

Stock code : 1457



# YI JINN INDUSTRIAL CO., LTD

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## 2024 Annual Shareholders' Meeting

### Meeting Agenda

Date of meeting: Juan 19, 2024 (Wednesday), at 9:00 a.m.

Place of meeting: No. 29, Hongzhou St., Guishan Dist., Taoyuan City  
(subsidiary: Hung Chou Factory)

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# YI JINN INDUSTRIAL CO., LTD

## Meeting Agenda of 2024 Annual Shareholders' Meeting

Convening method of shareholders' meeting: physical shareholders' meeting

Date of meeting: June 19, 2024 (Wednesday), at 9:00 a.m.

Place of meeting: No. 29, Hongzhou St., Guishan Dist., Taoyuan City  
(subsidiary: Hung Chou Factory)

- I. Call meeting to order (Report of shareholding attendance)
- II. Chairman's address
- III. Reported Matters
  - (1) 2023 Business Report
  - (2) 2023 Annual final accounting books and statements audited by audit committee
  - (3) 2023 Employees' and Directors' Remuneration Allocation Report
  - (4) 2023 Directors' Remuneration Report
  - (5) 2023 Annual surplus cash distribution report.
- IV. Acknowledged Matters
  - Proposals of 2023 Business Report, Financial Statements, and Earnings Distribution
- V. Matters for Discussion(ONE) :
  - Proposal for Issuance of New Shares through Capitalization of Earnings
- VI. Election Matters:
  - Comprehensive re-election of the Company's directors
- VII. Matters for Discussion (TWO):
  - Lifting restrictions of non-compete prohibition of new-elected directors
- VIII. Extemporaneous Motions
- XV. Adjournment

## Reported Matters

### ONE

Proposal: 2023 Business Report, for your approval

Explanation:

The Company's business report for 2023, please refer to P.8 of attachment 1 of the agenda.

### TWO

Proposal: 2023 Annual final accounting books and statements audited by audit committee, for your approval

Explanation:

Audit Committee's Auditor's report, please refer to P.10 of attachment 2 of the agenda.

### THREE

Proposal: 2023 Employees' and Directors' Remuneration Allocation Report, for your approval

Explanation:

- (1) Handled in accordance with Article 27 of Articles of Incorporation.
- (2) After the Company's pre-tax benefits of the year 2023 deducted the allocation of employees' and directors' remuneration, the profit was NT\$ 654,240,462, the appropriation was not less than 0.5% as employee's remuneration, the amount was NT\$ 3,331,617, and it was not higher than 2% of directors' remuneration, the amount was NT\$ 8,492,356, both were paid in cash, and there was no difference in recognizing estimated amount.

### FOUR

Proposal: 2023 Directors' Remuneration Report, for your approval

Explanation:

The Company's Directors' Remuneration Report for 2023, please refer to P.11 of attachment 3 of the agenda.

### FIVE

Proposal: 2023 Earnings distribution by cash report, for your approval.

Explanation:

The Company's cash dividends of earning distribution statement is as follows:

Time	Allotment amount per share	Total amount of cash allocated	Dividends payment date
2023	1	301,647,640	April 29, 2024

## Acknowledged Matters

Proposed by board of directors

Proposal: 2023 business report, financial statements and the proposal earnings distributions, for your approval.

Explanation: (1) The Company's balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows of the year 2023 (included consolidated financial statements, please refer of attachment 4 of the agenda), were audited by Pan Chun-Ming and Chang, Shu-Ying of KPMG, and audit report has been offered.

(2) 2023 business report of the Company, please refer of attachment 1 of the agenda.

(3) The profit distribution made in accordance with Articles of Incorporation is as follows:

### YI JINN INDUSTRIAL CO.,LTD 2023 Profit Distributio

Unit: NTD

Beginning of period undistributed earnings	1,380,593,408
Add: net profit after tax of the fiscal year	567,119,704
Disposal of equity instruments measured at fair value through other comprehensive income	1,843,999
Subtotal:	1,949,557,111
Minus: special reserve	29,269,380
designated 10% legal reserve	(56,896,370)
Distributable earnings subtotal of the fiscal year	1,921,930,121
Minus: Distribution of cash dividends to stockholders (NT\$1 per share)	(301,647,640)
Distribution of stock dividends to shareholders (NT\$0.5 per share)	(150,823,820)
End of term undistributed earnings	1,469,458,661
Note: undistributed profit of the year 2023 was prior to distribute.	

Chairman:

Chan, Cheng-Tien

Managerial Officer:

Weng, Mao-Cheng

Accountant in charge:

Lai, Yu-Min

(4) For your approval.

Resolution:

## Matters for Discussion (ONE)

Proposed by board of directors

Proposal: Proposal for Issuance of New Shares through Capitalization of Earnings

Explanation:

- (1) The Company plans to allocate a shareholder dividend of NT\$150,823,820 from the distributable earnings of 2023 to increase capital, issuing 15,082,382 new common shares, each with a par value of NT\$10.
- (2) The capital increase for this issue will be based on the shareholder's holding ratio recorded in the shareholder register on the record date, with 50 shares being distributed for every 1,000 shares held without compensation. Any odd shares that are less than one share shall be allocated by the shareholders themselves within five days from the date when the transfer of shares is suspended during the ex-rights period. Overdue cash will be paid according to the face amount in accordance with Article 240 of the Company Law, calculated up to yuan. If there are any remaining shares, the Chairman is authorized to negotiate their purchase at par value with specific individuals. For shareholders participating in the book-entry distribution of shares, the cost of processing the book-entry transfer will be deducted from the amount of any fractional shares less than one share.
- (3) The newly issued shares will have the same rights and obligations as the original shares. Issuing without entity. If subsequent changes in the Company's share capital due to other factors affect the number of outstanding shares, causing the shareholder's stock distribution ratio to change, Chairman is authorized to make relevant adjustments.
- (4) Upon approval by the Annual Shareholders' Meeting and the competent authority, the Board of Directors is authorized to determine the ex-rights date and record date for the capital increase by issuing new shares from retained earnings.

Resolution:

## Election Matters

Proposed by board of directors

Proposal: comprehensive re-elected the Company's directors, for your election.

Explanation:

- (1) The term of office of the Company's current directors ended on August May 03, 2024.
- (2) According to Article 16 of Articles of Incorporation, programed to elect nine directors, and included three independent directors at the annual shareholders' meeting, the term of office is three years from June 19, 2024 to June 18, 2027.
- (3) According to Article 16 of Articles of Incorporation, the election of directors shall be adopted the candidates' nomination system, the candidates list was approved by the resolution of the board of directors on March 12, 2024, for the revenant information, please refer of attachment 5 of the agenda, for your election:
- (4) Independent director candidate Mr. Lai Shangui has served as an independent director of the company for more than three terms (actual term of office is from 2017/06/16 to 2024/6/19). Due to consideration of his expertise in corporate governance and familiarity with relevant laws and regulations , and the company's operating results and net-zero carbon reduction achievements are obvious to all, and it has obviously helped the company. Therefore, Mr. Lai Shangui will still be listed as one of the independent director candidates this time, so that when he performs his duties as an independent director, They can still use their expertise and provide professional advice to the Board of Directors for supervision.
- (5) I would like to propose an election.

Results of the election:

## Matters for Discussion (TWO)

Proposed by board of directors

Proposal : for release of Directors from non-competition restrictions

Explanation :

- (1) According to Article 209 of the Company Act, a director who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval.
- (2) The list of persons who have been lifted from non-competition restrictions in accordance with regulations is as follows:

Candidate title	Name	Contents of proposed lifting of non-competition
Directo	Chan, Cheng-Tien	Hung Chou Fiber Co. Ltd. Chairman Kwang Ming Silk Mill Co. Ltd. Chairman Yi Xin Industrial Co. Ltd. Chairman Yi Tong Fiber Co. Ltd. Chairman Da Tien International Development Co., Ltd. Chairman Dayi International Development Co., Ltd Chairman Oriental Union Chemical Corporation Independent Director
Directo	Chan, Yi-Chin	Kwang Ming Silk Mill Co. Ltd. Directo Hung Chou Fiber Co. Ltd. Directo
Directo	Cheng, Yu-Jing	Hung Chou Fiber Co. Ltd. Directo Kwang Ming Silk Mill Co. Ltd. Directo Yi Tong Fiber Co. Ltd. Directo
Directo	Lai, Yu-Min	Da Tien International Development Co., Ltd. Directo Dayi International Development Co., Ltd Chairman Directo
Independent Director	Chen, Shiou-Chung	Tah Tong Textile Co., Ltd. Chairman Everest Textile Co., Ltd. Independent Director Great Bell Printing & dyeing Co., Ltd. Director

Resolution:

## Extemporary Motions

## Adjournment



## Attachments

Attachment 1: 2023 Business Report

Attachment 2: 2023 Audit Committee's Auditor's Report

Attachment 3: 2023 Directors' Remuneration Report

Attachment 4: 2023 Financial Statements

Attachment 5: List of Director Candidates

Attachment 6: Director election method

Attachment 7: The Company's Article of Incorporation

Attachment 8: The Company's Rules of Procedure for Shareholders

### Meetings

Attachment 9: Individual Shareholding of Directors & Sum of Shareholding

### Statement

## YI JINN INDUSTRIAL CO., LTD 2023 Business Report

After the pandemic, we are now facing armed conflicts between Israelis and Palestinians, Russians and Ukrainians, and Red Sea region of the Middle East, further increasing the barriers to international trade and making it impossible to effectively manage and develop inflation and consumption patterns. Business competition through globalization has entered another stage, with regional trade barriers and protectionism gradually emerging, breaking the globalized supply chain of division of labor and cooperation. Therefore, we need to be more agile in product development, business model and operation management in order to overcome the challenges. In the supply chain of the textile industry, the only way is to continue to promote the vertical integration of upstream, midstream and downstream and the expansion of the horizontal value chain., at the same time, to integrate the market trend, from the development of materials, design and create differentiated quality products; in order to enhance the value-added, and drive the revenue and gross profit to grow value-added. In addition, the United States and Europe have imposed a border carbon tax, therefore, in the textile production process, we can only reduce and decarbonize the carbon, improve efficiency to reduce production costs, in order to improve competitiveness. We will continue to follow our social and environmental responsibilities, and establish and develop the use of recycled textiles in an innovative way, in order to reduce global warming impact on the environment and ecology.

The current main production business of the Company includes polyester yarn produced by the subsidiary “Hung Chou Fiber Industry Co. Ltd.” and polyester textured yarn produced by Kwang Ming Silk Mill Co. Ltd., and high gross margin industry webbing and the stable rental income are the main operation income of the parent company “YI JINN INDUSTRIAL CO., LTD”.

### (1) Practice results of the business plan:

In the fiscal year of 2023, the Company’s consolidated operating revenue was NT\$ 3,120,655 thousand, consolidated operating cost was NT\$ 2,913,324 thousand, consolidated operating margin was NT\$ 207,331 thousand, the gross margin was 7%, consolidated operating net profit was NT\$1,416,853 thousand, and consolidated net income was NT\$ 1,080,606 thousand.

### (2) Budget implementation: there’s no budget information reported by the Company in 2023.

(3) Financial receipts and expenditures and profitability analysis:

Unit: NT\$1,000

Item		2022	2023
Financial receipts and expenditures	Operating revenue	4,335,382	3,120,655
	Operating costs	3,762,208	2,913,324
	Income from continuing operations before income tax	2,155,316	1,286,769
	Net profit after tax	2,030,138	1,080,606
Profitability	Return on assets (%)	11.21	15.44
	Return on equity (%)	23.99	11.60
	Pre-tax net profit to paid-in capital ratio (%)	71.45	42.66
	Net profit rate (%)	46.83	34.63
	Earnings per share (dollar)	4.55	2.55

(4) Budget variance: omitted

Chairman:

Chan, Cheng-Tien

Managerial Officer:

Weng, Mao-Cheng

Accountant in charge:

Lai, Yu-Min

## Audit Committee's Auditor's Report

The board of directors prepared the Company's business report, financial statements (included consolidated and individual financial statements) and the proposal of earnings distribution of the year 2023, the financial statements among them was audited by Pan Chun-Ming and Chang, Shu-Ying of KPMG, and audit report has been offered.

The business report, financial statements and the proposal of earning distribution mentioned above were reviewed and determined to be correct and accurate by the audit committee members, and the reported was made in accordance with Article 14-4 of Securities and Exchange Act and Article 219 of the Company Act, for your examination.

Faithfully

2024 Annual Shareholders' Meeting of YI JINN INDUSTRIAL CO., LTD

YI JINN INDUSTRIAL CO., LTD  
Convener of Audit Committee: Lai, Sun-Quae

March 12, 2024

## Remunerations of Directors

## Attachment 3

Title	Name	Remuneration of Director						Ratio of Total Remuneration (A+B+C+D) to Net Income (%)(Note 10)	Remuneration from other jobs						The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit (Note 10)	Remuneration from re- invested businesses other than the subsidiarie s (Note 11)					
		Remuneration (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)			Business execution expenses (D) (Note 4)		Retirement pension (F)		Employee remuneration (G) (Note 6)								
		The Company consolidated financial statement (Note 7)	All Companies in the consolidated financial statement (Note 7)	The Company consolidate d financial statement (Note 7)	All Companies in the consolidated financial statement (Note 7)	The Company consolidated financial statement (Note 7)	All Companies in the consolidated financial statement (Note 7)		The Company consolidated financial statement (Note 7)	All Companies in the consolidated financial statement (Note 7)	Cash	Share	The Company consolidated financial statement (Note 7)	Cash			Share	All Companies in the consolidated financial statement (Note 7)			
Director	Chan, Cheng-Tien	2,252	3,692	0	0	3,185	4,721	180	600	0.99%	1.59%	0	1,421	0	0	0	301	0	0.99%	1.89%	None
Director	Chan, Yi-Chin	0	0	0	0	1,062	1,062	180	480	0.22%	0.38%	0	2,274	0	0	0	0	0	0.62%	0.78%	None
Director	Cheng, Yu-Jing	0	0	0	0	1,062	2,061	180	600	0.22%	0.47%	0	746	0	0	0	100	0	0.22%	0.62%	None
Director	Weng, Mao-Cheng	0	0	0	0	1,062	1,062	180	180	0.22%	0.22%	0	3,272	0	0	500	0	0	0.88%	0.88%	None
Director	Lai, Yu-Min	0	0	0	0	1,062	1,062	180	180	0.22%	0.22%	0	1,821	0	0	300	0	0	0.59%	0.65%	None
Director	Chen, Meng- Wu	0	0	0	0	1,062	1,062	180	180	0.22%	0.22%	0	0	0	0	0	0	0	0.22%	0.22%	None
Independent Director	Chen, Shiao- Chung	0	0	0	0	0	0	640	640	0.11%	0.11%	0	0	0	0	0	0	0	0.11%	0.11%	None
Independent Director	Lai, Sun-Quae	0	0	0	0	0	0	640	640	0.11%	0.11%	0	0	0	0	0	0	0	0.11%	0.11%	None
Independent Director	Huang, Tien- Chang	0	0	0	0	0	0	640	640	0.11%	0.11%	0	0	0	0	0	0	0	0.11%	0.11%	None

Please describe the compensation policy, system standards/packages, procedures and the linkage to operating performance and future risk exposure to the Independent directors. The total compensation paid to the Independent director is decided based on each Independent director's participation in company operations, contribution and take into consideration of company performance. It is reviewed by the Compensation Committee then presented to the board of directors for approval.  
Except for the disclosure in the table above, the remuneration received by the directors of the company for services to all companies in the financial report in the most recent year (such as non-employee consultants) : NTS 0.

Please describe the compensation policy, system standards/packages, procedures and the linkage to operating performance and future risk exposure to the Independent directors. The total compensation paid to the Independent director is decided based on each Independent director's participation in company operations, contribution and take into consideration of company performance. It is reviewed by the Compensation Committee then presented to the board of directors for approval.

Except for the disclosure in the table above, the remuneration received by the directors of the company for services to all companies in the financial report in the most recent year (such as non-employee consultants) : NT\$ 0.

## Independent Auditors' Report

To the board of directors  
Yi Jinn Industrial Corp., Limited.

### Opinion

We have audited the accompanying parent company only financial statements of Yi Jinn Industrial Co., Ltd., (the “company”) which comprise the parent company only balance sheet as of December 31, 2023 and 2022, and parent company only statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2023 and 2022, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements represents fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the parent company only financial statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled out other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

#### 1. Product sales receipts are recognized

Please refer to Note 4 (14) “revenue recognition” and for more details please refer to Note 6 (18) “revenue from contracts with customers” of the parent company only financial statement.

Description of the key audit matters:

The revenue from processing silk and plain weave fabric products is the main source of operating revenue of Yi Jinn Industrial Co., Ltd., and the risk is in the authenticity of revenue recognition. Because the operating revenue is highly affected by the economic fluctuations, the test of revenue recognition is determined as one of the key audit items for the accountant to audit the financial reports of Yi Jinn Industrial Co., Ltd.

According to the auditing procedure:

Our audit procedures for the above critical review items included understanding the controls over the sales and receipts cycle and reconciling the sales system information with the general ledger; we tested the sales transactions for the period before and after the end of the year, reviewed the

evidence of transfer of control of the goods to the buyer, and verified the correctness of the revenue recognition period in order to assess whether the revenue recognition policy of Yi Jinn Industrial Co., Ltd., was in accordance with the relevant standards.

### **Responsibilities of Management and those Charged with Governance for the Parent Company Only Financial Statements**

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

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

Those charged with governance (Audit Committee) are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the parent company only financial statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material disclosure in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the relevant notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities for business activities within the company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit, and forming our audit opinions of the Company.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

Auditors	:	PAN CHUN-MIGN CHANG, SHU-YING
The reference number of the FSC approval Letter:	:	No.Taiwan-Financial- Securities-VI-1110333933 No.Financial-Supervisory- Securities-auditing- 0940100754

March 12, 2024



**Yi Jinn Industrial Co., Ltd.**  
**Parent Company Only Balance Sheet**  
**December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

<b>Assets</b>		<b>December 31, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets :</b>					
1100	Cash and cash equivalent (Note 6 (1))	\$ 76,686	1	51,823	1
1110	Financial assets at fair value through profit or loss - current(Note 6 (2))	369,118	4	417,003	4
1150	Notes receivable, net (Note 6 (4) and (18))	4,959	-	1,826	-
1170	Accounts receivables, net (Note 6 (4) and (18))	347,170	3	337,811	4
1200	Other receivables (Note 6 (5))	16,805	-	11,734	-
1210	Other receivables - related parties (Note 7)	300,619	3	-	-
1310	Inventories – manufacturing (Note 6 (6))	81,979	1	102,755	1
1410	Prepayments	2,649	-	7,785	-
1470	Other current assets	43,448	-	28,933	-
	<b>Total current assets</b>	<b>1,243,443</b>	<b>12</b>	<b>959,676</b>	<b>10</b>
<b>Non-current assets :</b>					
1551	Investments accounted for using equity method (Note 6 (8))	3,229,388	31	2,846,242	29
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6 (3))	328,077	3	316,305	3
1600	Property, plant and equipment (Note 6 (9))	37,070	-	38,079	-
1755	Right-of-use assets	7,024	-	-	-
1760	Investment property, net (Note 6 (10) and 8)	5,540,383	54	5,514,737	57
1840	Deferred tax assets (Note 6 (15))	940	-	10,213	-
1980	Other financial assets – non-current	1,084	-	1,084	-
1990	Other non-current assets – other (Note 6(11) and 9)	126	-	115,377	1
	<b>Total non-current assets</b>	<b>9,144,092</b>	<b>88</b>	<b>8,842,037</b>	<b>90</b>
	<b>Total</b>	<b>\$ 10,387,525</b>	<b>100</b>	<b>9,801,707</b>	<b>100</b>

**Yi Jinn Industrial Co., Ltd.**  
**Parent Company Only Balance Sheet**  
**December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and equity					
<b>Current liabilities</b>					
2100	Short-term loans (Note 6 (12))	\$ 1,032,012	10	978,000	10
2130	Contract liability – current (Note 6 (18))	4,447	-	3,293	-
2150	Notes payable (Note 7)	72,475	1	25,441	-
2171	Accounts payable (Note 7)	48,480	-	39,809	1
72200	Other payable (Note 6 (19))	99,191	1	32,196	-
2230	Tax liabilities of the period	44,129	-	3,135	-
2280	Lease liability – current	3,512	-	-	-
2322	Long-term borrowings-current portion (Note 6 (13))	142,590	2	95,834	1
2399	Other current liabilities – other (Note 9)	19,062	-	19,016	-
	<b>Total current liabilities</b>	<u>1,465,898</u>	<u>14</u>	<u>1,196,724</u>	<u>12</u>
<b>Non-current liabilities</b>					
2540	Long-term loans (Note 6 (13))	3,373,455	33	3,413,955	35
2580	Lease liability – non-current	3,572	-	-	-
2645	Guarantee deposits	28,800	-	20,978	-
2650	Investment Loan Surplus Using the Equity Approach (Note 6(8))	14,176	-	14,072	-
	<b>Total non-current liabilities</b>	<u>3,420,003</u>	<u>33</u>	<u>3,449,005</u>	<u>35</u>
	<b>Total liabilities</b>	<u>4,885,901</u>	<u>47</u>	<u>4,645,729</u>	<u>47</u>
<b>Equity (Note 6 (16))</b>					
3110	Common Stock	3,016,476	29	3,016,476	31
3200	Capital Reserve	448,544	4	404,213	4
3300	Retained Earnings	2,376,078	23	2,108,761	22
3490	Other interest	10,374	-	(29,269)	-
3500	Treasury Stock	(349,848)	(3)	(344,203)	(4)
	<b>Total equity</b>	<u>5,501,624</u>	<u>53</u>	<u>5,155,978</u>	<u>53</u>
	<b>Total liabilities and equity</b>	<u><b>\$ 10,387,525</b></u>	<u><b>100</b></u>	<u><b>9,801,707</b></u>	<u><b>100</b></u>

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

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statement of comprehensive income**  
**For the years ended December 31, 2023 and 2022**

In Thousands of New Taiwan Dollars

		Year 2023		Year 2022	
		Amount	%	Amount	%
4110	<b>Operating revenue (Note 6 (14) and (18))</b>	\$ 968,131	103	918,902	101
4170	Less: Sales returns	-	-	75	-
4190	Sales allowance	25,570	3	7,463	1
	<b>Net Operating Revenue</b>	942,561	100	911,364	100
5110	<b>Cost of goods sold (Note 6 (6) and 7)</b>	667,299	71	651,561	71
	<b>Gross Profit</b>	275,262	29	259,803	29
	<b>Operating Expenses (Note 6 (19) and 7):</b>				
6100	Selling expenses	40,148	4	38,846	4
6200	Administrative expenses	52,401	6	50,773	6
	<b>Net operating expenses</b>	92,549	10	89,619	10
	<b>Other income and expenses (Note 6(7)) :</b>				
6510	Disposal of non-current assets to be sold	112,735	12	-	-
	<b>Total other income, costs and losses</b>	112,735	12	-	-
	<b>Net profit</b>	295,448	31	170,184	19
	<b>Non-operating income and expenses (Note 6 (20)):</b>				
7010	Other income	20,754	2	45,107	5
7100	Interest income(Note 7)	1,287	-	110	-
7020	Other gains and losses	35,718	4	10,417	1
7050	Financial costs	(93,286)	(10)	(65,764)	(7)
7070	Share of profit or loss of associates and joint ventures accounted for using equity method	382,496	41	868,930	95
	<b>Total non-operating revenue and expenses</b>	346,969	37	858,800	94
	<b>Profit before tax from continuing operations</b>	642,417	68	1,028,984	113
7950	<b>Less: income tax expense (Note 6 (15))</b>	75,297	8	15,027	2
8200	<b>Net income</b>	567,120	60	1,013,957	111
8300	<b>Other comprehensive income(Note 6 (16)):</b>				
8310	<b>Items that are not reclassified to profit or loss</b>				
8316	Investments in equity instruments measured at fair value through other consolidated gains and losses are not evaluated Profit and loss	33,616	4	(129,288)	(4)
8330	The share of other comprehensive gains and losses of subsidiaries, affiliates and joint ventures recognized using the equity method - items not reclassified to profit or loss	7,871	-	(10,934)	(1)
8349	Less: income tax related to components of other comprehensive income that will not be classified to profit or loss	-	-	-	-
8300	<b>Other comprehensive income</b>	41,487	4	(140,222)	(15)
	<b>Total comprehensive income</b>	\$ 608,607	64	873,735	96
	<b>Basic earnings per share (in dollar) (Note 6 (17))</b>				
9750	<b>Basic earnings per share</b>	\$ 2.55		4.55	
9850	<b>Diluting earnings per share</b>	\$ 2.55		4.54	

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

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statement of changes in equity**  
**For the years ended December 31, 2023 and 2022**

	In Thousands of New Taiwan Dollar						
	Common Stock	Capital Surplus	Retained Earnings			Treasury Stock	Total Equity
			Legal Reserve	Special Reserve	Undistributed retained earnings		
						Other equity items	
						Unrealized gain or losses on FVTOCI	
						financial assets	
Balance at December 31 2022	\$ 3,016,476	500,655	278,308	-	1,022,621	110,953	4,584,810
Net income for the year	-	-	-	-	1,013,957	-	1,013,957
Other comprehensive income	-	-	-	-	-	(140,222)	(140,222)
Total comprehensive income	-	-	-	-	1,013,957	(140,222)	873,735
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	20,060	-	(20,060)	-	-
Cash dividends of preferred stock	-	-	-	-	(180,988)	-	(180,988)
Capital reserve with cash dividends	-	(120,659)	-	-	-	-	(120,659)
Dividends to subsidiary in adjusting capital surplus	-	36,917	-	-	-	-	36,917
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	(12,648)	-	-	(25,137)	-	(37,785)
Changes in ownership interests in Subsidiaries	-	(52)	-	-	-	-	(52)
Balance at December 31 2023	3,016,476	404,213	298,368	-	1,810,393	(29,269)	5,155,978
Net income for the year	-	-	-	-	567,120	-	567,120
Other comprehensive income	-	-	-	-	-	41,487	41,487
Total comprehensive income	-	-	-	-	567,120	41,487	608,607
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	98,882	-	(98,882)	-	-
Legal reserve	-	-	-	29,269	(29,269)	-	-
Cash dividends of preferred stock	-	-	-	-	(301,647)	-	(301,647)
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	(5,645)
Dividends to subsidiary in adjusting capital surplus	-	36,917	-	-	-	-	36,917
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	4,452	-	-	-	-	4,452
Changes in ownership interests in Subsidiaries	-	2,962	-	-	-	-	2,962
Dispose of equity instruments at fair value through other comprehensive gains or losses	-	-	-	-	1,844	(1,844)	-
Balance at December 31, 2023	\$ 3,016,476	448,544	397,250	29,269	1,949,559	10,374	5,501,624

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

Chairman: ZHAN, ZHENG-TIAN

Managerial Officer : WENG, MAO-CHENG

Accounting Supervisor: LAI, YU-MIN

**Yi Jinn Industrial Co., Ltd.**  
**Statements of cash flows**  
**For the years ended December 31, 2023 and 2022**  
**In Thousands of New Taiwan Dollars**

	<u>Year 2023</u>	<u>Year 2022</u>
<b>Cash flow from operating activities:</b>		
Net profit before tax for the period	\$ 642,417	1,028,984
Adjustment for:		
Income and expense		
Depreciation expense	46,836	38,340
Net (profit) loss of financial assets and liabilities is measured at fair value through profit or loss	(35,187)	31,879
Interest expense	93,286	65,764
Interest income	(1,287)	(110)
Dividend income	(20,233)	(44,412)
The share of the interests of subsidiaries, affiliates and joint ventures recognized using the equity method	(382,496)	(868,930)
Disposal of non-current assets to be sold	(112,735)	-
Total adjustments to reconcile profit (loss)	<u>(411,816)</u>	<u>(777,469)</u>
Changes in operating assets and liabilities		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	83,072	(143,653)
Notes receivable	(3,133)	2,259
Accounts receivable	(9,359)	(187,345)
Another receivable	(5,071)	(4,479)
Current inventories	20,776	(12,779)
Prepayments	5,136	(7,158)
Other financial assets	(14,515)	3,962
Other non-current assets	-	(3)
Total changes in operating assets	<u>76,906</u>	<u>(349,196)</u>
Changes in operating liabilities:		
Contract liabilities	1,154	72
Notes payable	47,034	(9,646)
Accounts payable	8,671	6,494
Other payable	40,279	6,951
Other current liabilities	46	3,323
Total changes in operating liabilities	<u>97,184</u>	<u>7,194</u>
Total changes in operating assets and liabilities	<u>174,090</u>	<u>(342,002)</u>
Total adjustment	<u>(237,726)</u>	<u>(1,119,471)</u>
Cash inflows (outflows) from operations	404,691	(90,487)
Interest received	668	110
Interest paid	(92,534)	(64,759)
Income taxes paid	(22,175)	(3,829)
<b>Net cash inflows (outflows) from operating activities</b>	<u>290,650</u>	<u>(158,965)</u>

**Yi Jinn Industrial Co., Ltd.**

**Statements of cash flows**

**For the years ended December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

	<u>Year 2023</u>	<u>Year 2022</u>
<b>Cash flows from investing activities :</b>		
Acquisition of financial assets at fair value through other comprehensive gains or losses	(30,000)	-
Disposition of financial assets at fair value through other comprehensive gains or losses	51,844	-
Acquisition of investments accounted for using equity method	(192,375)	(61,250)
The investee company using the equity method reduces capital and returns the share payment	-	207,213
Disposal of non-current assets to be sold	542,185	-
Other receivables related persons	(300,000)	-
Acquisition of investment property	(356,196)	(465,100)
Increase in other financial assets	-	(600)
Other non-current assets increased	-	(22,681)
Dividends received	258,619	158,608
Income tax paid	(2,885)	-
<b>Net cash outflow from investing activities</b>	<u>(28,778)</u>	<u>(183,810)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	54,012	270,000
Proceeds for long-term debt	357,375	396,750
Repayments of long-term debt	(351,119)	(89,383)
Increase (decrease) in the deposit margin	7,822	(11,669)
Lease principal repayment	(3,452)	-
Cash dividends paid	(301,647)	(301,647)
<b>Net cash (outflow) inflows from financing activities</b>	<u>(237,009)</u>	<u>264,051</u>
The increase (decrease) in cash and cash equivalent for the period	24,863	(78,724)
Cash and cash equivalents, beginning of period	51,823	130,547
Cash and cash equivalents, end of period	<u><b>\$ 76,686</b></u>	<u><b>51,823</b></u>

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

Chairman: ZHAN, ZHENG-TIAN    Managerial Officer : WENG, MAO-CHENG    Accounting Supervisor: LAI, YU-MIN

## **Representation letter**

The entities that are required to be included in the consolidated financial statements of Yi Jinn Industrial Corporation Limited as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Yi Jinn Industrial Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Sincerely yours,

Yi Jinn Industrial Corporation Limited

Chan, Zheng-Tian

March 12, 2024

## **Independent auditor’s report**

To the board of directors

Yi Jinn Industrial Co., Ltd.

### **Opinion**

We have audited the accompanying consolidated financial statements of Yi Jinn Industrial Co., Ltd. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements represents fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(IFRSs), International Accounting Standards(IASs), IFRIC Interpretations (IFRIC), and SIC Interpretations(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for opinion**

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled out other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in out audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and un forming out opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group’s consolidated financial statements for the year ended December 31, 2023 are stated as follows:

#### **(1) Revenue recognition**

Please refer to Note 4 (15) “revenue recognition” and for more details please refer to Note 6 (18) “revenue from contracts with customers” of the consolidated financial statement.



Description of the key audit matters:

The revenue from polyester yarn, polyester processing silk, Tetoron and plain weave fabric products is the main source of operating revenue of Yi Jinn Industrial Co., Ltd., and the risk is in the authenticity of revenue recognition. Because the operating revenue is highly affected by the economic fluctuations, the test of revenue recognition is determined as one of the key audit items for the accountant to audit the financial reports of Yi Jinn Industrial Co., Ltd.

How the matter was addressed in our audit:

Our audit procedures for the above critical review items included understanding the controls over the sales and receipts cycle and reconciling the sales system information with the general ledger; we tested the sales transactions for the period before and after the end of the year, reviewed the evidence of transfer of control of the goods to the buyer, and verified the correctness of the revenue recognition period in order to assess whether the revenue recognition policy of Yi Jinn Industrial Co., Ltd., was in accordance with the relevant standards.

(2) Inventory valuation

For accounting policies related to inventory evaluation, please refer to Note 4 (8) Inventory Recognition in the consolidated financial report; For the uncertainty of accounting estimates and assumptions in inventory evaluation, please refer to Note 5 (1) of the consolidated financial report for details; For the description of inventory evaluation, please refer to Note 6 (6) inventory of consolidated financial report.

Description to the key audit matters:

Due to the fluctuation of international raw material prices and market supply and demand, the Group's inventory price and sales volume may fluctuate sharply, resulting in the risk that the inventory cost may exceed its net realizable value. Therefore, we determined that the assessment of inventory valuation is a key audit matter.

How the matter was addressed in our audit:

Our principal audit procedures included: understand the management's inventory management and evaluation policies and whether such policies were performed in actual inventory management and evaluation. Conduct a sampling audit process to test the reasonableness of the net realisable value adopted by the management and the correctness of the inventory age table, and to assess the adequacy of the inventory allowance for the Group at the financial reporting date.

**Other Matter**

We have also audited the parent company only financial statements of Yi Jinn Industrial Corp., Limited as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

**Responsibilities of Management and those Charged with Governance for the Consolidated Financial Statements**

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

In preparing the consolidated financial statements, management is responsible for

assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operation, or has no realistic alternative but to do so.

Those charged with governance (the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material disclosure in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities for business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and form our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to affect our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

PAN CHUN-MIG

Auditors: : CHANG, SHU-YING

The reference : No.Taiwan-Financial-  
number of the : Securities-VI-1110333933  
FSC approval : No.Financial-Supervisory-  
Letter : Securities-auditing-  
0940100754

March 12, 2024

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

<b>Assets</b>		<b>December 31, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Current Assets:</b>					
1100	Cash and cash equivalent (Note 6(1))	\$ 317,994	2	401,534	2
1110	Financial assets at fair value through profit or loss –current (Note 6 (2))	894,013	5	1,029,995	6
1120	Financial asset at fair value through other comprehensive income – current (Note 6 (3))	3	-	3	-
1150	Notes receivable, net (Note 6 (4) (18))	74,100	-	76,581	-
1170	Account receivable, net (Note 6 (4) (18))	436,222	2	434,663	2
1200	Other receivables (Note 6 (5) (10))	1,852,373	9	17,393	-
1220	Current tax assets	6,948	-	6,864	-
1310	Inventories – manufacturing (Note 6 (6))	484,481	2	757,040	4
1410	Prepayments (Note 9)	7,784	-	15,220	-
1479	Other current assets – other (Note 6 (14))	88,329	-	40,788	-
	<b>Total current assets</b>	<u>4,162,247</u>	<u>20</u>	<u>2,780,081</u>	<u>14</u>
<b>Non-current assets</b>					
1510	Non-current financial assets at fair value through profit or loss (Note 6 (2))	16,736	-	8,306	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	465,068	2	436,446	2
1550	Investments accounted for using equity method	26,718	-	26,581	-
1600	Property, plant and equipment (Note 6 (9), 8 and 9)	2,885,087	14	3,305,364	17
1755	Right-of-use assets	7,024	-	-	-
1760	Investment property, net (Note 6 (10) and 8)	12,868,243	64	13,098,849	66
1840	Deferred tax assets (Note 6 (15))	41,769	-	52,047	-
1980	Other non-current financial assets – non-current (Note 8)	7,677	-	7,060	-
1990	Other non-current assets – other (Note 6 (11),(14) and 9)	1,244	-	225,175	1
	<b>Total non-current assets</b>	<u>16,319,566</u>	<u>80</u>	<u>17,159,828</u>	<u>86</u>
	<b>Total</b>	<u><b>\$ 20,481,813</b></u>	<u><b>100</b></u>	<u><b>\$ 19,939,909</b></u>	<u><b>100</b></u>

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**

**Consolidated Balance Sheets**

**December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

		<u>December 31, 2023</u>		<u>December 31, 2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b><u>Liabilities and equity</u></b>					
<b>Current liabilities :</b>					
2100	Short-term loans (Note6 (12))	\$ 1,536,660	8	1,468,402	8
2130	Contract liability – current (Note 6 (18))	35,979	-	38,167	-
2150	Notes Payable	86,573	-	48,080	-
2171	Accounts payable	110,764	1	234,525	1
2200	Other payable (Note 6(10) (19))	291,510	1	146,068	1
2230	Tax liability of the period	108,462	1	62,394	-
2280	Lease liability – current	3,512	-	-	-
2320	Long-term liabilities – current portion (Note 6 (13))	437,455	2	373,157	2
2399	Other current liabilities – other(Note 9)	53,765	-	47,967	-
	<b>Total current liabilities</b>	<u>2,664,680</u>	<u>13</u>	<u>2,418,760</u>	<u>12</u>
<b>Non-current liabilities:</b>					
2540	Long-term loans (Note 6 (13))	7,948,668	39	8,223,460	42
2570	Deferred income tax liabilities (Note 6 (15))	223,530	1	227,763	1
2580	Lease liability – non-current	3,572	-	-	-
2645	Guarantee deposits	44,276	-	37,861	-
	<b>Total non-current liabilities</b>	<u>8,220,046</u>	<u>40</u>	<u>8,489,084</u>	<u>43</u>
	<b>Total liabilities</b>	<u>10,884,726</u>	<u>53</u>	<u>10,907,844</u>	<u>55</u>
<b>Equity attributable to shareholders of the parent</b>					
<b>(Note 6 (3)(16))</b>					
3110	Common stock	3,016,476	15	3,016,476	15
3200	Capital surplus	448,544	2	404,213	2
3300	Retained earnings	2,376,078	12	2,108,761	11
3400	Other equity	10,374	-	(29,269)	-
3500	Treasury Stock	(349,848)	(2)	(344,203)	(2)
		5,501,624	27	5,155,978	26
36XX	Non-controlling interests (Note 6 (8) (16))	4,095,463	20	3,876,087	19
	<b>Total equity</b>	<u>9,597,087</u>	<u>47</u>	<u>9,032,065</u>	<u>45</u>
	<b>Total liabilities and equity</b>	<u><b>\$ 20,481,813</b></u>	<u><b>100</b></u>	<u><b>19,939,909</b></u>	<u><b>100</b></u>

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

Chairman: Chan, Zheng-Tian

Managerial Officer: Weng, Mao-Cheng

Accounting Supervisor: Lai, Yu-Min

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

		<b>Year 2023</b>		<b>Year 2022</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4110	<b>Operating revenue (Note 6 (14) (18) and 7)</b>	\$ 3,159,871	101	4,368,041	101
4170	Less: sales returns	8,707	-	11,782	-
4190	Sales allowance	30,509	1	20,877	-
	<b>Net operating revenue</b>	<b>3,120,655</b>	<b>100</b>	<b>4,335,382</b>	<b>101</b>
5110	<b>Cost of goods sold (Note 6 (6))</b>	<b>2,913,324</b>	<b>93</b>	<b>3,762,208</b>	<b>87</b>
	<b>Gross Profit</b>	<b>207,331</b>	<b>7</b>	<b>573,174</b>	<b>14</b>
	<b>Operating expenses (Note 6 (4) (19) and 7):</b>				
6100	Selling expenses	82,893	3	135,982	3
6200	Administrative expenses	129,208	4	127,795	3
6450	Expected credit impairment reversal benefits	-	-	(73)	-
	<b>Net operating expenses</b>	<b>212,101</b>	<b>7</b>	<b>263,704</b>	<b>6</b>
	<b>Other income and expenses (Note 6 (7) (10) and (20))</b>				
6500	Net other gains and losses	-	-	(13,395)	-
6511	Disposal of investment real estate interests	1,308,888	42	-	-
6514	Disposal of non-current assets held for sale	112,735	4	2,018,124	47
	<b>Other gains and losses aggregate</b>	<b>1,421,623</b>	<b>46</b>	<b>2,004,729</b>	<b>47</b>
	<b>Net operating profit</b>	<b>1,416,853</b>	<b>46</b>	<b>2,314,199</b>	<b>55</b>
	<b>Non-operating income and expenses (Note 6 (21)):</b>				
7100	Interest income	1,299	-	423	-
7010	Other income	70,709	2	116,220	3
7020	Other gains and losses	10,445	-	(117,888)	(3)
7050	Financial costs	(212,674)	(7)	(157,624)	(4)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	137	-	(14)	-
	<b>Total non-operating revenue and expenses</b>	<b>(130,084)</b>	<b>(5)</b>	<b>(158,883)</b>	<b>(4)</b>
	<b>Profit before tax from continuing operations</b>	<b>1,286,769</b>	<b>41</b>	<b>2,155,316</b>	<b>51</b>
7950	<b>Less income tax expense (Note 6 (15))</b>	<b>206,163</b>	<b>7</b>	<b>125,178</b>	<b>3</b>
	<b>Net income</b>	<b>1,080,606</b>	<b>34</b>	<b>2,030,138</b>	<b>48</b>
8300	<b>Other comprehensive gains and losses:</b>				
8310	<b>Items not reclassified to profit or loss (Note 6(16))</b>				
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	50,466	2	(154,713)	(4)
8349	Reduced: Income tax related to items that are not reclassified	-	-	-	-
		<b>50,466</b>	<b>2</b>	<b>(154,713)</b>	<b>(4)</b>
8300	<b>Other consolidated gains and losses for the period</b>	<b>50,466</b>	<b>2</b>	<b>(154,713)</b>	<b>(4)</b>
	<b>Total consolidated profit and loss for the period</b>	<b>\$ 1,131,072</b>	<b>36</b>	<b>1,875,425</b>	<b>44</b>
	<b>Profit, attributable to:</b>				
	Profit (loss), attributable to owners of parent	\$ 567,120	18	1,013,957	25
8620	Profit(loss), attributable to non-controlling interests	513,486	16	1,016,181	23
		<b>\$ 1,080,606</b>	<b>34</b>	<b>2,030,138</b>	<b>48</b>
	<b>Comprehensive income attributable to:</b>				
	Comprehensive income, attributable to owners of parent	\$ 608,607	19	\$ 873,735	21
	Comprehensive income, attributable to non-controlling interests	522,465	17	1,001,690	23
		<b>\$ 1,131,072</b>	<b>36</b>	<b>\$ 1,875,425</b>	<b>44</b>
	<b>Earnings per share (Note 6 (17))</b>				
	<b>Basic earnings per share</b>	<b>\$ 2.55</b>		<b>4.55</b>	
	<b>Diluted earnings per share</b>	<b>\$ 2.55</b>		<b>4.54</b>	

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

Chairman: Chan, Zheng-Tian    Managerial Officer: Weng, Mao-Cheng    Accounting Supervisor: Lai, Yu-Min

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statement of Change in Equity**  
**For the years ended December 31, 2023 and 2022**

In Thousands of New Taiwan Dollars

Equity attributable to shareholders of the Parent										
						Other equity items				
						Unrealized gain				
	Share capital	Retained earnings				Or losses on FVTOCI		Total equity attributable		
	Common stock	capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial assets	Treasury stock	to owners of parent	Non-controlling interests	total equity
					total					
<b>Balance at December 31, 2022</b>	<b>3,016,476</b>	<b>500,655</b>	<b>278,308</b>	-	<b>1,022,621</b>	<b>110,953</b>	<b>(344,203)</b>	<b>4,584,810</b>	<b>3,309,374</b>	<b>7,894,184</b>
Net income (loss) for the period	-	-	-	-	1,013,957	-	-	1,013,957	1,016,181	2,030,138
Other comprehensive income	-	-	-	-	-	(140,222)	-	(140,222)	(14,491)	(154,713)
Total comprehensive income	-	-	-	-	1,013,957	(140,222)	-	873,735	1,001,690	1,875,425
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	20,060	-	(20,060)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(180,988)	-	-	(180,988)	-	(180,988)
Capital reserve with cash dividends	-	(120,659)	-	-	-	-	-	(120,659)	-	(120,659)
Dividends to subsidiary in adjusting capital surplus	-	36,917	-	-	-	-	-	36,917	41,648	78,565
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	(12,648)	-	-	(25,137)	-	-	(37,785)	37,785	-
Changes in ownership interests in subsidiaries	-	(52)	-	-	-	-	-	(52)	52	-
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	(144,776)	(144,776)
Increase/ Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(369,686)	(369,686)
<b>Balance at December 31, 2022</b>	<b>3,016,476</b>	<b>404,213</b>	<b>298,368</b>	-	<b>1,810,393</b>	<b>(29,269)</b>	<b>(344,203)</b>	<b>5,155,978</b>	<b>3,876,087</b>	<b>9,032,065</b>
Net income for the period	-	-	-	-	567,120	-	-	567,120	513,486	1,080,606
Other comprehensive income	-	-	-	-	-	41,487	-	41,487	8,979	50,466
Total comprehensive income	-	-	-	-	567,120	41,487	-	608,607	522,465	1,131,072
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	98,882	-	(98,882)	-	-	-	-	-
Special reserve	-	-	-	29,269	(29,269)	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(301,647)	-	-	(301,647)	-	(301,647)
Subsidiary cash capital increase	-	-	-	-	-	-	-	-	47,500	47,500
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	(5,645)	(5,645)	(6,243)	(11,888)
Dividends to subsidiary in adjusting capital surplus	-	36,917	-	-	-	-	-	36,917	41,648	78,565
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	4,452	-	-	-	-	-	4,452	(4,452)	-
Changes in ownership interests in subsidiaries	-	2,962	-	-	-	-	-	2,962	(2,962)	-
Increase/ Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(100,000)	(100,000)
Disposal of equity instruments measured at fair value through other comprehensive profit or loss	-	-	-	-	1,844	(1,844)	-	-	-	-
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	(278,580)	(278,580)
<b>Balance at December 31, 2023</b>	<b>\$ 3,016,476</b>	<b>448,544</b>	<b>397,250</b>	<b>29,269</b>	<b>1,949,559</b>	<b>10,374</b>	<b>(349,848)</b>	<b>5,501,624</b>	<b>4,095,463</b>	<b>9,597,087</b>

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

Chairman: Chan, Zheng-Tian

Managerial Officer: Weng, Mao-Cheng

Accounting Supervisor: Lai, Yu-Min

**Yi Jinn Industrial Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the years ended December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

	<u>Year 2023</u>	<u>Year 2022</u>
<b>Cash flows from operating activities:</b>		
Net income before income tax	\$ 1,286,769	2,155,316
Adjustment for :		
Income and expense		
Depreciation expense	199,234	177,651
Amortization expense	312	2,257
Expected credit losses recognized on investments in debt instruments	-	(73)
The net (profit) loss of a financial asset is measured at fair value through profit or loss	(16,958)	163,783
Interest expense	212,674	157,624
Interest income	(1,299)	(423)
Dividend income	(64,627)	(104,749)
Share of profit(loss) of associates and joint ventures accounted for using equity	(137)	14
Disposal and scrapping of immovable property, plant and equipment (profit) loss	(1,683)	93
Acquisitions of investment property profit	(1,308,888)	-
Disposal of non-current assets held for sale	(112,735)	(2,018,124)
Loss of impairment from prepayments	-	13,395
Loss of determination of lease	9,112	-
Rental income	(1,084)	(3,522)
Total income and expense	<u>(1,086,079)</u>	<u>(1,612,074)</u>
Changes in operating assets and liabilities:		
Net changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measure at fair value	144,510	(524,553)
Note receivable	2,481	(5,566)
Account receivable	(1,559)	(127,937)
Other receivables	(4,980)	(1,843)
Inventories	272,559	29,070
Prepayment	7,436	13,382
Other current assets	(47,921)	2,588
Total Net changes in operating assets	<u>372,526</u>	<u>(614,859)</u>
Net changes in operating liabilities:		
Contract liabilities	(2,188)	(61,808)
Note payable	38,493	(43,249)
Account payable	(123,761)	(50,884)
Other payable	95,648	31,927
Other current liabilities	5,798	7,428
Total net changes in operating liabilities	<u>13,990</u>	<u>(116,586)</u>
Total Net changes in operating assets and liabilities	<u>386,516</u>	<u>(731,445)</u>
Total adjustment	<u>(699,563)</u>	<u>(2,343,519)</u>
Cash inflow (outflow) from operating activities	587,206	(188,203)
Interest received	1,299	423
Dividend received	64,627	104,749
Interest paid	(213,442)	(158,038)
Income taxes paid	(78,935)	(26,810)
Net cash inflow (outflow) from operating activities	<u>360,755</u>	<u>(267,879)</u>



**Yi Jinn Industrial Co., Ltd. and Subsidiaries**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**In Thousands of New Taiwan Dollars**

	<b>Year 2023</b>	<b>Year 2022</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive gains or losses	(30,000)	(16,465)
Disposition of financial assets at fair value through other comprehensive gains or losses	51,844	-
Disposal of non-current assets held for sale	542,185	2,448,737
Acquisition of property, plant and equipment	(22,533)	(37,592)
Disposal of property, plant and equipment	11,144	-
Acquisition of investment property	(359,990)	(1,686,837)
Disposition of investment real estate	145,282	422
Other financial assets (increase) decreased	(617)	7,628
Other non-current assets increased	(1,088)	(120,825)
Income tax paid	(75,199)	(54,479)
<b>Net cash inflows from investing activities</b>	<b>261,028</b>	<b>540,589</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term loans	68,258	262,397
Proceeds for long-term debt	415,375	1,450,342
Repayments of long-term debt	(625,869)	(1,310,678)
Increase (decrease) in the deposit margin	6,415	(34,846)
Lease principal repayment	(3,452)	-
Cash dividends paid	(223,082)	(223,082)
Cash Dividends contributes by subsidiaries	(278,580)	(144,776)
Cost of treasury stock acquired	(11,888)	-
Increase in non-controlling interests	(52,500)	(369,686)
<b>Net cash outflow from financing activities</b>	<b>(705,323)</b>	<b>(370,329)</b>
Net decrease in cash and cash equivalents	(83,540)	(97,619)
Cash and cash equivalents at beginning of year	401,534	499,153
Cash and cash equivalents at end of period	<u>\$ 317,994</u>	<u>401,534</u>

YI JINN INDUSTRIAL CO.,LTD the candidates list  
(Proposed by board of directors)

Candidate title	Name	Gender	Shareholding	Principal work experience and professional qualifications
Directo	Chan, Cheng-Tien	Male	23,010,494	High School Hung Chou Fiber Co. Ltd. Chairman Kwang Ming Silk Mill Co. Ltd. Chairman Oriental Union Chemical Corporation Independent Director Taiwan Textile Federation Chairman
Directo	Cheng, Yu-Jing	Female	2,053,074	Collage Hung Chou Fiber Co. Ltd. Directo Kwang Ming Silk Mill Co. Ltd. Directo
Directo	Chan, Yi-Chin	Female	2,916,961	Collage Hung Chou Fiber Co. Ltd. Directo Kwang Ming Silk Mill Co. Ltd. Directo
Directo	Chen, Meng-Wu	Male	0	Masters Small and Medium Enterprise Modernization Research Foundation Chairman Deloitte Chief of Operations
Directo	Weng, Mao-Cheng	Male	582,343	Collage Yi Jinn Industrial Co. Ltd. General Manager
Directo	Lai, Yu-Min	Female	594,916	Masters Yi Jinn Industrial Co. Ltd. Deputy General Manager
Independent Director	Lai, Sun-Quae	Male	0	Masters CSBC Corporation, Taiwan Chairman Small and Medium Enterprise Administration Director General Topco Scientific Co., Ltd. Chairman
Independent Director	Huang, Tien-Chang	Male	0	Masters Taiwan Business Bank Co., Ltd. Chairman Trust Association of R.O.C. Chairman Mega International Commercial Bank Co., Ltd. Managing Independent Director
Independent Director	Chen, Shiou-Chung	Male	0	Collage Tah Tong Textile Co., Ltd. Chairman Taiwan Spinner's Association Executive Director Taiwan Textile Federation Executive Director Taiwan Textile Research Institute Director Chinese National Federation of Industries Industry Consultant

YI JINN INDUSTRIAL CO.,LTD  
Regulations of Directors Election

1. The election of the Company's directors shall be handled in accordance with the rules.
2. The election of the Company's directors shall be adopted a cumulative voting system, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.
3. The authorized conveners of a shareholders' meeting shall prepare pre-printed ballots, the quantity is same as the number of elected directors, and add his/her voting rights, distribute to the attending shareholders of a shareholders' meeting, register of electors, may be replaced by the attending card number on the ballots.
4. Before the election begins, vote monitoring and counting personnel are shareholders for the voting on a proposal shall be appointed by the chair for acting the related duties.
5. For the election of directors, the ballot box shall be set by the authorized conveners of a shareholders' meeting , and opening and examining the ballot box the ballots shall be made by the monitoring personnel in public before voting.
6. When any of the following circumstances is satisfied, the ballots shall be null and void:
  - (1) Non ballots prepared by the authorized conveners are used.
  - (2) The blank ballots were thrown in the ballots box.
  - (3) The illegible handwriting or altered.
  - (4) The filled elected is approved discrepancy with the director candidates list.
  - (5) Except the distributed numbers of votes, mixed with other texts.
7. The election of the Company's directors shall be considered the overall configuration of board of directors. The composition of board of directors members shall be considered the diversification, and according to its operation, the operation type and development demand, programed to establish a proper diversification policy, and properly included, but not limited to the standard of the following two aspects:
  - (1) The basic conditions and values: gender, age, nationality and culture, etc.
  - (2) Professional knowledge and skills: professional background (e.g. law, accounting,

industry, finance, marketing or technology), professional skills, and industry experience, etc.

The Company's directors separately calculate the voting rights of independent directors and non-independent directors in accordance with Articles of Incorporation, more numbers of votes with which they were elected are elected in order. When two or more people gained the same number of votes and exceeded the number of people assigned, shall be determined by drawing lots of the people who gained the same number of votes, the chair shall represent non attendant people to draw lots.

A majority of seats should be provided among the directors, and shall not be the spouse, a blood relative within the second degree of kinship of a director.

8. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.
9. Not provided matters in the regulations shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and related decrees.
10. The regulations, and any amendments hereto, shall be implemented after approved by a shareholders meeting.

YI JINN INDUSTRIAL CO, LTD.

Articles of Incorporation

**Chapter 1. General Provision**

Article 1: The Company organized in accordance with the Company Act, named “宜進實業股份有限公司” and the English name is “YI JINN INDUSTRIAL CO., LTD”.

Article 2: The Company’s operating business is as follow:

- (1) C301010 yarn spinning mills
- (2) C302010 fabric mills
- (3) C305010 finishing of textiles
- (4) C306010 garment industry
- (5) C801120 man-made fibers manufacturing
- (6) C801990 other chemical products manufacturing
- (7) C399990 other textiles and textile products manufacturing
- (8) H701010 development, lease and sale of housing and buildings
- (9) H701020 development, lease and sale of industrial plants
- (10) H701040 specific area development
- (11) H701050 investment and construction of infrastructure
- (12) H701060 new town and new community development
- (13) H703090 real estate trading
- (14) H703100 real estate lease
- (15) ZZ99999 except licensing business, all business items that are not prohibited or restricted by law, except those that are subject to special approval.

Article 3: The Company’s total reinvestment may exceed 40% of paid-in capital, and engaged in investing of Mainland within the quota opened for approval by the competent authority, and may make guarantees for other companies.

Article 4: The Company established the head office in Taipei City, shall establish domestic and overseas branches approved by the solution of board of directors when it’s necessary.

Article 5: The Company’s announcement methods shall be implemented in accordance with Article 28 of the Company Act.

**Chapter 2. Shares**

Article 6: The Company’s total capital was set as NT\$ 5.6 billion, separated into 560 million shares, all are common stocks, the price per share was NT\$10, and unissued shares were issued by authorized board of directors in several times.

Article 7: The Company's stocks were nominative, a director representing the Company shall sign or stamp on them, and the stocks can be issued after signed and approved in accordance with the regulations. The Company may be exempted from printing any share certificate for the shares issued, adopt nonphysical issue, but shall be registered in Taiwan Depository & Clearing Corporation the issued bonds with a centralized securities depository

Article 8: A shareholder shall submit his/her seal signature type to the Company for future reference, when a shareholder receives dividends from the Company or exercises the equity in written form hereafter, the seal signature kept by the Company shall be the certificate.

Transfer of share ownership, grant, creation and removal of pledge, lifting loss, damage or other stock affairs, shall be handled in accordance with Regulations Governing the Administration of Shareholder Services of Public Companies and other related regulations.

Article 9: The change and transfer to a stock shall not be altered within 60 days prior to the meeting date of a regular shareholders' meeting, or within 30 days prior to the meeting date of a special shareholders' meeting, or within 5 days prior to the target date fixed by the Company for distribution of dividends, bonus or other benefits.

### **Chapter 3. Shareholders' meeting**

Article 10: Shareholders' meeting shall be of two kinds: a regular shareholder's meeting and a special shareholders' meeting, the regular shareholders' meeting shall be convened by board of directors within six months after close of each fiscal year, the special shareholders' meeting shall be convened in accordance with the regulations. However, the announcement method shall be made for the shareholders holding less than one thousand shares.

Article 10-1: When the Company convenes a regular shareholders' meeting, a shareholder holding one percent or more of shares, may propose to the Company a proposal for discussion in written form, and in case a proposal contains more than one matter, such proposal shall not be included in the agenda, and the related regulations shall be handled in accordance with the Company Act and related regulations.

Article 11: When a shareholder can not attend a shareholders' meeting for any reason, may appoint a proxy to attend a shareholders' meeting in his/her/its behalf by executing a power of attorney stating therein the scope of power authorized to the proxy in accordance with Article 177 of the Company Act and Article 25-1 of Securities Exchange Act, and use

matters of a proxy shall be conducted in accordance with “Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies”.

A shareholders’ meeting can be convened by means of visual communication network or other methods promulgated by the central competent authority, and the procedures and other following matters shall be conducted in accordance with regulations of the competent authority.

Article 12: For a shareholders' meeting convened by the board of directors, the chairman of the meeting shall be appointed in accordance with the provisions of Paragraph 3, Article 208 of the Company Act, for a shareholders' meeting convened by any other person having the convening right, he/she shall act as the chairman of that meeting provided, however, that if there are two or more persons having the convening right, the chairman of the meeting shall be elected from among themselves.

Article 13: The Company’s shareholders have one voting right each shareholding, but they have no voting right in accordance with Article 179 of the Company Act and related regulations.

Article 14: A resolution approved by a shareholders’ meeting, unless otherwise provided for in related decrees, shall be adopted by two-third of the voting rights exercised by the shareholders present at the shareholders’ meeting who represent a majority of the outstanding shares of the company.

Article 15: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chairman of the meeting and shall be distributed to all shareholders of the Company within 20 days after the close of the meeting. The preceding minutes of the meeting may be made and distributed by electronic transmission. The distribution of the meeting minutes mentioned in paragraph 1, shall be made by the announcement.

#### **Chapter 4. Directors and Audit Committee**

Article 16: The Company may have 7-9 directors, adopt a candidates nomination system, directors shall be elected and appointed by board of directors from the list of the director candidates, the term of office shall not exceed three years, but he may be eligible for re-election, in case election of new directors cannot be effected in time after expiration of the term of office of existing directors, the existing directors shall continue to perform their duties until the new directors elect has assumed their office as directors. The total number of shareholders of registered share certificates held by the Company’s all directors shall not be less than a certain ratio of the total

number of the Company's shares, two persons, his/her share ownership ratios, audit and exercise shall be handled in accordance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

Article 16-1: A certain amount of independent directors set in the number of directors mentioned in the preceding article shall not be less than two persons, and shall not be less than one-fifth of the director seats, a candidates nomination system shall be adopted, independent directors shall be elected and appointed by board of directors from the list of the independent director candidates. Related professional qualifications, shareholdings, restrictions of concurrent positions held, the way of nomination and elections, and other matters for compliance with respect to independent directors, shall be prescribed in accordance with the related regulations of the securities authority.

Article 16-2: The Company may establish an audit committee in accordance with Article 14 of Securities and Exchange Act to replace the duties of a supervisor, the audit committee shall be composed of all independent directors, the number of persons shall not be less than three persons, one is the convener, his/her duty exercise and related matters shall be handled in accordance with related regulations.

Article 17: The remuneration and transportation allowance of all directors, shall be paid and approved by the authorized board of directors as the general pay levels in the industry, and whether loss or not, all shall be paid.

Article 18: When the number of vacancies in the board of directors of a company equals to one third of the total number of directors or all independent directors were discharged, within 60 days, a special meeting of shareholders shall be convened by board of directors to elect succeeding directors to fill the vacancies, the term of office shall fulfill the unexposed term of office of the predecessor as a restriction.

Article 19: The duties and powers of the board of directors are as follows:

- (1) Audit of business plans.
- (2) Audit of important chapters and contracts.
- (3) Appointment and removal of executive staff.
- (4) Audit of budgets and final accounts.
- (5) Drawing of earning distributions and loss appropriations.
- (6) Drawing of capital increase and decrease.
- (7) Other duties and powers appointed at a shareholders' meeting, and complied with the decrees.



Article 20: Board of directors was organized by directors, adopted by a majority vote at a meeting of the board of directors attended by over two-thirds of the directors, a chairman shall be elected from among the directors. The chairman is a chair of a shareholders' meeting internally, represents the Company externally. In case the chairman can not exercise his power and authority for any cause, he can designate one director to represent, if there is no designated the proxy, the proxy shall be elected one person from among the directors.

Article 20-1: In calling a meeting of the board of directors, a notice shall be given to each director and supervisor no later than 7 days prior to the scheduled meeting date. In the case of emergency, a meeting of the board of directors may be convened at any time. The notice set forth in the preceding paragraph may be effected by means of electronic transmission.

Article 20-2: The Company may purchase a liability insurance of directors and important staff for them approved by the resolution of board of directors.

Article 21: Unless otherwise provided for in the Company Act, resolutions of the Board of Directors shall be adopted by a majority of the directors at a meeting attended by a majority of the directors, in case a shareholder is unable to attend a shareholders' meeting in person for any cause, he/she/it shall show a proxy issued by the Company stating therein the scope of power authorized to the proxy, but a director may accept the appointment to act as the proxy of one other director only.

Article 22: Resolutions adopted at a shareholders' meeting shall be recorded in the minutes of the meeting, which shall be affixed with the signature or seal of the chair of the meeting and shall be distributed to all shareholders of the company within 15 days after the close of the meeting, the meeting minutes shall record a summary of the essential points of the proceedings and the results of the meeting, the meeting minutes shall be kept with the signature book of attending directors and the proxy authorized to attend in the Company.

Article 23: Deleted.

Article 24: Deleted.

## **Chapter 5. Managerial Officer**

Article 25: The Company may have several managerial officers, shall be adopted of a resolution by a majority of the directors present at a meeting of the board of directors attended by a majority of the total number of directors of the Company, his/her duties and obligations, appointment and removal, and

remuneration shall be handed in accordance with the Company Act.

## **Chapter 6. Accounting**

Article 26: At the close of each fiscal year from January 1 to December 31, the board of directors shall prepare the following statements and records and shall forward the same for approval not later than the 30th day prior to the meeting date of a general meeting of shareholders:

- (1) The business report.
- (2) The financial statements.
- (3) The surplus earning distribution or loss off-setting proposals.

Article 27: When the Company has profits, shall allocate not less than 0.5% as employees' remuneration, not more than 2% as directors' remuneration. However, the company's accumulated losses shall have been covered.

Employees' remuneration mentioned in the preceding paragraph may be distributed in the form of shares or in cash, its distributed subjects shall include employees of a subordinate company complied with certain conditions. Directors' remuneration mentioned in the preceding paragraph may be distributed in cash only.

The preceding two paragraphs shall be handled by the resolution of board of directors, and shall be submitted to the shareholders' meeting.

Article 27-1: When the Company's annual final account has net profit after tax, accumulated loss shall be recovered first, and the Company shall appropriate 10% legal reserve in accordance with regulations, and special reserve shall be appropriated or reversed in accordance with laws or regulations of the competent authority. Designated insufficient amount for "Investment properties added amount at fair value accumulated last year" and "other equity deduction net amount accumulated last year", before distributing earnings, considerable amount of special reserve shall be designated from distributed earnings last first, if there's insufficient situation, net profit after tax adds items other than net profit after tax, and include in designation of undistributed earnings amount.

For the balance and beginning retained earnings, the board of directors programed to make earnings distribution proposal, it shall be submitted to a shareholders' meeting for a resolution to distribute shareholders' dividend bonus.

All or a part of dividend and bonus or legal reserve and capital reserve are paid in cash, and authorized board of directors shall be agreed by a majority of the shareholders present who represent two-thirds or more of

the total number of its outstanding shares, and report to a shareholders' meeting.

The Company's dividend policy is responding to current and future development plan, considering investment environment, capital need and domestic and foreign competition conditions, however, concerning shareholder equity and the Company's development, and when shareholders' dividend bonus is distributed in accordance with a resolution of a shareholders' meeting, it shall not be less than 10% of distributing cash dividend, and the rest shall be distributed stock dividend.

## **Chapter 7. Supplemental Provisions**

Article 28: The Company's internal organization and the handling rules may be prescribed by board of directors.

Article 29: Unsettled affairs of the Articles of Incorporation shall be handled in accordance with the Company Act and related decrees.

Article 30: The Articles of Incorporation was drawn up on March 8, 1981.

The 1st amendment was made on August 21, 1981.

The 2nd amendment was made on August 17, 1983.

The 3rd amendment was made on May 6, 1985.

The 4th amendment was made on August 28, 1987.

The 5th amendment was made on October 9, 1989.

The 6th amendment was made on December 15, 1990.

The 7th amendment was made on September 26, 1991.

The 8th amendment was made on October 29, 1991.

The 9th amendment was made on June 20, 1992.

The 10th amendment was made on November 7, 1992.

The 11th amendment was made on April 4, 1993.

The 12th amendment was made on May 22, 1995.

The 13th amendment was made on May 7, 1997.

The 14th amendment was made on May 12, 1998.

The 15th amendment was made on May 27, 1999.

The 16th amendment was made on May 22, 1999.

The 17th amendment was made on June 12, 2002.

The 18th amendment was made on June 10, 2005.

The 19th amendment was made on June 9, 2006.

The 20th amendment was made on June 4, 2010.

The 21st amendment was made on June 10, 2011.

The 22nd amendment was made on June 8, 2012.

The 23rd amendment was made on June 11, 2013.

The 24th amendment was made on May 30, 2014.  
The 25th amendment was made on June 24, 2016.  
The 26th amendment was made on June 1, 2018.  
The 27th amendment was made on June 6, 2019.  
The 28th amendment was made on June 11, 2020.  
The 29th amendment was made on August 4, 2021.  
The 30th amendment was made on may 31, 2023.

YI JINN INDUSTRIAL CO.,LTD

Chairman: Chan, Cheng-Tien

YI JINN INDUSTRIAL CO., LTD  
Rules of Procedure for Shareholders Meetings

1. The Company's shareholders' meetings, except as otherwise provided by law, regulation, or the articles of incorporation, shall be handled in accordance with these rules.
2. The Company shall furnish the attending shareholders with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in. The number of shares in attendance shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised electronically.
3. Attendance and voting at a shareholders meeting shall be calculated based the number of shares.
4. The venue for a shareholders meeting shall be the premises of the Company, or a place easily accessible to shareholders and suitable for a shareholders meeting. The meeting may begin no earlier than 9 a.m. and no later than 3 p.m. Full consideration shall be given to the opinions of the independent directors with respect to the place and time of the meeting.
5. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairman. When the chairman is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairman shall appoint one of the managing directors to act as chair. A shareholders meeting convened by a party with the power to convene that is not the board of directors, the meeting shall be chaired by him/her/it.
6. The Company may appoint its attorneys, certified public accountants, or related persons retained by it to attend a shareholders meeting in a non-voting capacity. Staff handling administrative affairs of a shareholders meeting shall wear identification cards or arm bands.
7. The Company shall make an uninterrupted audio and video recording of the proceedings of the meeting, and shall retained it for at least one year.
8. The chair shall call the meeting to order at the appointed meeting time. However, when the attending shareholders do not represent a majority of the total number of issued shares, the chair may announce a postponement, provided that no more than two such postponements, for a combined total of no more than one hour, may be made. If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of

the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

9. If a shareholders meeting is convened by the board of directors, the meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the shareholders' meeting. The provisions of the preceding paragraph apply *mutatis mutandis* to a shareholders meeting convened by a party with the power to convene that is not the board of directors. The chair may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions), except by a resolution of the shareholders meeting. After the meeting was adjourned, a new chair shall not be elected by shareholders to continue a meeting at the original address or other place. If the chair declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall elect a new chair by agreement of a majority of the votes represented by the attending shareholders, and then continue the meeting.

10. Before speaking, an attending shareholder must specify on a speaker's slip the subject of the speech, his/her shareholder account number (or attendance card number), and account name, the order in which shareholders speak will be set by the chair.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be deemed to have not spoken. When the content of the speech does not correspond to the subject given on the speaker's slip, the spoken content shall prevail.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have sought and obtained the consent of the chair and the shareholder that has the floor; the chair shall stop any violation.

11. Except with the consent of the chair, a shareholder may not speak more than twice on the same proposal, and a single speech may not exceed 5 minutes. If the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chair may terminate the speech.

12. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it in the meeting.

When a juristic person shareholder appoints two or more representatives to attend a shareholders meeting, only one of the representatives so appointed may speak on the same proposal.

13. After an attending shareholder has spoken, the chair may respond in person or direct relevant personnel to respond.

14. When the chair is of the opinion that a proposal has been discussed sufficiently to

- put it to a vote, the chair may announce the discussion closed, call for a vote.
15. Vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair, but the vote monitoring personnel are shareholders of the Company. The results of the voting shall be announced on-site at the meeting, and a record made of the vote.
  16. When a meeting is in progress, the chair may announce a break based on time considerations.
  17. Voting of a proposal, except as otherwise provided in the Company Act and in this Corporation's articles of incorporation, shall be made by agreement of a majority of the votes represented by the attending shareholders.
  18. When there is an amendment or an alternative to a proposal, the chair shall present the amended or alternative proposal together with the original proposal and decide the order in which they will be put to a vote. When any one among them is passed, the other proposals will then be deemed rejected, and no further voting shall be required.
  19. The chair may direct the proctors (or security personnel) to help maintain order at the meeting place. When proctors (or security personnel) help maintain order at the meeting place, they shall wear an armband bearing the word "Proctor."
  20. These rules shall take effect after having been submitted to and approved by a shareholders meeting. Subsequent amendments thereto shall be effected in the same manner.

Total capital issued by the Company was 301,647,640 shares, according to Article 2 of “Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies”, the lowest shareholdings of all directors shall be 5% (12,065,905 shares).

YI JINN INDUSTRIAL CO., LTD  
Individual Shareholding of Directors &  
Sum of Shareholding Statement

Title	Name	Book closure date (April 21, 2024) Shareholding number registered in the shareholders roster	Shareholding ratio
Chairman	Chan, Cheng-Tien	23,010,494	7.63%
Director	Chan, Yi-Chin	2,916,961	0.97%
Director	Chen, Meng-Wu	0	0.00%
Director	Weng, Mao-Cheng	582,343	0.19%
Director	Yu-Jing	2,053,074	0.68%
Director	Lai, Yu-Min	594,916	0.20%
Independent director	Lai, Sun-Quae	0	0%
Independent director	Huang, Tien-Chang	0	0%
Independent director	Chen, Shiou-Chung	0	0%
Sum	9 seats of directors	29,157,788	9.67%