Financial Instruments” as the basis for the Company’s compliance with these regulations. The Company has always engaged in its own business and does not make investments for arbitrage or speculative purposes. Therefore, the Company has not engaged in derivative financial instruments since its establishment and has no derivative-related risks.

(III) Future R&D Plan and Estimated R&D Expenses

In addition to assisting our customers in developing various kinds of special covered yarn, such as skin-friendly fiber covered material, super fine eco-friendly fiber covered yarn, Dope-dye covered yarn series, and high-grade anti-bacterial and skin-friendly functional fiber series, we have been assisting our customers in developing various kinds of special covered yarns according to demands from major worldwide well-known brands.

The amount of research and development expenses will be allocated gradually based on the progress of new products and new technology development. The Company will continue to invest in R&D depending on market changes and the development progress of new products. In the future, the Company will adjust the amount of R&D expenses based on the progress and results of research and development to expand its business scale and increase competitiveness.

(IV) Impact of Significant Domestic and International Policy and Legal Changes on Company Financial Operations and Countermeasures

The Company always pays attention to policies and laws that may affect its business and operations and evaluates the impacts on the Company and responds to these impacts. There were no significant domestic or foreign policy and legal changes that affected the Company’s financial operations in the most recent year and as of the publication date of the Annual Report.

(V) Effect on the Financial Operations of Developments in Science and Technology and Industrial Changes, and Countermeasures

The Company continues to invest resources in new technology research and development, and fully controls the industry trends and changes, as well as observes the future technology developments to adjust the management strategy. The Company did not have any material impact on its financial operations due to technological changes and industry changes in the most recent year or as of the publication date of the Annual Report.

(VI) Impact of Corporate Image Change on Enterprise Crisis Management and Countermeasures

The Company upholds the spirit of sound management and strives to maintain a consistent and excellent corporate image, and through strict internal control and crisis management mechanisms, the Company effectively prevents problems before they occur and ensures sustainable operation. The Company has not experienced any crisis management due to changes in corporate image in the recent year or as of the publication date of the Annual Report.

(VII) Expected Benefits and Possible Risks Associated With Any Mergers and Acquisitions, and Countermeasures

The Company did not have any merger and acquisition plans in the most recent year or as of the publication date of the Annual Report. However, if there is a merger or acquisition plan in the future, the Company will follow the regulations of the relevant laws and regulations and the relevant management rules established by the Company

- to ensure the protection of the Company's interests and shareholders' rights.
- (VIII) Expected Benefits and Possible Risks Associated With Any Plant Expansion, and Countermeasures
There was no material plant expansion in the most recent year or as of the publication date of the Annual Report.
- (IX) Risks Associated With Any Consolidation of Sales or Purchasing Operations, and Countermeasures
1. For Purchasing Operations
In 2024, purchases from the Company's largest supplier accounted for 52.26% of total procurement. This supplier is an affiliate and maintains a strategic upstream-downstream partnership with the Company. Nevertheless, the Company continues to seek alternative suppliers and eliminate less suitable ones, maintaining relationships with at least two suppliers to ensure stable supply sources. In addition to fostering strong partnerships with domestic and international suppliers, the Company actively diversifies the use of alternative materials for new product specifications to avoid any risk of supply shortages. The Company has also entered into agreements with brand clients for the joint development of high-performance products.
 2. For Sales Operations
The Company's main customers are the midstream and downstream textile companies. The percentage of sales to customers in fiscal 2024 did not exceed 10%, which shows that the Company's sales are quite balanced and there should be no concentration of sales. The Company has maintained good relationships with its customers. In addition to stabilizing its existing customer base and expanding its sales volume, the Company is also actively developing new products and new customer sources in order to effectively diversify its customer base and orders and avoid the risk of concentration of sales.
- (X) Impact, Risks, and Countermeasures of Major Transfer or Change of Shares by Directors, Supervisors, or Major Shareholders Holding More Than 10% of Shares
There was no significant transfer or change in the shareholding of directors, supervisors, or substantial shareholders holding more than 10% of the shares of the Company in the most recent year and up to the date of publication of the Annual Report.
- (XI) Risks, and Countermeasures of Changes in Management Control
There were no changes in the Company's management rights in the most recent year or as of the publication date of the Annual Report.
- (XII) Litigation or Non-litigation Events: The Company, its Directors, Supervisors, General Manager, Substantial Responsible Persons, Major Shareholders Holding More Than 10% of Shares, and Subsidiaries Shall Disclose Any Major Litigation, Non-litigation, or Administrative Disputes That Have Been Finally Adjudicated or Are Still Pending, Where the Results May Significantly Impact Shareholder Rights or Securities Prices. Such Disclosures Should Include the Following Details: The Facts in Dispute, the Amount in Dispute, the Date the Litigation Began, the Main Parties Involved in the Dispute, and the Status of the Case as of the Date of the Report's Publication
None
- (XIII) Other Important Risks and Countermeasures
None.
- VII. Other Important Matters**
None.

Six. Special Matters

I. Information on Affiliates

None.

II. Private Placement of Securities in the Most Recent Year Up to the Publication Date of This Annual Report

None.

III. Subsidiaries Holding or Disposing of the Company's Shares in the Most Recent Year and Up to the Publication Date of This Annual Report:

None.

IV. Other Necessary Supplement

None.

V. Significant Matters Affecting Shareholder Equity or Securities Prices Under Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act for the Most Recent Fiscal Year and as of the Date of Publication of the Annual Report:

None.



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