

STOCK CODE 1457



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

## 2023 Annual Report

**Notice to readers**

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

Taiwan Stock Exchange Market Observation Post System :

<https://mops.twse.com.tw>

Website : <https://www.yijinn.com.tw>

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**4. Auditors :**

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**5. Overseas Securities Exchange : None**

**6. Corporate Website :**

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

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## **Attachment**

- I Consolidated Financial Statements and Independent Auditors' Report
- II Parent-Company-Only Financial Statements and Independent Auditors' Report

## I. Letter to Shareholders

### I. 2023 Business Results

#### (1) 2023 Business plan implementation result :

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”.

#### (2) Budget implementation: there’s no budget information reported by the Company in 2022.

#### (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	6.19
	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) Status of research and development :

Due to the characteristics of the industry, the company does not have a full-time R&D department, which is staffed by personnel from the business and manufacturing departments. With many years of textile experience, knowledge and technology, they develop it themselves or in cooperation with raw material suppliers and customers. The main situations are as follows:

Fiber type	Composition	Usage	Feature
Fiber 37.5™ technology textile	Volcanic rock (Active carbon)	Professional sports clothing and sportswear	Use electrostatic attraction to absorb the body's evaporating water, at the same time, the infrared radiation emitted from the human body is used to heat the particles to accelerate the evaporation of water, so it can keep the body surface dry faster, and also help to store energy to keep the body at a certain temperature.
Eco-friendly yarn	Use recycled polyester chemical fiber products and recycle them again	Used in various types of garment fabrics and industrial fabrics	Resource reuse.
Graphene Fiber	Graphene is evenly dispersed to make nanoscale masterbatches, then further is used to make yarns	Smart clothing and wearable device applications.	Antistatic : graphene conductivity can reduce the surface electrical resistivity of cloth. At the same time, the surface lubrication can reduce the coefficient of friction , inhibit and reduce generating electric current, and to help prevent skin itches. Good electrical conductivity: It can act as a filter for the human body and the external environment, ensuring that the wearer maintains an ideal temperature.

## II. The overview of business operations :

The main production businesses of the company are : the subsidiaries Hung Chou Fiber Industry Co., Ltd. produces polyester yarn (chips) and Kwang Ming Silk Mill Co., Ltd. produces textured yarn, and the parent company Yi Jinn's operating income is mainly high gross profit industrial ribbon and stable rental income.

### (1) Guideline for Management

1. In the post-epidemic era of the man-made fiber industry, due to inflation and rising interest rates, which have impacted the prosperity of the textile industry and consumer strength, and the destocking speed of some brands is not as fast as expected, the supply chain has shifted from long-term orders to short-term and urgent orders. Geopolitical armed conflicts and destabilizing factors, the price of exchange rate and materials (MEG, PTA) fluctuates greatly, which makes the price of chemical fiber and textured yarn products using petrochemical products as raw materials fluctuate, because the sharp price change is not a good thing for production. On the other hand, the adjustment of the brand purchasing base and the change of the production base of the supply chain

make it more difficult for Taiwan's man-made fibers industry. When the production base leaves Taiwan, the domestic demand drops, which urges our company to develop differentiated goods more actively, and appeal for the advantages of stable quality and rapid response, so as to grasp the market opportunities.

2. In the globalization competitive environment, the management team has Hung Chou Fiber Industry Co., Ltd., the polyester yarn production manufacturing factory, and Kwang Ming Silk Mill Co., Ltd., the textured yarn manufacturing factory. They use the advantages of each company to integrate the operation competitiveness, improve the company's physique and expand the development and production of special products, stand out from the competitors, and push the product specifications to specialization, customization and internationalization, so as to meet the changing needs of market and customers. Only in this way can we cope with the shorter product life cycle, and give priority to market orientation as the most important production direction.
3. Strengthen the promotion of new products and after-sales service, improve customer satisfaction and the stable growth of the supply chain.
4. Continuous and stable growth of industrial ribbon and development of special yarn, high gross profit for the company to bring the best interests.

## (2) Expected sales volume and its basis

According to the production capacity and market demand of the company, it is estimated that in 2024, the sales volume of polyester yarn will be about 37,800 tons (including 10,800 tons for the subsidiary company's own use), polyester chip will be about 21,600 tons, polyester textured yarn will be about 12,200 tons, and outsourcing industrial ribbon will be about 160,000 thousand meters.

## (3) Important production and marketing policies

### 1 . Production policy

The company produces polyester yarn from Hung Chou Fiber and textured yarn from Kwang Ming Silk Mill, focusing on the production of differentiated innovative products and customized products. The vertical integration of upstream and downstream makes the company have advantages in reducing the purchase cost of raw materials and arranging the production line. In addition, the company is able to obtain a leading position in the source of POY raw materials, stabilize the supply system, provide diversified innovative product marketing, and enhance the competitiveness of the company.

### 2 . Sales policy

- (1) Stabilize excellent customers and develop potential customers with forward-looking prospects.
- (2) In response to the demand of emerging markets, strengthening the expansion of differentiated products in foreign markets.
- (3) Improve the salesperson's sales skills and professional knowledge of related fields.
- (4) Combining the upstream, middle and downstream strategic alliance and establishing marketing mechanism, we can play a complementary role in improving the operating performance and market share.

### **III. The future development strategy of the company, impact from the external competitive environment, regulatory environment and overall business environment**

- (1) The company's mid- and long-term business development strategy, the integration of upper, middle and lower streams, from polymerization, spinning, false twisting to weaving and knitting, integrated into a chemical fiber factory production line. Besides improving the production of raw materials and having reduced costs, the control of downstream suppliers and shorten the market response time, all have significantly raised the company's acuity of market demand, therefore in the production and sales forecasting process, when the market demands begin to appear, it can keep the supply of specifications and quantities of the products demanded by the market running smoothly, and in the meantime, can also reduce production capacity when the market demand decreases, reduce the inventory to the minimum volume and avoid inactive inventory to happen.
- (2) Global environmental issues still a hot topic, focusing on reducing environmental impact. The production of Dope Dye filament yarn is also the market demand trend. No matter outdoor fabrics or sports products, including car interiors, all because of eco concepts, large number of fiber yarns which do not need dye process have been used. Among them, black yarn has been our company's long-term developing specifications. When other false twist factories still continue to produce general specifications products due to equipment cost considerations, our company has foreseen the future of the demand of environmental materials, utilize the existing machinery and equipment for development and modification, put all efforts into the development and production of various specifications of Dope Dye, is one of the largest suppliers create popular eco-friendly raw dyed yarn materials in the market.
- (3) The brand customers have an increasing demand for eco polyester yarn and is proactive in integrating the upstream and downstream supply chains to meet customers 'demands.
- (4) The company's exporting products to Europe not applicable to the provision of the regulation of Restriction of the use of Hazardous Substance (RoHS), also no impacts of other environmental regulations.

Chairman : Chan, Cheng-Tien

General Manager : Weng, Mao-Cheng



## II. Company Profile

### 2.1 Date of incorporation : March 24, 1981

### 2.2 Company History :

- 1 . The Company was established in March 1981 by co-founders Yu De Shu, Chan Cheng Tien, Liu Shan Ming, Zheng Chao Yang etc. Paid in capital was NT\$16 million. The company type was Company Limited by shares. Yu De Shu has been elected as chairman. Start up a factory to manufacture products in Hukou Industrial Park. Major business including man-made and natural fibers and false twist textured yarn textile manufacturing process and trading business.
- 2 . To strengthen business structure and improving operating efficiency, the company merged by absorption on December 15, 1990, issued 6,000,000 new shares, and in the meantime, resolution for cash capital increase of NT\$60,000,000 to improve the capital structure. At that time, the capital had reached NT\$ 180 million.
- 3 . To keep up with economic market trends and achieving industrial upgrading through production automation to add value to products and ensure advantages of local and global markets. After careful evaluation, the company has purchased approximately 6,000 pings of land and approximately 2,000 pings of factory next to Provincial Highway 1 in Huatan Township, Changhua County, 80 of the newest Belgian airjet weaving machines and 40 rapier loom machines all were imported. Has begun mass-production since 1992.
- 4 . To reduce production costs and make the production process more efficient and reasonable cost, the company passed the resolution at the special shareholders' meeting on October 29, 1991, merged by absorption of the upstream I Jin Industrial Co., Ltd. The company is the surviving company, with special approval from the authority in charge of the industry. And from the record date of the merger on December 17, 1991, issued 19,600,000 new shares, merged by absorption of I Jin Industrial Co., Ltd. In the meantime, resolution for cash capital increase of NT\$ 124,000,000 to improve the capital structure. Paid in capital had reached NT\$500 million, issued 50 million shares, and has become a public offering company. Factories 1 and 2 built in Chang Hwa, received the award-winning trophy for the most important investment and best Automate Production Line demonstration factory in textile industry from Ministry of Economic Affairs in 1992. Having great significance.
- 5 . The Company has become one of the few factories in domestic specialized in line production process of polyester filament yarn and man-made fiber weaving in 1992. It can produce 3,000 tons of processed yarn and 5 million yards of plain weave fabrics per month. It owns 5 factories in Taoyuan, Hsinchu and factory 1 and 2 in Changhua and Yuanlin respectively. In 1992, the revenue has grown to NT\$2.572 billion, became the 213<sup>th</sup> largest companies in Taiwan.
- 6 . In May 1993, capital increase of NT\$75,000,000 from earning and Capital surplus transferred to capital increase of NT\$25,000,000, capital had been increased up to NT\$0.6 billion.
- 7 . In June 1993, Brand Name 『 Sea Gull 』 received "Private Branding" Minister Award from Ministry of Economic Affairs.
- 8 . In August 1993, due to the Business performance was recognized by the Society, received the top winning trophy for the 2<sup>nd</sup> National SME outstanding Award. And chairman of the company was summoned by President Lee personally.
- 9 . In 1994, added 2 more additional high-speed friction false twisting machines, increased the capacity for the production of yarns processing to 3,250 tons per month, also imported Japan's latest T2 computer tension monitoring system and received the counseling on ISO quality management system certification, expected to lead the industry upgrading into the top industrial automation filed.
- 10 . In May 1994, applied for capital increase of NT\$120,000,000 from earning, capital had been increased up to NT\$0.72 billion.
- 11 . On October 20, 1994, the Company received the approval from Taiwan Stock Exchange and have become a Public Stock Listed Company.

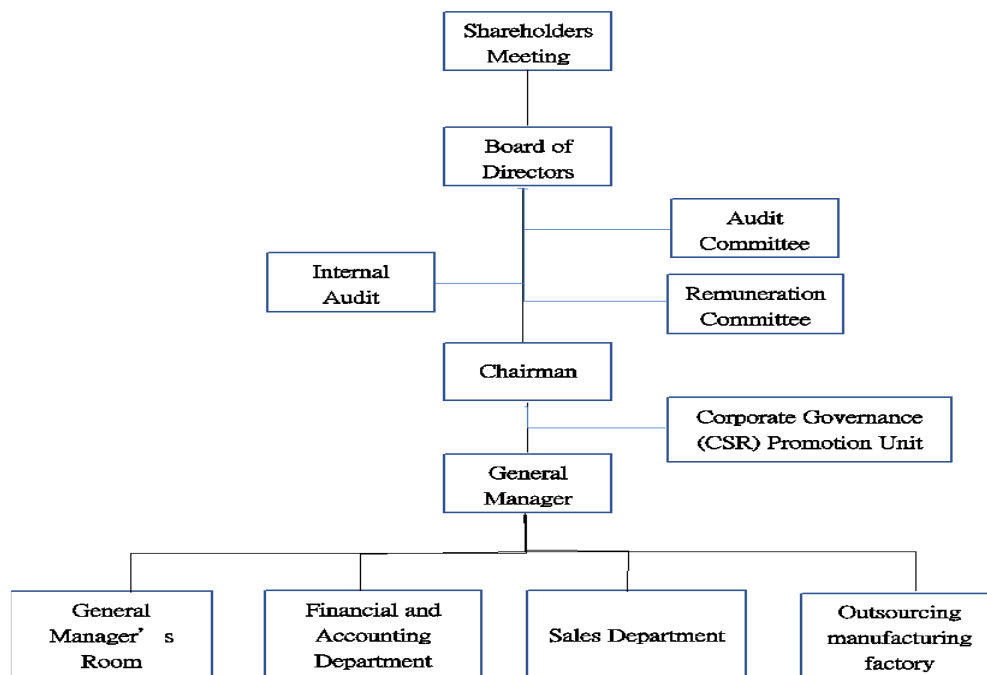
12. In April 1995, received ISO 9002 approval.
13. In 1995, applied for cash capital increase of NT\$0.18 billion, built Factory 2 in Chang Hua, and added 15 high-speed friction false twisting machines, in the same year applied for capital increase from earning and capital surplus transferred to capital increase of NT\$225,000,000, capital had been increased up to NT\$1.125 billion.
14. In 1996, applied for cash capital increase of NT\$0.45 billion, added 15 high-speed friction false twisting machines, in the same year applied for capital increase from earning and capital surplus transferred to capital increase of NT\$225,000,000, capital had been increased up to NT\$1.8 billion.
15. In 1997, applied for cash capital increase of NT\$0.54 billion, purchased another 19 high-speed friction false twisting machines, in the same year applied for capital increase from earning and capital surplus transferred to capital increase of NT\$360,000,000, capital had reached to NT\$2.7 billion.
16. In 1998, applied for capital increase from earning and capital surplus transferred to capital increase of NT\$540,000,000, capital had been increased to NT\$3.24 billion.
17. In 1999, applied for capital increase from earning and capital surplus transferred to capital increase of NT\$583,200,000, capital had been increased to NT\$3.8232 billion.
18. In 2001, buyback company stocks reduced capital of NT\$100,000,000, capital had been decreased to NT\$3.7232 billion.
19. In 2003, buyback company stocks reduced capital of NT\$70,000,000, capital had been decrease to NT\$3.6532 billion.
20. In 2008, buyback company stocks reduced capital of NT\$1,095,960,000, capital had been decreased to NT\$2.55724 billion.
21. In 2008, buyback company stocks reduced capital of NT\$187,240,000, capital had been decreased to NT\$2.37 billion.
22. In 2009, buyback company stocks reduced capital of NT\$118,490,000, capital had been decreased to NT\$2.25151 billion.
23. In 2010, applied for cash capital increase of NT\$0.5 billion, repay the company's bank loan. Capital had been reached to NT\$2.75151 billion.
24. In 2011, applied for cash capital increase of NT\$0.5 billion and issued first unsecured convertible domestic bond, converted into capital of NT\$300,000,000, purchased lands and factories etc. equipment. Capital had been reached to NT\$3.25151 billion.
25. In 2011, applied for capital increase from earning of NT\$88,048,200 and converted bond into capital of NT\$39,187,600, capital had been reached to NT\$3.378746 billion.
26. In 2012, buyback company stocks reduced capital of NT\$200,000,000, capital had been decreased to NT\$3.178746 billion.
27. In 2014, applied for capital increase from earning of NT\$127,149,840 and converted bond into capital of NT\$45,744,680, capital had been reached to NT\$3.35164044 billion.
28. In 2016, applied for cash capital reduced of NT\$335,164,040, after reduction capital was NT\$3.0164764 billion.

- (1) The most recent fiscal year as well as the current fiscal year up to the date of publication of the annual report, information on the company merger and acquisition activities : None.
- (2) Investments in affiliated enterprises; corporate reorganization : None.
- (3) A major quantity of shares belonging to directors, supervisors, or shareholders holding greater than a 10 percent stake in the company is transferred or otherwise changes hands : None.
- (4) Any change in managerial control : None.
- (5) Any material change in operating methods or type of business : None.
- (6) Any other matters of material significance that could affect shareholders' equity and its impact on the company : None.

## III. Corporate Governance Report

### 3.1 Organizational

(1) Organizational Chart :



(2) Department functions :

1. General Manager's Room : Company policy's plan, established, information, personnel administration, general affairs and leasing assets management, etc.
2. Financial and Accounting Department : Company cash management, financial management, capital movement and accounting treatment, public information disclosure, etc.
3. Sales Department : All kinds of man-made fibers products purchases and sales, and sales of vehicle webbing and export business.
4. Outsourcing manufacturing factory : Procuring raw materials of vehicle webbing, outsourcing manufacturing management, products research and development, after sales service, quality management and outgoing management control, etc.

### 3.2 Directors, Supervisors and Management Team

#### (1) Board director and supervisor :

##### 1.Board director and supervisor

Date : April 23, 2024

Title	Nationality	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Main Experience( Education)	Current Positions at the Company and Other Company	Executives, Director or Supervisors who are spouses or within two degree of kinship			Remark
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation	
Chairman	ROC	Chan, Cheng-Tien	Male 71~80 age	2021 08 04	3	1991 01 07	25,101,494	8.29%	23,010,494	7.63%	2,053,074	0.68%	0	0	High School	1.Yi Jinn Industrial Co. Ltd. Chairman 2.Kwang Ming Silk Mill Co. Ltd. Chairman 3.Yi Tong Fiber Co. Ltd. Chairman 4.Hung Chou Fiber Co. Ltd. Chairman 5. Da Tien International Development Co., Ltd. Chairman 6. Dayi International Development Co., Ltd Chairman 7. Xin Mao investment Co., Ltd. Chairman 8. Oriental Union Chemical Corporation Independent Director 9.The First Leasing Corporation 10.Yi Shin Textile Industrial Co. Ltd. Chairman	Director Director	Cheng Yu Jing Chan Yi Chin	Spouse Father& daughter	None
Director	ROC	Chan, Yi-Chin	Female 31~40 age	2021 08 04	3	2011 06 10	2,916,961	0.97%	2,916,961	0.97%	0	0	0	0	Collage	1. Yi Jinn Industrial Co. Ltd. Director 2. Kwang Ming Silk Mill Co. Ltd. Director 3. Hung Chou Fiber Co. Ltd. Director	Chairman Director	Chan Cheng Tien Cheng Yu Jing	Father&d daughter Mother& daughter	None
Director	ROC	Cheng, Yu-Jing	Female 61~70 age	2021 08 04	3	2016 06 09	2,053,074	0.68%	2,053,074	0.68%	23,010,494	7.63%	0	0	Collage	1. Yi Jinn Industrial Co. Ltd. Director 2. Xin Mao investment Co., Ltd. Supervisor 3. Yi Tong Fiber Co. Ltd. Director 4. Hung Chou Fiber Co. Ltd. Director 5. Kwang Ming Silk Mill Co. Ltd. Director 6. Da Tien International Development Co., Ltd. Supervisor 7. Dayi International Development Co., Ltd Supervisor	Chairman Director	Chan Cheng Tien Chan Yi Chin	Spouse Mother& daughter	None
Director	ROC	Lai, Yu-Min	Female 51~60 age	2021 08 04	3	2016 06 09	492,916	0.16%	594,916	0.20%	0	0	0	0	Master	1. Yi Jinn Industrial Co. Ltd. Deputy General Manager 2. Xin Mao investment Co., Ltd. Director 3. Da Tien International Development Co., Ltd Director 4. Dayi International Development Co., Ltd. Director 5. Nice Plaza Co., Ltd. Director 6.The First Leasing Corporation	None	None	None	None
Director	ROC	Weng, Mao-Cheng	Female 61~70 age	2021 08 04	3	2014 01 01	480,343	0.16%	582,343	0.19%	0	0	0	0	Collage	1. Yi Jinn Industrial Co. Ltd. General Manager 2. Xin Mao investment Co., Ltd. Director	None	None	None	None

Title	Nationality	Name	Gender	Date Elected	Term (years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Main Experience (Education)	Current Positions at the Company and Other Company	Executives, Director or Supervisors who are spouses or within two degree of kinship			Remark
							Share	%	Share	%	Share	%	Share	%			Title	Name	Relation	
Director	ROC	Chen, Meng-Wu	Male 71~80 age	2021 08 04	3	2010 12 06	0	0%	0	0%	0	0%	0	0%	Master	Director of Masada Small and Medium Enterprises Foundation	None	None	None	None
Independent Director	ROC	Chen, Shiou- Chung	Male 71~80 age	2021 08 04	3	2020 06 11	0	0%	0	0%	0	0%	0	0%	Collage	1. Tah Tong Textile Co., Ltd. Chairman 2. Everest Textile Co., Ltd. Independent Director 3. Great Bell Printing & dyeing Co., Ltd. Director	None	None	None	None
Independent Director	ROC	Lai, Sun-Quae	Male 61~70 age	2021 08 04	3	2017 06 16	0	0%	0	0%	0	0%	0	0%	Phd	1. PhytoHealth Corporation Independent Director 2. LEATEC Fine Ceramics Co., Ltd. Independent Director 3. Metaage Technology Digital. Independent Director	None	None	None	None
Independent Director	ROC	Huang, Tien-Chang	Male 71~80 age	2021 08 04	3	2018 06 01	0	0%	0	0%	0	0%	0	0%	Master	1. Heran Co., Ltd. Independent Director 2. The First Leasing Co., Director	None	None	None	None

Note 1 : For directors and supervisors acting (as the representatives of corporate shareholders, shall indicate the names of the corporate shareholders). and shall fill in the following table I.

Note 2 : Please list the actual age and express it in a range, such as 41~50 years old or 51~60 years old.

Note 3 : Fill in the date of first elected as a director or supervisor of the company. If there is any interruption, it shall be noted.

Note 4 : The experience related to the current position, if the person has worked in a CPA firm or affiliated company during the previous disclosure period, shall state the job title and the responsible position.

Note 5 : Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (For example, the number of independent directors seats shall be increased, and a majority of the directors may not serve concurrently as an employee or managerial officer) .

## 2. Information on Professional Qualifications of Directors and Supervisors and Independence of Independent Directors :

Qualifications Name	Principal work experience and professional qualifications (Note 1)	Status of independence (Note 2)	Number of other Companies of public offering Where the board director or supervisor serves as independent director
Chan, Cheng-Tien	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	Not applicable	1
Chan, Yi-Chin	Collage Hung Chou Fiber Co. Ltd. Director Kwang Ming Silk Mill Co. Ltd. Supervisor	Not applicable	0
Cheng, Yu-Jing	Masters Hung Chou Fiber Co. Ltd. Director Kwang Ming Silk Mill Co. Ltd. Director	Not applicable	0
Lai, Yu-Min	Masters Yi Jinn Industrial Co. Ltd. Deputy General Manager	Not applicable	0
Weng, Mao-Cheng	Collage Yi Jinn Industrial Co. Ltd. General Manager	Not applicable	0
Chen, Meng-Wu	Masters Small and Medium Enterprise Modernization Research Foundation Chairman Deloitte Chief of Operations	None (Note 2)	0
Lai, Sun-Quae (Independent Director)	Masters CSBC Corporation, Taiwan Chairman Small and Medium Enterprise Administration Director General Topco Scientific Co., Ltd. Chairman	None (Note 2)	3
Huang, Tien-Chang (Independent Director)	Masters Taiwan Business Bank Co., Ltd. Chairman Trust Association of R.O.C. Chairman Mega International Commercial Bank Co., Ltd. Managing Independent Director	None (Note 2)	1
Chen, Shiou-Chung (Independent Director)	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	None (Note 2)	1

Note 1 : Professional Qualifications and Experience : Specify the professional qualifications and experience of individual directors and supervisors, and if they are members of the Audit Committee and have accounting or financial expertise, describe their accounting or financial background and work experience, and state whether they have not been subject to the provisions of Article 30 of the Company Act.

Note 2 : The independent directors shall be stated the independence status, including but not limited to whether he/she, his/her spouse, his/her second degree of kinship or other relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him/her, his/her spouse, his/her second degree of kinship or other relatives (or by using the name of others); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 3, Item 1, Paragraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation.

Note 3: For the method of disclosure, please refer to the best practice reference examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

## 3. The composition of the board of directors shall be determined by taking diversity

The composition of the board of directors of the company shall consider diversification. In addition to the fact that the number of directors who are also managers of the company shall not exceed one-third of the seats of the board of directors, an appropriate diversification policy shall be formulated according to their own operation, operation pattern and development needs. It shall include but not be limited to the following two major criteria :

1. Basic conditions and values : gender, age, nationality and culture, etc.
2. Professional knowledge and skills : professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience, etc. The board members shall have the knowledge, skills and qualities necessary for performing their duties. In order to achieve the ideal goal of corporate governance, the board of directors shall have the following abilities : 1. Operational judgment ability. 2. Accounting and financial analysis ability 3. Management administration ability. 4. Conduct crisis management ability. 5. Industrial knowledge. 6. Perspective of international market. 7. Leadership. 8. Decision making ability.

Name	Nationality	Gender	Operational judgment ability	Accounting and financial analysis ability	Management administration ability	Conduct crisis management ability	industrial knowledge	Perspectiv e of international market	Leadership	Decision making ability
Chan, Cheng-Tien	ROC	Male	V	V	V	V	V	V	V	V
Chan, Yi-Chin	ROC	Female	V		V	V		V	V	V
Lai, Yu-Min	ROC	Female	V		V	V		V	V	V
Weng, Mao-Cheng	ROC	Male	V	V	V	V		V	V	V
Cheng, Yu-Jing	ROC	Female	V		V	V	V	V	V	V
Chen, Meng-Wu	ROC	Male	V	V	V	V		V	V	V
Lai, Sun-Quae	ROC	Male	V	V	V	V		V	V	V
Chen, Shiou-Chung	ROC	Male	V	V	V	V		V	V	V
Huang, Tien-Chang	ROC	Male	V	V	V	V	V	V	V	V
Diversified policy objectives (seats)		2	8	4	8	8	3	6	6	6
Achievement of diversification policy		qualify	qualify	qualify	qualify	qualify	qualify	qualify	qualify	qualify

In order to improve the above-mentioned diversified professional knowledge and skills of directors, the company will give priority to recommend or enroll the above courses for directors when handling six-hour continuing education plan annually for directors, and the cost of the courses will be paid by the company in full.

#### 4 .Board Independence :

The number of independent directors of the Company is three, accounting for one-third of the total number of nine directors. There are no circumstances between the independent directors and the Company or the members of the board of directors, such as those stipulated in Items 3 and 4 of Article 26-3 of the Securities and Exchange Act. Although three of the Company's directors (including the chairman) are relatives, including spouses and second degree of kinship, and two of the Company's directors are managers of the Company, the board of directors shall recuse himself/herself from any discussion or voting on any resolution in which a director has an interest, and shall refer the resolution to the independent directors and disinterested directors for discussion and vote in order to maintain the independence of the Company's board of directors.

(2) Information of general manager, deputy general manager, associate manager, managers of departments and branches :

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Title (Note 1)	National ity	Name	Gender	Inauguration date	Shareholding		Spouses & Minor Shareholding		Current Shareholding in the name of others		Experience (Education)( Note 2)	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Remark (Note 3)
					Shares	%	Shares	%	Shares	%			Title	Name	Relation	
General Manager	R.O.C.	Weng, Mao-Cheng	Male	2015.03.26	582,343	0.19%	0	0%	0	0%	Collage	Xin Mao investment Co., Ltd. Director	None	None	None	None
Deputy General Manager	R.O.C.	Chang, Heng- Chia	Male	2020.11.12	149,417	0.05%	0	0%	0	0%	Junior Collage	1.Hung Chou Fiber Co. Ltd. Director 2.Dayi International Development Co., Ltd. Director 3. Yi Tong Fiber Co. Ltd. Director	None	None	None	None
Deputy General Manager	R.O.C.	Lai, Yu- Min	Female	2020.11.12	594,916	0.20%	0	0%	0	0%	Master	1. Xin Mao investment Co., Ltd. Director 2. Da Tien International Development Co., Ltd Director 3. Dayi International Development Co., Ltd. Director 4. Nice Plaza Co., Ltd. Director 5.The First Leasing Corporation 6. Kwang Ming Silk Mill Co. Ltd. Governance Director 7. Hung Chou Fiber Co. Ltd. Governance Director	None	None	None	None

Note1 : The information on the company's general manager, deputy general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units, and someone of an equivalent post shall be disclosed.

Note 2 : The experience related to the current position, if the person has worked in a CPA firm or affiliated company during the previous disclosure period, shall state the job title and the responsible position.

Note3 : Where the general manager or person of an equivalent post (the highest level manager) and the chairperson of the board of directors of a company are the same person, spouses, or relatives within the first degree of kinship, the information shall be given.

(3). Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto : None



### 3.3 Remuneration of Directors and independent Directors

#### (1) Remunerations of Directors and Independent Directors

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 subsidiaries (Note 11)
		Remuneration (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)				Remuneration, bonus and special fees (E) (Note 5)		Retirement pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company	All Companies in the consolidated financial statement (Note 7)	The Company		All Companies in the consolidated financial statement (Note 7)		The Company	All Companies in the consolidated financial statement	
																Cash	Share	Cash	Share			
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	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%	2,274	2,274	0	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	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%	3,272	3,272	0	0	500	0	500	0	0.88%	0.88%	None
Director	Lai, Yu-Min	0	0	0	0	1,062	1,062	180	180	0.22%	0.22%	1,821	1,821	0	0	300	0	650	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	0.22%	0.22%	None
Independent Director	Chen, Shiou-Chung	0	0	0	0	0	0	640	640	0.11%	0.11%	0	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	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	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) : NT\$ 0.																						

Range of Remunerations

Range of remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All companies in the consolidated financial statement (Note 9) H	The Company (Note 8)	All companies in the consolidated financial statement (Note 9) I
Lower than NT\$ 1,000,000	Huang, Tien-Chang, Lai, Sun-Quae, Chen, Shiou-Chung	Huang, Tien-Chang, Lai, Sun-Quae, Chen, Shiou-Chung	Huang, Tien-Chang, Lai, Sun-Quae, Chen, Shiou-Chung	Huang, Tien-Chang, Lai, Sun-Quae, Chen, Shiou-Chung
NT\$ 1,000,000 (included) ~ NT\$ 2,000,000 (excluded)	Chan, Yi-Chin, Cheng, Yu-Jing, Chen, Meng-Wu Lai, Yu-Min, Weng, Mao-Cheng	Chen, Meng-Wu, Lai, Yu-Min, Weng, Mao-Cheng	Cheng, Yu-Jing, Chen, Meng-Wu	Chen, Meng-Wu
NT\$ 2,000,000 (included) ~ NT\$ 3,500,000 (excluded)		Cheng, Yu-Jing Chan Yi Chin,		
NT\$ 3,500,000 (included) ~ NT\$ 5,000,000 (excluded)			Chan, Yi-Chin, Lai, Yu-Min,	Cheng, Yu-Jing, Lai, Yu-Min, Chan, Yi-Chin
NT\$ 5,000,000 (included) ~ NT\$ 10,000,000 (excluded)	Chan, Cheng-Tien	Chan, Cheng-Tien	Chan, Cheng-Tien Weng, Mao Cheng	Weng, Mao-Cheng
NT\$ 10,000,000 (included) ~ NT\$ 15,000,000 (excluded)				Chan, Cheng-Tien
NT\$ 15,000,000 (included) ~ NT\$ 30,000,000 (excluded)				
NT\$ 30,000,000 (included) ~ NT\$ 50,000,000 (excluded)				
NT\$ 50,000,000 (included) ~ NT\$ 100,000,000 (excluded)				
NT\$ 100,000,000 or more				
Total	9 people	9 people	9 people	9 people

Note 1 : The Directors' names shall be listed separately (if a corporate shareholder, the corporate name and the representative's name should be listed separately), and the payments shall be consolidated for disclosure. If the director is also the general manager or deputy general manager, shall fill in this table and table (3-1), or table (3-2) and (3-2-1) and (3-2-2).

Note 2 : The Director's remuneration for the most recent year (including salary, job allowances, severance payment, various bonuses and incentives).

Note 3 : The latest amount of Director's remuneration as passed by the board of directors.

Note 4 : The latest annual business execution expenses of the Director (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other

payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount shall not be included in the remuneration.

- Note 5 : The latest salary, job allowances, severance payment, various bonuses, incentives, car expenses, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions for the Director's other jobs (including the positions of General Manager, Deputy General Manager, Manager and other positions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount should not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.
- Note 6 : If a Director receives employee remuneration (including stock and cash) on his/her other job(s) (including the positions of General Manager, Deputy Manager, Manager and other positions) in the latest year, please disclose the amount of employee remuneration as passed by the board of directors in the latest year. If the amount cannot be estimated, it shall be calculated based on the percentage of the actual amount distributed last year, and Appendix 1-3 shall be filled out.
- Note 7 : The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's Director shall be disclosed.
- Note 8 : The total remuneration paid by the Company to each Director; the Director's name shall be disclosed in the respective tier.
- Note 9 : The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's Directors shall be disclosed, and the Director's name s shall be disclosed in the respective tier.
- Note 10 : Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.
- Note 11 : a. In this field the amount of remuneration paid to the Director by the Company's re-invested businesses other than the subsidiaries shall be clearly indicated.
- b. If the Director receives remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration should be incorporated into column I of the Remuneration Tiers Table, and the name of the field shall be changed to "All re-invested businesses".
- c. Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's Director for acting as a director, supervisor or manager of the Company's re-invested businesses other than the subsidiaries.
- \* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

(2) Remunerations of general manager and deputy general managers

Title	Name	Salary (A)(Note 2)		Retirement pension (B)		Bonus and special fees (C) (Note 3)		Employee remuneration (D) (Note 4)				The sum of A, B, C and D as a percentage of after-tax net profit(%) (Note 8)		Remuneration from reinvested businesses other than subsidiaries (Note 9)
		The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company	Companies in the consolidated financial statements (Note 5)	The Company		Companies in the consolidated financial statements (Note 5)		The Company	Companies in the consolidated financial statements (Note 5)	
								Cash	Stock	Cash	Stock			
General Manager	Weng, Mao-Cheng	3,272	3,272	0	0	0	0	500	0	500	0	0.67%	0.67%	None
Deputy General Manager	Chang, Heng-Chia	1,821	1,821	0	0	0	0	300	0	300	0	0.37%	0.37%	None
Deputy General Manager	Lai, Yu- Min	1,821	1,821	0	0	0	0	300	0	650	0	0.37%	0.37%	None

Note : The company shall not require to disclose the 5 highest remunerations paid to top managers.

Range of Remuneration

Range of Remuneration (NT\$)	Name of General Manager and Deputy General Manager	
	The Company (Note 6)	Companies in the consolidated financial statements (Note 7) E
Lower than NT\$ 1,000,000		
NT\$1,000,000 ( included ) ~NT\$2,000,000 ( excluded )	Chang, Heng-Chia, Lai, Yu-Min	
NT\$2,000,000 ( included ) ~NT\$3,500,000 ( excluded )	Weng, Mao-Cheng	Chang, Heng-Chia, Lai, Yu-Min
NT\$3,500,000 ( included ) ~NT\$5,000,000 ( excluded )		Weng, Mao-Cheng,
NT\$5,000,000 ( included ) ~NT\$10,000,000 ( excluded )		
NT\$10,000,000 ( included ) ~NT\$15,000,000 ( excluded )		
NT\$15,000,000 ( included ) ~NT\$30,000,000 ( excluded )		
NT\$30,000,000 ( included ) ~NT\$50,000,000 ( excluded )		
NT\$50,000,000 ( included ) ~NT\$100,000,000 ( excluded )		
NT\$100,000,000 or more		
Total	3 people	3 people

- Note 1 : The General Manager's and the Deputy General Managers' names shall be listed separately, and the payments should be consolidated for disclosure. If the director is also the general manager or deputy general manager, shall fill in this table and table (1-1), or table (1-2-1) and (1-2-2).
- Note 2 : The latest amount of the General Manager's and the Deputy General Managers' salary, job allowances and severance payment.
- Note 3 : The latest annual business execution expenses of the General Manager and the Deputy General Managers (including transportation costs, special expenses, various subsidies, dormitory expenses, car expenses and other physical provisions). In case of the provision of expenses for housing, cars and other means of transportation or exclusive personal expenses, please disclose the nature and cost of the assets provided, the actual or fair market price of the rent, gasoline and other payments. If a driver is provided, please indicate the Company's relevant remuneration to the driver, but the amount shall not be included in the remuneration. According to IFRS 2's recognition of remuneration in "Share-Based Payments", the remuneration shall also include employee stock options, restricted-right employee shares and share subscription from participation in cash capital increase.
- Note 4 : The employee remuneration (including stock and cash) distributed to the General Manager or Deputy General Manager as approved by the board of directors in the latest year. If the amount cannot be estimated, it shall be calculated based on the percentage of the actual amount distributed last year, and Appendix 1-3 should be filled out.
- Note 5 : The total remuneration paid by all the companies (including the Company) in the consolidated report to the Company's General Manager and Deputy General Managers shall be disclosed.
- Note 6 : The total remuneration paid by the Company to each General Manager and Deputy General Manager; the General Manager's and the Deputy General Managers' names are disclosed in the respective tiers.
- Note 7 : The total remuneration paid by all the companies (including the Company) in the consolidated report to each of the Company's General Manager and Deputy General Managers should be disclosed, and the General Manager's and the Deputy General Managers' names shall be disclosed in the respective tier.
- Note 8 : Net profit after tax refers to the net after-tax profit for the latest year.
- Note 9 : a. In this field the amount of remuneration paid to the General Manager or the Deputy General Managers by the Company's re-invested businesses other than the subsidiaries shall be clearly indicated. (If none, please fill in "None" )
- b. If the General Manager and Deputy General Managers receive remuneration from the Company's re-invested businesses other than the subsidiaries, such remuneration shall be incorporated into column E of the Remuneration Tiers Table, and the name of the field shall be changed to "All re-invested businesses".
- c. Remuneration refers to the compensation, reward (including that for an employee, director or supervisor) and business execution expenses received by the Company's General Manager or Deputy General Manager for acting as a director, supervisor or manager of the Company's re-invested businesses other than the subsidiaries.
- \* The contents of the remuneration disclosed in this table are different from those in the Income Tax Law. Therefore, this statement is for the purpose of disclosure but not for taxation.

(3) Remuneration of the top five highest-paid executives of listed companies: Not applicable

#### (4) Managers with Employee Remuneration Distribution

##### Managers with Employee Remuneration Distribution

March 31, 2024

	Title (Note 1)	Name (Note 1)	Stock Bonus	Cash Bonus	Total	Ratio of Total Amount to Net Income (%)
Manager	General Manager	Weng, Mao-Cheng	0	1,100,000	1,100,000	0.19%
	Deputy General Manager	Chang, Heng-Chia				
	Deputy General Manager	Lai, Yu-Min				

Note 1 : The names and titles shall be listed separately, and the remuneration distribution may be consolidated for disclosure.

Note 2 : The latest amount of the manager's employee remuneration as passed by the board of directors (including shares and cash) in the latest year. If the amount cannot be estimated, it shall be calculated based on the percentage of the actual amount distributed last year. Net profit after tax refers to the net after-tax profit for the latest year. If the International Financial Reporting Standards have been adopted, then it is the net after-tax profit of the individual company or the respective financial statement.

Note 3 : The definition of manager, as governed by the letter of the SFC on March 27, 2003 with a reference no. of Tai-Tsai-Cheng III 0920001301, is as follows:

- (1) General manager and equivalent.
- (2) Deputy general manager and equivalent.
- (3) Associate and equivalent.
- (4) Head of financial department.
- (5) Head of accounting department
- (6) Other people who have the right to manage the company's affairs and are the company's authorized signatories.

Note 4 : If the director, general manager and deputy general manager receive employee remuneration (including shares and cash), except fill in Appendix 1-2, shall also fill in this table.

- (5). Analysis of the proportion of the total remuneration of directors, supervisors, general managers and deputy general managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in individual financial statements of the recent two years. Explanation of remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of the ratio of total remuneration paid to the Directors, Supervisors, General Manager and Deputy General Managers of the Company by the Company and all the companies in the consolidated statements in the last two years to net profit after tax:

Year Title	Ratio of total remuneration to net profit after tax (%)			
	2022	2022 consolidated	2023	2023 consolidated
Director	2.09%	4.24%	3.86%	5.39%
General Manager and Deputy General Managers	0.68%	0.72%	1.41%	1.47%

The amount of remuneration paid to directors, general manager and assistant general manager in 2023 and 2022 was equivalent, however, due to recognized the gain on disposal of property by subsidiaries amounting to NT\$880 million in 2022, resulting in a decrease in ratio of total remuneration to net income after income tax.

2. Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

- (1) In accordance with Article 17 of the Company's Articles of Incorporation, the Directors' remuneration is authorized the Board of Directors to determine according to usual level in the same industry as well as with reference to their contributions to the Company's business, resolved by the Board of Directors and reported to the shareholders' meeting.
- (2) The remunerations paid to general managers and deputy general managers including salary and bonus etc. are based on their responsibility and contribution to the Company. The calculation is also referred to the industrial level.
- (3) The remunerations paid to the directors, general manager and deputy general manager are well-considered the Company's revenues and correlation of operation performance.
- (4) The Company has established a Remuneration Committee on December 27, 2011 to regularly evaluate and formulate policies, systems, standards and structures for directors' and managers' remuneration, and submit its recommendations to the Board of Directors for discussion. Important indicators of its performance evaluation are as follows:
  1. Financial performance and cost control
  2. Internal control and regulatory compliance
  3. Risk control
  4. Continuous communication with stakeholders

### 3.4 Implementation of Corporate Governance :

#### (1) Board of Directors :

9 Board meetings (A) were held in most recent year (2023). Directors and Independent Directors attendance was as follows :

Title	Name (Note 1)	Attendance in Person (B)	By Proxy	Attendance rate (%) (B/A) (Note 2)	Remarks
Chairman	Chan Cheng Tien	8	1	88.88%	
Director	Chan Yi Chin	0	0	0.00%	
Director	Chen Meng Wu	8	0	88.88%	
Director	Weng Mao Cheng	9	0	100.00%	
Director	Lai Yu Min	9	0	100.00%	
Director	Cheng Yu Jing	9	0	100.00%	
Independent Director	Lai Sun Quae	8	1	88.88%	
Independent Director	Huang Tien Chang	7	1	77.78%	
Independent Director	Chen Shiou Chung	8	0	88.88%	

Other matters required to be recorded :

1. If there are the circumstances referred to the following issue, the Company shall specify the dates of meetings, sessions, contents of motions, all independents' opinion and the Company's response to independent directors' opinion :

(1) The matters listed in Article 14-3 of the Securities Exchange Act :

Date of meeting	Session	Contents of motions and resolution result
2023/2/22	2023-1	<p>* Discuss the company's plan to participate in the cash capital increase subscription of the subsidiary "Dayi International Development Co., Ltd."</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : The chairman consulted all the directors present and agreed and passed the resolution.</p>
2023/03/13	2023-2	<p>* Discussion on the distribution of employees' and directors' remuneration of the Company in 2022 Director Chan Cheng Tian, director Cheng Yu Jing, director Chen Meng Wu, director Weng Mao Cheng and director Lai Yu Min of the Company are the interested parties in this case. When requesting to discuss the remuneration of individual directors, they recuse the discussion and resolution and acting chairman of the board of directors Lai Sun Quae is invited to discuss and resolve the case.</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : Except for individual directors who shall recuse from the discussion and voting accordance with the law, the rest directors present raised no objection and passed the resolution and presented to the shareholders' meeting for report.</p> <p>* Discuss the proposal to amend the company's "Articles of Association".</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : The chairman consulted all the directors present and agreed to pass the resolution as proposed and presented to the shareholders' meeting for discussion.</p> <p>* Discuss the appointment case of our company's visa accountant.</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : Resolution : The chairman consulted all the directors present and agreed and passed the resolution.</p>
2023/05/12	2023-3	There are no circumstances listed in Article 14-3 of the Securities and Exchange Act
2023/05/31	2023-4	<p>* Discussed the plan to dispose of the company's real estate in Xizhi District (21st floor of U-Town Building B and 12 underground parking spaces) in order to revitalize assets and enrich working capital.</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : The chairman consulted all the directors present and agreed to pass the resolution as proposed and authorize the chairman to handle related matters.</p>
2023/08/11	2023-5	<p>* Discuss the company's proposed purchase of shares of Daejeon International Development Co., Ltd.</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : The chairman consulted all the directors present and agreed to pass the resolution as proposed and authorize the chairman to handle related matters.</p>
2023/09/13	2023-6	<p>* Discuss the company's proposed sale of shares in Nice Plaza Co., Ltd.</p> <p>Opinions of independent directors : No objection or unqualified opinion The Company's handling of the opinions of independent directors : not applicable Resolution : The chairman consulted all the directors present and agreed and passed the resolution.</p>
2023/11/09	2023-7	* Discuss the independence and suitability of the company's certification accountants and the review of public expenses.



		<p>Opinions of independent directors : No objection or unqualified opinion</p> <p>The Company's handling of the opinions of independent directors : not applicable</p> <p>Resolution : The chairman consulted all the directors present and agreed to pass the resolution.</p> <p>*Reported to the head of information security and the manager to terminate the non-competition.</p> <p>Opinions of independent directors : No objection or unqualified opinion</p> <p>The Company's handling of the opinions of independent directors : not applicable</p> <p>Resolution : The chairman consulted all the directors present and agreed to pass the resolution.</p>
2023/11/27	2023-8	<p>* Discuss the company's proposed capital loan case with Kwang Ming Silk Weaving Factory Co., Ltd. (The amount of the capital loan is within the limit of NT\$50,000,000 and the chairman is authorized to do so. The period is 6 months and the interest is 2%.)</p> <p>Director Chan Cheng-Tien, Director Cheng Yu-Jing and Director Chan, Yi-Chin Qing of the Company are interested parties in this case. When the matter was proposed for discussion, they voluntarily avoided the discussion and resolution.</p> <p>Opinions of independent directors : No objection or unqualified opinion</p> <p>The Company's handling of the opinions of independent directors : not applicable</p> <p>Resolution : Except for the company's directors Chan Cheng-Tien , Cheng Yu-Jubg and g Yi-Chin Qing, who were interested parties in the case, they voluntarily avoided discussions and resolutions. After the chairman consulted with the other directors present and had no objections, the resolution was passed.</p>
2023/12/29	2023-9	<p>* Discussion on the Company's donation of charitable funds.</p> <p>Director Chan Cheng Tien, director Cheng Yu Jing, director Lai Yu Min and director Weng Mao Cheng are the interested parties in this case, shall recuse discussion in accordance with the law.</p> <p>* Discussion on the remuneration of directors and managers considered at the fifth meeting of the fifth session of the remuneration committee of the company.</p> <p>Directors (including independent directors), who are interested parties in this case, are legally withdrawn.</p> <p>Opinions of independent directors : No objection or unqualified opinion</p> <p>The Company's handling of the opinions of independent directors : not applicable</p> <p>Resolution: Directors Chan, Cheng Tien, Cheng Yu Jing, Weng Mao Cheng, Chen Meng Wu, Lai Yu Min and independent directors Sun, Quae Lai, Huang Tien Chang, and Chen Shiou Chung who had an interest in the case abstained from discussions and After the chairman consulted with the remaining directors present, the meeting was passed without objection.</p>

\* Evaluation of the independence and suitability of the Company's CPAs :

Discussion on the appointment of the Company's CPSs at the Board of Directors' meeting held on March 13, 2023, with the proposed appointment of CPAs Pan Chun-Ming, Chang Shu-Ying of KPMG to conduct the 2023 audit, and obtain AQI (Audit Quality Indicator) information to be included in the consideration thereof.

Discussion on the CPAs independence and suitability and audit fees at the Board meeting on November 9, 2023. The audit and attestation of the 2023 financial statements were conducted by CPAs Pan Chun-Ming, Chang Shu-Ying of KPMG.

Pursuant to Item 3 of Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the Company evaluates the independence and suitability of the appointed accountants at least once a year. In accordance with this provision, the Company has reviewed the independence and suitability of the accountants appointed by the Company with reference to the evaluation items set forth in the "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China" No. 10, "Integrity, Objectivity and Independence", and has evaluated that the independence and suitability of the two accountants are in good standing.

- (2) In addition, any resolution matters of board of directors with records or statement in writing that independent director has a dissenting opinion or qualified opinion : The company's independent directors all agreed with the major resolutions of the board of directors and had no objections or reservations.

2. Recusal of directors from motions that may have concerns of conflict of interests, shall specify the name of director, contents of motions, the reason for recuse, and the resolution of voting shall be stated :

(1). Content of motion : 2023.03.13 (The 2<sup>st</sup> Board Meeting in 2023) Discuss the distribution of employees' and directors' remuneration of the Company in 2023.

Directors Recusal : Chan Cheng Tian, Cheng Yu Jing, Chen Meng Wu, Weng Mao Cheng and Lai Yu Min.

Reason for recusal and the resolution of voting : Director Chan Cheng Tian, director Cheng Yu Jing, director Chen Meng Wu, director Weng Mao Cheng and director Lai Yu Min of the Company are the interested parties in this case. When requesting to discuss the remuneration of individual directors, they recuse the discussion and resolution.

Except for chairman shall recuse from this case, acting chairman of the board of directors Lai Sun Quae is invited to discuss and resolve the relevant part of the chairman's motion

Except for chairman and the above-mentioned directors shall recuse from this case, and the resolution was discussed and passed without objection and presented to the shareholders' meeting for report.

(2). Content of motion : 2023.11.27 (the eighth meeting of the Board of Directors in 2023) discussed the company's proposed capital loan to Kwang Ming Silk Weaving Factory Co., Ltd.

Directors Recusal : Chan Cheng Tian, Cheng Yu Jing, Chen Yi Chin

Reasons for recusal of interests and voting situation: Director Chan Cheng Tien, Director Cheng Yu Jing, and Director Chan Yi Chin of the Company are interested parties in this case. When the matter was proposed for discussion, they voluntarily recused themselves from the discussion and resolution.

Except for the company's directors , Chan Cheng Tian, Cheng Yu Jing, Chen Yi Chin who were interested parties in the case, they voluntarily avoided discussions and resolutions. After the chairman consulted with the other directors present and had no objections, the resolution was passed.

(3). Content of motion : 2023/12/20 (The 9<sup>th</sup> Board Meeting in 2023) Discussion on the Company's donation of charitable funds.

Directors Recusal : Chan Cheng Tien, Cheng Yu Jing, Lai Yu Min, Weng Mao Cheng

Reason for recusal and the resolution of voting : Director Chan Cheng Tian, director Cheng Yu Jing, director Lai Yu Min and director Weng Mao Cheng are the interested parties in this case, shall recuse discussion in accordance with the law.

Except for Director Chan Cheng Tian, director Cheng Yu Jing, director Lai Yu Min and director Weng Mao Cheng are the interested parties in this case, shall recuse discussion in accordance with the law. The rest of the directors' present raised no objection and passed the resolution.

(4). Content of motion: 2023/12/20 (The 9<sup>th</sup> Board Meeting in 2023) Discussion on directors' and managers' remuneration which was reviewed at the 5<sup>rd</sup> meeting of the 5<sup>th</sup> session of the Remuneration Committee of the Company.

Directors Recusal: Chan Cheng Tian, Cheng Yu Jing, Weng Mao Cheng, Chen Meng Wu, Lai Yu Min, Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung

Reason for recusal and the resolution of voting: The directors (including independent directors) were the interested parties in this case, who shall recuse in accordance with the law.

Except for directors Chan Cheng Tian, Cheng Yu Jing, Weng Mao Cheng, Chen Meng Wu, Lai Yu Min, and independent directors Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung were the interested parties in this case, who shall recuse from the discussion and voting. The chairman consulted all the directors present and agreed to pass the resolution.

3. Information such as the evaluation cycle and period, evaluation scope, method and evaluation content of the board of directors' self-evaluation:

(1). According to the results of 'the performance evaluation of the board of directors' in 2023, the average score of 'the Performance Evaluation of the board of directors' was 4.8, which was close to excellent. The average score of 'the Performance Evaluation of board members' was 4.7, which was close to excellent. (Out of 5 points). The average score of the self-evaluation of the performance evaluation of functional committee members (audit committee) is 4.8, which is close to excellent performance. The

average score of "Self-evaluation of Functional Committee (Salary and Remuneration Committee) Performance Appraisal" is 4.9, which is close to excellent performance. (Full score is 5 points)

(2). Evaluation implementation status of the Board of Directors (2024 The First Board of Directors 2024/3/12)

Evaluation cycle (Note 1)	Evaluation Period (Note 2)	Evaluation Scope (Note3)	Evaluation Method (Note 4)	Evaluation content (Note 5)
Once a year	2023.1.1~ 2023.12.31	The board of directors	Internal evaluation of the Board	The criteria for the board of directors performance evaluation : The degree of participation in the Company's operations. Improvement in the quality of decision making by the board of directors. The composition and structure of the board of directors. The election of the directors and their continuing education. Internal controls.
Once a year	2023.1.1~ 2023.12.31	Individual board members	Performance Evaluation of Director	Board Member Performance Evaluation: Understanding of the Company's goals and missions. Knowledge about director's duties. The degree of participation in the Company's operations. Internal relation building and communication. Directors' professionalism and continuing education ,nternal controls.
Once a year	2023.1.1~ 2023.12.31	Functional committees (Audit Committee, Compensation Committee)	Evaluation of peers	Performance evaluation of functional committees: Degree of participation in company operations, awareness of functional committee responsibilities, improvement of decision-making quality of functional committees, composition of functional committees and selection of members, internal control
Once a year	2023.1.1~ 2023.12.31	Functional committees (Salary and Compensation Committee)	Evaluation of peers	Performance evaluation of functional committees: Degree of participation in company operations, awareness of functional committee responsibilities, improvement of decision-making quality of functional committees, composition of functional committees and selection of members, internal control

Note 1: Fill in the cycle on which the board evaluations are performed, for example: performed once per year.

Note 2: Fill in the period covered by the board evaluation, for example: An evaluation was performed of the performance of the board of directors from 1 January 2019 to 31 December 2019.

Note 3: The scope of the evaluation should cover the performance of the board as a whole, the individual directors, and the functional committees.

Note 4: The performance evaluation methods may include internal evaluation by the board, self-evaluations by individual board members, peer evaluations by board members, evaluations external organizations or experts engaged for that purpose, or other suitable method.

Note 5: The evaluation content shall include at least the following based on the scope of the evaluation:

- (1) Evaluation of the performance of the board should include at least the following: degree of the board's participation in the operation of the company; the quality of the board's decision making; composition and structure of the board; election and continuing education of the directors; internal control.

- (2) Evaluation of the performance of individual directors should include at least the following: familiarity with the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationships and communication; the director's professionalism and continuing education; internal control.
- (3) Evaluation of the performance of the functional committees: degree of participation in the operation of the company; awareness of the duties of the functional committee; quality of decisions made by the functional committee; makeup of the functional committee and election of its members; internal control.

4. To strengthen competency of the board of directors in current and recent years (e.g. to set up an Audit Committee, to enhance transparency of information, etc.) and assessment of implementation :

- (1) The operation of the board of directors of the Company is in accordance with the provisions of laws and regulations, the articles of incorporation and the resolutions of the shareholders' meeting. All directors have the necessary professional knowledge, skills and accomplishment to perform their duties, and the principle of good faith and the obligation to do their best to create the maximum benefits for all shareholders.
  - (2) The Company has elected independent directors. The board of directors is also committed to establishing a good corporate governance system, improving the supervision function and strengthening the management function. In accordance with the provisions of the competent authority, it formulates the rules of procedure of the board of directors, including the main discussion contents, operating procedures, matters to be specified in the minutes, announcements and other matters to be followed, all of which shall be handled in accordance with the provisions.
  - (3) The Company shall conduct annual performance evaluation of the board of directors, and strengthen the function of the board of directors. The internal audit unit shall conduct audit and prepare an audit report according to the annual audit plan. The monthly audit report shall be presented to independent directors and supervisors for review by the end of the next month, and reports to the board of directors on a quarterly basis.
  - (4) On December 17, 2011, the board of directors of the company passed the resolution to set up the Remuneration Committee (the first session). On August 11, 2021, the board of directors elected the fifth Remuneration Committee. The new three remuneration committee members is all independent directors. Two meetings have been held in 2023 to review the remuneration policies of directors and managers and implementation of corporate governance
  - (5) On June 1, 2018, the Company established an audit committee to replace the supervisor. In 2023, the Company held nine meetings and presented the resolutions to the board of directors for resolution to implement the corporate governance.
- (2) The operation of the audit committee or the participation of supervisors in the operation of the board of directors :

1. Operation of the Audit Committee:

The company set up an audit committee to replace the supervisor on June 1, 2018. The three audit committee members are all independent directors. On August 4, 2021, the term of office of the second Audit Committee was from 2021/8/4 to 2024/8/4. From January 1, 2023 to December 31, 2023, the Audit Committee held 9 meetings (A). The attendance of independent directors is as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A) (Note)	Remarks
Convener	Lai Sun Quae	8	1	88.9	Re-elected on August 4, 2021
Committee member	Huang Tien Chang	7	7	77.8	Re-elected on August 4, 2021
Committee member	Chen Shiou Chung	8	0	88.9	Re-elected on August 4, 2021

The Company's Audit Committee is composed of the entire number of independent directors and meets at least quarterly to deliberate on matters including :

1. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
2. Evaluation of the effectiveness of the internal control system.
3. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
4. Matters in which a director is an interested party.
5. Asset transactions or derivatives trading of a material nature.
6. Loans of funds, endorsements, or provision of guarantees of a material nature.
7. The offering, issuance, or private placement of equity-type securities.
8. The hiring or dismissal of a certified public accountant, or their compensation.
9. The appointment or discharge of a financial, accounting, or internal audit officer.
10. Annual and semi-annual financial reports.
11. Other material matters as may be required by the Company or by the Taiwan competent authority.

Other matters required to be recorded :

A. Operation of the Audit Committee shall, if any of the following, specify date of meeting, period, contents of motions, resolution of Audit Committee and handling against opinions of Audit Committee.

(a) The matters listed in Article 14-5 of the Securities Exchange Act.

1. The 8st meeting of the 2nd session of the Audit Committee on February 22, 2023.
  - (1) Content of motion : Discuss the company's proposed participation in the cash capital increase and subscription of its subsidiary "Da Yi International Development Co., Ltd. "

Independent directors' objection, reservation or material proposed items content : None

Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.

The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.
2. The 9st meeting of the 2nd session of the Audit Committee on March 13, 2023.
  - (1) Content of motion : Discuss the company's annual risk report for 2023.
 

Independent directors' objection, reservation or material proposed items content : None

Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.

The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.
  - (2) Content of motion : Discuss the company's Statement of Internal Control System for 2023
 

Independent directors' objection, reservation or material proposed items content : None

	<p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.</p> <p>(3) Content of motion : Discussion on the company's financial statements and business report for 2023.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution and presented to the shareholders' meeting for discussion.</p> <p>(4) Content of motion : Discuss the company's 2022 profit distribution plan</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection.</p> <p>The company's handling of the audit committee's opinions: Submit it to the board of directors for discussion according to the plan. The chairman seeks the approval of all directors present and approves it, and submits it to the shareholders' meeting for approval.</p> <p>(5) Content of motion : Discuss the appointment case of our company's visa accountant.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.</p> <p>3. The 10st meeting of the 2nd session of the Audit Committee on May 12, 2023.</p> <p>(1) Content of motion : Discussion on the 2023 first quarter financial statements of the Company and the quarterly financial statements and business report reviewed by CPA.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution and presented to the shareholders' meeting for discussion</p> <p>4. The 11st meeting of the 2nd session of the Audit Committee on May 31 2023.</p> <p>(1) Content of motion : Discussed the plan to dispose of the company's real estate in Xizhi District in order to revitalize assets and enrich working capital.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution and authorize the chairman to handle relevant matters</p> <p>5. The 12st meeting of the 2nd session of the Audit Committee on August 11 2023.</p> <p>(1) Content of motion : Discussion on the company's consolidated financial report for the second quarter of 2023</p>
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	<p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.</p> <p>(2) Content of motion : Discuss the company's proposed purchase of shares of Daejeon International Development Co., Ltd.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution and authorize the chairman to handle relevant matters</p> <p>6. The 13st meeting of the 2nd session of the Audit Committee on September 13 2023.</p> <p>(1) Content of motion : Discuss the company's proposed sale of shares in Nice Plaza Co., Ltd.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution and authorize the chairman to handle relevant matters</p> <p>7. The 14st meeting of the 2nd session of the Audit Committee on November 9 2023.</p> <p>(1) Content of motion : Discuss the company's proposed capital loan case with Kwang Ming Silk Weaving Factory Co., Ltd.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and the company is requested to handle it in accordance with the regulations on the handling of funds loans and endorsement guarantees of publicly issued companies.</p> <p>passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal was submitted to the board of directors for discussion. Except for the company's directors Chan Cheng Tien, Cheng Yu Jing, and Chan Yi Chin, who were interested parties in the case, they voluntarily recused themselves from the discussion and resolution. After the chairman consulted with the other directors present and had no objections, the proposal was passed.</p> <p>(2) Content of motion : Discuss the independence and suitability of the company's certification accountants and the review of public expenses.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p> <p>Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.</p> <p>The Company's Resolution of the Audit Committee's Opinion : The proposal shall be presented to the board of directors for resolution. The chairman consulted all the directors present and agreed and passed the resolution.</p> <p>8. The 15st meeting of the 2nd session of the Audit Committee on November 27, 2023.</p> <p>(1) Content of motion : Discuss the company's proposed capital loan case with Kwang Ming Silk Weaving Factory Co., Ltd.</p> <p>Independent directors' objection, reservation or material proposed items content : None</p>
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Resolution of Audit Committee : The chairman consulted all the attending committee members And the company is requested to handle it in accordance with the regulations on the handling of funds loans and endorsement guarantees of publicly issued companies. and passed the proposal without any objection, and submitted the case to the board of directors for resolution.

The Company's Resolution of the Audit Committee's Opinion : The proposal was submitted to the board of directors for discussion. Except for the company's directors Chan Cheng Tien, Cheng Yu Jing, and Chan Yi Chin who were interested parties in the case, they voluntarily recused themselves from the discussion and resolution. After the chairman consulted with the other directors present and had no objections, the proposal was passed.

9. The 16st meeting of the 2nd session of the Audit Committee on December 20 2023.

(1)Content of motion : Discussion on the Company's donation of charitable funds.

Independent directors' objection, reservation or material proposed items content : None

Resolution of Audit Committee : The chairman consulted all the attending committee members and passed the proposal without any objection, and submitted the case to the board of directors for resolution.

The Company's Resolution of the Audit Committee's Opinion : The proposal was submitted to the board of directors for discussion. Except for the company's Chan Cheng Tien, Director Cheng Yu Jing, Lai Yu Min and Director Weng Mao Cheng who had an interest in the case and recused themselves in accordance with the law, the proposal was adopted after the chairman consulted the other directors present and had no objections.

(b)Except for the preceding matters, other matters not approved by the Audit Committee and approved by two-thirds or more of all directors : None.

※ Review of financial report

The Company's 2022 financial statements, the business report, and the distribution of earnings and the quarterly financial statements for the year ended December 31, 2023, among which the 2023 quarterly financial statements have been audited by Pan Jun-Ming, Chang Shu-Ying of KPMG Taiwan, and a written auditor's report was issued. The aforementioned business report, financial statements and profit distribution were approved after the chairman consulted all the members present and raised no objection, and the proposal will submit to the board of directors for resolution. (In 2022, the CPAs were Pan Jun-Ming and Chang Shu-Ying ).

- B. If there is Independent Directors' avoidance of motions in conflict of interest, the Independent Directors' names, contents of motions, causes for avoidance and voting should be specified :  
Proposal content: Discussing the company's salary and remuneration on 2023/12/20 (see P22(4) for details)
- C. Communications between the independent directors, the Company's Chief Internal Auditor and CPAs ( including the items, methods and results of audits of corporate finance or operations, etc. ) :  
The Company's independent directors are the Audit Committee members, The Company's CPAs shall meet with the Audit Committee at least once a year for face-to-face communication. The Company's Chief Internal Auditor and Accounting Officer communicate with the Audit Committee members (independent directors) mainly after the Board Meeting or Audit Committee Meeting.
1. Communications between the Audit Committee members (independent directors) and CPAs: On 2022/3/23, the three independent directors, Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung, had a face-to-face meeting with Pan Jun-Ming, Chang Shu-Ying of KPMG Taiwan.
  2. Communication between the audit committee (independent director) and the internal audit supervisor and accounting supervisor
    1. The audit unit shall send a monthly internal audit report to the independent director for review.
    2. Report the implementation of the quarterly internal audit plan to the board of directors. In the meeting, the directors (including independent directors) shall give full explanation immediately if they have any problems.
    3. Each quarter / year, the CPA shall issue the written document of the financial statements review/audit report, and communicate with the Audit Committee (independent director) on the



overall audit status, internal control audit status and recent amendments of relevant laws and regulations of the parent company and its subsidiaries.

4. The CPA will issue an annual statement of independence and competence, and communicate with the Audit Committee (independent director) in accordance with relevant regulations.
5. At the end of each Board meeting or Audit Committee meeting, the Chief Auditor communicates with Audit Committee members (Independent Director) the findings of the internal audit and the follow-up after the period, and listens to the opinions and instructions of the Audit Committee members (Independent Director).

Date	Object	Issues to Communicate	Result
2023/3/22 (2023 1st time)	Audit Committee members (Independent Director) : Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. The implementation of the internal audit plan in 2022 fourth quarter. (Audit)</li> <li>2. Report on the implementation of the greenhouse gas inventory plan in the fourth quarter of 2022. (Audit)</li> <li>3. Information security control execution and risk assessment results report in 2022. (Audit, Information)</li> <li>4. The performance evaluation results of the board of directors in 2022. (Audit)</li> <li>5. Participated in the cash capital increase subscription of the subsidiary "Dayi International Development Co., Ltd." (Accounting)</li> </ol>	The Audit Committee (independent director) has no dissenting opinion
2023/3/13 (2023 2nd time)	Audit Committee members (Independent Director) : Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. 2023 insider trading and prevention publicity, integrity management and moral code of conduct and legal compliance publicity. (Audit)</li> <li>2. Annual risk report of 2023. (Audit)</li> <li>3. Annual Statement of Internal Control System of 2022. (Audit)</li> <li>4. Financial statements and business report of 2022. (Accounting)</li> <li>5. Amendment to the Company's "Articles of Incorporation" (Accounting).</li> <li>6. Company's Business Plan of 2023</li> <li>7. The appointment of the Company's CPA.</li> </ol>	The Audit Committee (independent director) has no dissenting opinion
2023/5/12 (2023 3rd time)	Audit Committee members (Independent Director) : Lai Sun Quae, Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. The implementation of the internal audit plan in 2023 first quarter (Audit)</li> <li>2. Report on the implementation of the greenhouse gas inventory plan in the first quarter of 2023. (Audit)</li> <li>3. Corporate governance evaluation results of 2022. (Audit)</li> <li>4. The company's consolidated financial statements for the first quarter of 2023 and the consolidated financial (Accounting)</li> </ol>	

2023/5/31 (2023 4rd time)	Audit Committee members (Independent Director) : Lai Sun Quae, Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. Renewal of liability insurance for directors, supervisors and managers in 2023. (Audit)</li> <li>2. Plan to dispose of the company's real estate in Xizhi District. (21st floor and 12 underground parking spaces at No. 97, Section 1, Xintai 5th Road, Xizhi District, New Taipei City; 11th floor and 6 underground parking spaces at No. 43-5, Zhongxing Road, Xizhi District, New Taipei City) (Audit)</li> </ol>	The Audit Committee (independent director) has no dissenting opinion
2023/8/11 (2023 5th time)	Audit Committee members (Independent Director) : Lai Sun Quae, Huang Tien Chang and Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. The implementation of the internal audit plan in 2023 second quarter. (Audit)</li> <li>2. Report on the implementation of the greenhouse gas inventory plan in the second quarter of 2023. (Audit)</li> <li>3. Corporate Social Responsibility Report of 2022. (audit)</li> <li>4. The consolidated financial report for the second quarter of 2023(Accounting)</li> <li>5. Purchase of Shares of Da Tine International Development Co., Ltd. by Our Company (Accounting)</li> </ol>	The Audit Committee (independent director) has no dissenting opinion
2023/9/13 (2023 6th time)	Audit Committee members (Independent Director) : Lai Sun Quae, Huang Tien Chang and Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. Sale of Shares in Nice Plaza Limited by our Company. (Audit)</li> </ol>	The Audit Committee (independent director) has no dissenting opinion
2023/11/9 (2023 7th time)	Audit Committee members (Independent Director) : Lai Sun Quae, Chen Shiou Chung	<ol style="list-style-type: none"> <li>1. The implementation of the internal audit plan in 2023 third quarter. (Audit)</li> <li>2. Report on the implementation of the greenhouse gas inventory plan in the third quarter of 2023. (Audit)</li> <li>3. Circulation of corporate governance education and promotion materials for 2023. (Audit)</li> <li>4. The company's consolidated financial statements for the third quarter of 2023 and the consolidated financial (Accounting)</li> <li>5. Review of the independence, competence and public expense of certified accountants. (Accounting)</li> <li>6. Prohibition on Competing with the Company's Security Officers and Managers by Reporting to the Competent Security Supervisor and Manager. (Audit)</li> </ol>	The Audit Committee (independent director) has no dissenting opinion

			7. Internal Audit Operation Review Plan of 2024. (Audit)	
	2023/11/27 (2023 8th time)	Audit Committee members (Independent Director) : Huang Tien Chang and Chen Shiou Chung	1. Funding Loan to Bright Weaving Factory Co., Ltd. by Our Company. (Audit)	The Audit Committee (independent director) has no dissenting opinion
	2023/12/20 (2023 9th time)	Audit Committee members (Independent Director) : Lai Sun Quae, Huang Tien Chang and Chen Shiou Chung	1. Charity donation - Jinxian Social Welfare Charity Foundation NT\$1.5 million. (Audit)	The Audit Committee (independent director) has no dissenting opinion

Note 1 : If an independent director resigns before the end of the year, the date of his resignation shall be indicated in the remarks column. The actual attendance rate (%) shall be calculated based on the number of meetings of the audit committee and his actual attendance during his / her tenure.

Note 2 : Before the end of the year, if there is re-election of an independent director, the new and former independent directors shall be filled in, and the date of. former, new or re-election of the independent director shall be indicated in the remarks column. The actual attendance rate (%) is calculated based on the number of meetings and actual attendance of the Audit Committee during his / her tenure.

2. The state of participation in board meetings by the supervisors : Not applicable.

(3) Corporate Governance Implementation Status and any difference from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the reasons :

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons
	Yes	No	Summary	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'?	V		The company passed the 'Corporate Governance Best-Practice Principles 'on December 16, 2014 and disclosed it on the company's website. The company amended the company's the 'Corporate Governance Best-Practice Principles 'with reference to the updated the 'Corporate Governance Best-Practice Principles 'of TWSE, which was presented to the board of directors for approval on March 25, 2021 and publicly disclosed on the company's website.	It complies with Articles 1~2 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'. In order to meet the actual situation of the company, the content is slightly amended.
2.. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and	V		1. The general manager's office has full-time staff, spokesmen and acting spokesmen to deal with shareholders' suggestions, doubts and disputes. The company's website, corporate responsibility report and annual report all announce the telephone number, address and email of the contact person.	It complies with Articles 13 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies' and the reasons
	Yes	No	Summary	
litigations, and implement based on the procedure?			The company's internal operating procedures for handling shareholders' suggestions, doubts, disputes and litigation matters are set out in Articles 4~13 of Chapter II 'protection of shareholders' rights and interests 'of the 'Corporate Governance Best-Practice Principles', and the spokesperson or acting spokesperson shall response orally or in writing	It complies with Articles 19 of 'the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	V		2. The company entrusts a special stock affairs agency to handle the company's stock affairs. The company can know the increase, decrease, mortgage or change of the shares held by the shareholders holding more than 5% of the shares, directors, supervisors and managers at any time. The list of directors, supervisors, managers and shareholders holding more than 10% of the shares shall be entered into the information application website designated by the competent authority every month according to the regulations, or can be inquired in the annual report of the company or the company's website.	It complies with Articles 4~19 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	V		3. The company and related enterprises are independent individual legal persons, whose assets, finance and accounting are independent, and their profits and losses and risks are borne by themselves.  The company's financial transactions with related enterprises are interest-bearing at the market interest rate, and the amount and necessity of capital loans are reassessed annually according to the capital demand. There is also an evaluation mechanism for endorsements and guarantees of a single enterprise.  The management of its affiliates transactions, endorsements and guarantees, and capital loans between the company and its affiliates shall be controlled in accordance with the provisions of the Securities Exchange Act. And formulate the operation of "supervision and management of subsidiaries", and implement the risk control mechanism of subsidiaries. For details, please refer to articles 14~19 of section 3 "governance relationship between the Company and its affiliates" in Chapter II of the company's 'Corporate Governance Best-Practice Principles'.	
(4) Does the company establish internal rules against insiders trading with undisclosed information?	V		The directors, supervisors and management teams of its affiliates are all appointed by the company to control or participate in the operation of its affiliates, review the operating performance of its affiliates on a quarterly basis, and prepare the consolidated financial statements accordingly. 4.1 The company has established 'Procedures for Handling Material Inside Information (prevention of insider trading management)' to regulate and urge insiders not to trade securities by using undisclosed information on the market. 4.2 On 2023/3/13, report to the board of directors in 2023 insider trading and prevention publicity, 2023 year integrity management and moral code of conduct and legal compliance publicity. On 2024/03/12, the 2024 insider trading and prevention promotion, 2024 integrity management and ethical code of conduct and	It complies with paragraph 2 of Articles 10 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies' and the reasons
	Yes	No	Summary	
			<p>legal compliance promotion were reported to the board of directors.</p> <p>4.3 When the annual financial report or quarterly financial report is submitted to the board of directors for discussion or report, it is publicized to the directors that "directors and insiders are not allowed to report during the closed period of 30 days before the announcement of the annual financial report and 15 days before the announcement of the quarterly financial report.</p>	
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(1) Does the Board develop and implement a diversified policy for the composition of its members?</p>	V		<p>1. The Company's Corporate Governance Best-Practice Principles Article 20 stipulates that the composition of the board of directors shall take into account diversity. In order to implement the diversity of directors, the Company has established the "Board Diversity Policy" and set targets for the diversity policy, the achievement of the diversity targets is evaluated annually by the Corporate Governance Steering Group. The specific implementation method is "To enhance the above-mentioned diversity expertise and skills of our directors, the Company gives priority to recommending or enrolling directors in the above-mentioned courses during the annual six-hour Program Planning for Director Continuing Education, and the course fees are fully paid by the Company". The 2021 Annual Shareholders' Meeting elected three seats of independent directors and 3 female directors. The current directors have diversified professional backgrounds in business management, leadership and decision-making, industry knowledge, international perspective, and financial analysis, as well as extensive operating experience. For the education, experience, gender, professional qualifications and work experience of each director, please refer to the "Board Diversity Policy" in this annual report.</p>	It complies with Articles 20 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.
<p>(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?</p>		V	<p>2. The Company established a Remuneration Committee on 2011/12/27 and an Audit Committee to replace the Supervisor on 2018/6/1. On 2021/8/4, the Company's shareholders' meeting elected three independent directors and the independent directors formed the Audit Committee. On 2021/8/11, the board of directors approved the appointment of Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung as the three independent directors for the current term of 2021/8/11-2024/8/3 as remuneration committee members. The Company has not yet considered the establishment of other functional committees (The company's audit committee also (replaces) the functions of the risk management committee) and the future will depend on government regulations and the trend of corporate governance to assess the needs of the Company. Relevant provisions are recorded in the Company's compliance with articles 27~30, Section 3 of Chapter III, functional committees of the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.</p>	It complies with paragraph 2 of Articles 28 and 28~1 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies'.
<p>(3) Does the company establish a standard to measure the</p>	V		<p>3. The Company has formulated a performance evaluation method for the board of directors. The</p>	It complies with paragraph 3~4 of

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons									
	Yes	No	Summary										
performance of the Board, implement it annually, report the results of the performance appraisal to the board of directors and apply the results for reference regarding individual directors' remuneration and re-appointments?			members of the board of directors regularly conduct the 'Performance Evaluation of the board of directors', the 'Performance Evaluation of board members' and 'Performance Evaluation of functional committees' every year, and present a Performance Evaluation result report at the next Board Meeting (2024/3/12 of the first Board Meeting in 2024). According to the results of the performance evaluation of the board of directors in 2023, the average score of 'the Performance Evaluation of the board meeting unit' was 4.8, which was close to excellent. The average score of the 'Performance Evaluation of board members' is 4.7, which is close to excellent performance (Full score is 5), The "Self-evaluation of Functional Committee (Audit Committee) Performance Appraisal" averaged 4.8 points, which is close to excellent performance. The average score of "Self-evaluation of Functional Committee (Salary and Remuneration Committee) Performance Appraisal" is 4.9, which is close to excellent performance. (Full score is 5 points) The board of directors of the Company has included the evaluation results for reference when deciding on the payment of directors' remuneration and nominating directors for further appointment.	Articles 37 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.									
(4) Does the company regularly evaluate the V independence of CPAs	V		<p>4. The Company's certified public accountants regularly issue a statement of "compliance with the relevant independence requirements of the Norm of Professional Ethics for CPA" once a year and send it to the board of directors for discussion and evaluation of the independence and suitability of the CPA. In 2023, the independent assessment of visa accountants (Pan Chun Ming and Chang Shu Ying) was discussed and approved .The independence evaluation of the certified public accountants was discussed and approved at the 7<sup>nd</sup> Board Meeting on 2023/11/9.</p> <p>The certified public accountant has no interest or relative relationship with the Company, and maintains an impartial and objective attitude in the provision of professional services and meets the criteria of independence and suitability.</p> <table><tr><th>Evaluation items</th><th>Evaluation Result</th><th>Conformity with independence</th></tr><tr><td>1. Whether the accountant has a direct or material indirect financial interest in the Company.</td><td>No</td><td>Yes</td></tr><tr><td>2. Whether the CPA has engaged in financing or guarantees with the Company or</td><td>No</td><td>Yes</td></tr></table>	Evaluation items	Evaluation Result	Conformity with independence	1. Whether the accountant has a direct or material indirect financial interest in the Company.	No	Yes	2. Whether the CPA has engaged in financing or guarantees with the Company or	No	Yes	It complies with Articles 29 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.
Evaluation items	Evaluation Result	Conformity with independence											
1. Whether the accountant has a direct or material indirect financial interest in the Company.	No	Yes											
2. Whether the CPA has engaged in financing or guarantees with the Company or	No	Yes											

Evaluation Item	Status of Implementation (Note 1)					Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies' and the reasons
	Yes	No	Summary			
			the Company's directors.			
			3. Whether the CPA has a close business relationship and potential employment relationship with the Company.	No	Yes	
			4. Whether the CPA and the audit team members currently hold or have held any directorships, managerial positions or positions of significant influence over the audit of the Company in the last two years.	No	Yes	
			5. Whether the CPA has provided any non-audit services to the Company that may directly affect the audit.	No	Yes	
			6. Whether the CPA has brokered any shares or other securities issued by the Company.	No	Yes	
			7. Whether the CPA has acted as the Company's advocate or coordinated conflicts with other third parties on behalf of the Company.	No	Yes	
			8. Whether the CPA is related to the Company's directors, managers or persons with significant influence on the audit	No	Yes	

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons
	Yes	No	Summary	
			On March 13, 2023, the company was evaluated by the audit committee and the board of directors with reference to the audit quality indicators (AQIs), and passed the certification of the independence and suitability of accountants, Approved the 2024 visa accountant appointment case.	
4. Has the TWSE/TPEX listed company been equipped with competent and appropriate numbers of corporate governance personnel, and designated a CGO responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information required for business execution, assisting directors and supervisors with legal compliance, handling matters related to board meetings and shareholders meetings in accordance with the law, and producing meeting minutes for board of directors meetings and shareholders meetings)?	V		<p>The general manager's office has dedicated staff to collect, organize and handle corporate governance matters, and is responsible for matters related to the shareholders' meeting, the Board of Directors, the Audit Committee and the Remuneration Committee, including but not limited to providing information necessary for directors, audit committee members and remuneration committee members to perform their business, handling meetings notices of the board of directors, the Audit Committee, the Remuneration Committee and the Shareholders' Meeting, compiling meeting information and preparing and sending out minutes of meetings.</p> <p>Company registration and change of registration are handled by the finance department in consultation with the competent authorities.</p> <p>The disclosure and declaration of information on internal audit, finance, material information, and corporate governance, as well as the public disclosure of information on the Company's website are handled by the undertaking unit on its own, while stock affairs such as changes in shareholders' shareholdings and transfers are handled by the stock affairs department of Grand Fortune Securities.</p> <p>The Company's board of directors (2021 the 1<sup>st</sup> Board Meeting on 2021/3/25) approved Lai Yu Min, deputy general manager of finance, as the corporate governance officer of the Company.</p> <p>The annual corporate governance-related matters for 2023 are as follows :</p> <ol style="list-style-type: none"> <li>① Organize and prepare meeting minutes of the board of directors, Audit Committee and Remuneration Committee: 9 Board meetings, 9 Audit Committee meetings, 2 Remuneration Committee meetings, 20 meetings in total.</li> <li>② Organize shareholders' meetings and compile the meeting minutes: 1 time.</li> <li>③ Assisted directors in their continuing education: 9 persons, 54 hours in total.</li> <li>④ Assist in providing information necessary for directors to carry out their business, including materials for meetings of the Board of Directors, Audit Committee, and Remuneration Committee 7 days prior to the meeting.</li> <li>⑤ Assist directors to comply with regulations in the execution of business or formal resolutions of the board of directors.</li> <li>⑥ The corporate governance supervisor's training is required to be at least 12 hours a year.</li> </ol>	It complies with Articles 3~1 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.
5. Does the company establish a communication channel and build a designated section on its	V		The general manager's office of the Company has dedicated staff (spokesperson) to handle responses from stakeholders such as investors,	It complies with Articles 47 of the Corporate



Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons
	Yes	No	Summary	
website for involved parties (including but not limited to shareholders, employees, customers and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?			<p>shareholders, banks, employees, customers and suppliers, so as to maintain a smooth communication channel. In addition, the Company's website has a special area for interested parties, and the name, telephone number and email address of the contact person (spokesman) are posted on the website. All questions responded are answered by the contact person (spokesman) in person.</p> <p>The Company will also respond to the concerns of stakeholders through the following channels :</p> <ol style="list-style-type: none"> <li>1. Shareholders : Annual shareholders' meetings are held and shareholders can exercise their voting rights through electronic means. The Company issues annual report and corporate responsibility report every year, publishes monthly revenue and self-closing financial report each quarter to facilitate shareholders to understand the Company's operation.</li> <li>2. Employees: Employee benefit, occupational safety and health, gender equality and prevention of sexual harassment, labor employment relations and other issues can be communicated with employees through the departmental meeting, bulletin board, e-mail and document circulation, etc.</li> <li>3. Suppliers : The Company adheres to the principle of ethic operation and sustainable development, abides by the principle of fair trade, and requires manufacturers to pay attention to the protection of environmental protection, industrial safety and labor rights and interests. and strengthen communication between the two sides through annual supplier evaluation and regular visits to suppliers.</li> <li>4. Customers : Through visiting customers, participating in exhibitions and customer satisfaction surveys, and analyzing the causes of customer complaints, respond to customer concerns about quality and after-sales service. We also set up a dedicated customer contact channel on company website, provide customer phone numbers and email addresses, and collect valuable feedback from customers.</li> <li>5. Other Stakeholders or the Public : The Company publishes a Corporate Responsibility Report each year which is available on the Company's website for non-specific stakeholders or the public to view or download.</li> </ol>	Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	V		The Company appointed the stock affairs department of Grand Fortune Securities to handle.	It complies with paragraph 1 of Articles 7 of the 'Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies'.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	V		1. The Company has set up a corporate website <a href="http://www.yijinn.com.tw">www.yijinn.com.tw</a> to disclose the financial, business and corporate governance information of the Company, and report the financial, business and corporate governance information on the	It complies with paragraph 1 of Articles 57 of the 'Corporate Governance Best-Practice Principles for

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons
	Yes	No	Summary	
<p>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company announce and report the annual financial report as early as possible within two months after the end of the fiscal year, and announce and report the first, second and third quarter financial reports and the operating status of each month as early as possible before the required deadlines?</p>	V		<p>website designated by the competent authority (the Market Observation Post System).</p> <p>2. The general manager's office, finance department and other units of the Company have designated personnel to collect and disclose the Company's information, and the spokesperson will uniformly release the Company's information to the public. And participate in the Institutional Investor Conference (2023/12/1) held by Grand Fortune Securities. The briefing materials and the video link of institutional investor conference will be posted on the website for investors to watch after the conference.</p> <p>3. In accordance with Article 36 of the Securities and Exchange Act, the Company shall perform public announcement and registration with the Competent Authority within three months after the close of each fiscal year and within 45 days after the end of the first, second, and third quarters, and within the first ten days of each calendar month publicly announce and register with the Competent Authority the operating status for the preceding month.</p>	<p>TWSE/TPEX Listed Companies'. It complies with Articles 55~58 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.</p> <p>The company's financial report must consolidate individual subsidiaries, and it is not possible to announce and report financial reports in advance.</p>
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		<p>Through the Market Observation Post System (<a href="http://mops.twse.com.tw/">http://mops.twse.com.tw/</a>) Corporate Governance section, stock code 1457, to understand the Company's corporate governance-related business operations, or through the company's spokesman to consult the Company's corporate governance disclosure information, other important information to help understand the operation of the Company's corporate governance is as follows :</p> <p>1. Employee rights and interests : The Company has always attached importance to the harmony of labor relations. In order to encourage employees to express their opinions, the company has set up an employee suggestion box and a special complaint hotline in the factory, and an online suggestion box on the company's website. The employee suggestion box and the special complaint hotline have designated personnel to be responsible for investigation and reply, so as to smooth the communication channel of employees' opinions. In addition, the company holds quarterly labor-management meetings, attended by relevant supervisors, to communicate with employee representatives, so as to promote harmonious labor relations and corporate sustainable development.</p> <p>2. Investor Relations : The Company's spokesperson (or acting spokesperson) shall uniformly accept the inquiries from shareholders, potential investors and stakeholders, and suggestions from all sectors of society, and provide explanations for them. There is an "investor section" on the Company's website to provide investor-related information to establish a good relationship with investors.</p> <p>3. Supplier relationship : The Company selects suppliers based on the quality, quantity, schedule and competitive price of the products delivered. In response to the expectation of corporate social responsibility, the Company also requires suppliers</p>	It complies with Articles 28~2, 51~54 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.

Evaluation Item	Status of Implementation (Note 1)			Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies' and the reasons																
	Yes	No	Summary																	
			<p>to pay attention to occupational safety, working environment, supply chain management and hardware and equipment safety, etc. through annual supplier evaluation, code of corporate integrity and contractor safety education training to communicate.</p> <p>4. Rights of Stakeholders : The Company's measures to respond to the rights of stakeholders include : Neighboring communities : Sponsor community activities, subsidize activities funds and gifts, and provide social relief supplies. Non-governmental organizations and civil groups : Irregularly participate in civil groups activities and interactions, to appropriately demonstrate the Company's good management, image, and to participate and share sustainability issues. Industry : Participate in Industry Association, exchange industry information, etc. Government : Comply with the relevant laws and regulations of the governmental authorities, respond to government policies and topics, and fulfill the responsibilities of good corporate citizens.</p> <p>5. The status of the Company purchasing liability insurance for directors and supervisors : The Company has applied for directors' and supervisors' and important employees' liability insurance with Tokio Marine Nawa Insurance Co., Ltd., with the insured amount of US \$3 million, effective from April 1, 2022 to April 1, 2023. After the insurance policy expires, renew the policy with Tokio Marine Nawa Insurance Co., Ltd., for the period from 2023/4/1 to 2024/4/1. To reduce the legal risks and financial liabilities of the Company's directors and to protect them from possible damages in the performance of their duties. (Reported to the board of directors on March 23, 2022) .The insurance period is from April 1, 2023 to April 1, 2024. In order to reduce the legal risks and financial liabilities of the company's directors, and protect possible damages due to the performance of their duties. (Already reported to the board of directors on May 31, 2023)</p> <p>6. Directors' continuing education : (in accordance with articles 40 and 50 of the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies).</p> <table><tr><th>Title</th><th>Name</th><th>Period</th><th>Course Hours</th></tr><tr><td rowspan="2">Director</td><td rowspan="2">Chan Cheng Tien</td><td>2023/07/26</td><td>3</td></tr><tr><td>2023/08/16</td><td>3</td></tr><tr><td rowspan="2">Director</td><td rowspan="2">Chan Yi Chin</td><td>2023/07/26</td><td>3</td></tr><tr><td>2023/10/24</td><td>3</td></tr></table>	Title	Name	Period	Course Hours	Director	Chan Cheng Tien	2023/07/26	3	2023/08/16	3	Director	Chan Yi Chin	2023/07/26	3	2023/10/24	3	<p>It complies with Articles 40 and 50 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.</p> <p>It complies with Articles 39, 49 of the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies'.</p>
Title	Name	Period	Course Hours																	
Director	Chan Cheng Tien	2023/07/26	3																	
		2023/08/16	3																	
Director	Chan Yi Chin	2023/07/26	3																	
		2023/10/24	3																	

Evaluation Item	Status of Implementation (Note 1)						Any difference from the 'Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies' and the reasons	
	Yes	No	Summary					
				Director	Lai Yu Min	2023/08/22	3	7. The Company presents the risk report (March 13, 2023) ,(including 2022 year the identification of significant non-financial ESG topics) annually on the board of directors .
						2023/09/20	3	
				Director	Weng Mao Cheng	2023/08/22	3	
						2023/09/15	3	
				Director	Chen Meng Wu	2023/09/26	3	
						2023/10/20	3	
				Director	Cheng Yu Jing	2023/07/28	3	
						2023/09/15	3	
				Independent Director	Chen Shiou Chung	2023/05/26	3	
						2023/07/11	3	
				Independent Director	Lai Sun Quae	2023/06/02	3	
						2023/07/04	3	
				Independent Director	Huang Tien Chang	2023/09/18	3	
						2023/09/18	3	
9. Please describe improvements in accordance with corporate governance assessment results issued by the Corporate Governance Center, TWSE in the most recent year, and provide priority emphasizes and action plans for items that have not yet improved. (Those who are not included in the list are not required to fill in)								
1. The Company's 9 <sup>th</sup> Corporate Governance evaluation (2022) score was 78.27, with a ranking scale of 36% to 50%.								
2. Improvement for the items that failed to score this time :								
(1)Strengthen corporate governance disclosure to gain points : 1.1、1.6、3.12、4.1、4.9、4.11、4.17、4.18								
(2)Further improvement at the next the board of directors ' re-election : None :								
(3)No urgency of improvement : 2.4、2.5、2.14、2.23、2.27、2.30、3.4、3.8、3.14、3.18、3.20、4.5、4.7、4.13								

Note : The implementation status shall be described in the summary description field, regardless of whether "Yes" or "No" is checked.

(4) Composition, Responsibilities and Operations of the Remuneration Committee or Nominating Committee :

1 . Professional Qualifications and Independence Analysis of Remuneration Committee Members

December 31, 2022

Title (Note 1)	Criteria		Status of independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration on Committee Member
	Name	Professional qualifications and principal work experience (Note 2)		
Independent Director	Lai, Sun-Quae	Master's Degree CSBC Corporation, Taiwan Chairman Small and Medium Enterprise Administration Director General Topco Scientific Co., Ltd. Chairman	None (Note 3)	3
Independent Director (Convener)	Huang, Tien-Chang	Master's Degree Taiwan Business Bank Co., Ltd. Chairman Trust Association of R.O.C. Chairman Mega International Commercial Bank Co., Ltd. Managing Independent Director	None (Note 3)	1
Independent Director	Chen, Shiou-Chung	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	None (Note 3)	1

Note 1 : Please specify each Remuneration Committee member's relevant years of service, professional qualifications and experience, and independence in the table. If any independent director, please refer to Page OO, Appendix I, Information on Directors and Supervisors (I) for details. Please indicate whether you are an independent director or other (if he/she a convener, please remark).

Note 2 : Professional Qualifications and Experience : Specify the professional qualifications and experience of individual remuneration committee members.

Note 3 : Conformity with independence : The independent directors shall state the independence status, including but not limited to whether he/she, his/her spouse, his/her second degree of kinship or other relatives are directors, supervisors or employees of the Company or its affiliates; the number and proportion of shares held by him/her, his/her spouse, his/her second degree of kinship or other relatives (or by using the name of others); whether he/she is a director, supervisor or employee of a company with a specific relationship with the Company (refer to Article 6, Item 1, Paragraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation.

Note 4 : For disclosure methods, please refer to the best practice reference examples on the Taiwan Stock Exchange Corporate Governance Center website.

2 . Remuneration Committee Operation Status

(1) The Remuneration Committee is composed of three people.

(2) Current member's tenure : August 11, 2021 ~ August 3, 2024. In 2023, the Remuneration Committee held two meetings (A), and the members qualifications and attendance were as follows :

Title	Name	Actual no. of meeting attended ( B )	By Proxy	Actual Attendance rate (%) ( B / A ) (Note)	remarks
Convener	Huang Tien Chang	2	0	100	2021/8/11 Re-elected
Committee Member	Lai Sun Quae	2	0	100	2021/8/11 Re-elected
Committee Member	Chen Shiou Chung	2	0	100	2021/8/11 Newly-elected

Other matters required to be recorded :

1. If the board of directors did not adopt or amend the suggestion of the remuneration committee, please indicate the date and session number of the board meeting, the contents of the motion, the result of the resolution and the company's handling of the suggestion of the remuneration committee (if the remuneration passed by the board is better than the suggestion of the remuneration committee, please state the difference and the reasons) : None.
2. If any member had objections or reservations about the resolution of the remuneration committee and there is a record or a written statement, please indicate the date and session number of the remuneration committee meeting, the contents of the motion, all the opinions of the members and how the opinions were handled : None.

Note : \* If any remuneration committee member leaves the company before the end of the year, please state in the remarks column the departure date, the actual attendance rate (%) calculated based on the number of remuneration committee meetings and the number of actual meetings attended during the tenure.

\* If there is a remuneration committee member re-election before the end of the year, please list both the new and the former members, and indicate in the remark column whether the member is former, new or re-elected and the date of re-election. The actual attendance rate (%) is calculated based on the number of remuneration committee meetings held and the actual number of meetings attended during the tenure.

### Remuneration Committee

Composition	The established of the Company's Remuneration Committee was approved by the board of directors. There are three remuneration committee members with professional qualifications and work experience. The term of office is the same as that of the board of directors. The Company re-elected directors at the shareholders' meeting on 2021/8/4. The new board of directors passed a resolution on 2021/8/11 to appoint Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung, the three independent directors as the Remuneration Committee members (with the independent director Huang Tien Chang as the convener), all the members meet the qualification requirements of the Securities and Exchange Act and the 'Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange'.
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Scope of duties	<ol style="list-style-type: none"> <li>1. The functions and duties of the Remuneration Committee shall be handled in accordance with the Remuneration Committee Charter of the company.</li> <li>2. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors, supervisors and managerial officers.</li> <li>3. Periodically evaluate and prescribe the remuneration of directors, supervisors, and managerial officers.</li> <li>4. On matters resolved by the Remuneration Committee, periodic recommendations and improvement proposals are made to the board of directors.</li> </ol>
Implementation	<ol style="list-style-type: none"> <li>1. In 2023, the Company's Remuneration Committee held two meetings.</li> <li>2. The 4<sup>th</sup> session of the 5<sup>th</sup> Remuneration Committee was held on March 13, 2023 (members present : Lai Sun Quae, Chen Shiou Chung, Huang Tien Chang). Discussion on the distribution of the company's employees' compensation and directors' and supervisors' remuneration in 2022. Resolution : After the chairman consulted all members present, the proposal was passed without objection, and the proposal was presented to the board of directors for reference and discussion. The company's handling of the opinions of the Salary and Remuneration Committee: submitted to the Board of Directors in accordance with the resolution of the Salary and Remuneration Committee Board resolution: Except for directors who were legally required to withdraw from the discussion and vote due to their interests, after discussing the resolution, it was agreed that it should be passed according to the resolution and submitted to the shareholders' meeting for a report.</li> <li>3. The 5<sup>st</sup> session of the 5<sup>th</sup> Remuneration Committee was held on December 20, 2023 (members present : Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung) Discussion on "the remuneration of directors and managers of the Company in 2024". Any objections or reservations expressed by the Committee members and recorded in writing : None. Resolution : After the chairman consulted all the members present, the proposal was passed without objection, and the proposal was presented to the board of directors for reference and discussion The Company's response to the Remuneration Committee's opinion: The above two matters were presented to the board of directors in accordance with the Remuneration Committee's resolution. Resolution of the board of directors : Except for directors Chan Cheng Tian, Cheng Yu Jing, Weng Mao Cheng, Chen Meng Wu, Lai Yu Min, and independent directors Lai Sun Quae, Huang Tien Chang, Chen Shiou Chung were the interested parties in this case, who shall recuse from the discussion and voting. The chairman consulted all the directors present and agreed to pass the resolution.</li> </ol>

(5) Implementation of sustainable development and differences with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons :

Push the project	Implementation situation (Note 1)			Differences with Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies and reasons
	Yes	No	Summary	
1. Does the company establish corporate social responsibility frameworks and establish an exclusively (or concurrently) dedicated unit to be in charge, and the board of directors shall appoint executive-level positions and to report the status of the handling to the board of directors?	V		<p>1. The Company's implementation of corporate social responsibility frameworks is mainly under the responsibility of the "Corporate Governance (Corporate Social Responsibility) Implementation Team" under the Chairman of the board of directors, and the Company has established the Corporate Governance Officer, Mr. Y. M. Lai, the deputy general manager of finance of the Company.</p> <p>2. Enforcement of the "Corporate Governance (CSR) Implementation Team" of the Company :</p> <p>(1) The "Corporate Governance (CSR) Implementation Team" is the concurrently unit of the Company responsible for implementing corporate social responsibility, and the Board of Directors approved on 2021/3/25 the appointment of Mr. Y.M. Lai as the Corporate Governance Officer of the Company.</p> <p>(2) The Company's "Corporate Governance (CSR) Implementation Team" is composed of high-level executives of the Company, who are mainly responsible for the implementation of corporate governance, charitable donations, the selection of the recipients of donations, and the collection and compilation of CSR reports.</p> <p>(3) The "Corporate Governance (CSR) Implementation Team" annually compiles the CSR report for the previous year as a result of the performance of the Company's efforts to implement CSR and present the report to the Board of Directors. 2022 CSR report was presented to the board of directors on August 11, 2023.</p> <p>3. The board of directors will discuss with the corporate governance officer regarding the CSR report presented by the "Corporate Governance (CSR) Implementation Team" and the adjustment of management guidelines, policy and goals for corporate social responsibility.</p>	Consistent with Corporate Social Responsibility Best Practice Principles



2. Does the company in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	V		<p>1. The Company has established a "Risk Management Policy", and regularly reviews the environmental, social and corporate governance issues related to the Company (including natural disasters, economic environment, personnel behavior, business and legal, management activities and control, infrastructure, etc.) once a year according to the significance of the impact. Risk assessment is conducted jointly by the Company's factory supervisors and subsidiary managers to evaluate the probability and materiality of risk impacts and to determine whether to adopt policies or strategies for risk management. The Company's risk report is regularly reported to the board of directors once a year. 2023 annual risk report was presented to the board of directors on March 13, 2023.</p> <p>2. During the joint risk assessment process between the factory supervisors and subsidiary managers, the Company identifies significant ESG issues to identify environmental, social, and corporate governance-related issues and reports them to the Board of Directors on an annual basis in conjunction with the Risk Report. (Please refer to the Corporate Governance section of the Company's website for details).</p> <p>3. At the 5<sup>th</sup> Board Meeting of the Company in 2022 (2022/11/9), the "Risk Management Best Practice Principles" and "Operating Procedures for Business Continuity Management" were approved.</p>	Consistent with Corporate Social Responsibility Best Practice Principles
3. Environmental issues				
(1) Does the company establish proper environmental management systems based on the characteristics of their industries?	V		<p>1.1 The Company reviews the efficiency of energy use on a monthly basis in accordance with the Greenhouse Gas Reduction Act, Energy Administration Act, and the Renewable Energy Development Act. We also reuse resources such as separating garbage and reusing envelopes, and produce recycled yarn from recycled PET bottles to reduce energy consumption.</p> <p>1.2 As of December 31, 2023, the Company obtained the GRS (Global Recycling Standard for Polyester Yarn Products) certificate (see the Company's CSR report for details).</p>	Consistent with Corporate Social Responsibility Best Practice Principles.
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	V		<p>2. Since the Tainan factory discontinued its operations in December 2020, except for industrial ribbons, which are produced by outsourcing, the Company has no other production factory. Our subsidiary, Hung Chou Fiber, uses recycled polyester pellets from PET bottles to produce raw polyester yarn, and both production and sales volumes are gradually expanding. In 2022, Hung Chou Fiber has completed the installation of natural gas pipeline to its factory and started to use natural gas as fuel (instead of heavy oil) to improve the efficiency of fuel utilization and reduce the impact on the environment.</p>	
(3) Does the Company assess the potential risks and opportunities climate change brings to the Company, now and in the future, and take measures to respond to climate-related issues?	V		<p>3. In accordance with the "Corporate Governance 3.0 - Sustainable Development Roadmap" issued by the FSC, and with reference to the "Climate Related Financial Disclosure Framework" (TCFD) issued by the International Financial Stability Board (FSB) to take stock of the risks, opportunities and responses to climate change for the Company, to quantitatively assess the impact of major climate risks on the Company, and to take relevant responses. For more information, please refer to "Climate related information of Public Companies" on page 52 of this annual report.</p>	
(4) Has the Company compiled statistics on greenhouse gas emissions, water consumption, and total weight of waste in the past two years, and does it formulate policies on energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction, or other waste management?	V		<p>4.1 The 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. The management of greenhouse gas emissions, water consumption and waste by the Company and its subsidiaries are categorized according to the address where they are located: YI JINN INDUSTRIAL CO., LTD. (7F, No. 607, Ruiguang Road, Neihu District, Taipei City), Hung Chou</p>	

			<p>Fiber Industry Co., Ltd. (No. 29, Hongzhou Street, Gueishan District, Taoyuan City), and Kwang Ming Silk Mill Co., Ltd. (No. 29, Hongzhou Street, Gueishan District, Taoyuan City)</p> <p>(1) Greenhouse gases: The Company and its subsidiaries Kwang Ming conduct greenhouse gas inventories in accordance with ISO-14064 standards. (Hung Chou follows Guidelines for Greenhouse Gas Inspection published by the Environmental Protection Administration of Executive Yuan, GHG Emission Reporting and Registration Management Principles, Greenhouse Gas Emission Registration-related Regulations, Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals)</p> <p>The gases inventoried include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, etc., and are converted into carbon dioxide equivalent (CO<sub>2</sub>e) to express. Emission sources are classified as direct emissions ("Scope 1, emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by the Company, indirect energy emissions (Scope 2, emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling, and other indirect emissions (Scope 3 emissions are the result of activities from assets not owned or controlled by the Company, but that the Company indirectly affects in its value chain. For more information, please refer to the "Climate Information for Public Companies" on page 52 of this annual report.</p> <p>(2) water consumption</p> <table border="1"> <thead> <tr> <th></th><th></th><th>2021</th><th>2022</th><th>2023</th></tr> </thead> <tbody> <tr> <td rowspan="3">Tap water (1000M<sup>3</sup>)</td><td>Yi Jinn</td><td>0.557</td><td>1.115</td><td>3.611</td></tr> <tr> <td>Hung Chou</td><td>170.450</td><td>159.975</td><td>77.075</td></tr> <tr> <td>Kwang Ming</td><td>NA</td><td>35.7</td><td>24.81</td></tr> <tr> <td rowspan="3">Surface Water - Rainwater Harvesting (1000M<sup>3</sup>)</td><td>Yi Jinn</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td>Hung Chou</td><td>221.660</td><td>190.943</td><td>219.462</td></tr> <tr> <td>Kwang Ming</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td rowspan="3">TOTAL</td><td>Yi Jinn</td><td>0.557</td><td>1.115</td><td>3.611</td></tr> <tr> <td>Hung Chou</td><td>392.11</td><td>350.918</td><td>296.537</td></tr> <tr> <td>Kwang Ming</td><td>NA</td><td>35.7</td><td>24.81</td></tr> </tbody> </table> <p>(3) waste</p> <table border="1"> <thead> <tr> <th></th><th></th><th>2021</th><th>2022</th><th>2023</th></tr> </thead> <tbody> <tr> <td rowspan="3">Hazardous Waste</td><td>Yi Jinn</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td>Hung Chou</td><td>137.95</td><td>155.08</td><td>143.18</td></tr> <tr> <td>Kwang Ming</td><td>0</td><td>0</td><td>0</td></tr> <tr> <td rowspan="3">Non-Hazardous Waste (general garbage)</td><td>Yi Jinn</td><td>3</td><td>2.784</td><td>2.627</td></tr> <tr> <td>Hung Chou</td><td>59.20</td><td>48.61</td><td>26.83</td></tr> <tr> <td>Kwang Ming</td><td>NA</td><td>24.84</td><td>17.25</td></tr> <tr> <td rowspan="3">TOTAL</td><td>Yi Jinn</td><td>3</td><td>2.784</td><td>2.627</td></tr> <tr> <td>Hung Chou</td><td>197.15</td><td>203.69</td><td>170.01</td></tr> <tr> <td>Kwang Ming</td><td>NA</td><td>24.84</td><td>17.25</td></tr> </tbody> </table> <p>The non-hazardous waste is general household waste.  The hazardous waste of Hung Chou includes toxic waste, textile sludge, waste motor oil, waste hot coal and waste wood pallet.  The hazardous waste of Kwang Ming includes waste motor oil and waste wood pallets.</p>			2021	2022	2023	Tap water (1000M <sup>3</sup> )	Yi Jinn	0.557	1.115	3.611	Hung Chou	170.450	159.975	77.075	Kwang Ming	NA	35.7	24.81	Surface Water - Rainwater Harvesting (1000M <sup>3</sup> )	Yi Jinn	0	0	0	Hung Chou	221.660	190.943	219.462	Kwang Ming	0	0	0	TOTAL	Yi Jinn	0.557	1.115	3.611	Hung Chou	392.11	350.918	296.537	Kwang Ming	NA	35.7	24.81			2021	2022	2023	Hazardous Waste	Yi Jinn	0	0	0	Hung Chou	137.95	155.08	143.18	Kwang Ming	0	0	0	Non-Hazardous Waste (general garbage)	Yi Jinn	3	2.784	2.627	Hung Chou	59.20	48.61	26.83	Kwang Ming	NA	24.84	17.25	TOTAL	Yi Jinn	3	2.784	2.627	Hung Chou	197.15	203.69	170.01	Kwang Ming	NA	24.84	17.25	
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			<p>(4)Hung Chou/Kwang Chou Taoyuan Plant Wastewater Treatment:</p> <table border="1"> <thead> <tr> <th>YEAR</th><th>Discharged water (tons)</th><th>Recycled water(tons)</th><th>Average concentration of COD in effluent COD emission standard 100mg/l</th><th>Average concentration of suspended solid SS SS emission standard 30mg/l</th></tr> </thead> <tbody> <tr> <td>2021</td><td>365,323</td><td>0</td><td>56.1</td><td>7</td></tr> <tr> <td>2022</td><td>325,167</td><td>0</td><td>51.5</td><td>3.85</td></tr> <tr> <td>2023</td><td>294,279</td><td>0</td><td>46.4</td><td>10.3</td></tr> </tbody> </table> <p>The domestic wastewater of Yijinn Taipei Company is discharged into the sewage pipeline of Taipei City, and finally treated by the Taipei City Sewage Treatment Plant.</p> <p>4.2 The Company and its subsidiaries' greenhouse gas reduction policy is to reduce greenhouse gas emissions by 30% by 2030 and to net zero by 2050, with 2023 as the base year.</p> <ol style="list-style-type: none"> <li>1. The Company will continue to promote greenhouse gas inventory so that all departments know the results of energy saving and carbon reduction promotion.</li> <li>2. Continue to discuss the way of introducing energy-saving equipment in the head office and conduct benefit evaluation.</li> <li>3. We will continue to advocate and promote energy saving and carbon reduction activities.</li> <li>4. Actively cooperate with green energy (solar energy) equipment manufacturers to obtain the carbon rights of green energy.</li> <li>5. Comply with environmental regulations, customer requirements and relevant regulations.</li> </ol> <p>4.3 The Company operates from its Taipei office (7F, No. 607, Ruiguang Road, Neihu District, Taipei City). Use of water and waste are mainly consumed and generated by the office employees, so there is not much possibility for water conservation and waste reduction. Waste management is based on " sorting and recycling - paper, plastic bottles, metal cans" and "waste reduction - single-sided blank paper for secondary photocopying".</p> <p>4.4 The water and waste reduction targets for the Hung Chou and Kwang Ming factories (No.29, Hongzhou Street, Gueishan District, Taoyuan City) are 5 %. Water conservation is mainly based on increasing rainwater saving facilities, recycling wastewater for cleaning after treatment, adjusting the amount of water in the water valve, and installing faucet water conservators. Waste management is based on "sorting and recycling - paper, plastic bottles, metal cans", "waste reduction - single-sided blank paper for secondary photocopying", and "reuse - recycling and reuse of client packaging materials".</p> <p>4.5 The company and its subsidiaries (Kwang Ming, Hung Chou) have chosen to undergo external organization verification, taking into account the company's impact on the environment. As of the date of the annual report printing, the following certifications are still valid: ISO 14001:2015 Environmental Management System Certification (Hung Chou Company Taoyuan Factory); Also, organizational greenhouse gas verification of Yi Jinn, Hung Chou, and Kwang Ming have completed the verification of their 2022 GHG emissions by external assurance institution and have issued GHG verification statements. Yi Jinn and Kwang Ming have engaged Taiwan Testing and Certification Center to</p>	YEAR	Discharged water (tons)	Recycled water(tons)	Average concentration of COD in effluent COD emission standard 100mg/l	Average concentration of suspended solid SS SS emission standard 30mg/l	2021	365,323	0	56.1	7	2022	325,167	0	51.5	3.85	2023	294,279	0	46.4	10.3	
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			conduct the 2023 verification, while Hung Chou has engaged Center for Measurement Standards of Industrial Technology Research Institute to conduct the verification.																													
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	V		<div>1.1 The Company complies with the government labor regulations and policies, formulates or amended personnel system, provides employees with stable salaries, accommodation, education and training, and improves safety and health, and ensures employees' rights and interests and develops a working environment with multiple professional capabilities.</div> <div>1.2 In accordance with the principles of the United Nations Sustainable Development Indicators and the international labor human rights convention, foreign workers are employed legally and appropriately, and foreign labor agents are regularly assigned to act as interpreters to communicate with foreign workers in order to take care of their lives, cultural and recreational activities, and two-way communication, etc.</div> <div>1.3 We recognize and abide by the spirit and basic principles of human rights protection as outlined in the UN Universal Declaration of human rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, and the Declaration on Fundamental Principles and Rights at Work of the International Labor Organization and other international human rights conventions, put an end to any abuses and violations of human rights, and make a clear oath to treat and protect human rights in a fair and equitable manner and respect all colleagues.</div> <div>1.4 The number of days of leave and attendance of the Company's employees is based on the Labor Standards Act and the work calendar of government agency of the Directorate-General of Personnel Administration, Executive Yuan. The Company has formulated the "Employee Welfare Program" to regulate various allowances, gifts and subsidies and to promote employee welfare measures, and has also formulated the "Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace" and "A written policy for the prohibition of sexual harassment in the workplace." to protect the diversity and equality of employees in the workplace.</div> <table><tr><td></td><td>2021</td><td>2022</td><td>2023</td></tr><tr><td>Number of female employees</td><td>11</td><td>11</td><td>11</td></tr><tr><td>Percentage of female employees</td><td>55%</td><td>55%</td><td>58%</td></tr><tr><td>Number of employees</td><td>20</td><td>20</td><td>19</td></tr><tr><td>Number of female managers</td><td>6</td><td>8</td><td>6</td></tr><tr><td>Percentage of female managers</td><td>54%</td><td>53%</td><td>55%</td></tr><tr><td>Number of managers</td><td>11</td><td>15</td><td>11</td></tr></table>		2021	2022	2023	Number of female employees	11	11	11	Percentage of female employees	55%	55%	58%	Number of employees	20	20	19	Number of female managers	6	8	6	Percentage of female managers	54%	53%	55%	Number of managers	11	15	11	Consistent with Corporate Social Responsibility Best Practice Principles.
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(2) Does the Company formulate and implement reasonable employee benefits measures (including compensation, leaves and other benefits), and appropriately reflect operational performance or achievement in employee compensation?	V		<div>2. Company's Articles of Incorporation, if there is profit in the annual settlement, the company shall distribute employee dividends, so that employees can share the Company's operating performance or achievements. The Company also adjusts the</div>																													

(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V	<p>salaries of employees in a timely manner with reference to the industry's salary level and salary adjustment range to retain outstanding talents.</p> <p>3.1. The Company's employees mainly use the office as their workplace, and the Company provides safe, quality and comfortable facilities for employees to have a safe and good working environment. Work environment maintenance : strict safety and health standards are required since the end of equipment procurement, office environment cleaning every weekend, office equipment immediately repaired or improved if there is a failure, and operating sites immediately eliminate or set up appropriate protective equipment if dangerous factors are found. Employee health maintenance : regularly arrange employees' health checkups and conduct 2 hours of environmental introduction and safety and health education for new employees.</p> <p>3.2 The company has not obtained relevant verification.</p> <p>3.3 In 2023, the company had no employee accidents.</p> <p>3.4 Zero fire and non-fatal injuries occurred in 2023 for the Company and its subsidiaries. In order to prevent fires and minimize personnel and property losses caused by fires. Our Taipei office cooperates with the building management committee to conduct regular fire inspections and ban smoking in the entire building. Subsidiary factories have formulated fire prevention guidelines and fire protection plans, and fire control officers carry out monthly independent inspections according to the hazardous materials security checklist, conduct annual fire inspections, and fill out a fire safety equipment inspection report to the Fire Department with fire safety equipment inspection deficiencies, improvement plans, and improvement situations, and conduct self-defense firefighting team drills and verification twice a year, and report the drill results to the Fire Department.</p>	
(4) Does the company provide its employees with career development and training sessions?	V	<p>4. The Company has set up education and training rules, according to employees' skills and professional knowledge required for their work, conduct internal training and employees' expatriate education and training to help employees develop career planning and training. The supervisors of each level will also deliberately rotate the training according to the employees' expertise in order to give full play to their talents and assist them in their career planning. In 2023, our employees participated in external training for a total of 81 hours and 14 people.</p>	
(5) Does the Company comply with relevant laws, regulations and international standards with respect to customer health and safety, customer privacy, marketing and labeling of products and services, and develop relevant consumer interests protection policies and complaint procedures?	V	<p>5.1 After the Tainan factory ceased production in January 2020, our main production business is the production of polyester yarn (chip) by its subsidiaries Hung Chou fiber industry Co., Ltd. and textured yarn produced by Kwang Ming Silk Mille Co., Ltd. The Company's operating income is mainly from high margin industrial ribbon and rental income from investment real estate. The product quality of the Company and its subsidiaries are in compliance with the CNS national standards and the labeling of the products is also in compliance with the Trademark Act. When exporting, the products should be marked according to the customer's demand and the customs requirements of the importing country, or the certificate of origin should be provided truthfully. In order to meet the non-toxic certificate of EU customs products, the products of our subsidiary company have also obtained the Oeko-Tex certificate</p> <p>5.2 The Company has set up a consumer or customer contact e-mail address and telephone number on the Company's website, a consumer or customer rights protection policy and procedures for receiving complaints.</p>	
(6) Does the Company formulate a supplier management policy that requires suppliers to follow relevant regulations on issues such as	V	<p>6.1 The Company has formulated the "Supplier Sustainability Management Policy", "Supplier's Commitment to Social Responsibility", and "Supplier's Ethical</p>	

environmental protection, occupational safety and health, or labor rights, and its implementation situation?			<p>Compliance and Anti-Bribery Pledge requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor human rights issues, and has set additional points for passing relevant verification in the supplier evaluation. Supplier evaluations are conducted on a regular basis every year, and the history of negative environmental and social reports by suppliers is also included in the evaluation items.</p> <p>6.2 Those who have better environmental protection and labor conditions will be given priority in the evaluation procurement list, suppliers with a negative track record to prevent the impact of negative social commentary are suspending trading until there are still doubts.</p> <p>6.3 The Company conducts an evaluation of suppliers' fulfillment of social responsibility once a year. If a supplier violates the CSR policy and has a significant impact on the environment and society, it will be judged as an unqualified supplier and will lose the opportunity to trade.</p> <table border="1"> <thead> <tr> <th></th><th>Year</th><th>No. of survey sent out</th><th>No. of survey collected</th><th>Rate of collection</th></tr> </thead> <tbody> <tr> <td rowspan="2">Supplier's Commitment to Social Responsibility</td><td>2022</td><td>11</td><td>11</td><td>100%</td></tr> <tr> <td>2023</td><td>5</td><td>5</td><td>100%</td></tr> <tr> <td rowspan="2">Supplier's Ethical Compliance and Anti-Bribery Pledge</td><td>2022</td><td>11</td><td>11</td><td>100%</td></tr> <tr> <td>2023</td><td>5</td><td>5</td><td>100%</td></tr> <tr> <td rowspan="2">Evaluation of suppliers' fulfillment of social responsibility</td><td>2022</td><td>11</td><td>11</td><td>100%</td></tr> <tr> <td>2023</td><td>5</td><td>5</td><td>100%</td></tr> </tbody> </table>		Year	No. of survey sent out	No. of survey collected	Rate of collection	Supplier's Commitment to Social Responsibility	2022	11	11	100%	2023	5	5	100%	Supplier's Ethical Compliance and Anti-Bribery Pledge	2022	11	11	100%	2023	5	5	100%	Evaluation of suppliers' fulfillment of social responsibility	2022	11	11	100%	2023	5	5	100%	
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5. Does the Company refer to internationally accepted reporting standards or guidelines when compiling the corporate social responsibility reports and other reports that disclose Company's non-financial information? Have the aforementioned reports been verified or certified by a third-party verification unit?	V		<p>On June 6, 2023, Yi Jinn issued "2022 Corporate Social Responsibility Report", which is the eighth corporate social responsibility/ESG report of the Company. The Company has prepared this report in accordance with the "Corporate Governance 3.0 - Roadmap for Sustainable Development" objectives and specific promotional measures, and Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies as amended and completed by Taiwan Stock Exchange Corporation, and its content framework has been prepared in accordance with the GRI Universal Standards 2021. At the same time, we have also made a special chapter to disclose the Company's Task Force on Climate-related Financial Disclosures (TCFD).</p> <p>It is hereby declared that the Company's "2022 Corporate Social Responsibility Report" was compiled by the Company itself and has not been certified by a third party or expressed an opinion by an accountant.</p>	Consistent with Corporate Social Responsibility Best Practice Principles.																																
<p>6. If the Company has established the corporate social responsibility principles based on the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies", please describe any differences between the Principles and their implementation :</p> <p>Description : The Company established the corporate social responsibility principles on December 6, 2014, and on March 25, 2021, the board of directors approved the amendment of corporate social responsibility principles in accordance with the competent authority's letter order. The corporate governance ( Corporate social responsibility ) promotion team is convened by the deputy general manager of the general manager's office to convene environmental safety specialists in each factory every year, to collect, compile and review the effectiveness of the implementation of various data on the issues of "environment and occupational health", "quality and environmental safety and health management", "environmental and occupational health and safety performance", "sustainable development" and "social responsibility" and prepare the Company's Corporate Responsibility Report (2022 report issued on June 6, 2023) and send it to the board of directors (August 11, 2023) The company's ESG implementation results and processing status each year. For information on the company's corporate sustainability operations, please refer to the annual corporate sustainability (social responsibility) report on the company's website.</p>																																				

<p>7. Other important information to facilitate better understanding of the company's corporate social responsibility practices (For example, the company's systems and measures for environmental protection, community participation, social contribution, social services, social welfare, consumer rights and interests, human rights, safety and health and other social responsibility activities and the status of their implementation :</p> <p>Description :</p> <p>The company gives back to local community, and makes annual planned donations to social welfare institutions. Provide relief to low-income households through social welfare institutions so that needy families can receive timely care. Please refer to the company's "2022 Corporate Sustainability Report of the Company". (2022 year issued on June 6, 2023) on the company's website for investors to understand the Company's corporate social responsibility operations.</p>
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Note 1 : If "Yes" is checked, please describe the important policies, strategies, measures and implementation status; If "No" is checked, please explain the reasons and state the plan of adopting relevant policies, strategies and measures in the future.

Note 2 : If the company has prepared the corporate social responsibility (CRS) report, the implementation status may be indicated the method of consulting the corporate social responsibility report and the index page to replace it.

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

## Climate-Related Information of TWSE/TPEX Listed Company

### 1. Implementation of Climate-Related Information

Item	Implementation status																		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	<div>The Company (including its subsidiaries) follows the "Corporate Governance 3.0 - Sustainable Development Roadmap" issued by the competent authority, the FSC, to disclose the assessment and management of the Company's climate-related risks based on the international guidelines and framework of Task Force on Climate-related Financial Disclosures (TCFD) since 2022.</div> <div>1. Climate-related Risk Assessment Framework (TCFD)</div> <table><tr><th colspan="2">Management policy</th><th>Implementation status</th></tr><tr><td rowspan="2">Governance</td><td>◎ Regularly report to the Board of Directors on the Company's assessment and management of climate-related risks and opportunities.</td><td rowspan="2">The Corporate Governance Promotion Team will assess and manage the implementation of climate-related risks and opportunities and report to the Board of Directors on an annual basis. (The last time was on 2023/8/11)</td></tr><tr><td>◎ To be promoted by the Corporate Governance Promotion Team.</td></tr><tr><td rowspan="3">Strategy</td><td>◎ To identify the short-, medium- and long-term climate-related risks and opportunities for the Company through communication and discussion among heads of each department.</td><td rowspan="3">Identifying risks and opportunities based on the TCFD, a total of 12 risk and 3 opportunity was identified. (Added global plastic restriction or ban policy). The identified risks and opportunities were used to assess the probability and materiality of the risk impact. Using a 2°C global warming scenario proposed by the UN Intergovernmental Panel on Climate Change (IPCC), we simulate the risks and opportunities of company operations and formulate response actions to climate change.</td></tr><tr><td>◎ Assess the impact of climate-related issues on the Company's businesses, strategies and financial planning.</td></tr><tr><td>◎ Scenario analysis and scientifically based reduction targets are used as the Company's strategy to respond to climate change.</td></tr><tr><td rowspan="2">Risk Management</td><td>◎ Regularly review and assess the processes of climate-related risks with the framework of TCFD.</td><td rowspan="2">To quantify and rank the probability and materiality of the identified risks and opportunities in order to assess the impact on the Company's operations and finances. To formulate the Company's response actions and priorities.</td></tr><tr><td>◎ Based on the results of climate change risk identification and ranking, to formulate an action plan.</td></tr></table>			Management policy		Implementation status	Governance	◎ Regularly report to the Board of Directors on the Company's assessment and management of climate-related risks and opportunities.	The Corporate Governance Promotion Team will assess and manage the implementation of climate-related risks and opportunities and report to the Board of Directors on an annual basis. (The last time was on 2023/8/11)	◎ To be promoted by the Corporate Governance Promotion Team.	Strategy	◎ To identify the short-, medium- and long-term climate-related risks and opportunities for the Company through communication and discussion among heads of each department.	Identifying risks and opportunities based on the TCFD, a total of 12 risk and 3 opportunity was identified. (Added global plastic restriction or ban policy). The identified risks and opportunities were used to assess the probability and materiality of the risk impact. Using a 2°C global warming scenario proposed by the UN Intergovernmental Panel on Climate Change (IPCC), we simulate the risks and opportunities of company operations and formulate response actions to climate change.	◎ Assess the impact of climate-related issues on the Company's businesses, strategies and financial planning.	◎ Scenario analysis and scientifically based reduction targets are used as the Company's strategy to respond to climate change.	Risk Management	◎ Regularly review and assess the processes of climate-related risks with the framework of TCFD.	To quantify and rank the probability and materiality of the identified risks and opportunities in order to assess the impact on the Company's operations and finances. To formulate the Company's response actions and priorities.	◎ Based on the results of climate change risk identification and ranking, to formulate an action plan.
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	◎ Based on the results of climate change risk identification and ranking, to formulate an action plan.																		
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).																			
3. Describe the financial impact of extreme weather events and transformative actions.																			
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.																			



			<ul style="list-style-type: none"><li>Integrate with the Company's risk management system and conduct regular assessments on an annual basis.</li></ul>	For details, please refer to the "Risk Management Policy" of the Company.
	Metrics and Targets		<ul style="list-style-type: none"><li>Establishing climate-related risk and opportunity management indicators.</li><li>Conduct annual GHG inventories in accordance with the ISO 14064-1 standard.</li><li>Set climate change management targets and regularly review the achievement of the targets.</li></ul>	Conduct annual GHG inventories. Reduce GHG emissions per unit of product and use solar power green electricity. Use natural gas instead of heavy fuel oil. Continuously implement carbon reduction measures.

2. Identification of Climate-related Risks and Opportunities

Opportunity	Description
Resource efficiency	Increase the use of variable frequency drive for energy-consuming equipment such as air compressor, cooling tower, freezing machine, dryer, etc. and use LED energy saving tubes, so as to save electric energy consumption.
Energy Source	Increase the use of low-carbon green energy or renewable energy. Switch to natural gas instead of heavy fuel oil to reduce air pollution.
Products and Services	Tailings recycling and reuse. recycle PET bottles and reuse products.
Markets	Not applicable.
Resilience	Not applicable.

3. Climate-related Risks Matrix

high Medium Low Risk probability	<ul style="list-style-type: none"><li>Increased requirement and regulation of sustainability</li></ul>	<ul style="list-style-type: none"><li>Increased cost of GHG emission</li><li>Environmental policies have become increasingly stringent</li></ul>	<ul style="list-style-type: none"><li>Changes in Customer Behavior</li></ul>
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6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.				trading system, resulting in increased operating costs.	implement energy saving programs.
		Environmental policies have become increasingly stringent	NDC Scenario	Due to the increasing stringency of air pollution emission standards, the original oil-fired boilers need to be replaced with other equipment.	Switching from oil-fired boilers to natural gas burning.
		Changes in Customer Behavior	Well-below 2°C Scenario	As end-users and brands become more aware of sustainability and environmental protection, they are more willing to increase the price and quantity of low-carbon products and eco-friendly products they purchase, which affects the revenue of other products.	Increase the production of recycled yarn for PET bottles and biodegradable yarn to respond to the change of customers' consumption behavior and enhance the added value of our products.
		Transition Risks	Policy and Legal	Increased requirements and regulations related to sustainability	Production factories may need to amend the direction in response to the Renewable Energy Development Act to increase the cost of renewable energy installed capacity construction and purchase of Renewable Energy Certificates (RECs).
				Increased cost of GHG emissions	In response to the regulation of Taiwan's GHG Reduction and Management Act, the Company has to improve the energy efficiency of its production equipment and office premises, and may be affected by the potential carbon tax and carbon trading system, resulting in increased operating costs.

				Environmental policies have become increasingly stringent	Due to the increasing stringency of air pollution emission standards, the original oil-fired boilers need to be replaced with other equipment.
			Technology	Increased costs of transition to low carbon technologies	The progress of the technology of global low-carbon transition will cause the Company to accelerate the replacement of plant/equipment/vehicles to improve energy efficiency, resulting in higher operating costs.
				New Technology Investment Fails	The Company invests in new technologies in a phased manner and in small quantities to ensure the effectiveness of the investment. There is no possibility of failure of investment resulting in non-recovery of large investment costs, and the financial impact is relatively insignificant.
			Market	Changes in Customer Behavior	As end-users and brands become more aware of sustainability and environmental protection, they are more willing to increase the price and quantity of low-carbon products and eco-friendly products they purchase, which affects the revenue of other products.
			Reputation	Customer Preference Transfer	High carbon emissions and low climate resilience may affect customers' trust in the Company, which may damage the Company's goodwill and further affect the Company's revenue.

7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.		Physical Risks	Acute Risk	Increasing frequency and severity of typhoons/floods	Extreme physical risks may cause damage to factories and warehouses, resulting in damage to production equipment or products, causing customer complaints and affecting brand image.
				Increasing frequency and severity of rainstorms	
			Chronic Risk	Changing Rainfall Patterns and Dramatic Weather Changes	Prolonged droughts caused by changes in rainfall patterns will affect the stability of production water and cause production disruptions. Dramatic changes in temperature, such as an increase in the number of days with extreme high temperatures, will also change customers' consumption patterns, making it more difficult to forecast sales and production, and creating an imbalance between production and sales.
				Average temperature rise	The rise in average temperature will cause a large increase in electricity consumption and shortage of electricity supply, causes the factory resulting in a higher chance of power outage.
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to	5. The company is currently in the stage of understanding the content and evaluating the use of the internal carbon pricing system, and will not rule out using internal carbon pricing as a planning tool in the future.				
	6. The Company and its subsidiaries' GHG reduction policy takes 2022 as the base year and aims to reduce GHG emissions by 30% by 2030 and to reach net zero emissions by 2050. The activities covered include: (1). The Company will continue to promote the ISO-14064 standard to conduct GHG inventories, and let all departments know the achievements of energy saving and carbon reduction promotion. (2). Continuing to negotiate the introduction of energy-saving equipment in the head office and conduct efficiency assessment.				

<p>achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.</p> <p>9. Greenhouse gas inventory and assurance status (separately fill out in point 1-1 below).</p>	<p>(3). Continuing to promote the participation of all employees in energy saving and carbon reduction activities and promote energy saving measures.</p> <p>(4). Actively cooperate with green energy (solar energy) equipment manufacturers to obtain the carbon rights of renewable energy.</p> <p>(5). Comply with environmental protection laws and regulations, customer requirements and related regulations.</p> <p>7. Not applicable</p> <p>8. Not applicable</p> <p>9. The company's greenhouse gas inventory and confirmation information are separately filled in 1-1 and 1-2</p>
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#### 1-1 Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory Information Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years					
		YEAR	Total emissions (Metric tons CO2e)	Turnover - individual (million dollar)	Intensity (Metric tons CO2e / NT\$ 1 million) (Note 2)
Scope 1	Yi Jinn .	2022	18, 2391	911	0. 0200
		2023	14, 5071	942	0. 0154
	Hung Chou Fiber .	2022	14, 591. 3131	3, 145	4. 6395
		2023	9, 095. 3195	1, 995	4. 5591
	Kwang Ming Silk Mill	2022	24, 4349	928	0. 0263
		2023	22, 2868	688	0. 0324
	TOTAL	2022	14, 633. 9871	4, 984. 0000	2. 9362
		2023	9, 132. 1134	3, 625. 0000	2. 5192
Scope 2	Yi Jinn	2022	54, 8869	911	0. 0602
		2023	53, 2215	942	0. 0565
	Hung Chou Fiber	2022	25, 703, 7759	3, 145	8. 1729
		2023	17, 575, 4047	1, 995	8. 8097
	Kwang Ming Silk Mill	2022	12, 386, 8102	928	13. 3479

		2023	9,318.2284	688	13.5439
	TOTAL	2022	38,145.473	4,984.0000	7.6536
		2023	26,946.8546	3,625.0000	7.4336
Scope 3	Yi Jinn	2022	2,939.8281	911	3.2270
		2023	1,595.8472	942	1.6941
	Hung Chou Fiber	2022	Not checked	3,145	Not applicable
		2023	Not checked	1,995	Not applicable
	Kwang Ming Silk Mill	2022	90,540.6231	928	97.5653
		2023	65,704.3330	688	95.5005
	TOTAL	2022	93,480.4512	1,839.0000	50.8322
		2023	67,300.1802	1,630.0000	41.2885

Note 1: Direct emissions (scope 1, i.e., emissions directly from sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e., indirect greenhouse gas emissions from electricity, heat, or steam) and other indirect emissions (scope 3, i.e., emissions from company activities that are not indirect energy emissions, but originate from sources owned or controlled by other companies).

Note 2: The data coverage scope for direct emissions and indirect energy emissions shall comply with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. Other indirect emissions information may be voluntarily disclosed.

Note 3: Greenhouse gas inventory standards: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions may be calculated per unit of product/service or revenue, but at least the data calculated in terms of revenue (NT\$ 1 million) shall be disclosed.

1-1-2 Greenhouse Gas Assurance Information : Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.

2022 (January 1, 2022~December 31, 2022)

Yi Jinn

Scope of assurance: Yi Jinn Industrial Co., Ltd. and its six subsidiaries - Kwang Ming Silk Mill, Hung Chou Fiber, Yi Tong Fiber, Xin Mao investment, Da Tien International Development, Da Yi International Development (7F., No.607, Ruiguang Rd., Neihu Dist., Taipei City 11492)

Assurance institutions: Taiwan Testing and Certification Center

Assurance standards: ISO14064-1:2018

Assurance opinion: The Center conducted a verification of GHG emissions from January 1, 2022 to December 31, 2022 for its textile trading and leasing business. and office activities in accordance with the ISO 14064-3:2019, with no unresolved findings, in compliance with the ISO 14064-1:2018, and accordingly gives the verification opinion as follows, with a reasonable assurance level: Category 1: direct GHG emissions 18.2391 metric tons CO2 equivalent. Category 2: indirect GHG emissions from imported energy 54.8869 tons CO2

equivalent. Category 3: indirect GHG emissions from transportation 2,624.3780 tons CO2 equivalent. Category 4: indirect GHG emissions caused by organizations' use of products 315.4501 tons CO2 equivalent.

**Hung Chou Fiber**

Scope of assurance: Hung Chou Fiber Industry Co., Ltd. Taoyuan Factory (Control No. H4801709) is located in Taoyuan City, Taiwan, and owns and operates a factory, a total of 1 facility.

Assurance institutions: China Productivity Center

Assurance standards: According to Guidelines for Greenhouse Gas Inspection published by the Environmental Protection Administration of Executive Yuan, GHG Emission Reporting and Registration Management Principles, Greenhouse Gas Emission Registration-related Regulations, Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

Assurance opinion: Based on the verification process and procedures conducted by the verifier, there is sufficient evidence to show the GHG claims of Hong Chau Fiber Industry Co., Ltd. Taoyuan Factory are not materially different and have been prepared in accordance with the international standards for GHG quantification, monitoring and reporting regulated by the verification criteria of the Agreement, and GHG and related information have been fairly presented.

**Kwang Ming Silk Mill**

Scope of assurance: Kwang Ming Silk Mill Co., Ltd. Gueishan Factory (No. 29, Hongzhou Street, Gueishan District, Taoyuan City)

Assurance institutions: Taiwan Testing and Certification Center

Assurance standards: ISO14064-1:2018

Assurance opinion: The Center conducted a verification of its DTY polyester filament production process and sales activities from January 1, 2022 to December 31, 2022 in accordance with the ISO 14064-3:2019 for GHG emissions, with no unresolved findings, in compliance with ISO 14064-1:2018, and accordingly gives the verification opinion as follows, with a reasonable assurance level: Category 1: direct GHG emissions 24.4349 metric tons CO2 equivalent. Category 2: indirect GHG emissions from imported energy 12,386.8102 metric tons CO2 equivalent. Category 4: indirect GHG emissions caused by organizations' use of products 90,540.6231 tons CO2 equivalent.

2023 (January 1, 2023~December 31, 2023) The Company and its subsidiaries have completed organizational GHG inventories and have contacted third-party assurance institution for verification or assurance. As of the date of publication of the annual report, we have not yet obtained the statement from assurance institution.

**Yi Jinn**

Scope of assurance: Yi Jinn Industrial Co., Ltd. and its six subsidiaries - Kwang Ming Silk Mill, Hung Chou Fiber, Yi Tong Fiber, Xin Mao investment, Da Tien International Development, Da Yi International Development (7F., No.607, Ruiguang Rd., Neihu Dist., Taipei City 11492)

Assurance institutions: Taiwan Testing and Certification Center

Assurance standards: ISO14064-1:2018

Assurance opinion: Not applicable.



**Hung Chou Fiber**

Scope of assurance: Hung Chou Fiber Industry Co., Ltd. Taoyuan Factory (Control No. H4801709) is located in Taoyuan City, Taiwan, and owns and operates a factory, a total of 1 facility.

Assurance institutions: The Company has contacted the Center for Measurement Standards of Industrial Technology Research Institute (CMSRI) to conduct an external verification of GHG for 2023. (As of the date of publication of the annual report, this has not yet been completed).

Assurance standards: According to Guidelines for Greenhouse Gas Inspection published by the Environmental Protection Administration of Executive Yuan Emission Reporting and Registration Management Principles, Greenhouse Gas Emission Registration-related Regulations, Organ Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals.

Assurance opinion: Not applicable.

**Kwang Ming Silk Mill**

Scope of assurance: Kwang Ming Silk Mill Co., Ltd. Gueishan Factory (No. 29, Hongzhou Street, Gueishan District, Taoyuan City)

Assurance institutions: Taiwan Testing and Certification Center

Assurance standards: ISO14064-1:2018

Assurance opinion: Not applicable.

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations. If the Company has not obtained a complete greenhouse gas assurance opinion by the date of printing of the annual report, it shall note that “Complete assurance information will be disclosed in the sustainability report.” If the Company does not prepare a sustainability report, it shall note that “Complete assurance information will be disclosed on the Market Observation Post System (MOPS),” and shall disclose the complete assurance information in the annual report of the following fiscal year.

Note 2: The assurance institutions shall meet the directions regarding assurance of sustainability reports prescribed by the TWSE and the TPEX.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website

## 1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Base year: The company and its subsidiaries use the emissions from the greenhouse gas inventory verified by a third party in 2022 as the base year.  
Reduction target: use 2022 as the base year, reduce greenhouse gas emissions by 30% in 2030, and achieve net-zero emissions in 2050.  
Strategies and specific action plans:

In order to achieve greenhouse gas reduction policies, the company and its subsidiary production plants should replace energy-consuming equipment year by year, build and use green electricity such as solar power generation, and use frequency converters to improve energy efficiency and other measures to achieve carbon reduction. Target. If the reduction of greenhouse gas emissions in the target year still fails to meet the target, the difference will be achieved through carbon neutrality to achieve the target. The greenhouse gas carbon neutrality adopted by our company is carried out in accordance with PAS 2060/Carbon Neutrality Implementation Standard.

		Category 1 (metric tons)	Category 2 (metric tons)	Category 3 (metric tons)
Yi Jinn	Benchmark (2022 )	18.2391	54.8869	2,939.8281
	2023 year	14.5071	53.2215	1,595.8492
	Compare to base year	-3.7320	-1.6654	-1,343.9809
	Ratio	-20.46%	-3.03%	-45.71%
Hung Chou Fiber	Benchmark (2022 )	14,591.3131	25,703.7759	不適用
	2023 year	9,095.3195	17,575.4047	不適用
	Compare to base year	-5,495.9936	-8,128.3712	不適用
	Ratio	-37.70%	-31.60%	不適用
Kwang Ming Silk Mill	Benchmark (2022 )	24.4349	12,386.8102	90,540.6231
	2023 year	22.2868	9,318.2284	65,704.3330
	Compare to base year	-2.1481	-3,068.5818	-24,836.2901
	Ratio	-8.79%	-24.77%	-27.43%

Note 1: This information shall be disclosed in compliance with the schedule prescribed in the order issued under Article 10, paragraph 2 of the Regulations.

Note 2: The base year shall be the fiscal year in which the greenhouse gas inventory is completed based on the consolidated financial reporting boundary. For example, under the order issued under Article 10, paragraph 2 of the Regulations, a company with capital of NT\$10 billion shall complete the inventory for its fiscal 2024 annual consolidated financial report in 2025, so the base year will be 2024. If a company has disclosed its inventory in its consolidated financial report in an earlier year, it may take the earlier fiscal year as its base year. Also, the data for the base year may be calculated based on a single fiscal year or the average of multiple fiscal years.

Note 3: When preparing the disclosure content, the Company may refer to the best practice reference examples on the TWSE Corporate Governance Center website.

(6) Implementation of Ethical Corporate Management and Differences from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons:

Item	Status of implementation (Note 1)			Any discrepancies and reasons for Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
<p>1. Adoption of an ethical management policy and action plan</p> <p>(1) Has the company implemented a board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices as well as the commitment of the board of directors and the executive management to enforcement of the ethical corporate management policy?</p>	V		<p>1.1 The Company's Ethical corporate management Principles was formulated in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and approved by the board of directors at its 2<sup>nd</sup> meeting of (April 17, 2013).</p> <p>1.2 On March 25, 2021, the board of directors of the company approved the amendment of Ethical corporate management Principles in accordance with the letter from the competent authority.</p> <p>1.3 In Chapter I of the corporate responsibility report of the company, the management statement and the company profile and other external documents, " Since its establishment in the 1981, the company Yi Jinn, adheres to the business philosophy of" innovation, integrity, growth and collaboration "and the work attitude of" sincerity and pragmatism", all of which indicate the company's integrity management policy.</p> <p>1.4 The company abides by the contracts signed and promises made by the company, including the terms and conditions of the transactions, methods of payment and interest payment, The products sold by the company are truthfully labeled in terms of name, specification and quantity, and the cheque issued are cashed on schedule.</p>	<p>Comply with Article 4 and 5 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>
<p>(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of the risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least those described in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies?</p>	V		<p>2.1 The Company has established ethical corporate management guidelines, the Company contains the following matters in preventing unethical conduct :</p> <p>① Standards for determining whether improper benefits have been offered or accepted.</p> <p>② Procedures for offering legitimate political donations.</p> <p>③ Procedures and the standard rates for offering charitable donations or sponsorship.</p> <p>④ Rules for avoiding work-related conflicts of interests and how they should be reported and handled.</p> <p>⑤ Rules for keeping confidential trade secrets and sensitive business information obtained in the ordinary course of business.</p> <p>⑥ Regulations and procedures for dealing with suppliers, clients and business transaction counterparties suspected of unethical conduct.</p> <p>⑦ Handling procedures for violations of these Principles.</p> <p>⑧ Disciplinary measures on offenders.</p> <p>2.2 The Company has established a "Codes of Ethical Conduct" for the Company's directors, auditors and managers, which was approved by the board of directors (on March 25, 2021), the board of directors of the Company approved a proposal to amend the " Codes of Ethical Conduct". The board of directors and management are also committed to actively implement and monitor the implementation of the ethical</p>	<p>Comply with Article 2 and 6 and 10~14 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>

Item	Status of implementation (Note 1)			Any discrepancies and reasons for Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
(3) Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against dishonest conducts, and enforce the programs effectively and perform regular reviews?	V		<p>management policy. Please refer to the Company's website at <a href="http://www.yijinn.com.tw">http://www.yijinn.com.tw</a></p> <p>2.3 The Company has stipulated in the Personnel Management Regulations, that the managers, employees or persons with the ability to control within their authority are prohibited from accepting any improper benefits directly or indirectly, or committing other acts that violate integrity, lawlessness and breach of fiduciary duties, in order to prevent dishonest acts such as fraud, misappropriation of public funds, bribery, leaking secrets, profiting others, and false reporting, etc., which are included in the employees reward and punishment performance appraisal items.</p> <p>3.1 For those who are engaged in sales, procurement, contracting, supervision and budgeting duties, as well as other duties that have interests with manufacturers, they are prohibited from taking or promising to take bribes from manufacturers, providing illegal political contributions, improper charitable donations or sponsorships, or offering or accepting unreasonable presents, hospitality or other improper benefits, which are expressly prohibited by the Company, and offenders are subject to heavier penalties to prevent the occurrence of various kinds of misconduct.</p> <p>3.2 The Company's board of directors approved the amendment of the "Procedures for Ethical Management and Guidelines for Conduct" on March 25, 2021.</p> <p>1.3 In order to establish an ethical corporate culture and prevent unethical behavior, the Company regularly conducts education and awareness-raising for employees and insiders once a year, and reminds its stakeholders to comply with and respect the Company's moral and ethical standards. Relevant procedures, conduct guidelines, disciplinary actions and complaint system are disclosed on the Company's website (<a href="http://www.yijinn.com.tw">www.yijinn.com.tw</a>).</p>	Comply with Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
2. Implementation of Ethical Management				
(1) Does the Company evaluate the records of ethical conduct of its business counterparties and include integrity clauses in its contracts with business counterparties?	V		1. The Company's business philosophy is innovation, integrity, growth and collaboration. Suppliers or customers who are known to have a history of unethical behavior, will try to avoid trading, so as to avoid unethical behavior damaging the Company's rights and interests.	Comply with Article 9 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
(2) Does the company have a unit that supports ethical corporate management practices on a full-time basis under the board of directors, and reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors and oversees the operations?	V		2 The Company has established the "Code of Ethical Conduct", the "Ethical Corporate Management Best Practice Principles", and the "Human Resources Management Personnel Regulations". The general manager's office is the unit that implements ethical management and regularly reports to the board of directors once a year (2023/8/11) along with the "Corporate Sustainability Report" on the implementation of the Company's ethical management.	Comply with Article 17 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
(3) Does the Company adopt a policy for avoiding conflicts of interest, provide appropriate means for reporting on any such conflict, and implement them without fail?	V		3.1 The general manager's office is the unit that accepts and reports the violation of integrity management to prevent the conflict of interest, and establishes a statement	Comply with Article 19 of the "Ethical Corporate Management Best Practice

Item	Status of implementation (Note 1)			Any discrepancies and reasons for Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
<p>(4) Does the company have effective accounting and internal control systems in place to enforce ethical management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct or hire outside accountants to perform the audits?</p>	V		<p>channel on the Company's website.</p> <p>3.2 The directors of the company follow the "Rules of Procedure for Board of Directors Meetings" (please refer to the Company's website <a href="http://www.yijinn.com.tw">http://www.yijinn.com.tw</a> ) The board of directors shall adhere to a high degree of self-discipline, and shall state their interests and important contents of the motions listed in the Board Meeting if they have an interest in themselves or the legal persons on their behalf. In addition, the related party shall recuse himself/herself from the discussion and voting, and shall not appoint another director to exercise his/her vote on his/her behalf.</p> <p>3.3 The Company has stipulated in the "Personnel Management Measures", "Procedures for Handling Material Inside Information and Procedures for Prevention of Insider Trading Management" that employees should strictly observe the act of avoidance of interests and take the initiative to report matters of conflict of interest, and has stipulated the relevant clauses of prohibition of competition to prevent conflicts of interests.</p> <p>3.4 In accordance with the "Stakeholder Reporting and Complaint Handling Mechanism", the Company provides employees or internal and external stakeholders with the opportunity to report or complain about any illegal or improper conduct.</p> <p>4.1 Through the accounting system and internal control and audit system, the company has been able to effectively supervise the implementation of the Integrity Management.</p> <p>4.2 The Company has established a sound accounting system and internal control internal audit system. based on the sales cycle, procurement, production, financing, real estate, plant and equipment, investment, R&amp;D and computer information. At the first level, the supervisors at each level conduct their own checks during the review and approval process in their daily operations; at the second level, the accounting unit conducts certificate reviews; at the third level, the auditing unit conducts routine audits and project audits according to the annual audit plan, and at the fourth level, each department conduct annual internal control self-assessment to implement internal control system to all departments and handling personnel of the company. In addition, the external accountants will also conduct annual internal control inspection, randomly check and audit the original forms, and issue an internal control system inspection report to the company in view of the audit situation of the accountants.</p>	<p>Principles for TWSE/GTSM Listed Companies".</p> <p>Comply with Article 23 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies". Comply with Article 20 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>
<p>(5) Does the Company offer internal and external training with regard to ethical management on a regular basis?</p>	V		<p>5.1 The Company regularly conducts education and awareness-raising for employees and insiders once a year, and irregularly conducts awareness-raising for employees on cases of ethical management by sending internal e-mails.</p> <p>5.2 The chairman of the board of directors has repeatedly publicizes the Company's business philosophy of "innovation, integrity, growth and collaboration" and the work attitude of "sincerity and pragmatism" at various meetings and public occasions of the Company. The Company will also encourage and provide directors to participate in continuing education courses for directors and supervisors organized by external organizations.</p>	<p>Comply with Article 22, paragraph 2 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>
<p>3. Status of the Company's implementation of its mechanism for whistle-blowing :</p> <p>(1)Whistleblowing system : Does the Company establish a mechanism that incentivizes informants to report any wrongdoing, put in place channels</p>	V		<p>1.1 The general manager's office will handle the report box and receive disciplinary actions and complaints for violation of integrity management. There was no violation or report in 2023.</p>	<p>Comply with Article 23 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>

Item	Status of implementation (Note 1)			Any discrepancies and reasons for Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
<p>convenient for taking such action and assign appropriate personnel to handle such cases?</p> <p>(2) Does the Company have standard operating procedures for investigation of whistleblower matters, follow-up measures to be taken after the completion of the investigation and the related confidentiality mechanism?</p> <p>(3) Does the Company adopt measures to make sure that informants do not receive improper treatment because of their report?</p>	<p>V</p> <p>V</p>		<p>1.2 The Company has established a "Stakeholder Complaint Handling Mechanism" and designated deputy general manager Chang of the general manager's office as the dedicated person for handling complaints (Tel : 26575859, ext. 530, email : albert@yijinn.com.tw )</p> <p>2.1. The Company has established a "Stakeholder Reporting and Complaint Handling Mechanism", which specifies the standard operating procedures for the investigation of reported matters and the relevant confidentiality mechanism and transfer the matter to the auditing unit for special investigation, and the report/ complaint will be investigated and appropriate measures will be taken.</p> <p>2.2. The Company has established procedures for investigation and grievance handling in the Personnel Management Regulations, and the receiving unit shall maintain confidentiality without the approval of the authority in charge.</p> <p>3. The acceptance person of the report is the general manager's office deputy general manager Chang, and the investigation unit is the audit unit of the company. The company shall keep confidential the information about the contents of the report and complaint, the identity of the parties and personal information. Except to necessity of investigation, handling and contact and the requirements of laws and regulations, it shall not be disclosed to any third party. The Company will protect the whistleblower, the persons who cooperate and participate in the investigation process to avoid unfair retaliation or treatment.</p>	
<p>4. Improvement of information disclosure</p> <p>(1) Does the Company disclose the content and implementation status of its Principles for Ethical Management on its own website and the TWSE's Market Observation Post System website?</p>	V		<p>The Company has set up a website, disclosed the Code of Conduct on Ethical management on the company's website and the Market Observation Post System in accordance with the regulations, and disclosed the company's relevant information on the conduct of Ethical management in the annual report.</p> <p>The Company's website designates personnel from relevant business departments to collect and update information. Financial information and material information are disclosed by the financial unit staff on the Market Observation Post System, and the disclosed information is presented to the Company's spokesperson.</p> <p>The company provides a Chinese version of the shareholders' meeting handbook for the convenience of domestic investors, investment trusts and other institutions or individuals.</p>	<p>Comply with Article 25 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".</p>
<p>5. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/ GTSM Listed Companies, please describe the Company's implementation of the principles and any discrepancy therein and explain why :</p> <p>The Company's ethical corporate management principles were approved at the second board of directors' meeting in 2013 (April 17, 2013) and the "Ethical Management Procedures and Conduct Guidelines" was approved at the first board of directors' meeting in 2021 (March 25, 2021). As mentioned above, the actual implementation is no different from that of the Company's code of conduct. Ethical management and sincerity and pragmatism are the Company's business philosophy and work attitude. In order to maintain this corporate culture, the company will continue to promote and refine the Ethical corporate management Principles.</p>				

Item	Status of implementation (Note 1)			Any discrepancies and reasons for Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Summary	
6. Other information to understand more about the Company's Ethical Corporate Management practice ( For example, the company reviews and amends the Ethical Management principles ) :				
<p>The Company arranges and encourages directors and managers to take continuing education courses on corporate governance every year to enhance their corporate governance and supervisory capabilities, and hopes to enhance the effectiveness of corporate governance and the implementation of ethical management through the operation of the board of directors. We will irregularly inform the suppliers by letter to publicize the Company's ethical management policy.</p> <p>The "Ethical Management Procedures and Conduct Guidelines" was approved at the first board of directors' meeting in 2021 (March 25, 2021).</p> <p>The implementation of the Company's ethical management in 2023 :</p> <p>1.Compliance with laws and regulations is the basic premise of ethical management: Conducted the director's and senior executive "2023 annual promotion of insider trading and prevention" and "2023 annual promotion of ethical management and codes of ethical conduct and compliance with laws and regulations" for a total of 1 hour and 9 participants. (8 directors + 1 supervisor)</p> <p>2. Circulate the 2023 annual "Corporate Governance Related Codes and Operating Procedures" promotional materials to all employees of the company (including legal compliance education and promotion, integrity management and ethical code of conduct, human rights education, gender equality at work, and prevention of sexual harassment in the workplace, etc.). Directors and managers read 8 times in 1 hour, department and section supervisors read 6 times in 1 hour, and employees below section supervisors (including guards) read 9 times in 0.5 hours.</p> <p>3.Case of violation of ethical management: 0 case</p> <p>4.Stakeholder assurance and recusal of interest : Employee communication (4 labor-management meetings), shareholder/investor communication (1 conference), and recusal of interests (4 matters of recusal of directors' interests)</p>				

Note 1 : Whether "Yes" or "No" is checked, the implementation status shall be described in the summary description field.

- (7) The Company has established the Corporate Governance Best Practice Principles and related rules and regulations for inquiries  
The Company's website: [www.yijinn.com.tw](http://www.yijinn.com.tw)

- (8) Any other material information that would afford a better understanding of the status of the company's implementation of corporate governance may also be disclosed.

1. Succession Planning for Board Members and Management

In the succession planning for the board members and management of Yi Jinn, the successor's personality qualities shall be in line with the Company's core business philosophy of "innovation, integrity, growth and collaboration" and "Honest and Pragmatic" attitude.

Succession planning and operation of board members

The Company is aware that its directors are elected by the shareholders and that the directors are elected solely based on the number of votes received in the election.

However, the Company will comply with the provisions of the Company's "Corporate Governance Best Practice Principles" as far as possible when reviewing the qualifications and recommending the list of directors to be elected. :

The composition of the board of directors shall be determined by taking diversity into consideration. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the board members, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards :

a. Basic requirements and values : Gender, age, nationality, and culture.

b. Professional knowledge and skills : A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities :

(1) Ability to make operational judgments. (2) Ability to perform accounting and financial analysis. (3) Ability to conduct management administration. (4) Ability to conduct crisis management. (5) Knowledge of the industry. (6) An international market perspective. (7) Ability to lead. (8) Ability to make policy decisions.

In order to enhance the above-mentioned diversified professional knowledge and skills of the directors, when conducting the annual three-hour continuing education program for directors, the Company gives priority to recommend the above-mentioned courses to the directors or enroll them for the directors, and the fees are fully paid by the Company.

Yi Jinn has established the "Performance Evaluation of the Board of Directors and Functional Committees" to evaluate the performance of the Board of Directors and Functional Committees at the end of each fiscal year, and the results of the performance evaluation will be used as a reference for the selection or nomination of directors in the future.

Succession Planning and Operation of Management



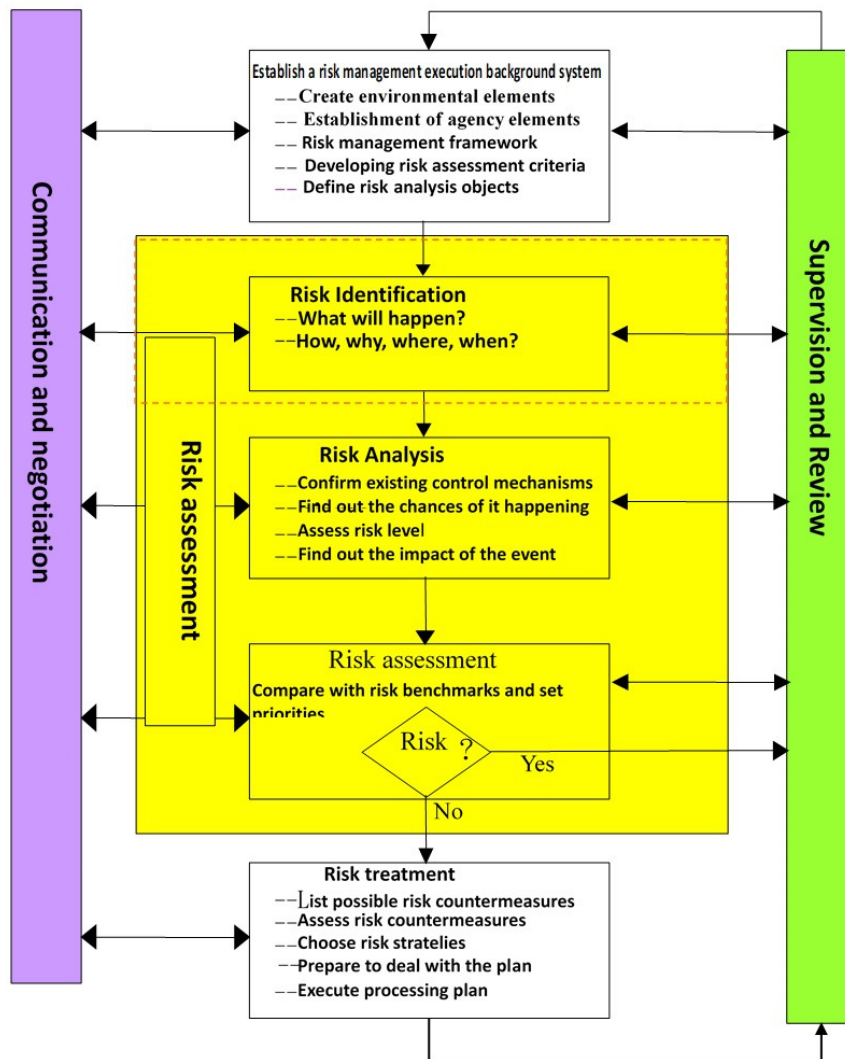
The Company holds quarterly management meetings, which are chaired by the Chairman of the Board of Directors. The directors who participate in the management meetings are important members of the Company's staff, and the meetings are also designed to train and prepare the future successors of the Company's key management personnel. :

- The chairman of the board shared and passed on the business philosophy, life experience and experience of operating the company to the attending management.
- The participating management sets annual (quarterly) operating targets and reports on the achievement of annual (quarterly) operating targets.
- The participants shared their work experience and insights with each other and learned from each other.
- Through the report on the achievement of management results in the meeting, to form the management succession team and pass on the Company's business philosophy.

In addition to the succession planning and operation of important management, the Company also requires all important management personnel to cultivate 1-2 successors, to establish a good foundation for the Company's sustainable management of human resources.

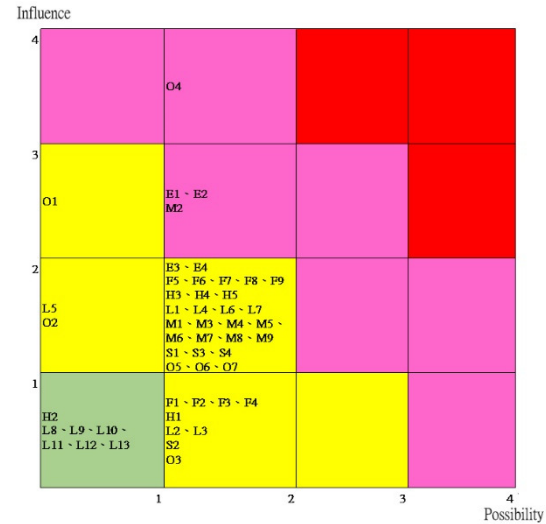
## 2. Organizational structure of risk management :

The company passed the "Risk Management Code of Practice" at the fifth meeting of the board of directors in 2022 (2022/11/9), and The Company has established a "Risk Management Policy" to conduct risk assessment on environmental, social and corporate governance issues related to the Company (including natural disasters, economic environment, personnel behavior, business and legal, management activities and control, infrastructure, etc.) on a regular basis once a year according to the significance of the impact, joint risk assessments are conducted by the Company's factory supervisors and subsidiary managers to assess the probability and materiality of risk impacts and to determine whether to adopt policies or strategies for risk management. The Company's risk report is presented to the Board of Directors on a regular basis once a year, and the 2022 annual risk report was presented to the board of directors on March 13, 2023. The 2023 year risk report was approved by the Audit Committee and the Board of Directors on March 13, 2023)

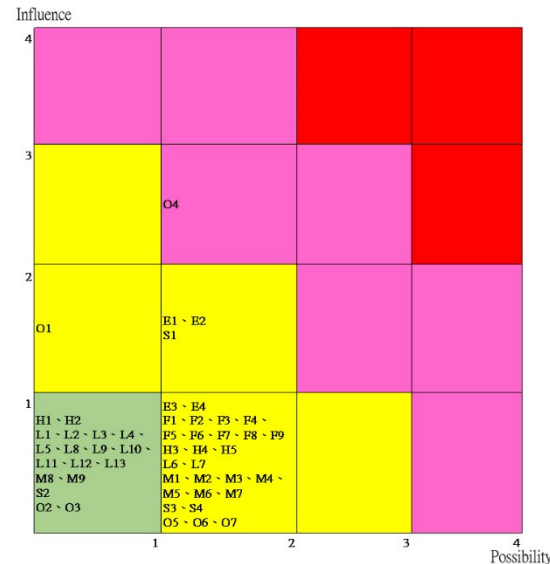


2023 Y1 JINN/HUNVIRA Analysis Chart						
Current Risk			Overall Risk (Current Control)		Rest Risk (Added Control)	
			Possibility	Influence	Possibility	Influence
Natural disaster	E					
Fire	E1		2	3	2	2
Earthquake	E2		2	3	2	2
Typhoon (Flood)	E3		2	2	2	1
Infectious disease	E4		2	2	2	1
Economic environment	F					
Exchange rate	F1		2	1	2	1
Rate	F2		2	1	2	1
Stock market	F3		2	1	2	1
Housing market	F4		2	1	2	1
Market boom	F5		2	2	2	1
Raw material	F6		2	2	2	1
Market competition	F7		2	2	2	1
Sales volume	F8		2	2	2	1
Product margin	F9		2	2	2	1
Personnel behavior	H					
Resident	H1		2	1	1	1
Media reports	H2		1	1	1	1
Fraud	H3		2	2	2	1
Leaked information	H4		2	2	2	1
Retirement and reassignment	H5		2	2	2	1
Business and law	L					
Supplier	L1		2	2	1	1
Contractor	L2		2	1	1	1
Tenant	L3		2	1	1	1
The Company Act	L4		2	2	1	1
Securities Exchange Act	L5		1	2	1	1
Environmental regulations	L6		2	2	2	1
Labor law	L7		2	2	2	1
Business tax law	L8		1	1	1	1
Factory law	L9		1	1	1	1
Building regulations	L10		1	1	1	1
Patent Act	L11		1	1	1	1
Intellectual Property Law	L12		1	1	1	1
Business Entity Accounting Act	L13		1	1	1	1
Management activity and control	M					
Production quantity	M1		2	2	2	1
Product quality	M2		2	3	2	1
Product delivery	M3		2	2	2	1
Staff ability	M4		2	2	2	1
Staff recruitment	M5		2	2	2	1
Productivity	M6		2	2	2	1
Cost of production	M7		2	2	2	1
Equipment availability rate	M8		2	2	1	1
Business information	M9		2	2	1	1
Infrastructure	S					
Power failure (Power outage)	S1		2	2	2	2
Cut off water (Lack of water)	S2		2	1	1	1
Information system failure	S3		2	2	2	1
Energy tax/carbon tax	S4		2	2	2	1
Other (Please describe yourself)	O		1	3	1	2
Outsourced production chain	O1		1	2	1	1
Personal data protection act	O2		2	1	1	1
Employee health	O3		2	1	1	1
Geopolitics	O4		2	4	2	3
National identity	O5		2	2	2	1
Regional trade/economy	O6		2	2	2	1
Sea and air transportation pipeline	O7		2	2	2	1

2024 overall risk (existing control) image analysis chart



2024 residual risk (new control) image analysis chart



	Risk of extreme dangerous, need to take action immediately.
	Risk of high dangerous, management team needs to supervise its research project.
	Risk of medium dangerous, must set duty scope of management team.
	Risk of low dangerous, handled by general steps.

## 2024 Yi Jinn / Hung Chou Corporate Risk Management System Questionnaire    New Measure Added

Category		Code	Existing Hierarchy Of Risk Control	New Measure	New Hierarchy Of Risk Control	Assessed by
Natural Disasters		E				
	Fire	E1	6	Regular Replacement	4	Chan Shun Da
	Earthquake	E2	6	Disaster Drill	4	Chan Shun Da
	Typhoon (Flood	E3	4	Disaster drills, no-pay leave, remote operations	2	Chan Shun Da, Hung Sheng Jin
	Infectious Diseases	E4	4	Implementing diversion to work according to pandemic level	2	Chan Shun Da, Hung Sheng Jin
Economic Environment		F				
	Exchange Rates	F1	2	Reducing positions held in US dollars	2	Chan Shun Da
	Interest Rate	F2	2	Reducing liabilities	2	Chan Shun Da
	Stock Market	F3	2	Reducing holding ratio	2	Chan Shun Da
	Housing Market	F4	2	Reducing empty properties ratio	2	Chan Shun Da
	Market Prospects	F5	4	Reducing expenditures, developing new products, and expanding new markets	2	Chan Shun Da, Hung Sheng Jin
	Raw Materials	F6	4	Enhance communication with raw material suppliers	2	Chan Shun Da
	Market Competition	F7	4	Developing new customers, R&D of new products, price reduction, R&D of new eco-friendly materials, and increasing product differentiation	2	Chan Shun Da, Lin Seng Chin, Lin Zhe Hua, Hung Sheng Jin
	Sales Volume	F8	4	Developing new markets, differentiation, customization, and seeking long-term customers	2	Chan Shun Da, Lin Seng Chin, Hung Sheng Jin
	Gross Profit	F9	4	Developing new products	2	Chan Shun Da, Hung Sheng Jin
People Behavior		H				
	Residents	H1	2	Upgrading equipment	1	Chan Shun Da
	Media Coverage	H2	1		1	
	Fraud	H3	4		2	
	Leakage	H4	4		2	
	Retirement and Resignation	H5	4	Cultivating management associate, adopting labor dispatch or job outsourcing	2	Chan Shun Da, Hung Sheng Jin
Business & Legal		L				
	Suppliers	L1	4	Increasing suppliers	1	Chan Shun Da
	Contractors	L2	2		1	
	Lessees	L3	2		1	
	Company Act	L4	4	Education and training	1	Chan Shun Da
	Securities and Exchange Act	L5	2	Education and training	1	Chan Shun Da
	Environmental Laws and Regulations	L6	4	Education & training, and contracting a professional company to conduct GHG emission inventory counseling and inspection	2	Chan Shun Da, Hung Sheng Jin
	Labor Standards Act	L7	4	Education and training	2	Chan Shun Da
	Business Tax Act	L8	1	Education and training	1	Chan Shun Da
	Factory Act	L9	1	Education and training	1	Chan Shun Da
	Building Act	L10	1	Education and training	1	Chan Shun Da

## 2024 Yi Jinn / Hung Chou Corporate Risk Management System Questionnaire    New Measure Added

Category		Code	Existing Hierarchy Of Risk Control	New Measure	New Hierarchy Of Risk Control	Assessed by
	Patent Act	L11	1	Education and training	1	Chan Shun Da
	Intellectual Property Law	L12	1	Education and training	1	Chan Shun Da
	Business Entity Accounting Act	L13	1	Education and training	1	Chan Shun Da
Management Activities and Controls		M				
	Production Quantity	M1	4	Reducing total production, coordinating production management system	2	Chan Shun Da, Hung Sheng Jin
	Product Quality	M2	6		2	
	Product Delivery	M3	4	Coordinating production management system	2	Hung Sheng Jin
	Employee Competence	M4	4	Enhancing system management, providing training opportunities, and emphasizing growth and promotion	2	Chan Shun Da, Hung Sheng Jin
	Employee Recruitment	M5	4	Industry-academia collaboration, succession planning for skilled/important employees over 60 years old	2	Chan Shun Da, Hung Sheng Jin
	Production Efficiency	M6	4		2	
	Production Cost	M7	4	Upgrading equipment	2	Chan Shun Da
	Equipment Availability	M8	4	Replacing old equipment	1	Chan Shun Da, Hung Sheng Jin
	Sales Information	M9	4	Increasing new products, using Data loss prevention (DLP) program for electronic data	1	Chan Shun Da, Hung Sheng Jin
Infrastructure		S				
	Power outage	S1	4	Regular power outage inspection every year	4	Lee Jiang Han
	Water shortage	S2	2		1	
	Information System Failure	S3	4	Replacing old servers and use virtualization or cloud framework	2	Hung Sheng Jin
	Energy/carbon tax	S4	4	Electricity control and energy conservation, purchasing carbon credits, switching to low-carbon fuels, adopting carbon negative technologies, improving energy efficiency, using renewable energy, and improving production processes	2	Lee Jiang Han, Hung Sheng Jin
s (please describe)		O				
	Outsourced Production Chain		3	Transfer small volume orders to new partners	2	Hung Sheng Jin
	Personal Data Protection Act		2	Implementing Data Loss Prevention (DLP) solutions	1	Hung Sheng Jin
	Employee Health		2	Encouraging employees to take vacations and engaging in health exercises	1	Hung Sheng Jin
	Geopolitics		8	Purchasing war risk insurance	6	Hung Sheng Jin
	National Identity		4		2	
	Regional Trade/Economy		4		2	
	Ocean & Air Freight		4		2	

## 2023 Identification of ESG topics of stakeholders' concern

Yi Jinn Industrial Co., Ltd.

Identification

Item	Range	Topic	Impact on Decision Making of Stakeholders	Impact on Corporate Operations	Degree of impact
G1	Governance	Business Performance	3	4	12
G2	Governance	Business Strategy and Development	2	3	6
G3	Governance	R&D and Innovation	3	3	9
G4	Governance	Regulatory Compliance	3	3	9
G5	Governance	Anti-corruption Policy and Preventive Measures	2	3	6
G6	Governance	Customer Relationship Management	3	3	9
G7	Governance	Supplier Sustainability Management	3	3	9
G8	Governance	Product Quality and Service	3	3	9
G9	Governance	Ethical Management	3	3	9
G10	Governance	Cyber Security Management	2	3	6
E1	Environmental	Environmental Compliance	2	3	6
E2	Environmental	Waste Management	2	3	6
E3	Environmental	Water Management and Waste Water Treatment	2	3	6
E4	Environmental	Reduce Energy and Material Consumption	2	3	6
E5	Environmental	Greenhouse Gas Emissions	2	3	6
E6	Environmental	Toxic Substance Management	2	3	6
E7	Environmental	Air Pollutant Control	2	3	6
E8	Environmental	Biodiversity	2	2	4
E9	Environmental	Circular Economy	2	3	6
E10	Environmental	Climate Change Risks	2	3	6
E11	Environmental	Noise Control	2	3	6
S1	Social	Occupational Safety and Health	2	3	6
S2	Social	Labor Rights and Welfare	2	3	6
S3	Social	Talent Cultivation and Development	2	3	6
S4	Social	Employee Diversity and Equality	2	2	4
S5	Social	Social Welfare and Giving Back to the Community	2	2	4
S6	Social	Friendly and favorable workplace environm	2	3	6
S7	Social	Labor Relations	2	3	6

Employee benefit plans for 2023 and measures for preserving employees' rights and interests.

Item	Content
<p align="center"><b>Employee Benefits Policy</b></p>	<p>1. Since the Company's establishment, we have attached great importance to the harmony of labor relations and employee welfare, and regard employees as our most important assets. In designing the various management systems, we have fully considered people-oriented factors, and actively seek benefits for our employees, the benefits and personnel systems are as follows:</p> <p>(1) Personnel System: Various personnel rules and regulations, such as appointment, dismissal, promotion, salary, rewards and punishments, vacations, retirement benefits, severance pay, compensation, etc., are all under the basic spirit of the Labor Standards Act, and provide the most favorable consideration for employees, to achieve our goal of taking care of employees.</p> <p>(2) Employee Welfare: We have made great efforts to promote employee welfare, including restaurant, dormitory, library, recreation room, basketball court and other facilities, as well as provide uniforms. In addition, gifts (products) are given during festivals, and subsidies for weddings, funerals, births, year-end party, travel, gatherings, and scholarships for employees' children are provided, so employees can share our operating results.</p> <p>(3) Implementation of Employee Benefits for 2023: Birthday gift claimed NT\$21,000/21 persons, wedding and funeral claimed NT\$0/0 persons, New Year's gift claimed NT\$244,410/21 persons, travel subsidy claimed NT\$38,000/6 persons, scholarship claimed NT\$12,000/3 persons, and other benefits claimed NT\$1,200,000/21 persons.</p> <p>2. Employee Continuing Education and Training: The Company regards employees as our most important assets, and makes great efforts to cultivate them. In addition to regular internal training and experience sharing, we also send our employees to attend professional courses and seminars, and then reports them to the colleagues of the unit, in order to improve employees' quality. In 2023, a total of 48 hours of external education and training were taken by our colleagues.</p> <p>3. Employee Retirement System: We gradually provided preferential retirement to employees chosen to retire under the old system since 2015, and employees chosen to retire under the new system but still retained their seniority</p>

	<p>under the old system had their seniority transferred to the employees' accounts in accordance with the relevant government regulations. As of September 30, 2015, all our employees have no seniority under the old system and are applicable to the new labor pension system. We contribute no less than 6% of the employees' monthly wages to the employees' individual accounts, and employees can also contribute 1-6% of their monthly wages as pension. In addition, we have settled all the employees' seniority for the old pension system and paid all the pension to employees. No employee applied for retirement in 2023.</p>
<p><b>Measures for preserving employees' rights and interests</b></p>	<p>In order to ensure harmonious labor relations and smooth communication channels, all factories hold regular factory meetings and set up suggestion boxes to fully respond to employees' opinions. At the same time, employees' opinions are handled by the relevant departments through regular and occasional mutual communication to establish consensus. Since our establishment, labor relations have been very harmonious and no labor disputes have occurred. In the future, labor and management will continue to adhere to the principles of oneness, love and solidarity, and strengthen communication so that labor disputes will not occur. A total of 0 feedbacks were received in the employee suggestion box and mailbox in 2023.</p>
<p><b>Labor disputes</b></p>	<p>There were no labor disputes in 2023.</p>
<p><b>Implementing Social Responsibility</b></p>	<p>(1) The Company has established a corporate social responsibility policy.</p> <p>(2) The general manager's office is responsible for promoting social responsibility, upholding the concept of sustainable management, and implementing the Company's management system, personnel regulations, and energy-saving and carbon reduction programs, etc., and has been awarded the 1<sup>st</sup> Employment Creation Contribution Award for 2011 by the Executive Yuan.</p> <p>(3) The Company has integrated employee performance evaluation and reward and punishment systems, and occasionally promotes work rules through internal education and training to enhance employees' work attitude and morality. The departments in charge of social responsibility all handle related matters in accordance with their duties.</p> <p>Matters related to the implementation of the Company's social responsibility in 2023 included the preparation and completion of the 2022 Corporate Sustainability Report, and the efforts in energy efficiency and carbon emission reduction.</p>



	<p>In 2023, we donated NT\$1.5 million designated for low-income social assistance distribution in the townships adjacent to the Company's factories.</p>
<p><b>Employee continuing education &amp; training</b></p>	<p>The Company regard employees as our most important assets, and make great efforts to cultivate them. In addition to regular internal training and experience sharing, we also send our employees to attend professional courses and seminars, and then reports them to the colleagues of the unit, in order to improve employees' quality. In 2023, a total of 81 hours, and 14 participants of external education and training were taken by employees.</p>

(9) Internal Control System Execution Status shall disclose the following items :

1 . Statement of Internal Control System

Date : March 12, 2024

Based on the findings of a self-assessment, the company states the following with regard to our Internal Control System during 2023 :

1. The board of directors and managers of the Company are responsible for establishing, implementing, and maintaining an adequate internal control system. The system aims to provide reasonable assurance for the achievement of the objectives of operation effect and efficiency (including profit, performance and asset security), reliability, timeliness, transparency and compliance with relevant regulations and laws.
2. An internal control system has inherent limitation. No matter how perfectly designed, an effective internal control system can only provide a reasonable assessment of its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to environment, condition. However, the internal control system of the company has a self-monitoring mechanism. Once the lack is identified, the company will take corrective action.
3. The Company assesses whether the design and implementation of the internal control system are effective according to the judgment items of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "guidelines"). According to the process of management control, the internal control system is divided into five elements : 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information and communications, and 5. Monitoring activities. Each element includes several items. Please refer to the "guidelines" for the above items.
4. The Company has adopted the above internal control system to assess the project and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the assessment results mentioned in the preceding paragraph, the Company considers that the internal control system (including supervision and management of subsidiaries) of the Company on December 31, 2023 is effective, including the understanding of the operation effect and the extent to which the efficiency objectives have been achieved, the reliability, timeliness, transparency and compliance with relevant regulations and laws, and the design and implementation of the internal control system, It can reasonably ensure the achievement of the above goals.
6. This statement will be the main content of the Company's annual report and prospectus and will be made public. If there are false, concealed and other illegal things in the above disclosure, the legal liabilities of Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be involved.
7. This statement was approved by the board of directors of the Company on March 12, 2024. None of the 8 directors present held any objection. The rest agreed with the contents of this statement and hereby declare.

Yi Jinn Industrial Co., Ltd.

Chairman : Chan, Cheng-Tien

General Manager : Weng, Mao-Cheng

- 2 . If CPA was engaged to conduct a Special Audit of Internal Control System, shall disclose CPA's Audit Report : None

(10) For the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, disclose any sanctions imposed in accordance with the law upon the company or its internal personnel, any sanctions imposed by the company upon its internal personnel for violations of internal control system provisions, principal deficiencies, and the state of any efforts to make improvements. : None

(11) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. :

Date	Material resolutions of a shareholders meeting	Implementation status
2023/05/31	<p>Total shares represented by shareholders present : 157,886,507 shares, 52.34%</p> <p>Directors present : Directors Chan Cheng Tien, Weng Mao Cheng, Lai Yu Min, Chen Meng Wu, Cheng, Yu-Jing and Independent director Lai Sun Quae and Huang Tien Chang</p> <p>CPA present : Zhang Shu Ying</p> <p>Matters to Discuss :</p> <p>1.Ratification of the 2022 Business Report, Financial Statements and earnings distribution of the Company.</p> <p>2.Approval of the amendment to the Company's "Articles of Incorporation"</p>	<p>1.Ratify the 2022 Business Report and Financial Statements, in which the consolidated revenue for the year was NT\$4,335,382 thousand, net income after tax was NT\$2,030,138 thousand, and earnings per share was NT\$4.55 dividends to shareholders are NT\$1.</p> <p>2. Passed by the shareholders' meeting as approved</p>

Date of Board Meeting	Session	Material matters discussed by the Board
2023/02/26	1	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1. Approved the Company's proposed participation in the cash capital increase and subscription of its subsidiary Dayi International Development Co., Ltd.</p> <p>2. Approved the Company's proposal to apply for a bank loan for working capital requirements.</p>
2023/03/13	2	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1. Approved the Company's annual risk report for 2022</p> <p>2. Approved the Company's Statement of Internal Control System for 2022</p> <p>3. Approved the distribution of employees' and directors' remuneration of the Company in 2022.</p> <p>4. Approved Company's 2022 Annual Financial Statements and Business Report</p> <p>5. Approved the distribution of the Company's 2022 earnings.</p> <p>6. Approved the amendment to the Company's "Articles of Incorporation".</p> <p>7. Approved the matters related to the 2023 Annual Shareholders' Meeting of the Company.</p> <p>8. Approved the Company's 2023 Business Plan.</p> <p>9. Approved the appointment of the Company's CPA.</p> <p>10. Through the company's need for working capital turnover, it plans to apply for a loan from the bank</p>
2023/05/12	3	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin, Huang Tien Chang (entrusted by Lai Sun Quae )</p> <p>Approved matter :</p> <p>1. Approved the company's consolidated financial report for the first quarter of 2023</p> <p>2.Through the company's need for working capital turnover, it plans to apply for a loan from the bank</p>
2023/05/31	4	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin, Huang Tien Chang</p> <p>Approved matter :</p> <p>1. Approved the company's real estate in the Xizhi district to revitalize assets and augment operational funds.</p>
2023/08/11	5	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1.Approved the company's consolidated financial report for the second quarter of 2023</p> <p>2. Proposed Purchase of Shares of Dada International Development Co., Ltd. by Our Company</p>

		3. Through the company's need for working capital turnover, it plans to apply for a loan from the bank
2023/09/13	6	<p>Directors present : Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin, Chan Cheng Tien (entrusted by Lai Sun Quae)</p> <p>Approved matter :</p> <p>1. Proposal for the Sale of Shares in Nice Plaza Limited by our Company</p>
2023/11/09	7	<p>Directors present : Chan Cheng Tien, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing</p> <p>Director absent : Chan Yi Chin, Chen Meng Wu, Chen Shiou Chung</p> <p>Approved matter :</p> <p>1. Approved the company's consolidated financial report for the third quarter of 2023</p> <p>2. Approved the independence and suitability of the Company's CPA and review of audit fees</p> <p>3. Prohibition on Competing with the Company's Security Officers and Managers by Reporting to the Competent Security Supervisor and Manager</p> <p>4. Passed the company's "2024 Internal Audit Operation Review Plan"</p>
2023/11/27	8	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1. Proposal for Funding Loan to Bright Weaving Factory Co., Ltd. by Our Company</p>
2023/12/20	9	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1. Approved the Company's donation of charitable funds.</p> <p>2. Approved the matter of the remuneration of directors and managers deliberated at the 5<sup>th</sup> meeting of the 5<sup>th</sup> Remuneration Committee of the Company.</p>
2024/03/12	10	<p>Directors present : Chan Cheng Tien, Chen Meng Wu, Lai Yu Min, Huang Tien Chang, Lai Sun Quae, Weng Mao Cheng, Cheng Yu Jing, Chen Shiou Chung</p> <p>Director absent : Chan Yi Chin</p> <p>Approved matter :</p> <p>1. Approved the Company's annual risk report for 2024</p> <p>2. Approved the Company's Statement of Internal Control System for 2023</p> <p>3. Approved the distribution of employees' and directors' remuneration of the Company in 2023.</p> <p>4. Approved Company's 2023 Annual Financial Statements and Business Report</p> <p>5. Approved the distribution of the Company's 2023 earnings.</p> <p>6. Approved the amendment to the Company's "Articles of Incorporation".</p> <p>7. Adopted the amendment to the company's board of directors' rules of procedure</p> <p>8. Adopted the amendment to the "Measures for the Exercise of Functions and Powers of the Audit Committee" in Annex 1 of the Company's "Articles of Association of the Audit Committee"</p> <p>9. Approve the election of directors of the company</p> <p>10. Adopt nominations and decide on the list of director candidates</p> <p>11. Passed the case of lifting the non-competition restrictions of directors of Xinshi</p> <p>12. Approved the matters related to the 2024 Annual Shareholders' Meeting of the Company.</p> <p>13. Approved the Company's 2024 Business Plan.</p> <p>14. Approved the appointment of the Company's CPA.</p> <p>15. Through the company's need for working capital turnover, it plans to apply for a loan from the bank</p>

(12) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof. : None

(13) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer. : None

### 3.5 Information on the professional fees of the attesting CPAs

(1) Accountant fee information :

Accountant fee information

Unit : NT\$ thousand

Accounting Firm	CPA Name	Audit Period	Audit fee	Non-Audit fee	Sub-total	Remarks
KPMG Taiwan	Pan, Chun-Ming Chang, Shu-Ying	2023/1-2023/12	2,460	300	2,760	

Non-audit publicly funded services: tax visa

(2) If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year : None

(3) If the audit fee is reduced by more than 10% over that in the previous year : None

### 3.6 Change of Accountants : None

### 3.7 The Employment of the Company's Chairman, General Manager, Financial or Accounting Manager with the Auditing CPA Firm or Its Affiliated Businesses in the Past Year : None

### 3.8 Particulars about Changes in Shareholding and Share Pledge of Directors, Supervisors, Managers and Shareholders Holding More than 10% of the Company's Shares in the Past Year and as of the Date of Publication of the Annual Report :

(1) Changes in Shareholding of Directors, Supervisors, Managers and Major Shareholders :

Title	Name	2023		Current year as of March 31	
		Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)
Chairman	Chan, Cheng-Tien	(1,000,000)	0	0	0
Director	Chan, Yi-Chin	0	0	0	0
Director	Cheng, Yu-Jing	0	0	0	0
Director	Chen, Meng-Wu	0	0	0	0
Director	Weng, Mao-Cheng	60,000	0	0	0
Director	Lai, Yu-Min	60,000	0	0	0
Independent Director	Chen, Shiou-Chung	0	0	0	0
Independent Director	Huang, Tien-Chang	0	0	0	0
Independent Director	Lai, Sun-Quae	0	0	0	0
Major Shareholder	Yi Tong FiberCo., Ltd.	0	0	0	0
General Manager	Weng, Mao-Cheng	60,000	0	0	0
Deputy General Manager	Chang, Heng-Chia	0	0	0	0
Deputy General Manager	Lai, Yu-Min	60,000	0	0	0

(2) Share trading Information :

Name (註 1)	Reasons for equity transfer (註 2)	transaction date	Transaction counterparty	The relationship between the transaction counterparty and the company, directors, supervisors, managers and shareholders holding more than 10% of the shares	Number of shares	Trading price
Chan, Cheng-Tien	Donate	2023.10.27	Jinxian Social Welfare and Charitable Foundation	The chairman is the same person	1,000,000	

(3) Share pledge Information : None.

**3.9 Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another :**

10 largest shareholders and their relationship

Name (Note 1)	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominees		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees (Note 3)		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Yi Tong Fiber Co. Ltd. Representative : Chan, Cheng-Tien	57,954,410	19.21%							
Chan, Cheng-Tien	23,010,494	7.63%	2,053,074	0.68%					
Xin Mao investment Co., Ltd. Representative : Chan, Cheng-Tien	21,294,470	7.06%							
Chan, Cheng-Tien	23,010,494	7.63%	2,053,074	0.68%					
I Jinn Industrial Co. Ltd. Representative : Chen, Jun-Kai	19,229,717	6.38%							
Chen, Jun-Kai	248,000	0.08%							
Zig Sheng Industrial Co. Ltd. Representative : Ye, Shou-Tun	7,146,000	2.37%							
Ye, Shou-Tun	0	0.00%							
Wang, Sheng-Min	7,049,000	2.34%					Wang, Sheng-Hong Wang, Zhuang-Yan	Brother Father and son	
Zhang, Min-Gji	5,767,000	1.91%							
Wang, Zhuang-Yan	5,475,000	1.82%					Wang, Sheng-Min Wang, Sheng-Hong	Father and son Father and son	
Wang, Sheng-Hong	5,056,000	1.68%					Wang, Sheng-Min Wang, Zhuang-Yan	Brother Father and son	
Cheng, Chao-Yang	3,155,000	1.05%							

Note 1 : If any of those 10 largest shareholders is an institutional shareholder, the name of the corporate shareholder and the names of its representative shall be noted.

Note 2 : The calculation of the holding percentage refers to the percentage of shareholding in the name of oneself, one's spouse, one's minor children or in the nominee's name.

Note 3 : The shareholders listed in the preceding paragraph include both legal and natural persons, and the relationships between them shall be disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

**3.10 The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company :**

Consolidated stake

December 31, 2023  
Unit : Shares, %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
Yi Tong Fiber Co. Ltd.	20,721,296	46.81	7,322,091	16.54	28,043,387	63.35
Xin Mao investment Co., Ltd.	5,959,886	35.33	8,978,236	53.23	14,938,122	88.56
Kwang Ming Silk Mill Co. Ltd.	15,586,193	38.53	3,296,900	8.15	18,883,093	46.68
Hung Chou Fiber Co. Ltd.	36,601,000	27.70	22,684,037	17.17	59,285,037	44.87
Da Tien International Development Co., Ltd.	22,500,000	64.29	10,000,000	28.57	32,500,000	92.86
Dayi International Development Co., Ltd	70,743,750	61.25	37,131,250	32.15	107,875,000	93.40

Note : Investments accounted for using equity method.



## IV. Capital Raising Activities and implementation of the company's capital allocation plans :

### 4.1 Disclose the company's capital, corporate bonds, preferred shares, global depository receipts, and employee stock warrants, merger activities (including mergers, acquisitions, and demergers)

#### 1. Source of capital stock :

Year/month	Par Value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Capital Increased by Assets other than Cash	Others
1990.12	10	18,000,000	180,000,000	18,000,000	180,000,000	Consolidated Capital increase 60,000,000 Cash Capital increase 60,000,000	None	None
1991.12	10	50,000,000	500,000,000	50,000,000	500,000,000	Note 1	None	None
1993.05	10	90,000,000	900,000,000	60,000,000	600,000,000	Note 2	None	None
1994.06	10	90,000,000	900,000,000	72,000,000	720,000,000	Note 3	None	None
1995.06	40	90,000,000	900,000,000	90,000,000	900,000,000	Note 4	None	None
1995.08	10	180,000,000	1,800,000,000	112,500,000	1,125,000,000	Note 5	None	None
1996.05	10	180,000,000	1,800,000,000	135,000,000	1,350,000,000	Note 6	None	None
1996.10	22	180,000,000	1,800,000,000	180,000,000	1,800,000,000	Note 7	None	None
1997.06	22	320,000,000	3,200,000,000	270,000,000	2,700,000,000	Note 8	None	None
1998.05	10	386,000,000	3,860,000,000	324,000,000	3,240,000,000	Note 9	None	None
1999.06	10	560,000,000	5,600,000,000	382,320,000	3,823,200,000	Note 10	None	None
2001.01	10	560,000,000	5,600,000,000	372,320,000	3,723,200,000	Note 11	None	None
2003.06	10	560,000,000	5,600,000,000	365,320,000	3,653,200,000	Note 12	None	None
2007.12	10	560,000,000	5,600,000,000	255,724,000	2,557,240,000	Note 13	None	None
2008.08	10	560,000,000	5,600,000,000	237,000,000	2,370,000,000	Note 14	None	None
2009.07	10	560,000,000	5,600,000,000	225,151,000	2,251,510,000	Note 15	None	None
2010.08	10	560,000,000	5,600,000,000	275,151,000	2,751,510,000	Note 16	None	None
2011.04	9	560,000,000	5,600,000,000	325,151,000	3,251,510,000	Note 17	None	None
2011.06	10	560,000,000	5,600,000,000	329,069,760	3,290,697,600	Note 18	None	None
2011.06	10	560,000,000	5,600,000,000	337,874,592	3,378,745,920	Note 19	None	None
2011.09	10	560,000,000	5,600,000,000	317,874,592	3,178,745,920	Note 20	None	None
2014.08	10	560,000,000	5,600,000,000	322,449,060	3,224,490,600	Note 21	None	None
2014.10	10	560,000,000	5,600,000,000	335,164,044	3,351,640,440	Note 22	None	None
2017.01	10	560,000,000	5,600,000,000	301,647,639	3,016,476,396	Note 23	None	None

Note 1 : Approval ref. (80) Tai-Tsai-Cheng (1) Letter No. 03381 for Consolidated capital increase of NT\$196,000,000 and Cash capital increase of NT\$124,000,000 dated December 9, 1991.

Note 2 : Approval ref. (82) Tai-Tsai-Cheng (1) Letter No. 01154 for capital increase of NT\$75,000,000 from earning and Capital surplus transferred to capital increase of NT\$25,000,000 dated May 20, 1993.

Note 3 : Approval ref. (83) Tai-Tsai-Cheng (1) Letter No. 28266 for capital increase of NT\$120,000,000 from earning dated June 17, 1994.

Note 4 : Approval ref. (84) Tai-Tsai-Cheng (1) Letter No. 17327 for capital increase of NT\$180,000,000 dated March 27, 1995.

Note 5 : Approval ref. (84) Tai-Tsai-Cheng (1) Letter No. 38158 for capital increase of NT\$189,000,000 from earning and Capital surplus transferred to capital increase of NT\$36,000,000 dated June 29, 1995.

Note 6 : Approval ref. (85) Tai-Tsai-Cheng (1) Letter No. 25072 for capital increase of NT\$112,500,000 from earning and Capital surplus transferred to capital increase of NT\$112,500,000 dated April 23, 1996.

Note 7 : Approval ref. (85) Tai-Tsai-Cheng (1) Letter No. 41636 for cash capital increase of NT\$450,000,000 dated July 16, 1996.

- Note 8 : Approval ref. (86) Tai-Tsai-Cheng (1) Letter No. 47263 for cash capital increase of NT\$540,000,000 and capital increase of NT\$180,000,000 from earning and Capital surplus transferred to capital increase of NT\$180,000,000 dated June 30, 1997.
- Note 9 : Approval ref. (87) Tai-Tsai-Cheng (1) Letter No. 46910 for capital increase of NT\$178,200,000 from earning and Capital surplus transferred to capital increase of NT\$361,800,000 dated May 28, 1998.
- Note 10 : Approval ref. (88) Tai-Tsai-Cheng (1) Letter No. 52388 for capital increase of NT\$162,000,000 from earning and Capital surplus transferred to capital increase of NT\$421,000,000 dated June 4, 1999.
- Note 11 : Approval ref. (90) Tai-Tsai-Cheng (3) Letter No. 103808 for buyback total 10,000 company stocks during October 17~December 16, 2000 and capital decrease of NT\$100,000,000 dated January 5, 2001.
- Note 12 : Approval ref. (92) Tai-Tsai-Cheng (3) Letter No. 0920138936 for buyback total 7,000 company stocks during June 17 to August 16, 2003 and capital decrease of NT\$70,000,000 dated August 21, 2003.
- Note 13 : Approval by the Financial Supervisory Commission via Letter No. 0960070574 for capital decrease of NT\$1,095,960,000 dated December 24, 2007.
- Note 14 : Approval by the Financial Supervisory Commission via Letter No. 0970052000 for buyback total 18,7247 company stocks during July 22 to September 19, 2008 and capital decrease of NT\$187,240,000 dated August 21, 2008.
- Note 15 : Approval by the Financial Supervisory Commission via Letter No. 0980024207 for buyback total 11,849 company stocks during March 11 to May 6, 2009 and capital decrease of NT\$118,490,000 dated May 20, 2009.
- Note 16 : Approval by the Financial Supervisory Commission via Letter No. 0990050720 for capital increase of NT\$500,000,000 dated September 23, 2010.
- Note 17 : Approval by the Financial Supervisory Commission via Letter No. 1000025331 for capital increase of NT\$500,000,000 dated June 8, 2011.
- Note 18 : Approval by the Financial Supervisory Commission via Letter No. 1000025331 for issued transferable bond, in the second quarter of 2011 company transferred into common stocks for NT\$39,187,600 dated June 8, 2011.
- Note 19 : Approval by the Financial Supervisory Commission via Letter No. 1000039646 for capital increase of NT\$88,048,320 from earning dated August 25, 2011.
- Note 20 : Approval by the Financial Supervisory Commission via Letter No. 1000059437 for capital decrease of NT200,000,000 dated December 2, 2011.
- Note 21 : Approval by the Financial Supervisory Commission via Letter No. 1000025331 for issued transferable bond, in the second quarter of 2014 company transferred into common stocks for NT\$45,744,680 dated June 8, 2011.
- Note 22 : Approval by the Financial Supervisory Commission via Letter No. 1030033135 for capital increase of NT\$127,149,840 from earning dated August 25, 2014.
- Note 23 : Approval by the Financial Supervisory Commission via Letter No. 1050053905 for capital decrease of NT335,164,044 dated January 13, 2017.

Type of Stock	Authorized Capital			Remark
	Issued Shares	Unissued Shares	Total	
Common Stock	301,647,640	258,352,360	560,000,000	List stock

## 2 .Shareholder structure :

### Shareholder structure

April 21, 2024

	Government agencies	Financial institutions	Other institutions	Foreign institutions and individuals	Individuals	Total
No. of shareholders	0	1	171	47	18,633	18,852
Total shares owned	0	3,000	126,438,816	5,808,853	169,396,971	301,647,640
Holding percentage (%)	0.00%	0.00%	41.92%	1.92%	56.16%	100.00%

Note : The percentage of shares held by mainland Chinese investors is 0%.

## 3. Shareholding distribution :

### Shareholding distribution

Face value of \$10 per share

April 21, 2024

Shareholding range	No. of shareholders	Total shares owned	Holding percentage
1 to 999	9,234	1,873,576	0.62%
1,000 to 5,000	6,989	15,274,715	5.06%
5,001 to 10,000	1,274	10,413,859	3.45%
10,001 to 15,000	335	4,283,682	1.42%
15,001 to 20,000	298	5,585,543	1.85%
20,001 to 30,000	217	5,573,392	1.85%
30,001 to 40,000	109	3,969,699	1.32%
40,001 to 50,000	79	3,679,135	1.22%
50,001 to 100,000	140	10,036,274	3.33%
100,001 to 200,000	74	10,375,897	3.44%
200,001 to 400,000	41	11,670,417	3.87%
400,001 to 600,000	17	8,594,543	2.85%
600,001 to 800,000	9	6,421,966	2.13%
800,001 to 1,000,000	4	3,587,080	1.19%
1,000,001 and above	32	200,307,862	66.40%
Total	18,852	301,647,640	100.00%

#### 4. Major shareholders :

##### Major shareholders

April 21, 2024

Shares Name	Total shares owned	Shareholding ratio
Yi Tong Fiber Co. Ltd.	57,954,410	19.21%
Chan, Cheng- Tien	23,010,494	7.96%
Xinmao investment Co., Ltd.	21,294,470	6.83%
I Jinn Industrial Co. Ltd.	19,229,717	6.11%
Zig Sheng Industrial Co. Ltd.	7,146,000	2.29%
Wang, Sheng-Min	7,049,000	2.00%
Zhang Min-Gji	5,767,000	
Wang, Zhuang-Yan	5,475,000	1.71%
Wang, Sheng-Hong	5,056,000	1.65%
Cheng, Chao-Yang	3,155,000	1.03%

**5. Provide share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information**

Market Price, Net Worth, Earnings and Dividend Per share

Year Item			2022	2023	Current year as of March 31, 2024 (Note 8)
Market Price Per Share	Highest		20.10	20.00	21.60
	Lowest		16.20	17.15	18.05
	Average		18.59	18.23	19.86
Net Worth Per Share(Note 2)	Before distribution		23.11	24.74	—
	After distribution		21.76	22.70	—
Earnings per share	Weighted average shares		223,082,760	222,398,760	—
	Earnings per share (Note 3)		4.55	2.55	—
Dividend Per share	Cash Dividend		1	1	—
	Stock Dividends	Stock Dividends Appropriated from Retained Earnings	0	0.5	—
		Stock Dividends Appropriated from capital surplus	0	0	—
	Accumulated Undistributed Dividends (Note 4)		0	0	—
Return on Investment	P/E ratio (Note 5)		4.09	7.15	—
	Price-dividend ratio( Note 6)		18.59	18.23	—
	Cash dividend yield (Note 7)		5.38	5.49	—

The first quarter financial report of 2023 hasn't been audited and reviewed by CPA.

\* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1 : List the lowest and highest common stock's market price for each year and calculate the average market price for each year by the annual turnover and volume.

Note 2 : Please fill in the information based on the number of issued shares at the end of the year and the distribution according to the resolution of the board of directors or the shareholders' meeting of the following year.

Note 3 : If any stock dividend has been distributed and their amount shall be retroactively adjusted, adjusted earnings per share before and after shall be listed.

Note 4 : Setting forth the respective cash dividend and stock dividend of each fiscal year. If there are any cumulated and unpaid dividends, their amount shall also be disclosed.

Note 5 : P/E ratio = current year average closing price per share /earnings per share.

Note 6 : Price-dividend ratio = current year average closing price per share / cash dividend per share.

Note 7 : Cash dividend yield = cash dividend per share/ current year average closing price per share.

Note 8 : The net worth per share and earnings per share shall be filled in with the information audited (reviewed) by CPA as of the date of publication of the annual report in the most recent quarter; the remaining fields shall be filled in with the information of the current year as of the date of publication of the annual report.

## **6. The Company's dividend policy and implementation thereof :**

### **(1) Dividend Policy provided in the Articles of Incorporation**

A company shall, after its losses have been covered and all taxes and dues have been paid and at the time of allocating surplus profits, first set aside ten percent of the remaining profits of the company reserves. Then set aside an amount as special reserve pursuant to the Applicable Law. With respect to earnings available for distribution plus any previously undistributed cumulative retained earnings, The proposal of surplus earning distribution shall be presented to the board of directors for approval, if such surplus earning is distributed in the form of cash, it shall be approved by a meeting of the board of directors.

The Company distributes dividends and bonuses or legal reserve and capital surplus, in whole or in part, in the form of cash, and authorizes the board of directors to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report to the shareholders' meeting.

The Company's dividend policy shall be taken into consideration the current and future development plans, the investment environment, capital needs and domestic and overseas competitions, as well as the interests of shareholders and sustainable operation. The Company may by a resolution adopted by the shareholders' meeting have the surplus profit distributable as dividends and bonuses, the cash dividend shall not be less than 10% of the total dividends, the rest shall be paid by stock dividends.

(2) The Company's net income for 2023 was NT\$567,119,704 On March 12, 2024, the board of directors approved a dividend of NT\$1 per share for 2023, the cash dividend was NT\$ 1 per share . Shareholder stock dividend, 0.5 yuan per share held by shareholders were specified in the roster of shareholders in accordance with ex-dividend date, the cash dividend was NT\$ 1.5 per share. The Company's dividend payment is based on the principle of stability, and if there is any surplus, the Company will try to maintain a 5% yield for cash dividends every year.

(3) If a material change in dividend policy is expected, provide an explanation : None.

## **7. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the recent shareholders' meeting :**

The company has decided to allot a cash dividend of 1 yuan per share and a capital increase of 0.5 yuan per share from surplus capital. However, since the company has not compiled financial forecasts, it is not applicable.

## **8. Compensation of employees, directors, and supervisors**

(1) Ratio or scope of compensation for employees, directors, and supervisors, as set forth in the Company's Articles of Incorporation :

In pursuant of the stipulations of the Articles of Incorporation, if there is a profit for the year, the company shall set aside not less than 0.5% for the employee bonus and not more than 2% for the directors and supervisors bonus. However, if there is

still a cumulative loss, an amount to make up for the loss shall be retained in advance.

The aforesaid employee bonus shall be paid in shares or cash. Qualification requirements of employees, including the employees of parents or subsidiaries of the Company meeting certain specific requirements. The aforesaid directors and supervisors bonus shall be paid in cash only.

A resolution shall be made by the board of directors, and then be reported to the shareholders' meeting.

- (2) The basis for estimating the amount of employees' bonus and directors' remuneration for the current period, and the accounting treatment of the discrepancy, if any, between the actual amount of bonus shares distributed to employees and estimated figure thereof are as follows. :

- 1 · In accordance with the provisions of Article 27 of the amended Articles of incorporation.
- 2 · The Company's pre-tax benefit before the distribution of employee and director's remuneration amounted to NT\$654,240,462 in 2023 with a cash appropriation of no less than 0.5% as employee's remuneration of NT\$3,331,617 and no more than 2% as director's remuneration of NT\$8,492,356 which were paid in cash and no difference from the estimated amount in the accounts.

- (3) Information on any approval by the board of directors of distribution of compensation :

- 1 · The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors :  
The proposal of employee compensation and director's remuneration for 2022 was approved by the board of directors and Remuneration Committee on March 13, 2023. According to the Company's Articles of Incorporation, if any profit is made, no less than 0.5% of employees' remuneration and no more than 2% of directors' remuneration shall be allocated. To distribute employees' compensation in the amount of NT\$5,349,296 and directors' compensation in the amount of NT\$8,915,493.
- 2 · The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation. : Not applicable.

- (4) The actual distribution of employee, director, and supervisor compensation for the previous fiscal year :

The Company distributed NT\$8,915,493 as remuneration to directors and NT\$5,349,296 as compensation to employees in 2022 in accordance with Article 27 of the Company's Articles of Incorporation. There is no difference from the recognized amount.

## 9. Share repurchases :

### Status of repurchase of the Company's Stock

Buyback batch (Note)	First tranche	Second tranche	Third tranche
Purpose of share buyback	Maintain company's credit and shareholders' equity	Maintain company's credit and shareholders' equity	Maintain company's credit and shareholders' equity
Buyback period	October 17 to December 16, 2000	June 17 to August 16, 2003	July 22 to September 20, 2008
Buy-back Interval Price	NT\$ 4~8 /per share	NT\$ 5~7.5 /per share	NT\$4~8 /per share
Type and quantity of shares repurchased	Common shares 10,000,000	Common shares 7,000,000	Common shares 18,724,000
Amount of shares repurchased	NT\$ 37,729,555	NT\$ 43,024,226	NT\$ 104,827,374
Ratio of the number buyback to the number scheduled to be bought back (%)	100%	35%	93.62%
Number of shares retired and transferred	10,000,000	7,000,000	18,724,000
Accumulated number of outstanding shares	0	0	0
Ratio of accumulated number of outstanding shares to the total number of issued shares (%)	0%	0%	0%
Buyback batch (Note)	Fourth tranche	Fifth tranche	
Purpose of share buyback	Maintain company's credit and shareholders' equity		
Buyback period	March 11 to May 6, 2009	October 3 to November 25, 2011	
Buyback Interval Price	NT\$ 2.5~4.7 /per share	NT\$ 6.3~13 /per share	
Type and quantity of shares repurchased	Common shares 11,849,000	Common shares 20,000,000	
Amount of shares repurchased	NT\$ 50,966,488	NT\$ 156,607,780	
Ratio of the number buyback to the number scheduled to be bought back (%)	59.25%	100%	
Number of shares retired and transferred	11,849,000	20,000,000	
Accumulated number of outstanding shares	0	0	
Ratio of accumulated number of outstanding shares to the total number of issued shares (%)	0%	0%	

Note : The number of fields is adjusted based on the actual number of shares issued.



# 10. The status of Corporate bonds, preferred shares, global depository receipts, and employee stock warrants, merger activities (including mergers, acquisitions, and demergers)

## (1) Corporate Bond

### Corporate Bond status

Corporate bond type (Note 2)		First domestic unsecured convertible corporate bond (Note 5)
Issuing (processing) date		June 30, 2011
Face value		NT\$100,000
Place of issuance and trading (Note 3)		Taipei Exchange (TPEX)
Issuing price		NT\$ 100
Total Amount		NT\$ 300,000,000
Interest rate		0%
Duration		Three years; maturity date: June 30, 2014
Assurance agency		None
Trustee		Hua Nan Commercial Bank
Underwriter		Grand Fortune Securities
Attorney		ACROSS Law Office Zhan Kang Rong
Accountant		KPMG Taiwan Zhang Shu Ying
Repayment method		According to repayment method Conversion or Redemption, repayment of principal in cash upon remaining maturity
Outstanding principal amount		Not applicable
Terms of redemption or early repayment		Please refer to the issuing and conversion method.
Restrictions (Note 4)		Not applicable
Credit rating agency, date of assessment and corporate bond assessment results		Not applicable
Other rights	As of the date of publication of the annual report, the amount of conversion (exchange or subscription) common stock, overseas depository receipts or other securities	The change of registration was completed on June 30, 2014. NT\$ 0.
	Issuing and conversion (exchange or subscription) method	Please refer to the issuing and conversion method.
Possible impact of the issuance and conversion (or exchange or subscription) method or issuing conditions on the dilution of equity and existing shareholders' rights		The issuance of the convertible corporate bond , to prevent profits erosion, also can reduce the shares dilution of existing shareholders and equity increases, diluted earnings per share shall best meet the interests of shareholders.
Custodian of the subject after conversion		Not applicable

Note1 : The corporate bonds being processed include public and private corporate bonds being processed. The public corporate bonds being processed refer to those already approved by the SFC, and the private corporate bonds being processed refer to those already approved by the board of directors.

Note 2 : The number of fields is adjusted based on the actual number of processing.

Note 3 : For overseas corporate bonds.

Note 4 : For example, restrictions on the payment of cash dividends, foreign investment or the requirement to maintain a certain proportion of assets.

Note 5 : For a private issue, please mark in a noticeable manner.

Note 6 : For convertible corporate bonds, exchangeable corporate bonds, corporate bonds issued under a general declaration or corporate bonds with subscription rights attached, please disclose in the table according to their nature the information of the convertible corporate bonds, exchangeable corporate bonds or corporate bonds with subscription rights attached, or the status of the corporate bonds issued under a general declaration.

Information about the convertible corporate bond

Corporate bond type (Note 1)		First domestic unsecured convertible corporate bond		
Item	Year	2012	2013	2014
Market price of the convertible corporate bond(Note 2)	Highest	101.80	101.80	101
	Lowest	91.00	100.65	100
	Average	97.22	101.18	100.9
Conversion price		9.40	9.40	9.40
Issuing (processing) date and the conversion price at the time of issuance		June 30, 2011 NT\$ 9.85	June 30, 2011 NT\$ 9.85	June 30, 2011 NT\$ 9.85
Conversion method (Note 1)		Converted 386 corporate bonds NT\$ 38,600,000 into common shares 3,918,760.	Converted 386 corporate bonds NT\$ 38,600,000 into common shares 3,918,760.	The change of registration was completed on June 30, 2014.

Note 1 : The number of fields is adjusted based on the actual number of processing.

Note 2 : If there are multiple trading locations for overseas corporate bonds, shall be listed separately according to the trading locations.

Note 3 : Delivery of issued shares or issuance of new shares.

Note 4 : The information for the current year as of the date of publication of the annual report shall be filled in.

(2) Preferred shares, preferred shares with warrants : None.

(3) Overseas Depositary Receipts : None.

(4) Issuance of Employee Stock Warrants and New Restricted Employee Shares : None.

(5) Issuance of New Shares for Acquisition or Exchange of Other Companies' Shares : None.

## **4.2 Implementation of company's capital allocation plans : None**

## V. Operational Highlihgts

### 5.1 Description of the business

(1) Business scope :

#### 1 . Main Business

1. C301010 Yarn Spinning Mills
2. C302010 Weaving of Textiles
3. C305010 Printing, Dyeing, and Finishing
4. C306010 Wearing Apparel
5. C801120 Manufacture of Man-made Fibers
6. C801990 Other Chemical Materials Manufacturing
7. C399990 Other Textile and Products Manufacturing
8. H701010 Housing and Building Development and Rental
9. H701020 Industrial Factory Development and Rental
10. H701040 Specific Area Development
11. H701050 Investment , Development and Construction in Public Construction
12. H701060 New Towns, New Community Development
13. H703090 Real Estate Commerce
14. H703100 Real Estate Rental and Leasing
15. ZZ99999 All business items that are not prohibited or restricted by law,  
except those that are subject to special approval

#### 2 . Business weighting :

Unit : NT\$ thousand		
Item	Revenue 2023	Business weighting
Polyester yarn	972,882	31.18
Textured yarn	679,099	21.76
Plain woven and knitted fabric	708,827	22.71
Polyester chip	561,086	17.98
Rental income	196,103	6.28
Other	2,658	0.09
Total	3,120,655	100.00%

- 3 . The company's current products : polyester yarn, polyester textured yarn, knitted narrow fabric.

#### 4 · New products planned for development :

Fiber type	Composition	Usage	Feature
Anti-electromagnetic wave yarn	Made of metallic alloy yarn and polyester filament	Used for shielding electromagnetic wave emitters such as mobile phone cover, microwave oven, anti-magnetic wave protective clothing and aerospace industry	It has anti-electromagnetic and good thermal dimensional stability
Heat accumulating yarn	Adding heat accumulation masterbatches to shaped section spinning	Used for all kinds of garment fabrics (such as men's and women's apparel and trousers)	Increase 5 degrees of warmth compared to normal materials

#### (2) Overview of the Industry :

##### 1 · Current status and development of the industry :

The Regional Comprehensive Economic Partnership (RCEP) is a free trade agreement initiated by the ten countries of the Association of Southeast Asian Nations (ASEAN), and currently joined by five other countries, including China, Japan, Korea, Australia, and New Zealand, making a total of fifteen countries. As ASEAN has signed FTAs with other member countries, The degree of openness has reached the zero-tariff level. Since Taiwan's textile industry is developing functional, functional, environmentally friendly and differentiated products, the impact is limited.

However, we must pay attention to the development of man-made fiber textiles in ASEAN's major competitor countries, such as China, Japan and Korea, in order to accurately grasp the market trend and to formulate a suitable competitive response strategy.

The post-epidemic era and armed conflicts arising from geopolitics, the changes in the industrial supply chain may be that consumers reduce the frequency of purchase and turn to functional and durable apparel. Moreover, consumer behavior tends to be conservative and cautious. At the same time, due to the change of lifestyle for a long time at home, there is a high demand for leisure apparel. Therefore, the general direction of intelligent manufacturing in textile technology is : comfort health and sustainability, from cost orientation mass production to demand-based production, from line supply chain to network supply chain, from manual data interpretation, abnormal post-event analysis to high-speed precision decision-making and timely command management. Sustainable marketing is still the main axis of development. We are investing in textile recycling system and develop easy-to-recycle and easy-to-decompose production materials to reduce water consumption and save energy, so as to achieve a new business model of recycling and reuse.

In the development of functional fiber, in addition to the original high warmth, light weight, high water absorption, quick drying, UV protection, far infrared, spandex and other fibers, as well as the products of thermal clothing and cool clothing that emphasize temperature management, the functional demand will be transformed into the basic demand of clothing in the future, in addition to health management and protection functions.

## 2 · Upstream, midstream and downstream correlations of the industry :

### (1) Upstream PAT, EG part :

- a. The main raw materials of polyester chip are ethylene glycol (EG) and pure terephthalic acid (PTA). In the market in 2021, demand should be the main factor of price fluctuation. Raw material manufacturers will adjust the production capacity according to the market demand., to avoid price fluctuation due to changes in demand.
- b. Shale oil, shale gas technology breakthroughs and its low cost, although the oil-producing countries have a consensus to moderate production capacity, due to geopolitical war and political factors, oil prices still need to pay more attention.

### (2) Middle and downstream parts :

In the post-epidemic era, with the development of the textile supply chain, the needs of various brands will be adjusted according to the epidemic situation.

## 3 · Development trend and competition of the products :

The company's products include textured yarn, automotive cladding materials, the development of automotive cladding materials 100% are for export sales, the current car market has strong pulling power and good growth momentum, in addition the gross margin of its products is affected by the appreciation of Taiwan dollar, but it is still a stable profit support for the company.

## 4 · Promotion of functional textiles, nanotechnology and international certification :

At present, the global textile products for apparel and home decorations are gradually moving toward functional and environmental friendly textiles, and functional textiles not only focus on the biological needs of human body ( Such as moisture wicking, self-heating and heat preservation, antibacterial health care ) , but also closely integrate with the mainstream consumer market. In recent years, due to the change in lifestyle, young consumers have become enthusiastic about night running, marathon, and outdoor camping, which has led to the development of breathable textile footwear, self-luminous fiber and outdoor leisure sports accessories. Due to the abnormal climate, and the large difference between heat and cold, the development of light and thin fibers that can absorb moisture and wick away sweat while keeping warm is the trend of fashion.

After a long period of OEM and ODM in Taiwan's textile industry, operators gradually began to think about the influence of private brands and channels in the consumer market. Therefore, from physical channels to online internet virtual stores, through online communities, Facebook tweets, quick warehousing and delivery combined with convenience stores, we strengthened OBM's own brand management with the characteristics of functional fibers through the successful products reputation, and move toward higher economic efficiency.

### (3) Overview of Technology and R&D :

- 1 · The Company's R & D expenses for the most recent year and up to the date of publication of the annual report : zero.
- 2 · Development of successful technologies or products :

Biodegradable environmental protection fiber, graphene antibacterial fiber.

(4) Long-term and short-term business development plans :

1 · Short-term development plans :

We are constantly innovating, researching and developing new technologies, deep cultivation of domestic and export markets, and cooperate with the development of differentiated high value-added products. In response to brand trends and demands, in addition to conventional recycled yarn sales, but also cooperate with international brands to develop other recycled yarn specifications, in order to achieve a win-win situation.

2 · Long-term development plans :

Focus on research and development of new products and development of new markets.

## 5.2 Market and Sales Overview

(1) Market analysis :

1. Sales of main product by region

Unit : NT\$ thousand

Year Sales Region	2022		2023	
	Sales Amount	Sales Proportion	Sales Amount	Sales Proportion
Taiwan	3,099,388	71.49%	2,122,468	68.01
Asia	788,983	18.20%	550,473	17.64
Americas	244,802	5.65%	292,288	9.37
Europe	117,939	2.72%	47,205	1.51
Africa	84,270	1.94%	108,221	3.47
Total	4,335,382	100.00%	3,120,655	100.00%

2 · Market share and future supply and demand situation and growth :

(1) In 2023, the production capacity of polyester fiber factory, the company's domestic market share of about 8%. (source : Taiwan Man-Made Fiber Industries Association)

(2) Polyester textured yarn products are improving in the direction of customization and differentiation.

(3) Market supply and demand and growth in the future :

Taiwan remains a major producer of functional fibers in the world, and the man-made fiber manufacturing industry is the upstream of the textile industry and the focus of the development of the textile industry in Taiwan. Although under the global trend of regional economic integration, the Company still has an advantageous business opportunity over other industry players with its foundation and market access.

3 · Favorable and unfavorable factors of competitive niche and development prospects and Countermeasures :

(1). Competitive advantage :

- a. Strong innovation ability, low manufacturing cost and strong international marketing ability.
- b. Every entrepreneur has a strong ambition.
- c. The operation of enterprises is flexible, and vertical integration of upstream, middle and downstream has been formed.

(2). Competitive disadvantage :

- a. The products are too concentrated on large products.
- b. The industry is mainly engaged in production, and few key technologies are invested in long-term research and development.
- c. International organizations are not easy to join and there is many trade barriers.

(3). Development opportunities :

- a. Domestic market demand, European, American and Japanese markets continued to increase.
- b. Develop functional special textile fibers to increase added value.
- c. Combine the upstream manufacturing industry and the downstream textile industry, to create innovative materials.

(4). External threats :

- a. Facing the new situation of global regional economic integration, the competition of low-priced bulk products.
- b. The market of high value-added technology products is restricted by advanced countries in Europe, America and Japan.
- c. The impact of the post-pandemic era has changed the demand of consumers.

(5). Countermeasures :

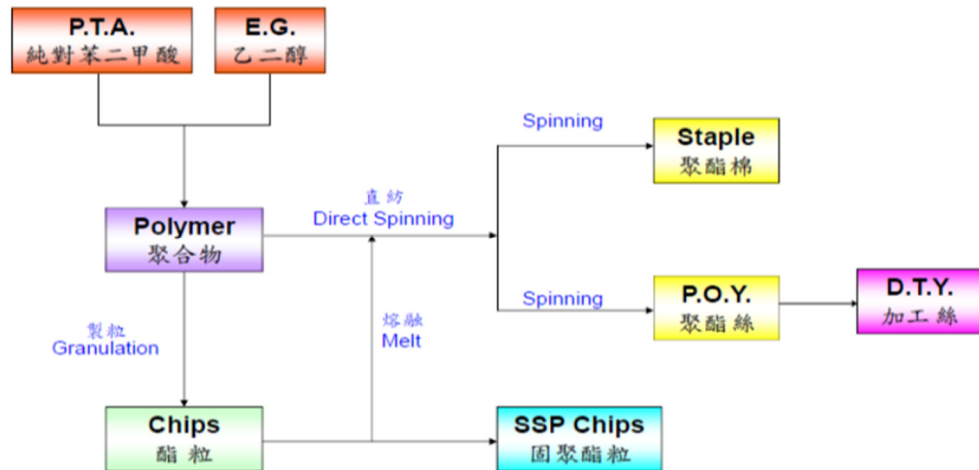
- a. Develop differentiated products, enhance the added value of products, increase product selling price and profit.
- b. Master product design and channel marketing, strengthen brand sales and after-sales service, and enhance brand marketing and product market differentiation through the high quality and reputation of functional textiles .
- c. Actively participate in the project counseling of Taiwan Textile Federation, Taiwan Textile Research Institute, and Industrial Technology Research Institute and cooperate with academic institutions to cultivate professional talents in related fields.

(2) Important use and manufacturing process of main products :

1 · Main product uses

- a. Polyester yarn : mainly used for false-twist processing and warp knitting.
- b. Textured yarn is mainly used for weaving various plain woven and knitted fabrics and zipper ribbon weaving etc.

## 2 · Manufacturing process



### (3) Supply of main raw materials

1. Raw material : PTA/ET 、Polyester silk

2. Product : Polyester silk 、Polyester yarn

3. Major source of supply :

PTA/ET : Oriental Petrochemical, Oriental Union chemical Corp.

Polyester yarn : Textured yarn Ltd., Far Eastern Textile, Ltd Tainan spinning Co.,

(4) A list of any suppliers and clients accounting for 10 % or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years :

#### 1 · List of major clients :

#### Data of major sales customers for the last two years

Unit : NT\$ thousand

Item	2022				2023			
	Company	Amount	Annual net purchase [%]	Relationship with issuer	Company	Amount	Annual net purchase [%]	Relationship with issuer
1	Lea lea	752,388	17.35	None	Lea lea	533,416	17.09	None
	Yi Shin	319,527	7.37	—	Yi Shin	321,824	10.31	None
	Other	3,263,467	75.28		Other	2,265,415	72.60	
	Net Purchase	4,335,382	100.00		Net Purchase	3,120,655	100.00	

Note : As of the date of first quarter financial report hasn't been audited and reviewed by CPA, so it shall not be disclosed.



2 · List of Major purchase from clients in the last two years :

Data of major supplier for the last two years

Unit : NT\$ thousand

	2022				2023			
Item	Company	Amount	Annual net purchase [%]	Relationship with issuer	Company	Amount	Annual net purchase [%]	Relationship with issuer
1	Oriental Petrochemical	1,574,889	56.74	None	Oriental Petrochemical	1,101,179	63.46	None
2	Oriental Union	434,844	15.67	None	Oriental Union	272,066	15.68	None
	Other	766,044	27.59		Other	361,885	20.86	
	Net Purchase	2,775,777	100.00		Net Purchase	1,735,130	100.00	

Note : As of the date of first quarter financial report hasn't been audited and reviewed by CPA, so it shall not be disclosed.

(5) Production value in the last two years :

Unit : MT/NT\$ thousand

Year Production value Product name	2022			2023		
	Capacity	Output	Output Value	Capacity	Output	Output Value
Polyester Textured Yarn	17,906	17,137	842,319	19,669	12,544	646,660
Polyester Yarn	80,000	53,916	2,012,683	80,000	36,988	1,370,498
Polyester Chip	91,800	74,814	2,221,711	91,800	51,085	1,504,194
Other	0	0	10,721	0	414	12,132
Total	189,706	145,867	5,087,434	191,469	101,031	3,533,484

(6) Sales value for the last two years :

Unit : MT/NT\$ thousand

Year Sales value Name	2022				2023			
	domestic sales		export sales		domestic sales		export sales	
	sales	value	sales	Value	sales	value	sales	value
Polyester Textured Yarn	13,005	727,133	2,108	168,689	10,811	542,015	1,396	137,084
Polyester Chip	19,879	611,049	9,535	338,738	14,588	435,842	3,896	125,244
Polyester Yarn	39,703	1,562,924	2,085	45,482	26,109	945,849	1,284	27,033
Plain woven and knitted fabric	0	0	141,684	674,930	0	0	154,088	708,827
Rental Income	0	174,959	0	0	0	196,103	0	0
Processing income	1,877	27,288	0	0	311	1,176	0	0
Other	0	4,190	0	0	0	1,482	0	0
Total	74,464	3,107,543	155,412	1,227,839	51,819	2,122,467	160,664	998,188

### 5.3 The number of employees employed for the 2 most recent fiscal years

Year		2022	2023	Current year as of March 31, 2024
Number of employees	Indirect staff	127 people	134 people	133 people
	Direct staff	193 people	168people	168 people
	Part-time staff	73 people	71people	70people
	Total	393 people	373 people	371 people
Average age		48	49	49
Average length of service		10 years	11 years	11 years
Education level distribution ratio	Masters	2.55%	2.67%	2.66%
	University(College)	40.57%	42.13%	42.07%
	High school	39.03%	37.8%	37.92%
	Below high school	17.84%	17.40%	17.35%

### 5.4 Disbursements for environmental protection :

Losses (including remedial measures), total amount of penalties (including remedies) and total expenditures (including the estimated amount of compensation, fines or penalties) due to failure in taking responsive action in the recent years or as of the date of publication of the annual report. If it is not feasible to make a reasonable estimate, it shall be clearly indicated as such : Not applicable

### 5.5 Labor relations :

#### (1). Employee Benefit Measures :

1 · Since the company's establishment, we have attached great importance to the harmony of labor relations and employee welfare, and considered employees as the most important assets of the company, and have taken humane factors into full consideration in the design of various management systems, while actively seeking benefits for employees. The benefits and personnel system are described as follows. :

- (1) Personnel System : All personnel regulations, such as appointment, promotion, salary, reward and punishment, vacation, retirement benefits, severance, and pension, etc., are based on the basic spirit of the Labor Standards Act, and the most favorable considerations are made for employees to achieve the purpose of taking care of them.
- (2) General Benefits : The Company spares no effort in promoting employee welfare business. The welfare includes facilities such as cafeteria, dormitory, library, recreation room, basketball court, etc., and provides uniforms. In addition, there are gifts for annual festivals, wedding and funerals, childbirth subsidies, year-end parties, travels, dinners, and scholarships for employees'

children, etc., so that employees can share the achievements of the company's management.

2 · Employee continuing education and training :

The Company regards its employees as an important asset and spares no effort in cultivating them. In addition to regular internal training and experience sharing, the company often sends its employees to attend professional courses and seminars and then reports to colleagues in the unit to improve the quality of employees.

3 · Employee retirement systems : The Company has settled the old pension system with all employees and all employees are now on the new pension system.

4 · Labor-management agreements and measures for preserving employees' rights and interests : To ensure harmonious labor relations and smooth communication channels, all factories hold regular factory meetings and set up suggestion boxes to fully respond to employees' opinions, and the opinions of employees are coordinated and handled by the relevant departments, communication with each other on a regular and irregular basis to build consensus. Since the establishment of the Company, labor relations have been very harmonious, and no labor disputes have occurred. In the future, both employers and employees will continue to uphold the principle of unity between employers and employees, and strengthen communication so that no labor disputes will occur.

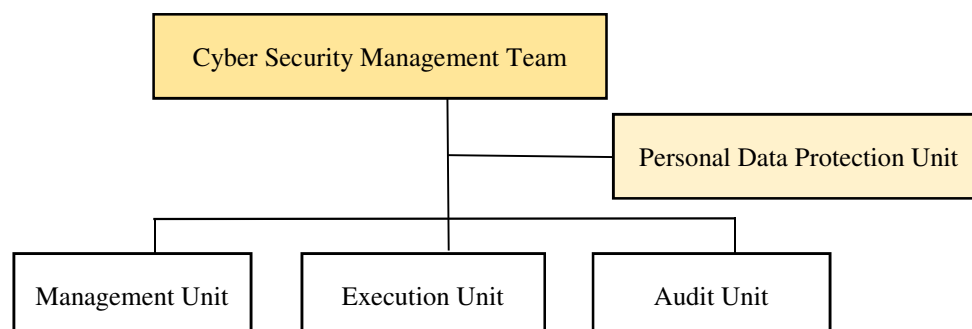
- (2) List any losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. : N/A.

## 5.6 Cyber Security Management

- (1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Cyber security management framework

The Company has established the “Cyber Security Management Team”, which is governed by the Cyber Security Policy. Its responsibilities are to strengthen cyber security management, protect the Company's cyber assets, and prevent damage to the Company's internal or external resources, as well as from man-made, intentional or accidental damage, and its framework is explained as below.



- (1) Information security management group: It is composed of three standing units: management, execution, and auditing. It may set up secondary functional units according to the needs of the task. The supervisor shall be a person with the rank of deputy general manager or above in the group. Currently, the information security management group The supervisor is a dedicated supervisor who is responsible for approving various matters; the organizational duties and responsibilities include reviewing/formulating cyber security policies and personal data protection management methods, planning/promoting the implementation of various cyber security measures, supervising/auditing the feasibility and effectiveness of the implementation measures, and evaluating the overall cyber security threats and risks, to enable the cyber security management to follow the P. Plan - D. Do - C. Check - A. Act as a continuous positive operation.
- (2) Management Unit: It is composed by the General Manager's Room at the manager (assistant manager) level or above, who is responsible for the management, coordination and approval.
- (3) Execution Unit: It is composed by IT unit personnel, who are responsible for liaison and implementation of cyber security related measures.
- (4) Audit Unit: It is composed by audit unit personnel, who are responsible for regular audit and review of the effectiveness of cyber security implementation.
- (5) Personal Data Protection Unit: There is a convener and an executive officer, who may be concurrently served by the members of the Cyber Security Management Team. The members may be concurrently served by the Company's personal data administrator or designated personnel to handle personal data protection related business.

## 2. Cyber Security Policy

<b>Objective</b>	To strengthen cyber security management and to protect the Company's cyber assets from damage, whether internal or external to the Company, as well as from man-made, intentional or accidental damage.
<b>Goal</b>	To ensure the Company's business-related computer information, systems, equipment and networks are safe from misuse, leakage, tampering and destruction of cyber assets due to man-made negligence, intentional damage or natural disasters, which may affect the normal operation of computer operating systems or damage the Company's interests.
<b>Scope of implementation</b>	<ol style="list-style-type: none"> <li>1. Cyber security policy formulation and evaluation</li> <li>2. Cyber security organization and duties and responsibilities</li> <li>3. Personnel security management and education training</li> <li>4. Control of cyber assets</li> <li>5. Management of physical and environmental safety</li> <li>6. Management of communications and operations</li> <li>7. System access control</li> <li>8. Management of security for system development and maintenance</li> <li>9. Sustainability plan</li> <li>10. Internal audit and others</li> </ol>
<b>Review</b>	This policy is independently and objectively evaluated once a year, and depending on the evaluation results and necessity, appropriate amendments are made to reflect the latest status of the Company's cyber

	security management policy, relevant laws and regulations, cyber technology environment and business; the contents to be amended are jointly reviewed by members of the Cyber Security Management Team and approved by the chief of the Cyber Security Management Team for implementation.
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### 3. Concrete management programs, and investments in resources for cyber security management

The Company's cyber security management is rooted in internal control, carefully measuring the needs and expectations of the Company's development, and in accordance with the management's consensus on operational objectives and corporate values. For core business processes and important work items, the cyber security policy defines 10 categories with reference to the "Cyber Security Company Self-Checklist" of the ISACA Taiwan Chapter to determine various cyber security policies, establish check items, implement operations and conduct annual self-evaluation, adopt appropriate handling methods for known threats, and analyze and identify potential threats in advance as far as possible, so as to enhance the Company's protection capability and response flexibility to external attacks, mitigate the impact level and reduce the possible damage, and properly respond to risks.

No.	Classification of Cyber Security Management	Important management & control measures	Implementation frequency
1	Cyber security policy	·Establish a security organization, responsibilities, and incident notification and handling procedures.	Review 1 time /year
		·Regularly reviews and amend the cyber security policy.	
		·The effectiveness of cyber security governance implementation and risk evaluation, and report to the Board of Directors.	Compilation 1 time /year
		·In accordance with government regulations and international standards, to discuss cyber security management related rules, and to regulate the internal implementation items.	Irregular
2	Establish cyber security organization	·Establish the cyber security management team and personal data protection unit, and hold regular meetings to discuss cyber security related issues.	At least 1 time / half year
		·Establish emergency response and reporting procedures for cyber security incidents, which are coordinated and controlled by the cyber security management team.	Irregular
		·Send personnel to attend cyber security seminars and related courses.	
3	Personnel security and management	·The internal control system defines the operating authority for cyber personnel and users, and the operating procedures for personnel changes and departures.	Review 1 time/year
		·Regularly perform operation permission review.	At least 1 time / half year
		·To implement the complexity principle check for the password of the cyber management system and request the change regularly.	Change 1 time / half year
		·Conduct regular inspections of personal computers to prevent the private use of public assets.	Perform 1 time/year

4	Classification of cyber assets and control management	·Regular inventory of cyber software and hardware assets for core business and register management.	Perform 1 time/year
		·Important servers and cyber systems are contracted for annual maintenance to ensure continuous operation.	1 time/year
5	Physical and environmental security management	·The dedicated server room is equipped with independent air-conditioning, automatic temperature control and fire-fighting facilities.	Check Daily
		·Use the uninterruptible power supply system to ensure the emergency supply of power, and regular maintenance and inspection.	Inspection 1 time/year
		·Install anti-virus software on servers and personal computers. Computers with important tasks shall be backed up regularly every day. The number of backups should be at least 2 copies.	Perform daily, weekly
		·Operational databases adopts 2 host computer real-time backup, and rotate operations after regular accident simulation drill every 6 months.	Switch 1 time / half year
		·Regular vulnerability scans of important servers or network equipment.	Perform 1 time/week
6	Communications and operations management	·The email server has self-defense and preservation audits functions, and use Hinet email gatekeeper to filter suspicious and malicious emails in the cloud.	Perform Daily
		·Set up gateway firewall and analyze records, and use Trend Micro Cloud One™ protection software to analyze and record online behavior to prevent internal and external abnormal behavior in real time.	Review Daily
		·Use Hinet new UTM of anti-hacking gatekeepers and advanced network defense services to expand the breadth and depth of defense and prevent internal and external attacks.	Perform Daily
		·DDOS decentralized blocking protection mechanism to filter and clean circuit traffic. [Hinet, use if necessary]	3 consecutive days/year
		·Email social engineering drills, simulating phishing emails, and training the ability to detect suspicious emails.	1 time/half a year
		·Timely promote cyber security incidents, notifications or cases to raise awareness of protection	At least 1 time/quarter
		·Collect threat information provided by various information security intelligence networks (such as: TWCERT/CC Taiwan Computer Network Crisis Management and Coordination Center, Hinet Global Information Security Early Warning Intelligence Network) or information security vendors.	Review Daily
7	Access Control	·Set access permission for electronic files according to departments and individuals.	Perform Daily
		·Application for external links operations should be approved by the department head & vice president and above.	Perform when required
		·E-mail distinguishes permissions. Personnel who doesn't need external contacts can only send internal emails.	Perform when required

		·When the HR system reads personal data, it automatically records the access paths.	Perform on each access
8	System development and maintenance	·The self-developed and maintained cyber security system actively takes security requirements into account when planning and analyzing, prevents external intrusion and tampering, and restricts the use of privileged accounts. ·The program of the cyber management system is kept as a backup before modification, and the modification data is noted at the beginning of the program; after modification, the program is reviewed by the responsible supervisor and uploaded online. ·The system development files have restricted access permissions and cannot be edited by non-developers.	Perform when required
9	Sustainability Plan Management	·The operational database is drilled simulate an accident and tested regularly every six months. ·Establish emergency response plan for important equipment, for compliance and response in case of major cyber security incidents. ·The data of each protection measure is indexed for evaluating the operational risk and discussing the measures to be taken.	Drill 1 time / half year Perform when required Daily
10	Internal audit and others	·During annual computer census, notify the scope of the company's software license, and request the removal of software outside the license or provide proof of license; update the asset status of core business from regular changes and census results. ·The IT unit regularly self-evaluates the security of the cyber operating environment. ·The Audit Unit regularly self-evaluates its cyber control operations. ·The internal auditors and the accounting team regularly audit the implementation of cyber control operations on an annual basis.	Census 1 time/year Information is updated constantly Self-evaluation 1 time/year Self-evaluation 1 time/year At least once per year

**(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken:**

The Company had no significant cyber security incidents since 2023 and up to the annual report publication date, which had no impact on business and finance.

Month Statistical Items	1	2	3	4	5	6	7	8	9	10	11	12	Month Average
Revenue (Unit: Million)	212	258	255	256	245	228	218	315	314	297	297	228	260
Loss of sales for one day work stoppage	7	9	8	9	8	8	7	10	10	10	10	7	9
Number of significant incidents occurred	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss of days for significant incidents	0	0	0	0	0	0	0	0	0	0	0	0	0
Loss amount for significant incidents	0	0	0	0	0	0	0	0	0	0	0	0	0
Annual loss of significant cyber security incidents	\$ 0												

- (2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided. : None.

## 5.7 Important contracts :

March 31, 2024

Nature of contract	Counterparty	Period	Major Contents	Restrictions
Long-term secured loans	Mega International Commercial Bank	2018/1/18-2025/01/18	Land loans	None
Long-term secured loans	Hua Nan Commercial Bank	2020/01/10-2040/12/10	Construction loan	None
Long-term secured loans	Taiwan Business Bank	2018/01/29-2038/01/29	Construction loan	None
Long-term secured loans	Land Bank of Taiwan	2018/06/29-2038/08/31	Construction loan	None
Long-term secured loans	First Commercial Bank	2020/07/31-2043/01/13	Construction loan	None
Long-term secured loans	Changhua Bank	2021/05/03-2036/05/03	Construction loan	None



## VI. Financial Information

### 6.1 Condensed balance sheets and statements of comprehensive income for the past 5 fiscal years

#### (1) Condensed balance sheet and consolidated income statement

##### Condensed balance sheet

Unit : NT\$ thousand

Item \ Year		Financial information in the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Current Assets		3,981,717	2,623,803	2,858,222	2,780,081	4,162,247
Property, plant and equipment		3,482,794	3,436,768	3,379,493	3,305,364	2,885,087
Other assets		10,753,333	11,720,243	12,282,088	13,854,464	13,434,479
Total Assets		18,217,844	17,780,814	18,519,803	19,939,909	20,481,813
Current liabilities	Before distribution	3,870,617	2,269,091	2,142,960	2,418,760	2,664,680
	After distribution	4,021,441	2,570,739	2,444,608	2,720,408	2,966,328
Non-current liabilities		6,937,805	7,748,525	8,482,659	8,489,084	8,220,046
Total liabilities	Before distribution	10,808,422	10,017,616	10,625,619	10,907,844	10,884,726
	After distribution	10,959,246	10,319,264	10,927,267	11,209,492	11,186,374
Consolidated Net Income Attributed to Stockholders of the Company		4,133,575	4,616,304	4,584,810	5,155,978	5,501,624
Share Capital		3,016,476	3,016,476	3,016,476	3,016,476	3,016,476
Capital surplus		419,079	458,206	500,655	404,213	448,544
Retained earnings	Before distribution	1,043,639	1,401,974	1,300,929	2,108,761	2,376,078
	After distribution	892,815	1,100,326	999,281	1,807,113	1,923,606
Other equity interest		(20,939)	65,111	110,953	(29,269)	10,374
Treasury stock		(324,680)	(325,463)	(344,203)	(344,203)	(349,848)
Non-controlling Interest		3,275,847	3,146,894	3,309,374	3,876,087	4,095,463
Total equity	Before distribution	7,409,422	7,763,198	7,894,184	9,032,065	9,597,087
	After distribution	7,258,598	7,461,550	7,592,536	8,730,417	9,295,439

Note 1 : Financial report has been audited and signed by CPA.

## Condensed Consolidated Income Statement

Unit : NT\$ thousand

<div style="display: flex; align-items: center; justify-content: center;"> <div style="writing-mode: vertical-rl; transform: rotate(180deg);">Item</div> <div style="border-bottom: 1px solid black; padding: 0 10px;">Year</div> </div>	Financial information in the last 5 years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	4,071,473	2,707,215	4,146,179	4,335,382	3,120,655
Gross profit	555,208	205,341	555,950	573,174	207,331
Net operating income	699,972	905,331	330,027	2,314,199	1,416,853
Non-operating income and expenses	(49,325)	(95,044)	66,658	(158,883)	(130,084)
Net Profit before income tax	650,647	810,287	396,685	2,155,316	1,286,769
Income from Continuing Operation	615,729	632,321	366,132	2,030,138	1,080,606
Loss from Discontinued Department	(45,044)	(75,635)	0	0	0
Net income(Loss)	570,685	556,686	366,132	2,030,138	1,080,606
Other comprehensive income (income after tax)	(42,451)	114,054	70,600	(154,713)	50,466
Total comprehensive income	528,234	670,740	436,732	1,875,425	1,131,072
Profit attributable to equity holders of the Company	230,303	644,257	200,603	1,013,957	567,120
Net profit attributable to Non-controlling Interest	340,382	(87,571)	165,529	1,016,181	513,486
Comprehensive Income attributable to equity holders of the Company	201,491	746,033	246,445	873,735	608,607
Comprehensive Income attributable to non-controlling Interest	326,743	(75,293)	190,287	1,001,690	522,465
Earnings per share	1.02	2.89	0.90	4.55	2.,55

Note1 : Financial report has been audited and signed by CPA.

## (2) Concise Individual Income Statement – Independent

### Concise Individual Income Statement

Unit : NT\$ thousand

Item \ Year		Financial information in the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		2,560,999	923,641	721,080	959,670	1,243,433
Property, plant and equipment		82,669	40,564	39,112	38,079	37,070
Intangible assets		0	0	0	0	0
Other assets		6,171,386	7,030,834	7,889,436	8,803,958	9,107,022
Total assets		8,815,054	7,995,039	8,649,628	9,801,707	10,387,525
Current liabilities	Before distribution	2,650,653	803,427	859,132	1,196,724	1,465,898
	After distribution	2,801,477	1,105,075	1,160,780	1,498,372	1,767,546
Non-current liabilities		2,030,826	2,575,308	3,205,686	3,449,005	3,420,003
Total liabilities	Before distribution	4,681,479	3,378,735	4,064,818	4,645,729	4,885,901
	After distribution	4,832,303	3,680,383	4,366,466	4,947,377	5,187,549
Equity		4,133,575	4,616,304	4,584,810	5,155,978	5,501,624
Share capital		3,016,476	3,016,476	3,016,476	3,016,476	3,016,476
Capital surplus		419,079	458,206	500,655	404,213	448,544
Retained earnings	Before distribution	1,043,639	1,401,974	1,300,929	2,108,761	2,376,078
	After distribution	892,815	1,100,326	999,281	1,807,113	1,923,606
Other equity interest		(20,939)	65,111	110,953	(29,269)	10,374
Treasury Stock		(324,680)	(325,463)	(344,203)	(344,203)	(349,848)
Total equity	Before distribution	4,133,575	4,616,304	4,584,810	5,155,978	5,501,624
	After distribution	3,982,751	4,314,656	4,283,162	4,854,330	5,199,976

Note1 : Financial report has been audited and signed by CPA.

## Condensed Consolidated Income Statement — Independent financial report

Unit : NT\$ thousand

Item \ Year	Financial information in the last 5 years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	912,856	807,592	763,924	911,364	942,561
Gross profit	289,287	189,619	171,610	259,803	275,262
Operating income(loss)	203,398	1,067,447	87,210	170,184	295,448
Non - operating income and expenses	80,057	(184,382)	123,586	858,800	346,969
Net profit before income tax	283,455	883,065	210,796	1,028,984	642,417
Income from Continuing Operation	275,347	719,892	200,603	1,013,957	567,120
Loss from Discontinued Department	(45,044)	(75,635)	0	0	0
Net income(Loss)	230,303	644,257	200,603	1,013,957	567,120
Other comprehensive income(income after tax)	(28,812)	101,776	45,842	(140,222)	41,487
Total comprehensive income	201,491	746,033	246,445	873,735	608,607
Earnings per share	1.02	2.89	0.90	4.55	2.55

Note1 : Financial report has been audited and signed by CPA.

### (4) Auditing CPAs and audit opinions in the past five years :

Year	Name of CPAs	Audit opinion	Auditor change
2019	Chang, Shu-Ying Chih, Shih-Chin	Unqualified opinion	Internal organizational change
2020	Chang, Shu-Ying Chih, Shih-Chin	Unqualified opinion	None
2021	Chang, Shu-Ying Chih, Shih-Chin	Unqualified opinion	None
2022	Pan, Chun-Ming Chang, Shu-Ying	Unqualified opinion	Internal organizational change
2023	Pan, Chun-Ming Chang, Shu-Ying	Unqualified opinion	None

## 6.2 Financial analysis for the past five years

### Financial Analysis

<div> <div>Item</div> <div>Year</div> </div>		Financial analysis in the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	% Liabilities of liabilities to assets	59.33	56.34	57.37	54.70	53.14
	Long-term capital to Property, Plant and Equipment ratio (%)	411.95	451.35	484.59	530.08	617.56
Debt service ability(%)	Current ratio	102.87	115.63	133.38	114.94	156.20
	Quick ratio	77.90	82.61	95.36	83.01	137.73
	Interest coverage folds	5.63	7.29	4.17	14.67	7.05
Operating ability	Average collection turnover (Times)	6.36	4.98	9.54	9.75	6.11
	Average number of days	57.38	73.29	38.25	37.43	59.73
	Inventory turnover (Times)	3.74	9.27	4.93	4.88	4.69
	Payment turnover (Times)	9.12	9.27	11.10	11.41	12.14
	Average sales days	97.59	116.99	74.03	74.79	77.82
	Property, Plant and Equipment turnover (Times)	1.14	0.78	1.22	1.30	1.01
	Total assets turnover (Times)	0.23	0.15	0.23	0.23	0.15
Profitability	Return on total assets (%)	3.96	3.67	2.57	11.21	6.19
	Return on equity (%)	7.80	7.34	4.68	23.99	11.60
	Pre-tax net profit to paid-in capital ratio (%) (Note 7)	21.57	26.86	13.15	71.45	42.66
	Net profit margin (%)	14.02	20.56	8.83	46.83	34.63
	Earnings per share(NT\$)	1.02	2.89	0.90	4.55	2.55
Cash flow	Cash flow ratio ( % )	1.52	(14.30)	36.80	(13.33)	13.54
	Cash flow sufficiency ratio ( % )	54.23	66.74	76.58	27.34	36.39
	Cash flow Reinvestment Ratio ( % )	(6.29)	(14.04)	9.40	(15.82)	(2.88)
Leverage	Operating Leverage	0.63	0.10	1.29	0.19	0.09
	Financial Leverage	1.25	1.17	1.61	1.07	1.18
Analysis of significant changes in financial ratios over the last two years (20% change) :						

Note 1 : The above financial report has been audited and signed by CPA.

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Solvency:

Current ratio and quick ratio: Mainly due to disposal of property in 2023 by the subsidiary Kwang Ming, resulting in a significant increase in other receivables of current assets.

Higher times interest earned: Due to the gain on disposal of property in 2023 by the subsidiary Kwang Ming, resulting in times interest earned reached 7.05, however, it was still lower than times interest earned of 14.6% from disposal of property by Yi Tong in 2022.

2. Operating performance:

Mainly due to the impact of inflation and livelihood demand reduction resulted in the textile industry downturn, its subsidiaries Hung Chou Fiber decreased 42% and Kwang Ming decreased 30% in net sales in 2023 compared to 2022. Due to the decrease in net sales, accounts receivable turnover, average collection days, property, plant and equipment turnover, and total assets turnover decreased.

3. Profitability:

Despite the Company's net income after tax reached NT\$1.08 billion from disposal of property by its subsidiary, Kwang Ming in 2023, it was still lower than net income of NT\$2.03 billion from disposal of property by Yi Tong in 2022. Due to the decrease in net income, return on assets, return on equity, ratio of income before tax to paid-in capital, net profit margin, and EPS decreased.

4. Cash flow:

Mainly due to sufficient funds from disposal of property by its subsidiary Yi Tong in 2022, the Company invested in financial assets measured at fair value, resulting in a cash outflow from operating activities in 2022. In addition, the disposal of certain financial assets measured at fair value and the accelerated write-off of inventories in 2023 resulted in a cash inflow from operating activities in 2023, which resulted in decreases in calculating cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio.

5. Leverage:

Operating leverage: Mainly due to the impact of inflation and livelihood demand reduction resulted in the textile industry downturn, resulting in a significant decline in the Company's consolidated operating revenue in 2023, and despite net operating profit of NT\$1.4 billion from disposal of property by its subsidiary, Kwang Ming in 2023, however, it was still lower than net operating profit of NT\$2.3 billion from disposal of property by Yi Tong in 2022, which led to the decrease in calculating operating leverage.

## Financial Analysis — Independent Financial Report

Item \ Year		Financial analysis in the last 5 years (Note 1)				
		2019	2020	2021	2022	2023
Financial structure (%)	Debts ratio	53.11	42.26	46.99	47.40	47.04
	Long-term capital to Property, Plant and Equipment ratio (%)	7456.73	17729.05	19918.43	22597.71	24066.97
Debt service ability (%)	Current ratio	96.62	114.96	83.93	80.19	84.82
	Quick ratio	87.00	108.34	73.39	70.95	79.05
	Interest coverage folds	5.56	21.39	5.61	16.65	7.89
Operating ability	Average collection turnover (Times)	2.56	2.49	3.46	3.69	2.73
	Average number of days	142.58	146.59	105.49	98.92	133.70
	Inventory turnover (Times)	2.31	4.09	8.51	6.76	7.22
	Payment turnover (Times)	5.48	5.68	6.03	9.75	7.17
	Average sales days	158.01	89.24	42.89	53.99	50.55
	Property, Plant and Equipment turnover (Times)	2.29	13.11	19.18	23.61	25.09
	Total assets turnover (Times)	0.11	0.10	0.09	0.10	0.09
Profitability	Return on total assets (%)	3.28	8.08	2.85	11.56	6.36
	Return on equity(%)	5.48	14.73	4.36	20.82	10.64
	Pre-tax net profit to paid-in capital ratio (%) (Note 7)	9.40	29.27	6.99	34.11	21.30
	Net profit margin(%)	25.23	79.78	26.26	111.26	60.17
	Earnings per share(NT\$)	1.02	2.89	0.90	4.55	2.55
Cash flow	Cash flow ratio(%)	3.77	(32.29)	27.62	(13.28)	19.83
	Cash flow sufficiency ratio(%)	22.58	6.24	5.12	3.30	5.10
	Cash flow reinvestment ratio(%)	(10.65)	(21.62)	(2.89)	(16.67)	(0.33)
Leverage	Operating Leverage	1.25	0.14	1.46	1.30	0.80
	Financial Leverage	1.44	1.04	2.10	1.63	1.46
Please analysis of significant changes in financial ratios over the last two years (20% change) :						

Note 1 : The above financial report has been audited and signed by CPA.

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Solvency:

Times interest earned: Due to the gain on disposal of property by Kwang Ming in 2023, the Company's share of profit or loss of subsidiary recognized using the equity method amounted to NT\$380 million. However, it was still lower than NT\$869 million from the gain on disposal of property by Yi Tong in 2022, which led to a lower times interest earned raising from decrease in net income before income tax and interest expense in 2023.

2. Operating performance:

1. Accounts receivable turnover and average collection days: Mainly due to an increase in operating revenues of the Company's industry webbing, resulting in an increase in accounts receivable, which led to a decrease in accounts receivable turnover and a decrease in calculating accounts receivable turnover and an increase in average collection days.
2. Accounts payable turnover: Mainly due to an increase in operating revenues of the Company's industry webbing, resulting in an increase in amount of notes payable and a decrease in calculating accounts payable turnover.

3. Profitability:

Due to the gain on disposal of property by Kwang Ming in 2023, the Company's share of profit or loss of subsidiary recognized using the equity method amounted to NT\$380 million. However, it was still lower than NT\$869 million from the gain on disposal of property by Yi Tong in 2022, which led to a lower times interest earned raising from decrease in net income before income tax and interest expense in 2023. And due to a decline in net income for the period, which resulted in decreases in return on assets, return on equity, ratio of income before tax to paid-in capital, net profit margin, and EPS.

4. Cash flow:

Mainly due to sufficient funds from the gain on disposal of property and cash capital reduction by Yi Dong in 2022, the Company invested in financial assets measured at fair value and an increase in operating revenues from industry webbing and accounts receivable, which resulted in cash outflows from operating activities in 2022, and disposed certain financial assets measured at fair value in 2023, resulting in a cash inflow from operating activities in 2023, which led to the decrease in calculating cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio.

5. Leverage:

Operating leverage: Mainly due to disposal of the Company's property in 2023, since the Company's lease income was also recognized as operating income, therefore, the gain on disposal of property was included in operating income, and operating net income increased significantly in 2023, which resulted in a decrease in calculating operating leverage.



Note 1 : The fiscal year has not been audited and reviewed by CPA shall be indicated.

Note 2 : A company whose stock is listed on the Taiwan Stock Exchange or the Taipei Exchange, the previous quarter of current year shall also be included in the financial analyses before the date of publication of the annual report.

Note 3 : The financial ratios are calculated as follows :

1. Financial structure

(1) Debt to asset ratio = total liabilities / total assets.

(2) Long term capital to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment.

2. Debt service ability

(1) Current ratio = current assets / current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.

(3) Interest coverage ratio = net profit before income tax and interest expense / interest expense in the current period.

3. Operating ability

(1) Receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables for each period (including accounts receivable and notes receivable due to business).

(3) Inventory turnover rate = sales cost / average inventory.

(4) Payable (including accounts payable and notes payable due to business) turnover rate = cost of sales / average balance payable on each period (including accounts payable and notes payable due to business).

(5) Days sales outstanding = 365 / inventory turnover rate.

(6) Property, plant and equipment turnover rate = net sales / net average property, plant and equipment value.

(7) Total asset turnover rate = net sales / average total assets.

4. Profitability

(1) Return on assets = [after tax profit and loss + interest expense × (1 - tax rate)] / average total assets.

(2) Return on equity = after tax profit and loss / average equity.

(3) Net profit rate = after tax profit and loss / net sales.

(4) Earnings per share = (profit or loss attributable to parent company owner - special dividend) / weighted average number of issued shares. (Note 4)

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activities / current liabilities.

(2) Cash flow adequacy ratio = net cash flow from operating activities / in the last five years (capital expenditure + inventory increase + cash dividend) in the last five years. (Note 5)

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross property, plant and equipment + long term investment + other non-current assets + working capital). (Note 5)

6. Leverage :

(1) Operating leverage = (net operating income - changing operating costs and expenses) / operating profit. (Note 6)

(2) Financial leverage = operating profit / (operating profit - interest expense).

Note 4 : The calculation of the earnings per share of the preceding paragraph shall pay special attention to the following :

1. Based on the weighted average number of ordinary shares, rather than the number of shares issued at the end of the year.

2. Where there is a cash replenishment or treasury stock trading, the weighted average number of shares shall be calculated during the period of circulation.

3. Where there is a surplus to capital increase or capital surplus to capital increase, the calculation of the earnings per share for the previous year and half-year should be adjusted by the proportion of capital increase, rather than the period the capital increase is issued.

4. If the preferred shares are non-convertible accumulative shares, its annual dividend (whether or not it is issued) shall be deductible from the net income or increased to net loss after tax. If the preferred shares are non-cumulative, then in the case of having a net profit after tax, the preferred dividend should be deducted from the net profit after tax; in the case of net loss after tax, no adjustments are required.

Note 5 : Cash flow analysis shall pay special attention to the following :

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.

2. Capital expenditure refers to the annual cash outflow of capital investment.

3. The increase in inventories shall only be credited when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, then the inventory amount should be accounted at zero.

4. Cash dividends include cash dividends for common stock and special shares.

5. Net plant property and equipment means the total amount of Property, plant and equipment before deducting accumulated depreciation.

Note 6 : The issuer shall distinguish between the operating costs and operating expenses being fixed or variables. When involved in the estimation or subjective judgments, one should pay attention to its rationality and consistency.

Note 7 : If the Company's shares are no par or not in the denomination of NT \$ 10, the calculation of the ratio of the paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owners of the parent company.

### **6.3 Supervisors' report or audit committees' report on the latest financial statements :**

#### **Audit Committee Report**

The board of directors has prepared and presented the Company's 2023 business report, financial statements (including consolidated financial statements and parent company only financial statements) and appropriation of earnings. The financial statements have been audited by CPAs Zhang Shu Ying, Chi Shi Qin of KPMG Taiwan and the audit report has been certificated.

The above business reports, financial statements and appropriation of earnings have been reviewed by the audit committee, and found that there is no discrepancy. The report is hereby prepared in accordance with Article 14-4 and Article 36 of Securities and Exchange Act.

To

2024 Annual Shareholders' Meeting of Yi Jinn Industrial Co., Ltd.

Yi Jinn Industrial Co., Ltd.

Convener : Lai, Sun-Quae

March 12, 2024

- 6.4 Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, and any related footnotes or attached appendices (Attachment I).**
- 6.5 A parent company only financial statement for the most recent fiscal year, certified by a CPA (Attachment II).**
- 6.6 If the company or its affiliates have experienced financial difficulties in the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation : None.**

## VII. Review and Analysis of the Company's Financial Position and Financial Performance, and a Listing of Risks

### 7.1 Analysis of Financial Status :

( 1 ) The main causes and effects of significant changes in assets, liabilities and equity in the past two years :

Unit : NT\$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	4, 162, 247	2,780,081	1, 382, 166	49. 72
Non-current assets	16, 319, 566	17,159,828	(840, 262)	(4. 90)
Total assets	20, 481, 813	19,939,909	541, 904	2. 72
Current liabilities	2, 664, 680	2,418,760	245, 920	10. 17
Non-current liabilities	8, 220, 046	8,489,084	(269, 038)	(3. 17)
Total liabilities	10, 884, 726	10,907,844	(23, 118)	(0. 21)
Share capital	3, 016, 476	3,016,476	0	0
Capital surplus	448, 544	404,213	44, 331	10. 97
Retained earnings	2, 376, 078	2,108,761	267, 317	12. 68
Total amount of equity	9, 597, 087	9,032,065	565, 022	6. 26
Significant changes item descriptions :				
Current assets: Mainly due to the disposal of investment real estate by Guangming Company, a subsidiary of the Company, at the end of December 2023, resulting in a significant increase in other receivables.				

( 2 ) Future Plans : None

## 7.2 Analysis of Operation Results :

### ( 1 ) Financial performance analysis

Item \ Year	2023	2022	Increased (Decreased) Amount	%of change
	Amount	Amount		
Operating net revenues	3, 120, 655	4,335,382	(1, 214, 727)	(28. 02)
Operating cost	2, 913, 324	3,762,208	(848, 884)	(22. 56)
Gross profit	207, 331	573,174	(365, 843)	(63. 83)
Operating expenses	212, 101	263,704	(51, 603)	(19. 57)
Operating interest	1, 416, 853	2,314,199	(897, 346)	(38. 78)
Non-operating income and expenses	(130, 084)	(158,883)	28, 799	(18. 13)
Income from continuing operations before tax	206, 163	2,155,316	8, 985	64. 70
Income tax expense	1, 080, 606	125,178	(949. 532)	(46. 77)
Analysis of changes in increase and decrease :				
1.Net operating revenue: Mainly due to the impact of inflation and livelihood demand reduction resulted in the textile industry downturn, the subsidiary Hung Chou Fiber's net sales for 2023 decreased by 42% compared to 2022, and the subsidiary Kwang Ming's net sales for 2023 decreased by 30% compared to 2022, resulting in a decrease of 28% in net sales for the year.				
2.Operating costs: Due to a decrease in net operating income.				
3.Net profit margin: Due to downturn in the textile industry and supply/demand imbalance of the market, profit margins of the subsidiaries, Hung Chou Fiber and Kwang Ming, both turned from profit to loss, resulting in a significant decrease in the Company's gross profit margin.				
4.Operating income: Mainly due to disposal of properties by the Company and its subsidiary Kwang Ming in 2023, since the lease income was recognized as operating income, therefore, the gain on disposal of property was included in operating income. However, although the gains from disposal of properties amounted to NT\$1.4 billion in 2023, it was still lower than \$200 million from the gain on disposal of property by Yi Tong in 2022, which led to a decrease in operating income.				
5.Income tax expense: Mainly due to a 5% income tax on unappropriated earnings and value-added tax on disposed properties of the Company and its subsidiaries, which led to an increase in income tax expense.				
6.Net income for the period: Mainly due to disposal of properties by the subsidiary Kwang Ming in 2023, resulting in a net income amounted to NT\$1.08 billion in 2023, however, it was still lower than net income of NT\$2.03 billion from disposal of property by Yi Tong in 2022, therefore the net income for the period decreased.				

### ( 2 ) A sales volume forecast and the basis therefor :

The expected sales volume in 2024 is about 37,800 tons of polyester yarn (including 10,800 tons for the subsidiary's own use), 21,600 tons of polyester

chips and 12,200 tons of polyester textured yarn, and about 160,000 thousand meters of outsourcing industrial ribbon.

- (3) The effect upon the company's financial operations as well as measures to be taken in response :

The Company will continue to pay attention to the changes in market demand, economic climate and product quotations, and grasp the pulse of the economy and market demand closely. The production business will focus on the production of textured yarn by our subsidiary, Kwang Ming Silk Mill, and the production of raw polyester yarns by our Hung Chou factory, while the parent company will focus on industrial ribbons and rental income, hoping to achieve better operating results.

### 7.3 Analysis of Cash flow

- (1) Cash flow analysis for recent years

Unit : NT\$ thousand

Item	Year	2023	2022	% of change
Net cash flow from operating activities		360,755	(267,879)	628,634
Cash provided by (used in) investing activities		261,028	540,589	(279,561)
Cash provided by (used in) fundraising activities		(705,323)	(370,329)	(334,994)

- 1.Net cash inflow from operating activities: Mainly due to disposal of certain financial assets measured at fair value and accelerated write-off of inventories in 2023, resulting in a cash inflow from operating activities in 2023. And due to sufficient funds from the gain on disposal of property by Yi Dong in 2022, the Company invested in financial assets measured at fair value, resulting in a cash outflow from operating activities in 2022.
- 2.Net cash inflow from investing activities: Due to disposal of properties by the Company and its subsidiary Kwang Ming, resulting in a cash inflow from investing activities.
- 3.Net cash outflow from financing activities: Mainly due to distribution of cash dividends and repayment of bank loans, resulting in cash outflow from financing activities.

- (2) Improvement plan for cash flow shortage : The company has sufficient funds and good loan relationship with the bank, and has sufficient lines of credit to meet the funds needed.

(3) Analysis of cash flow in the coming year

Unit: NT\$ thousand

Beginning cash balance	Net cash flow from operating activities throughout the year	Net cash outflow from operating activities throughout the year	Net cash flow balance	Cash shortage contingency plan	
				Investment plan	Financing Plan
317,994	125,571	(103,267)	340,298	-	-
Analysis of cash flow changes in 2023 : 1. Operating activities: Mainly for the estimation of income and expenses of operating activities and mandatory financial assets measured at fair value through profit or loss. 2. Non-operating activities: Mainly the distribution of dividends and repayment of bank loans. 3. Cash flow balance : Enriching working capital.					

**7.4 The effect upon financial operations of any major capital expenditures during the most recent fiscal year. : None**

**7.5 The company's reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.**

- (1) The Company's reinvestment is based on a long-term strategy, In 2023, the company recognized its share of earnings of subsidiaries, affiliates and joint ventures under the equity method amounting to NT\$137,000.
- (2) Improvement plan : Not applicable
- (3) Investment plans for the coming year : None

**7.6 The section on risks shall analyze and assess the following matters during the most recent fiscal year and as they stood on the date of publication of the annual report :**

- (1) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future. :
  - 1 · Interest rate : The Company maintains good credit relationships with various banks and the interest rates on loans have been reduced from 5.25%~7% in early 2002 to 1.63%~2.48%, resulting in a significant reduction in interest expense and making the Company more competitive in its operations.
  - 2 · Exchange rate : The Company's imports are all from the major domestic manufacturers of raw materials, and the ratio of export sales was around

31.99% in 2023, so the change in exchange rate has no significant impact on the Company.

- 3 · Inflation : The Company's quotations to customers are appropriately adjusted according to the market conditions, and therefore the fluctuation of prices can be controlled with certainty, and therefore inflation has no significant impact on the Company.
- ( 2 ) The Company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future. :
  - 1 · The Company does not engage in high-risk, highly leveraged investments.
  - 2 · The Company's loan to other parties and endorsement and guarantee, please refer to the information on significant transactions disclosed in the accompanying notes. The company has established "operating procedures for capital loans to others" and "endorsement guarantee measures", and all operations are handled in accordance with the regulations. As of the end of 2023, the company had no external endorsement guarantees and the ending balance of capital loans was NT\$350,000,000.
  - 3 · Policy on derivative transactions, the main reasons for the profits/losses generated thereby; and response measures to be taken in the future. :

The Company engages in derivative contracts for hedging purposes, and the counter-parties of the Company are all banks with good credit standing, so the possibility of credit risk, market price risk, liquidity risk and cash flow risk is minimal. In addition, the Company has established "Procedures for engaging in derivatives trading" and all operations are conducted in accordance with these procedures. As of December 31, 2023, the Company had no unexpired forward exchange agreement.
- ( 3 ) Research and development work to be carried out in the future, and further expenditures expected for research and development work. : None.
- ( 4 ) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response. : None
- ( 5 ) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response. : None
- ( 6 ) Effect on the Company's crisis management of changes in the company's corporate image, and measures to be taken in response. : The Company markets itself under the Sea Gull brand and has a good corporate image without any bad image reports.
- ( 7 ) Expected benefits and possible risks associated with any merger and. acquisitions, and mitigation measures being or to be taken. : None
- ( 8 ) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken. : None
- ( 9 ) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken. : Due to the specific industry of the Company, our main suppliers are all major raw yarn manufacturers, and most of them are listed and over-the-counter companies. The Company has



maintained good relationships with its suppliers for a long time, therefore, there is no risk of consolidation of purchasing, and there is no risk of consolidation of sales in terms of sales because customers are dispersed.

- (10) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken. : None
- (11) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken. : None
- (12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that : (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report. : None
- (13) Impact of Cyber Security Risks on the Company's Financial Operations and Measures to be taken

The Company's sales products are mainly manufactured on an outsourced basis, and the focus of cyber operations is entirely on the administrative units. The overall network environment is pure, and cyber operations have been properly controlled or protected to reduce risks. The company attaches great importance to the prevention of infectious diseases. In addition to always paying attention to the publicity or control measures of government agencies, we continue to implement flexible epidemic prevention measures such as wearing masks and disinfecting entrances in the office. Our information operations have not been affected by the epidemic.

Since the Company's cyber management system is mostly self-developed and limited to the Company's local area network, it is not open for connection through the Internet. In addition to the basic endpoint anti-virus and anti-hacking software, the Company has added host vulnerability detection and cloud and gateway protection software and hardware to combine with the original network management equipment to strengthen the risk control force annually. As for cyber security risks, through annual self-evaluation of cyber operation security, it shows that the internal risks are more concentrated on the restriction of access permissions of external units with contractual relationships and the division of duties and responsibilities of various cyber matters due to limited IT manpower; in terms of external connections, through statistical reports or logs of various cyber security measures, it is analyzed that the connection risks on the Internet are increasing monthly, but the values of external threat to the Company's internal mail hosts and endpoint computers are mostly close to the average value in each month, indicating that the various protection measures are effective in

preventing various improper network operations and keeping the overall risk control in a relatively stable state.

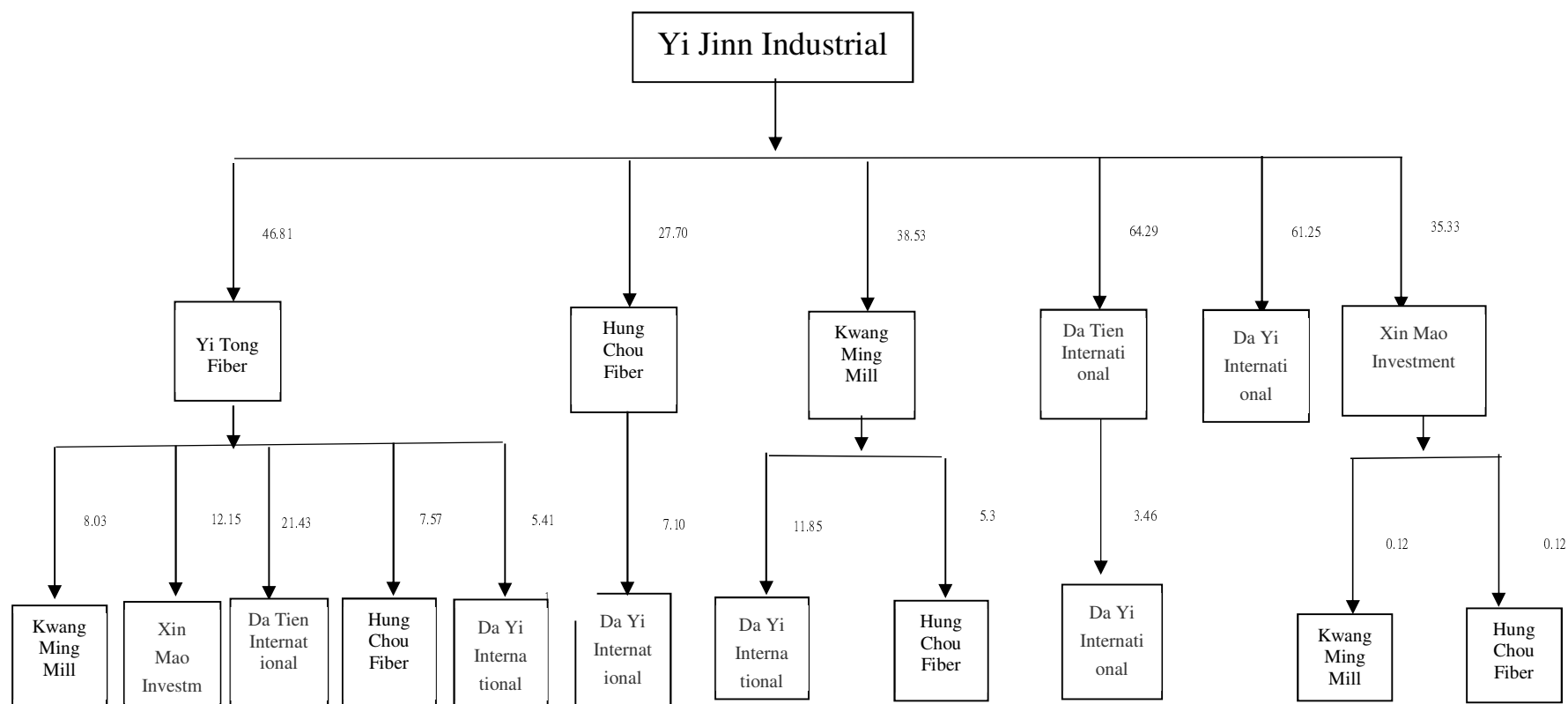
Based on the results of the Company's cyber security governance and risk evaluation for 2023 (please visit or download the report on the "Corporate Governance" webpage of the Company's website at [www.yijinn.com.tw](http://www.yijinn.com.tw)), the Company believes that its cyber security control measures are effective in reducing the occurrence of cyber threats and the degree of damage, and achieving the goal of risk control. As a result, the overall cyber security risk is in the low level, with small impact on financial and business aspects, and no significant risk to operations. In the future, we will continue to evaluate advanced cyber security solutions (e.g. SOAR, XDR, MDR, etc.) and intend to adopt external cyber security services to help identify potential unknown threats, track the trajectory of external attempts to invade and provide early warnings, and assist in judging, processing and retaining evidence to continuously improve the vulnerability of the cyber environment.

## **7.7 Other important matters : None**

## VIII. Special items to be included

### 8.1 Information related to the company's affiliates :

( 1 ) . Consolidated Business Reports Covering Affiliated Enterprises (2023.12)



## 2. Basic information of each affiliates

Unit : thousand

Name	Date of establishment	Address	Paid-in capital	Main business or production items
Yi Jinn Industrial Co. Ltd.	1981.03.24	Company : 7F, No. 607, Ruiguang Road, Taipei City	3,016,476	1.C301010 Yarn Spinning Mills 2.C302010 Weaving of Textiles 3.C305010 Printing, Dyeing, and Finishing 4.C306010 Wearing Apparel 5.C801120 Manufacture of Man-made Fibers 6.C801990 Other Chemical Materials Manufacturing 7.C399990 Other Textile and Products Manufacturing 8.H701010 Housing and Building Development and Rental 9.H701020 Industrial Factory Development and Rental 10.H701040 Specific Area Development 11.H701050 Investment, Development and Construction in Public Construction 12.H701060 New Towns, New Community. Development 13.H703090 Real Estate Commerce 14.H703100 Real Estate Rental and Leasing 15.ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval
Kwang Ming Silk Mill Co. Ltd.	1966.06.22	Company : 7F, No. 607, Ruiguang Road, Taipei City Factory : No.29, Hongzhou Street, Guishan District, Taoyuan City	404,550	Cotton silk, man-made fibers and other materials are used to weave various kinds of cotton, tetoron, nylon, silk, and nylon fabric silk, etc. Dyeing and weaving of the above fabrics and the purchase and sale of related raw materials, materials and finished products.
Hung Chou Fiber Co. Ltd.	1968.07.30	Company : 7F, No. 607, Ruiguang Road, Taipei City Factory : No.29, Hongzhou Street, Guishan District, Taoyuan City	1,321,125	Manufacture, processing and trading of synthetic chemical fibers Manufacture, processing and trading of plastic drawing products
Yi Tong Fiber Co. Ltd.	1992.07.21	Company : 7F, No. 607, Ruiguang Road, Taipei City	442,649	Real Estate Commerce Real Estate Rental and Leasing All business items that are not prohibited or restricted by law, except those that are subject to special approval
Xinmao investment Co., Ltd.	1996.11.09	7F, No. 607, Ruiguang Road, Taipei City	168,681	Investment
Datian International Development Co., Ltd.	2017.09.26	7F, No. 607, Ruiguang Road, Taipei City	350,000	Real Estate Commerce Real Estate Rental and Leasing All business items that are not prohibited or restricted by law, except those that are subject to special approval

Dayi International Development Co., Ltd.	2018.02.13	7F, No. 607, Ruiguang Road, Taipei City	1,155,000	Real Estate Commerce Real Estate Rental and Leasing All business items that are not prohibited or restricted by law, except those that are subject to special approval
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3. Where the shareholders in common are natural persons, the reason that affiliation is presumed : For more details, please refer to the basic information of each affiliates.
4. The industries covered by the business operated by the affiliates overall : The main business and production items as listed in the basic information.
5. Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates : None.
6. The names of the directors, supervisors, and general manager of each affiliate

Unit : NT\$ thousand, Shares, %

Name	Title	Name or representative	Shares held	
			Shares	%
Yi Jinn Industrial Co., Ltd.	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	Cheng, Yu-Jing	2,053,074	0.68%
	Director	Weng, Mao-Cheng	582,343	0.19%
	Director	Lai, Yu-Min	594,916	0.20%
	Independent Director	Lai, Sun-Quae	0	0.00%
	Independent Director	Huang, Tien-Chang	0	0.00%
	Independent Director	Chen, Shiou-Chung	0	0.00%
	General Manager	Weng, Mao-Cheng	582,343	0.19%
Kwang Ming Silk Mill Co., Ltd.	Chairman	Yi Jinn Industrial (Legal representative : Chan, Cheng-Tien)	15,586,193	38.53%
	Director	Yi Jinn Industrial (Legal representative : Huang, Li-Xuan)	15,586,193	38.53%
	Director	Lee, Ye-Zhen	725,000	1.79%
	Director	Cheng, Yu-Jing	0	0.00%
	Director	Chan, Yi-Chin	0	0.00%
	Director	Fang Zhou Asset Management (Legal representative : Jing, Jian-Zhang)	700165	1.73%
	Independent Director	Yang, Xiao-Qin	0	0.00%
	Independent Director	Xu, Jisheng	0	0.00%
	Independent Director	Liu, Yongfu	0	0.00%
			0	0.00%

	General Manager	Lee, Ye-Zhen	725,000	1.79%
Hung Chou Fiber Co., Ltd.	Chairman	Chan, Cheng-Tien	5,532,037	4.19%
	Director	Yi Jinn Industrial (Legal representative : Chan, Yi-Chin)	36,601,000	27.70%
	Director	Yi Jinn Industrial (Legal representative : Lin, Jing-Ling)	36,601,000	27.70%
	Director	Yi Jinn Industrial (Legal representative : Cheng, Yu-Jing)	36,601,000	27.70%
	Director	Yi Jinn Industrial (Legal representative : Chang, Heng-Chia)	36,601,000	27.70%
	Director	Yi Jinn Industrial (Legal representative : Lin, Ze-Hua)	36,601,000	27.70%
	Director	Chen, Linde	1,027,516	0.78%
	Director	Ou Lian International (Legal representative : Chen, Guan-Ru)	1,171,000	0.89%
	Supervisor	Zhao, Shou-Bo	0	0.00%
	Supervisor	Huang, Wei-Ji	0	0.00%
	Supervisor	Guo, Xianzhang	0	0.00%
	Supervisor	Chen, Yi -Min	0	0.00%
	General Manager	Chan, Cheng-Tien	5,532,037	4.19%
Yi Tong Fiber Co., Ltd.	Chairman	Chan, Cheng-Tien	3,679,002	8.31%
	Director	Yi Jinn Industrial (Legal representative : Chang, Heng-Chia)	20,721,296	46.81%
	Director	Cheng, Yu-Jing	11,973	0.03%
	Supervisor	Wu, Gao-Shan	0	0.00%
Xinmao investment Co., Ltd.	Chairman	Chan, Cheng-Tien	2,580,000	15.30%
	Director	Yi Jinn Industrial (Legal representative : Weng, Mao-Cheng)	5,959,886	35.33%
	Director	Yi Jinn Industrial (Legal representative : Lai, Yu-Min)	5,959,866	35.33%
	Supervisor	Cheng, Yu-Jing	0	0.00%
Datian International Development Co., Ltd.	Chairman	Yi Jinn Industrial (Legal representative : Chan, Cheng-Tien)	22,500,000	64.29%
	Director	Yi Jinn Industrial (Legal representative : Lai, Yu-Min)	22,500,000	64.29%
	Director	Nice Plaza (Legal representative : Chen, Guan-Zhou)	2,500,000	7.14%
	Supervisor	Cheng, Yu-Jing	0	0.00%
Dayi International Development Co., Ltd.	Chairman	Yi Jinn Industrial (Legal representative : Chan, Cheng-Tien)	70,743,500	61.25%
	Director	Yi Jinn Industrial (Legal representative : Lai, Yu-Min)	70,743,500	61.25%
	Director	Yi Jinn Industrial (Legal representative : Chang, Heng-Chia)	70,743,500	61.25%
	Supervisor	Datian International (Legal representative : Cheng, Yu-Jing)	4,000,000	3.46%

7. Overview of the operations of each affiliate :

Unit : NT\$ thousand

Name	Capital	Total Assets	Total liabilities	Net worth	Operating revenue	Operating (Loss) income	(Loss) income for the period (After tax)	Earnings per share (NT\$) (After tax)
Yi Jinn Industrial Co. Ltd.	3,016,476	10,387,525	4,885,901	5,501,624	942,561	295,448	567,120	2.55
Kwang Ming Silk Mill Co. Ltd.	404,550	4,359,857	1,643,399	2,716,458	688,933	1,747,563	1,636,080	40.44
Hung Chou Fiber Co. Ltd.	1,321,124	2,344,217	1,249,044	1,095,173	1,995,376	(136,197)	(132,786)	(1.01)
Yi Tong Fiber Co. Ltd.	442,649	4,962,344	2,027,514	2,934,830	60,972	(1,215)	67,461	1.52
Xinmao investment Co., Ltd.	168,681	466,064	113,385	352,679	25,973	12,718	13,755	0.82
Datian International Development Co.,	350,000	934,783	574,680	360,103	10,350	4,003	(12,531)	(0.35)
Dayi International Development Co., Ltd.	1,155,000	1,884,475	885,298	999,177	12,718	5,455	(14,659)	(0.13)

8. Reports on Affiliations : None

**8.2 Where the company has carried out a private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report : None**

**8.3 Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report :**

As of March 31, 2024 Unit : NT\$ thousand

Name of subsidiary (Note 1)	Paid-in capital	Capital source	The company's Shareholding ratio	Date of acquisition or disposal	No. of shares and amount acquired (Note 2)	No. of shares and amount disposed (Note 2)	Investment Profit or loss	Number and amount of shares held up to the date of publication of the annual report (Note 3)	Pledge (Note 4)	Amount endorsed by the Company for its subsidiaries	Amount loaned by the Company to subsidiaries
Xin Mao investment Co., Ltd.	168,681	Own capital	35.33%	2023.01.01 to 2024.03.31	0	0	0	21,294 thousand shares 271,533 thousand dollars	13,500 thousand shares	0	0
Yi Tong Fiber Co. Ltd.	442,649	—	46.81%	2023.01.01 to 2024.03.31	0	0	0	57,954 thousand shares 471,957 thousand dollars	0	0	0

Note 1 : Please disclose for various subsidiaries.

Note 2 : The term “amount” as set forth herein denotes the amount actually acquired or disposed.

Note 3 : The acquisition and disposal shall be disclosed respectively.

Note 4 : Please indicate the impact upon the results of the subsidiary's business performance and financial standing.



## 8.4 Other matters that require additional description :

- (1) Date of submission of the sustainability report prepared by the company to the board of directors for approval: 2023.8.11
- (2) Date of approval of the company's corporate governance code by the board of directors: 2021.3.25
- (3) Directors for Implementation of Continuing Education for Directors and supervisors : pursuant to the advice of 'Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies' to complete the Continuing Professional Education (CPE) hours.

Title	Name	Date	Organizer	Course	Hours
Chairman	Chan, Cheng-Tien	2023.07.26	COSDA	Financial Due Diligence and evaluation for M&A Transaction	3
	Chan, Cheng-Tien	2023.08.16	COSDA	The company's operational weakness or crisis can be told from the financial report	3
Director	Chan, Yi-Chin	2023.07.26	COSDA	Financial Due Diligence and evaluation for M&A Transaction	3
	Chan, Yi-Chin	2023.10.24	COSDA	Related Regulations :Legal Framework and Case Study Analysis of Insider Trading	3
Director	Lai, Yu-Min	2023.08.22	COSDA	Internal Investigations-How to Avoid New Risk Lifted by ESG	3
	Lai, Yu-Min	2023.09.20	COSDA	Global Tax Reform and Corporate Tax Governance from the perspective of ESG trends and the epidemic environment	3
Director	Weng, Mao-Cheng	2023.08.22	COSDA	Internal Investigations-How to Avoid New Risk Lifted by ESG	3
	Weng, Mao-Cheng	2023.09.15	COSDA	Enterprise carbon management and software application	3
Director	Chen, Meng-Wu	2023.09.26	COSDA	New thought of risk management in the digital transformation for future	3
	Chen, Meng-Wu	2023.10.20	COSDA	The practice of Labor Incident Act	3
Director	Cheng, Yu-Jing	2023.07.28	COSDA	Defense of hostile takeover and the company's responsible persons	3
	Cheng, Yu-Jing	2023.09.15	COSDA	Enterprise carbon management and software application	3
Independent Director	Chen, Shiou- Chung	2023.05.26	EPD	Green chemistry, creating sustainability together	3
	Chen, Shiou- Chung	2023.07.11	TABF	Today and Tomorrow of Industrial AI-Chat GPT Impact and Enterprise Response	3
Independent Director	Lai, Sun-Quae	2023.06.02	CNAIC	2023 Taishin Net Zero Power Summit Forum	3
	Lai, Sun-Quae	2023.07.04	TWSE	2023 Cathay Sustainable Finance and Climate Change Summit Forum	3
Independent Director	Huang, Tien- Chang	2023.09.18	TCGA	Board governance under ESG	3

	Huang, Tien- Chang	2023.09.18	TCGA	Code of Integrity and How to Avoid Misstepping on the Red Line of Directors and Supervisors' Responsibilities	3
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(3) Yi Jinn Employees' code of conduct and ethics

Since its establishment, the company has always taken "Innovation, Integrity, Growth and Collaboration" as its business philosophy, and encourage its employees to have a "sincerity and pragmatism" work attitudes. In order to implement Yi Jinn's business philosophy and work attitudes to every employee of the Company, the Company's internal control system has established "performance appraisal" and clearly stipulated employees' code of conduct and ethics, and require employees to abide by it. When an employee has special merits and demerits, supervisors always report to the Company for rewards and punishments at any time. The employee performance appraisal is performed twice a year, it is a practical method for requiring employee's code of conduct and ethics.

(4) The state of the company's performance of social responsibilities :

The Company has established 'Jinn Sian Social Welfare Foundation' in 1998, to help those with low income and disabilities families, and continue to expand the amounts and variety of types of donations. In recent years, with the concept of prevention drugs combined with environmental protection, social welfare activities have been vigorously promoted such as "Resist the temptation of drugs, and family harmony and happiness".

(5) The shareholder services agent :

The professional shareholder services agent designated by the Company : Grand fortune Securities stock affairs department to conven shareholders meetings.

(6) The status of Board evaluates the independence and suitability of the CPA regularly by reference to Audit Quality Indicators (AQIs):

1. The Company has approved the independence and suitability of the CPA by the Audit Committee and the Board of Directors on March 13, 2023, with reference to the Audit Quality Indicators (AQIs) assessment.
2. The Company's chairperson, general manager, finance and accounting manager has not held a position at the accounting firm of its CPA or at its affiliated enterprise.
3. The assessment process was based on the audit firm's 2021 audit quality indicators, which were assessed on five scopes:
  - Scope1: Profession/audit experience, training hours, turnover rate, and professional support.
  - Scope2: Quality control/work load, audit input, EQCR review, quality control support capability.
  - Scope3: Independence/non-audit service fee, customer familiarity.
  - Scope4: Monitoring/external Audit Deficiencies and Sanctions, letters from the competent authorities for improvement.
  - Scope5: Creativity to assess / create innovative plans or initiatives.

**8.5 Matters in the Past Year and as of the Date of Publication of the Annual Report Which have a Substantial Impact on Owner's Equity or Share Price as Stipulated in Item 2, Paragraph 2 of Article 36 of the Securities Exchange Act : None**

# Attachment I

**Yi Jinn Industrial Corp., Limited and  
its subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Report**

**Year 2023 and 2022**

(For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English for the original Chinese version prepared and used in the Republic of China. In the event of and discrepancy between the English version and the original Chinese version or and differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail)

**Company Address: 7F, No.607, Ruiguang Rd. Neihu Dist., Taipei City**  
**TEL: (02)26575859**

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## **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)	<u>53,765</u>	<u>-</u>	<u>47,967</u>	<u>-</u>
<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	<u>44,276</u>	<u>-</u>	<u>37,861</u>	<u>-</u>
<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	<u>(349,848)</u>	<u>(2)</u>	<u>(344,203)</u>	<u>(2)</u>
		5,501,624	27	5,155,978	26
36XX	Non-controlling interests (Note 6 (8) (16))	<u>4,095,463</u>	<u>20</u>	<u>3,876,087</u>	<u>19</u>
<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>	3,120,655	100	4,335,382	101
5110	<b>Cost of goods sold (Note 6 (6))</b>	2,913,324	93	3,762,208	87
	<b>Gross Profit</b>	207,331	7	573,174	14
	<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>	212,101	7	263,704	6
	<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>	1,421,623	46	2,004,729	47
	<b>Net operating profit</b>	1,416,853	46	2,314,199	55
	<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>	(130,084)	(5)	(158,883)	(4)
	<b>Profit before tax from continuing operations</b>	1,286,769	41	2,155,316	51
7950	<b>Less income tax expense (Note 6 (15))</b>	206,163	7	125,178	3
	<b>Net income</b>	1,080,606	34	2,030,138	48
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	-	-	-	-
		50,466	2	(154,713)	(4)
8300	<b>Other consolidated gains and losses for the period</b>	50,466	2	(154,713)	(4)
	<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										
	Share capital		Retained earnings				Other equity items		Total equity attributable to owners of parent	Non-controlling interests	total equity
	Common stock	capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	total	Or losses on FVTOCI Financial assets	Treasury stock			
Balance at December 31, 2022	3,016,476	500,655	278,308	-	1,022,621	1,300,929	110,953	(344,203)	4,584,810	3,309,374	7,894,184
Net income (loss) for the period	-	-	-	-	1,013,957	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	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)	-	(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)	(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)
Balance at December 31, 2022	3,016,476	404,213	298,368	-	1,810,393	2,108,761	(29,269)	(344,203)	5,155,978	3,876,087	9,032,065
Net income for the period	-	-	-	-	567,120	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	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)	-	(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	(1,844)	-	-	-	-
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(278,580)	(278,580)
Balance at December 31, 2023	\$ 3,016,476	448,544	397,250	29,269	1,949,559	2,376,078	10,374	(349,848)	5,501,624	4,095,463	9,597,087

(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>

(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 Corp., Ltd**  
**Notes to Consolidated Company Financial Statements**  
**For the years ended December 31, 2023 and 2022**  
**(Amount in Thousands of New Taiwan Dollars, unless specified otherwise)**

**I. Company history**

Yi Jinn Industrial Corp., Ltd (The “Company”) has been officially listed in the Taiwan Stock Exchange on October 20, 1994. The registered address of the consolidated company is 7<sup>th</sup> Floor, No.607, Ruiguang Rd., Neihu Dist., Taipei City. The 2023 consolidated financial statement includes the Company and its subsidiaries (hereafter as the consolidated company). The main scope of business of the consolidated company is, as follows:

1. Manufacturing, processing and trading business of all kinds of artificial and natural fibre and its false twist.
2. Manufacturing, processing and trading business of all kinds of bulk continuous filament, nylon stretch yarn, Tetoron of synthetic fibre, fabrics of male or female ready-to-wear and its dyeing and finishing.
3. Import and export trading business of raw materials, materials and final products of items mentioned in two preceding paragraphs.
4. Commissioning construction enterprises to build public housing and commercial buildings for lease and sale.
5. Commission construction enterprise to develop industrial area approved by industrial supervisory authority.
6. Real estate trading and leasing business.

Other main business scope of consolidated and parent only company, please refer to Note 4(3).

**II. Date and procedures of authorization of financial statements for issuance**

The accompanying consolidated financial statements were approved and authorized for issue by the board of directors on March 12, 2024.

**III. Newly issued or revised standards and interpretationss**

- i. Impact of adoption of newly issued and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC).

The Company started to adopt the following amendments to the IFRSs from January 1, 2023, which did not have a significant effect on the Company’s consolidated financial reports.

- Amendments to IAS 1, "Disclosure of Accounting Policies"
- Amendments to IAS 8, "Definition of Accounting Estimates"
- Amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"

The Company started to adopt the following amendments to the IFRSs from May 23, 2023, which did not have a significant effect on the Company’s consolidated financial reports.

- Amendments to IAS 12, " International Tax Reform Pillar 2 Model Rules"

- ii. The impact of not adopting the international financial reporting standards endorsed by the FSC

The Company evaluates that the following amendments to IFRS standards, effective from January 1, 2024, will not have a significant impact on the parent company only financial reporting.

- Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current".
- Amendments to IAS 1, "Non-current Liabilities with Contractual Terms.
- Amendments to IAS 7 and IFRS 7, "Vendor Financing Arrangements".
- Amendments to IFRS 16, "Lease Obligations in Sale and Leasebacks.

- iii. Newly issued and amended standards and interpretations not yet endorsed by the FSC. The Consolidated Company expects that the following new releases and amendments to standards that have not yet been endorsed will not have a significant impact on the consolidated financial statements.
- Amendments to IFRS 10 and IAS 28, "Disposals or Contributions of Assets between an Investor and its Affiliates or Joint Ventures".
  - IFRS 17 "Insurance Contracts" and Amendments to IFRS 17.
  - Amendments to IAS 21 "Lack of Convertibility".

#### **IV. Summary of significant accounting policies**

The summary of significant accounting policies is as follows. The following accounting policy is applied in this consolidated financial statement, unless otherwise stated.

##### **1. Statement of Compliance**

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuer and the IFRSs endorsed by the FSC, as well as the IFRSs, IASs, interpretations and announcements of interpretation endorsed and issued into effect by the FSC (hereinafter referred to as "IFRSs endorsed by the FSC")

##### **2. Basis of preparation**

###### **(1) Basis of measurement**

The accompanying consolidated financial statements have been prepared on the historical cost basis except for the significant items of balance sheet as below:

- Financial Asset measured at fair value through income and loss; and
- Financial Asset measured at fair value through other comprehensive income and loss

###### **(2) Functional currency and presentation currency**

The functional currency is the currency for the economic environment in which the consolidated company operates. The consolidated financial statement is in our functional currency and presented in New Taiwan Dollars. All of the information provided in this financial statement is presented in Thousands of New Taiwan Dollars.

##### **3. Basis of consolidation**

###### **(1) Basis of preparing the consolidated financial statement**

The consolidated financial statements incorporate the financial statements of the Company and the individual entities it controls (i.e. its subsidiaries). The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its control over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Transactions and balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. The comprehensive income from subsidiaries is allocated to the Company and its non-controlling interest, even if the non-controlling interests have a deficit balance.

When necessary, adjustments are made to the financial statements of the subsidiaries to bring their accounting policies into line with those used by the consolidated company.

Changes in the consolidated company's ownership interests in subsidiaries that do not result in the loss of control over its subsidiaries are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

(2) Subsidiaries included in the consolidated financial statement

List of the subsidiaries included in the consolidated financial statement:

Name of the investment company	Name of the subsidiaries	Scope of Business	Percentage of shareholding		Explanations
			December 31, 2023	December 31, 2022	
The company	Yi Tong Fiber Co., Ltd.	Real Estate Rental or trading	46.81%	46.81%	Note1
The company	Xin Mao Investment Co., Ltd.	Investment	35.33%	35.33%	Note1
The company	Kwang Ming Silk Mill Co., Ltd.	Cotton filament, artificial fibre and others	38.53%	38.53%	Note1
The company	Hung Chou Fiber Industry Co., Ltd.	manufacturing, processing and trading business	27.70%	27.70%	Note1
The company	Da Tian International Co., Ltd.	Synthetic fibres, plastic filament manufacturing, processing and trading business	64.29%	33.33%	-
The company	Da Yi International Development Co., Ltd.	Real Estate Rental or trading	61.25%	61.25%	-
Yi Tong Fiber Co., Ltd.	Kwang Ming Silk Mill Co., Ltd.	Cotton filament, artificial fibre and others	8.03%	8.03%	Note1
Yi Tong Fiber Co., Ltd.	Xin Mao Investment Co., Ltd.	manufacturing, processing and trading business	12.15%	12.15%	Note1
Yi Tong Fiber Co., Ltd.	Hung Chou Fiber Industry Co., Ltd.	Investment	7.57%	7.57%	Note1
Yi Tong Fiber Co., Ltd.	Da Tian International Co., Ltd.	Synthetic fibres, plastic filament manufacturing, processing and trading business	21.43%	25.00%	-
Yi Tong Fiber Co., Ltd.	Da Yi International Development Co., Ltd.	Real Estate Rental or trading	5.41%	5.68%	Note2
Xin Mao Investment Co., Ltd.	Hung Chou Fiber Industry Co., Ltd.	Real Estate Rental or trading	0.12%	0.12%	Note1
Xin Mao Investment Co., Ltd.	Kwang Ming Silk Mill Co., Ltd.	Synthetic fibres, plastic filament manufacturing, processing and trading business	0.12%	0.12%	Note1
Kwang Ming Silk Mill Co., Ltd.	Hung Chou Fiber Industry Co., Ltd.	Cotton filament, artificial fibre and others	5.30%	5.30%	Note1
Kwang Ming Silk Mill Co., Ltd.	Da Yi International Development Co., Ltd.	manufacturing, processing and trading business	11.85%	11.88%	Note2
Da Tian International Co., Ltd.	Da Yi International Development Co., Ltd.	Real Estate Rental or trading	3.46%	3.64%	-
Hung Chou Fiber Industry Co., Ltd.	Da Yi International Development Co., Ltd.	Real Estate Rental or trading	7.10%	7.10%	Note2

Note1: The consolidated company does not directly or indirectly hold over 50% of the shares, but has substantial control over the company, therefore the company is regarded as a subsidiary.

Note2: The Consolidated Company acquired equity interests in the subsidiary from non-related parties in May 2022, and the relevant transaction description is detailed in Note 6 (16).

(3) Subsidiaries not included in the consolidated financial statement: N/A

4. Currency

Foreign currency transactions are translated into functional currencies at the exchange rate on the transaction date. At the end of each reporting period (hereinafter referred to as the “reporting date”), monetary items denominated in foreign currencies are retranslated into the functional currency at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated into the functional currency at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currencies are translated at the rates of exchange prevailing at the dates of the transactions.

Exchange differences arising, if any, are recognized in profit or loss, but are recognized as other comprehensive income in the following circumstances:

- (1) Designated as equity instrument at fair value through other comprehensive income;
- (2) Designated as net investment of the operation in overseas and effective hedging in financial liability; or
- (3) Qualified cash flow is within the effective range of hedging

5. Classification of current and non-current assets and liabilities

Assets meeting one of the following criteria are classified as current assets, and all other assets not classified to the current assets are classified as non-current assets:

- (1) Assets expected to be converted to cash or intended to be sold or consumed in its normal business cycle;
- (2) Assets held for trading purpose;

- (3) Assets expected to be converted to cash within one year from the end of the reporting date; or
- (4) Assets as cash or cash equivalent, but the assets with other restrictions (used for exchange or to settle liabilities at least 12 months after the reporting period) shall be excluded.

Liabilities meeting one of the following criteria as current liabilities, and all other liabilities not classified to the current liabilities are classified as non-current liabilities:

- (1) Liabilities expected to be settled within one normal operating period;
- (2) Liabilities held for trading purposes;
- (3) Liabilities expected to be settled within one year from the end of the reporting date; or
- (4) Liabilities that have not the right to defer the due date to the 12 months after the reporting date, unconditionally. The condition of liabilities may be settled by the issuing of equity instrument at the choice of the counter party of the transaction, which will not affect the classification.

#### 6. Cash and cash equivalent

Cash includes cash in hand and cash deposit. Cash equivalent refers to short-term and highly liquid investments that are readily convertible to fixed amounts of cash and with low risk of value change. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments rather than investment or other purposes are recognized in cash equivalents..

#### 7. Financial instruments

Account receivable and the bond issued are recognized when it happens. All of the other financial assets are recognized when the Company becomes one of the parties to a financial instrument contract. Financial assets that are not measured at the fair value (except the account receivable as part of the significant financial composition) or original financial liabilities are measured at the fair value plus the transaction cost directly attributable to their acquisition or issuance. Account receivable not as part of the significant financial composition shall be measured by the price of transaction.

##### (1) Financial Assets

The financial assets purchased or sold in regular ways are recognized and derecognized on a trade date or settlement date basis for which financial assets were classified in the same way, respectively.

At the original recognition, the financial assets are classified into: financial assets measured at amortised cost, investment in equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss. The consolidated company reclassified the affected financial assets from the first day of next reporting date only when it changes its management mode of financial assets.

##### i. Financial assets at amortised cost

The financial assets that fall under the following criteria and not designated to be measured at fair value are measured at amortised cost:

- Financial assets are held under the management mode for the purpose of receiving cash flow from the contract.
- Cash flow on the certain date under the contract of financial assets is solely for paying the principal and the interest of principal outstanding.

These assets are subsequently measured at amortised cost calculated by the original recognized amount plus or minus the accumulated amortisation calculated by the effective interest method, and after adjusting any impairment loss. Interest income, foreign exchange gains and losses and impairment losses are recognised as profit and loss. At derecognition, the profit or loss shall be recognized in profit and loss.

ii. Financial assets measured at fair value through other comprehensive income

On initial recognition, the consolidated company may irrevocably select to recognize the subsequent changes in fair value of equity instrument investment not held for trading in other comprehensive profits and losses. The above selection is based on the item by item basis.

Investments in equity instruments are subsequently measured at fair value. Dividends income is recognized in profit or loss unless it clearly represents a recovery of part of the cost of the investment. Other net income or loss are recognized as other comprehensive income and not reclassified into profit and loss.

Dividend income of the equity investment is recognised on the date the Company has the right to obtain the dividends (usually the ex-dividend date).

iii. Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive gains or losses (For example, financial assets held for trading and managed and evaluated on a fair value basis) as described above are measured at fair value through profit or loss. At the time of original recognition, in order to eliminate or significantly reduce the accounting mismatch, the consolidated company may irrevocably designate financial assets that meet the conditions of measuring at amortised cost or at fair value through other comprehensive profit and loss as financial assets measured at fair value through profit and loss.

Such assets are subsequently measured at fair value and their net income or loss (including any dividend and interest income) is recognised as profit and loss.

iv. Impairment loss on financial assets

The consolidated company recognised the expected credit loss of the financial assets measured at amortised cost (including cash and cash equivalent, notes receivable, accounts receivable, other receivables, refundable deposit and other financial assets) as the allowance for loss.

The allowance for loss of the financial assets meeting the following circumstances are measured at the amount of the expected credit loss within 12 months and the rest are measured at expected credit loss during the lifetime:

- The credit risk of the debt securities on the reporting date is determined to be low, and
- The credit risk of other debt securities and bank deposits (that is, the risk of default during the expected life of financial instruments) has not increased significantly since the original recognition.

The allowance for loss of accounts receivable is measured by the amount of expected credit loss during the lifetime.

When measuring if the credit risk is significantly increased after the initial recognition, the consolidated company may consider from reasonable and verifiable information (that can be acquired without excessive cost or effort), including qualitative and quantitative information, and analysis made based on the historical experience, credit evaluation and forward-looking information of the company.

If the payment of contract is due over 90 days, the expected credit loss of the company is increased significantly.

If the payment of contract is due over one year or the borrower is unlikely to perform its credit obligation to repay the company with full amount, the company assumed that the financial assets are in breach of contract.

Expected credit loss during the lifetime is the expected credit loss of all the possible reason of breach of contract with in the expected lifetime of the financial instrument.

Expected credit loss within 12 months are the expected credit loss that may occur due to the reason of breach the contract of financial instrument within the 12 months

after reporting date (or even shorter, if the lifetime of financial instruments is shorter than 12 months).

When measuring the longest lifetime of expected credit loss are the longest contract lifetime of the Company expose under the credit risk.

Expected credit losses are the weighted estimate of the ratio of credit loss during the lifetime of the financial instrument. Credit loss is measured under the current value of the cash shortfall, which is the difference between the cash inflow according to the contract and the cash inflow expected. The expected credit loss is discounted under the effective interest rate of the financial asset.

The company estimates the credit loss of financial asset at amortised cost and debt securities at fair value through other comprehensive income on each reporting date. When one or more of the matters that may affected the expected future cash flow of the financial assets occurred, the financial asset is in credit loss. The evidence of credit loss of financial assets includes observable data on the following matters:

- The borrower or issuer is under significant financial difficulties;
- Breach of contract, such as delay or delay of more than one year;
- Due to economic or contractual reasons with related to the financial difficulties of the borrower, the company offers the borrower certain concession that originally will not be considered.
- The borrower will possibly file in bankruptcy or other financial reorganization; or
- The active market of the financial asset may disappear due to the financial difficulties.

The impairment loss of the financial assets at amortised cost is deducted from the book value of the assets.

When the company cannot reasonably expect to recover the whole or part of the financial assets, it will directly reduce the total amount of the financial assets. For company accounts, the company analyses the time point and amount of write-off on the basis of whether it reasonably expects to be recoverable. The expected write-off amount will not be reversed significantly. However, the financial assets already written off still can be enforced in order to fulfil the procedure of recovering overdue amount of the Company. Based on his experience, it will not be possible to recover the overdue amount from the company's account after one year.

v. Derecognition of financial assets

The company will only derecognize the financial assets when the contractual rights from the cash flow of the assets are terminated, or the financial assets have been transferred and almost all the risks and rewards of the ownership of the assets have been transferred to other enterprises, or almost all the risks and rewards of the ownership have not been transferred or retained and the control of the financial assets has not been retained.

If the company enters into a transaction of transferring financial assets and retains all or almost all the risks and rewards of the ownership of the transferred assets, it will continue to be recognized in the balance sheet.

(2) Financial Liability and equity instrument

i. Classification of debt and equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Transaction of equity

Equity instruments represent the contract of residual interest after the deduction of assets from the liability. The amount of equity instrument is recognised based on the acquired amount less the direct issuing cost.

iii. Treasury Stock

When the company buys back the equity instrument recognised, the consideration it paid (including the directly attributable cost) is recognized as the reduction of the equity. Shares bought back by the company is categorised as the treasury stock. The amount collected for further sale or reissuing of treasury stock is recognized as increase in equity, and the balance or loss of the transaction is recognized as capital surplus or retained earnings (if the capital surplus is not insufficient for offset).

iv. Financial Liabilities

Financial liabilities are subsequently measured at amortised cost under effective interest. Interest expense and exchange income (loss) are recognized in profit and loss. Upon derecognition, any income or loss shall be recognized in income and loss.

v. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire. When the terms of financial liabilities are amended and there is a significant difference in the cash flow of the amended liabilities, the original financial liabilities are derecognized and new financial liabilities are recognized at fair value on the basis of the amended terms.

When the financial liabilities are derecognised, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit and loss.

vi. Offsetting of financial assets and liabilities

Financial assets and financial liabilities can only be offset and expressed in net amount in the balance sheet when the company has the right to offset legally and intends to deliver the assets with net amount or realize the assets and settle the liabilities simultaneously.

8. Inventories

Inventories are measured by the cost and the net realizable value, whichever is lower. The cost includes the acquisition, manufacturing or processing costs and other costs incurred in making it available for use, and is calculated by the weighted average method. The cost of finished goods and work in progress inventory includes the manufacturing cost apportioned according to the normal production capacity in an appropriate proportion.

Net realizable value refers to the balance of the estimated selling price under normal operation minus the estimated cost still to incur upon completion and the estimated cost for sale.

9. Non-current assets held for sale and discontinued operations

Non-current assets or disposal groups composed of assets and liabilities are classified as being held for sale when it is highly likely that their carrying amount will be recovered through sale rather than continuous use. The asset or components of the disposal group shall be re measured in accordance with the accounting policies of the company before the original classification to be sold. After classified as to be sold, it is measured on the basis of the lower of its carrying amount and fair value minus cost to sell. The impairment loss of any disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis. However, the loss is not allocated to assets that are not within the scope of IAS 36: Impairment. The above items shall continue to be measured in accordance with the accounting policies of the company. The impairment loss originally classified as to be sold and the profits and losses arising from subsequent re-measurement are recognized as profits and losses, but the recovered profits shall not exceed the recognized cumulative impairment loss.

Depreciation or amortization shall not be recognized for property, plant and equipment held for sale. When an associated enterprise recognized by the equity method is classified as to be sold, the equity method shall be discontinued.

#### 10. Investing affiliated enterprise

Affiliated enterprise refers to a company that has significant influence on the financial and operating policies of the consolidated company but is not the controller or joint controller.

The consolidated company adopts the equity method to deal with the rights and interests in the affiliated enterprises. Under the equity method, the original acquisition is recognized at cost, and the investment cost includes the transaction cost. The carrying amount of an investment in an affiliated enterprise includes the goodwill recognized at the time of the original investment, less any accumulated impairment losses.

The consolidated financial statement includes the amount of profit and loss and other comprehensive profit and loss of each investment affiliated enterprise recognized by the consolidated company according to the proportion of equity after adjustment consistent with the consolidated company's accounting policies from the date of significant influence to the date of loss of significant influence. When the non-profit equity change and the equity change of other comprehensive profit and loss occurs in the affiliated enterprise, which does not affect the shareholding ratio of the consolidated company, the consolidated company will recognize the equity change under the shares of the affiliated enterprise attributable to the consolidated company as capital reserve according to the shareholding ratio.

The unrealized gains or loss from the transactions between the consolidated company and the affiliated enterprise are recognized in the financial statement only within the scope of the rights and interests of non-related party investors in affiliated enterprises.

When the loss share of the affiliated enterprise recognized by the consolidated company in proportion is equal to or more than its rights and interests in the affiliated enterprise, the consolidated company shall stop recognizing its losses, and recognize additional losses and related liabilities only within the scope of legal obligations, presumptive obligations or payments made on behalf of the invested company.

#### 11. Investment property

Investment property refers to the property held for rent or asset appreciation, or both, rather than for normal business sale, production, provision of goods or services, or for administrative purposes. The original investment property is measured by cost, and subsequently is measured by cost less accumulated depreciation and accumulated impairment. The depreciation method, service life and residual value of investment property are subject to the provisions of real estate, plant and equipment.

Profit or loss from disposal of investment property (calculated in the difference of net disposal amount and the book value) are recognized in profit and loss.

Rental income of the investment property during the leasing period is recognized as operating income under the straight-line method and the leasing incentives are recognized as part of the leasing revenue.

The estimated service life in the current and the comparative period is as follows:

Building and Structures	50 Years
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#### 12. Property, plant and equipment

##### (1) Recognition and measurement

Property, plant and equipment are measured by the cost (including the cost of loans in capital) deducted the accumulative depreciation and all of the accumulative impairment.

If the significant part of property, plant and equipment is with different service life, it is regarded as the individual items (major components) of property, plant and equipment.

The profit or loss from disposal of property, plant and equipment are recognized as profit and loss.



(2) Subsequent expenditure

Subsequent expenditure is capitalized only when its future economic benefits are likely to flow into the company.

(3) Depreciation

Depreciation is calculated by the assets cost less the residual value and is recognized in profit or loss within the estimated service life each component using the straight-line method.

No depreciation is recognized for land.

The estimated service life of current and the comparative period is as follows:

Building and Structure	1 ~ 55 Years
Machinery and Equipment	3 ~ 20 Years
Utilities Equipment	5 ~ 20 Years
Transportation Equipment	3 ~ 10 Years
Office Equipment	1 ~ 11 Years
Other Facilities	3 ~ 50 Years

The company reviews the method of depreciation, service life and residual value at every reporting date and makes appropriate adjustment if necessary.

(4) Reclassification to investment property

If the property changes the purpose of its property from self-use to investment, the carrying amount of the property is reclassified as investment property when the use of property changes.

### 13. Leasing

The consolidated company determines whether the contract is leasing or includes leasing on the day of conclusion of contract. If the contract can be determined to obtain the control of an asset within the period of time to receive the consideration, then it is considered as leasing or including leasing:

(1) The company as lessee

The consolidated company recognised the right-of-use asset and the leasing liability on the date the lease starts. The right-to-use assets are originally measured at cost, which includes the original measured amount of lease liabilities, adjustment of any lease payments paid on or before the lease start date, addition of the original direct costs incurred and the estimated costs for dismantling, removing and restoring the target assets, and deduction of any lease incentives received.

The depreciation of the right-of-use asset is recognized from the beginning of the lease to the expiry of the service life of the right-of-use assets or when the lease terminates, which is earlier, by the straight-line-method. In addition, the consolidated company shall evaluate the impairment of the right-of-use assets and handle all of the impairment loss occurred and adjust the right-of-use asset when re-measurement of leasing liabilities occurs.

The initial measurement of the leasing liability is on the present value of the lease payment payable from the commencement of lease. If the implied interest rate of the lease is easy to determine, the discount rate shall be the interest rate. If it is not easy to determine, the incremental borrowing rate of the company shall be used. Generally speaking, the company adopts its incremental loan interest rate as the discount rate.

The leasing payment measured under the leasing liability includes:

- i. Fixed payment, including the substantial fixed payment;
- ii. Variable lease payment depends on an index or a rate are included in the initial measurement of the lease liability;
- iii. Amounts expected to be payable by the lessee under residual value; and

- iv. The exercise amount of purchase option or termination option or the penalty to be paid when it is reasonably determined that the purchase option or lease termination option will be exercised.

The lease liability is subsequently re-measured to reflect changes in:

- i. An index or a rate used to determine the payment;
- ii. The amounts expected to be payable under residual value guaranteed;
- iii. The assessment of a purchase option;
- iv. Estimation on extension or termination option to change in the rental duration;
- v. Lease objectives, scope or other terms.

The lease liability is adjusted in the book value of the right-of-use assets when the above-stated change in index or rate, residual value guaranteed, and assessment of purchase, extension and termination. When the book value of right-of-use assets deducted to zero, the remaining balance shall be recognised in profit or loss.

For a lease modification that reduces the scope of the lease, the carrying amount of the right-to-use asset is reduced to reflect the partial or full termination of the lease, and the difference between it and the re-measured amount of the lease liability is recognized in profit or loss.

The consolidated company represents the right-of-use assets and leasing liability disqualified the definition of the investment property in single item on the balance sheet.

For short-term leasing of machinery equipment and office equipment or lease of subjects with low value, the consolidated company selects to not recognise them as right-of-use asset and leasing liability but to recognise the leasing payment as expenses within the duration of leasing under straight-line-basis.

(2) The company as lessor

For the transactions with the consolidated company as lessor, a lease is classified as finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. In the evaluation, the company considers whether the lease term covers the main part of the economic life of the target asset and other relevant specific indicators.

If the consolidated company is an intermediate lessor, it shall account the head lease and a sublease separately, and the head lease is classified as right-of-use asset assessed subtle transaction. If the head lease is a short-term lease and the recognition exemption is applicable, the sublease transaction should be classified as an operating lease.

If the agreement consists of leasing and non-leasing parts, the consolidated company allocates the consideration in the contract in accordance with IFRS 15.

For operating leases, the consolidated company adopts a straight-line basis to recognize the lease payments received as rental income during the lease term.

14. Impairment of non-financial assets

The consolidated company reviews its book value of non-financial assets for indications of impairment at the end of each report date. If any indication of impairment exists, the asset's recoverable amount is estimated.

For the purpose of impairment test, a group of assets with cash inflow mostly independent of other individual assets or asset groups is regarded as the smallest identifiable asset group.

The recoverable amount is the higher of the fair value of an individual asset or cash generating unit less disposal costs and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at the pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risk of the asset or cash generating unit.

The impairment loss is recognized when the carrying amount of an individual asset or cash generating unit exceeds its recoverable amount.

The impairment loss is recognized immediately in profit and loss, and the carrying amount of the amortization goodwill of the cash generating unit is reduced first, and then the carrying amount of each asset is reduced in proportion to the carrying amount of other assets in the unit. For non-financial assets other than goodwill, they can only be reversed within the range not exceeding the carrying amount (less depreciation or amortization) determined when the impairment loss of the asset was not recognized in the previous year.

## 15. Income recognition

### (1) Income from contracts with customers

Income is measured according to the consideration expected to be obtained by transferring goods or services. The consolidated company recognizes the income when the control over goods or services is transferred to customers and the performance obligations are met. The description of the main income of the consolidated company as follows:

#### i. Sales of goods

The consolidated company recognizes income when the control over the products is transferred. The transfer of control over the product means that the product has been delivered to the customer, and the customer can completely determine the sales channel and price of the product, and there is no un-performed obligation that will affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific place, the risk of obsolescence and loss has been transferred to the customer, the customer has accepted the product according to the sales contract, the acceptance terms have expired, or the company has objective evidence that all acceptance conditions have been met.

The consolidated company recognises receivables from the time of goods delivery as the consolidated company has the right to receive the price of transaction, unconditionally.

#### ii. Composition of finance

The consolidated company expected that the time between transferring the goods or services to the clients and the time of customer payment for the goods or services should be within a year. Therefore, the consolidated company does not make any adjustment on the time value of currency for the price of transaction.

## 16. Employee Benefits

### (1) Defined benefit plans

The allocation obligation of defined benefit pension plans is recognized as expenses while the employees are under service duration.

### (2) Short-term employee benefit

Short-term employee benefit is recognized as expense while the service is provided. If the company has the current legal or constructive payment obligation due to the past service provided by the employees, and the obligation can be estimated reliably, the amount shall be recognized as a liability.

## 17. Income tax

Income tax consists of current tax and deferred tax. Except for expenses related to business merger or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current tax comprises the expected tax payables or receivables on the taxable profits (losses) for the year and adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the following

temporarily differences not recognized as deferred tax:

- (1) The initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect accounting profit or taxable profit;
- (2) Temporarily differences associated with investment in subsidiaries and affiliated enterprise, but only to the extent that the consolidated company is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future; and
- (3) Taxable temporary differences arising from the original recognition of goodwill.

Unused taxable losses and unused income tax credits are recognized as deferred tax assets to the extent that future taxable income is likely to be available for use in the later stages of the deductible temporary difference. and reassess each reporting date to reduce the relevant income tax benefits to the extent that it is not likely to be realized; or to the extent that there is a high probability that there will be sufficient taxable income, the amount that has already been reduced is reversed.

Deferred income tax is measured at the tax rate at the time of the expected reversal of temporary differences, based on the statutory rate or substantive legislative rate as of the reporting date.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (1) The consolidated company has the legal right to offset the current income tax assets and current income tax liabilities; and
- (2) The taxing of deferred tax assets and liabilities fulfil one of the below scenarios:
  - i. Levied by the same taxing authority; or
  - ii. Levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

#### 18. Earnings per share

The consolidated company discloses the basic and diluted earnings per share attributed to the common stock equity owners of the company. The basic earnings per share of the consolidated company is calculated by dividing the profit and loss attributable to the common equity interest holders of the company by the weighted average number of common shares outstanding in the current period. Diluted earnings per share is calculated by adjusting the profit and loss attributable to the company's common equity interest holders and the weighted average number of outstanding common shares, respectively, for the impact of all potential diluted common shares. The dilutive potential common stock includes the compensation to the employees in form of shares.

#### 19. Segment information

The operating departments are integral parts of the consolidated company and are engaged in business activities that may earn income and incur expenses (including income and expenses related to transactions between other components in the consolidated company). The operating results of all operating departments are regularly reviewed by the major operating decision makers of the consolidated company to make decisions on the allocation of resources to the department and evaluate its performance. Each operating department has its own financial information.

### **V. Critical accounting judgements and key sources of estimation and uncertainty**

The preparation of the consolidated financial statements in conformity with the with the preparation standards and the international financial reporting standards approved by the FSC, requires management to make judgment, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual

results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next periods.

Information on accounting policies consist of critical accounting judgments and significant impact on the amount recognized the consolidated financial statements are as follows:

1. The determination of actual control over the subsidiaries

The consolidated company held less than 50% of the voting right of Yi Tong Fiber Co., Ltd., Xin Mao Investment Co., Ltd., Kwang Ming Silk Mill Co., Ltd., Hung Chou Fiber Industry Co., Ltd. However, considering that the remaining equity of the merged company is very dispersed, the participation of other shareholders in the previous shareholders' meeting shows that the merged company has the actual ability to lead the related activities unilaterally, and there is no evidence that there is an agreement between other shareholders to make collective decisions, so the consolidated company regards the above-mentioned companies as subsidiaries.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment with the next fiscal year, and reflected the impact of COVID-19 pandemic, as follows:

2. Valuation on inventories

As the inventory must be measured at the lower of cost and net realizable value, the consolidated company assesses the amount of inventory due to normal wear and tear, obsolescence or no market sales value on the reporting date, and offsets the inventory cost to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon, so major changes may occur due to rapid industrial changes. For the estimation on valuation on inventories please refer to Note 6(6).

**Valuation procedure**

The consolidated company's accounting policies and disclosure include fair value measurement of its financial and non-financial assets and liabilities. The consolidated company has established relevant internal control system for fair value measurement, and regularly reviews and adjusts major unobservable input values. If the input value used to measure the fair value is the information from an external third party (such as a broker or a pricing service provider), the evaluation team will evaluate the evidence provided by the third party in support of the input value to determine that the evaluation and its fair value classification are in line with the IFRS.

The company used the fair value that can be observed in the market to measure the value of assets and liabilities. The levels of fair value are is classified as follows based on the input value of evaluation technology use:

1. Level 1: Quoted prices (unadjusted) in active markets for identified assets or liabilities.
2. Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
3. Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

**Transfer within levels**

If there is fact or condition for transfer within levels, the consolidated company shall and recognise the transfer at the report date.

**Further information on the assumption used in fair value**

Further information on the assumption used in fair value, please refer to the following notes 6(22), financial instrument.

## VI. Contents of Significant Accounts

### 1. Cash and cash equivalent

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on Hand	\$ 486	479
Check Deposit	136,427	285,412
Demand Deposit	141,613	91,342
Foreign Currency Deposit	39,468	24,301
Cash and Cash Equivalent stated on Consolidated statement of cash flow	<b>\$ 317,994</b>	<b>401,534</b>

For the disclosure of interest rate risk and the sensitivity analysis of the financial assets and liability, please refer to Note 6 (22)

### 2. Financial Assets at fair value through income or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Mandatory financial assets at fair value through profit or loss		
Current:		
Beneficiary Certificate	\$ 2,991	2,748
Shares of domestic companies listed the exchange and OTC	888,038	1,021,326
Foreign bonds	2,984	5,921
Non-current:		
Private Placement Fund	16,736	8,306
Total	<b>\$ 910,749</b>	<b>1,038,301</b>

(1) For information regarding credit risk and market risk, please refer to Note 6(22).

(2) Financial Asset at fair value through profit or loss of the consolidated company are not provided as pledge endorsement by the date of December 31, 2023 and 2022.

### 3. Financial Assets at fair value through other comprehensive income

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity instruments at fair value through other comprehensive income		
Current:		
Shares of domestic companies listed the exchange and OTC: China Man-made Fibre Co., Ltd.	\$ 3	3
Non-current:		
Shares of domestic companies not listed the exchange and OTC		
COCONA. INC.	15,818	11,865
Taiwan Incubator SME Development Corporation	28,781	21,310
Taiwan Filament Weaving Development Co., Ltd.	3,147	3,147
Kuanz Ho Securities Co., Ltd.	130,326	118,310
Ho Chi Tang Investment Co., Ltd.	7,266	3,470
Nice Plaza Co., Ltd.	140,600	162,450
Yamai (Hong Kong) Limited	7,755	20,576
Cheering Knitting Industrial Co., Ltd.	451	349
The First Leasing Corporation	92,914	83,237
KHH Arena Corporation	9,087	9,665
I Jinn Industrial Co., Ltd.	2,189	2,067

Beili Biotechnology Investment Co., Ltd.	26,734	-
Subtotal	465,068	436,446
Total	<b>\$ 465,071</b>	<b>436,449</b>

- (1) Investments in equity instruments measured at fair value through other comprehensive income.

The equity instrument of the consolidated company are for strategic investment and not for the purpose of trading therefor designated as measured at fair value through comprehensive income or loss.

- (2) The Consolidated Company has transferred the aforementioned cumulative gain on disposal from other equity to retained earnings as the Consolidated Company sold its Nice Plaza (stock) shares, which were measured at fair value through other comprehensive income or loss, for a disposal price of NT\$51,844 thousand (net of tax) and the cumulative gain on disposal amounted to NT\$1,844 thousand on September 14, 2023 due to a change in its investment strategy.

- (3) For information regarding credit risk and market risk, please refer to Note 6(22).

- (4) Financial assets at fair value through comprehensive income of the consolidated company are not provided as pledge endorsement by the date of December 31, 2023 and 2022.

4. Note receivable and account receivable

	December 31, 2023	December 31, 2022
Note Receivable-From operating	\$ 74,100	76,581
Account receivable – Amortized cost	436,222	434,663
Less: Allowance loss	-	-
	<b>\$ 510,322</b>	<b>511,244</b>

- (1) The consolidated company adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable, that is, to measure the expected credit loss during the life time. For this purpose, these notes receivable and accounts receivable are grouped according to the common credit risk characteristics representing the customer's ability to pay all amounts due according to the contract terms, and have been included in the forward-looking information. An analysis of the company's expected credit losses on notes and accounts receivable is as follows

	December 31, 2023		
	Accounts receivable book value	Forecast weighted average credit loss ratio	Lifetime allowance forecast credit loss
Not overdue	\$ 510,322	0%	-

	December 31, 2022		
	Accounts receivable book value	Forecast weighted average credit loss ratio	Lifetime allowance forecast credit loss
Not overdue	\$ 491,613	0%	-
Past due under 90 days	19,627	0%	-
91~180 days overdue	4	0%	-
	<b>\$ 511,244</b>		<b>-</b>

- (2) The change in impairment loss of note receivable and account receivable of the consolidated company, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Opening balance	-	17,730
Amount written off for the current year due to unrecoverability	-	(17,657)
Impairment loss reversal	-	(73)
Ending balance	<u>\$ -</u>	<u>\$ -</u>

- (3) The note receivable and account receivable of the consolidated company are not provided as pledge endorsement as of the date of December 31, 2023 and 2022.

- (4) For other information on credit risk, please refer to Note 6(22).

5. Other receivables

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other receivable – Transfer of shares	\$ 58,741	58,741
Other receivable – real estate receipts	1,830,000	-
Other receivable – business tax refund	7,594	6,733
Other receivables-other	14,779	10,660
Less: Allowance loss	(58,741)	(58,741)
	<u><b>\$ 1,852,373</b></u>	<u><b>17,393</b></u>

The credit risk of other receivables has not changed significantly and no impairment loss is expected, except for the impairment loss recorded. Please refer to Note 6(22) for additional credit risk information.

6. Inventories

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Finished goods	\$ 266,097	489,607
Work in Process	142,171	207,534
Raw material	100,115	91,501
Materials	47,175	48,967
Less: Allowance Loss	(71,077)	(80,569)
	<u><b>\$ 484,481</b></u>	<u><b>757,040</b></u>

- (1) Details of cost of sales are as follows :

	<b>Year 2023</b>	<b>Year 2022</b>
Inventory sale transfer	\$ 2,738,323	\$ 3,746,639
Inventory recovery benefit	(9,492)	(29,277)
Selling offcuts	(2,645)	(4,622)
De-processing offset number	-	(64,483)
Leasing Costs	144,085	120,879
Idle production	50,058	-
Other	(7,005)	(6,928)
	<u><b>\$ 2,913,324</b></u>	<u><b>\$ 3,762,208</b></u>

- (2) The increase in the net realisation value of the consolidated company's inventory in 2023 and 2022 and the reversal of the previously recognized decline loss was due to an increase in the market prices of commodities and inventories with longer inventories.

- (3) By the time of December 31, 2023 and 2022, the inventories of consolidated company were not provided as pledge endorsement.



7. Non-current assets held for sale

- (1) The Consolidated Company approved the sale of land and buildings in Hukou Township, Hsinchu County, Taiwan, by resolution of the board of directors in December 2021 and completed the sale contract on December 20, 2021 for NT\$2,471,817 thousands (including tax). Accordingly, the investment property - land and buildings of NT\$430,306 thousands and other non-current assets of NT\$307 thousands were reclassified to non-current assets held for sale as of December 31, 2021. On March 21, 2022, the Company completed the registration of the transfer of ownership and received the full price, net of tax and related expenses of NT\$23,080 thousands and recognized a gain on disposal of non-current assets held for sale of NT\$2,018,124 thousands.
- (2) The Consolidated Company's board of directors resolved to sell the land and buildings on Section 1, New Taiwan 5th Road, Xizhi District, New Taipei City in May 2023, and completed the sale and purchase agreement on July 7, 2023, with the sale price amounting to NT\$477,386 thousand (including tax). Accordingly, on May 31, 2023, the investment property - land and buildings amounting to NT\$364,172 thousand was reclassified as non-current assets held for sale. On September 12, 2023, the Company completed the registration of ownership transfer and received the full price of the investment property and recognized a gain of NT\$92,879 thousand on disposal of non-current assets held for sale, net of tax and related expenses of NT\$20,335 thousand.
- (3) The Consolidated Company's board of directors resolved to sell the land and buildings on Zhongxing Road, Xizhi District, New Taipei City in May 2023, and the deed of sale was completed on June 2, 2023, for a sale price of NT \$88,350 thousand (including tax). Accordingly, on May 31, 2023, the investment property - land and buildings of NT \$65,278 thousand was reclassified as non-current assets held for sale. Subsequently, the Company recognized a gain on disposal of non-current assets held for sale of NT \$19,856 thousand, net of tax and related expenses of NT \$3,216 thousand, on July 7, 2023, after completing the registration of transfer of ownership and receiving the full amount of the purchase price.

8. Subsidiaries with significant non-controlling equity

Non-controlling equity of subsidiaries of significance to the consolidated company as follows:

Name of subsidiaries	Main place of business Country of company registration	Ratio of ownership interest and voting rights of non-controlling interest	
		December 31, 2023	December 31, 2022
Hung Chou Fibre Industrial Co., Ltd.	Taiwan	59.31%	59.31%
Kwang Ming Silk Mill Co., Ltd.	Taiwan	53.32%	53.32%
Yi Tong Fibre Co., Ltd.	Taiwan	53.19%	53.19%

The above stated summary financial information is prepared under the IFRSs endorsed by the FSC and reflects the adjustment of the fair value at the day of acquisition and the difference in accounting policies and the amount in the financial information as not deducted from the amount of transaction within the inter-companies:

(1) Financial summary of Hung Chou Fibre Industrial Co., Ltd.

	December 31, 2023	December 31, 2022
Current Assets	\$ 503,602	764,821
Non-current Assets	3,409,666	3,472,036
Current Liabilities	(446,348)	(559,260)
Non-current Liabilities	(802,696)	(877,984)
Net assets	<u>\$ 2,664,224</u>	<u>2,799,613</u>
End of period book value of non-controlling interest	<u>\$ 1,580,145</u>	<u>1,660,449</u>

	<b>Year 2023</b>	<b>Year 2022</b>
Operating income	<b>\$ 1,995,376</b>	<b>3,145,933</b>
Net income for the period	\$ (135,388)	96,439
Other comprehensive income	-	(7,222)
Total comprehensive income	<b>\$ (135,388)</b>	<b>89,217</b>
Belongs to the Net Profit (Loss) in non-controlling interest	<b>\$ (80,303)</b>	<b>57,196</b>
Belongs to the Total comprehensive income in non-controlling interest	<b>\$ (80,303)</b>	<b>52,913</b>

	<b>Year 2023</b>	<b>Year 2022</b>
Cash flow in operating activities	\$ 42,394	95,303
Cash flow in investing activities	(13,397)	(58,527)
Cash flow in financing activities	(37,782)	(123,631)
Decrease in Cash and Cash equivalent	<b>\$ (8,785)</b>	<b>(86,855)</b>
Dividends paid in non-controlling interests	<b>\$ -</b>	<b>-</b>

(2) Financial summary of Kwang Ming Silk Mill Co., Ltd.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 2,227,084	\$ 369,578
Non-current assets	2,107,002	2,810,825
Current Liabilities	(522,405)	(351,896)
Non-current liabilities	(1,120,994)	(1,177,113)
Net assets	<b>\$ 2,690,687</b>	<b>\$ 1,651,394</b>
End of period book value of non-controlling interest	<b>\$ 1,434,743</b>	<b>\$ 880,519</b>

	<b>Year 2023</b>	<b>Year 2022</b>
Operating income	<b>\$ 688,933</b>	<b>928,545</b>
Net income(loss) for the period	\$ 1,119,781	(4,880)
Other comprehensive income	-	(383)
Total comprehensive income	<b>\$ 1,119,781</b>	<b>(5,263)</b>
Belongs to the Net Profit (Loss) in non-controlling interest	<b>\$ 597,143</b>	<b>(2,603)</b>
Belongs to the Total comprehensive income in non-controlling interest	<b>\$ 597,143</b>	<b>(2,807)</b>

	<b>Year 2023</b>	<b>Year 2022</b>
Cash flow from operating activities	\$ (2,439)	57,864
Cash flow from investing activities	59,382	(131,235)
Cash flow from financing activities	(33,318)	(8,500)
Increase (Decrease) in Cash and Cash relevant	<b>\$ 23,625</b>	<b>(81,871)</b>
Dividends paid in non-controlling interests	<b>\$ (43,144)</b>	<b>(43,144)</b>

(3) Financial summary of Yi Tong Fibre Co., Ltd.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 361,638	596,888
Non-current assets	3,438,205	3,454,942
Current liability	(361,799)	(153,069)
Non-current liability	(1,665,715)	(1,686,569)
Net assets	<b>\$ 1,772,329</b>	<b>2,212,192</b>
End of period book value of non-controlling interest	<b>\$ 942,702</b>	<b>1,177,959</b>

	Year 2023	Year 2022
Operating income	<u>\$ 60,972</u>	<u>68,017</u>
Net income for the period	\$ 9,507	1,857,173
Other comprehensive income	16,603	(18,560)
Total comprehensive income	<u>\$ 26,110</u>	<u>1,838,613</u>
Belongs to the Net Profit in non-controlling interest	<u>\$ 5,057</u>	<u>987,792</u>
Belongs to the Total comprehensive income in non-controlling interest	<u>\$ 13,888</u>	<u>977,920</u>

	Year 2023	Year 2022
Cash flow from operating activities	\$ 101,398	(270,495)
Cash flow from investing activities	(5,243)	1,113,597
Cash flow from financing activities	(268,315)	(658,675)
Increase (Decrease) in Cash and Cash relevant	<u>\$ (172,160)</u>	<u>184,427</u>
Dividends paid for non-controlling interest	<u>\$ (235,436)</u>	<u>(70,631)</u>

#### 9. Property, plant and equipment

The breakdown of changes in costs, depreciation and impairment losses of the consolidated company's real estate, plant and equipment is as follows:

	Land	Building and Structure	Machinery and Equipment	Utilities Equipment	Transportation Equipment	Office Equipment	Unfinished construction and equipment pending acceptance	Total
Cost or deemed cost:								
Balance at January 1, 2023	\$ 2,666,075	818,577	4,004,315	308,853	42,824	296,805	4,346	8,141,795
Addition	-	1,144	10,985	1,448	6,100	1,358	1,498	22,533
Disposal/retired	-	-	-	(20,093)	(11,145)	(413)	-	(31,651)
Transfer from other non-current assets	-	953	74,536	3,113	-	506	(1,644)	77,464
Reclassification	(429,221)	33,271	8,337	1,200	(2,797)	(931)	(546)	(390,687)
Balance at December 31, 2023	<u>\$ 2,236,854</u>	<u>853,945</u>	<u>4,098,173</u>	<u>294,521</u>	<u>34,982</u>	<u>297,325</u>	<u>3,654</u>	<u>7,819,454</u>
Balance at January 1, 2022	\$ 2,682,152	804,708	3,990,619	308,253	41,510	294,913	19,617	8,141,772
Addition	-	-	8,052	-	1,706	3,892	23,942	37,592
Disposal/retired	-	-	(13,949)	-	(392)	(2,000)	-	(16,341)
Transfer from other non-current assets	-	21,320	19,593	600	-	-	(39,213)	2,300
Reclassification	(16,077)	(7,451)	-	-	-	-	-	(23,528)
Balance at December 31, 2022	<u>\$ 2,666,075</u>	<u>818,577</u>	<u>4,004,315</u>	<u>308,253</u>	<u>42,824</u>	<u>296,805</u>	<u>4,346</u>	<u>8,141,795</u>
Depreciation and impairment losses:								
Balance at January 1, 2023	\$ -	461,876	3,781,048	284,496	35,207	273,804	-	4,836,431
Depreciation	-	19,386	68,215	5,069	3,179	4,693	-	100,542
Disposal/retired	-	-	-	(10,632)	(11,145)	(413)	-	(22,190)
Reclassification	-	19,140	3,248	-	(2,799)	(5)	-	19,584
Balance at December 31, 2023	<u>\$ -</u>	<u>500,402</u>	<u>3,852,511</u>	<u>278,933</u>	<u>24,442</u>	<u>278,079</u>	<u>-</u>	<u>4,934,367</u>
Balance at January 1, 2022	\$ -	445,779	3,731,912	279,081	33,381	272,126	-	4,762,279
Depreciation	-	19,462	62,992	5,415	2,218	3,678	-	93,765
Disposal/retired	-	-	(13,856)	-	(392)	(2,000)	-	(16,248)
Reclassification	-	(3,365)	-	-	-	-	-	(3,365)
Balance at December 31, 2022	<u>\$ -</u>	<u>461,876</u>	<u>3,781,048</u>	<u>284,496</u>	<u>35,207</u>	<u>273,804</u>	<u>-</u>	<u>4,836,431</u>
Book Value:								
December 31, 2023	<u>\$ 2,236,854</u>	<u>353,543</u>	<u>245,662</u>	<u>15,588</u>	<u>10,540</u>	<u>19,246</u>	<u>3,654</u>	<u>2,885,087</u>
January 1, 2022	<u>\$ 2,682,152</u>	<u>358,929</u>	<u>258,707</u>	<u>29,172</u>	<u>8,129</u>	<u>22,787</u>	<u>19,617</u>	<u>3,379,493</u>
December 31, 2022	<u>\$ 2,666,075</u>	<u>356,701</u>	<u>223,267</u>	<u>24,357</u>	<u>7,617</u>	<u>23,001</u>	<u>4,346</u>	<u>3,305,364</u>

For the details for bank deposit and endorsement for funding on the date December 31, 2023 and 2022, please refer to Note 8.

#### 10. Investment property

The Investment property as the office building rented to third parties for operating rental owned by the company. The rental period of investment property is five to ten years and part of the contracts allow the lessee to have options on extension.

The change in investment property of the consolidated company as follows:

	<b>Land and land revaluation increment</b>	<b>Building and Structure</b>	<b>Total</b>
Cost or deemed cost:			
Balance at January 1, 2023	\$ 9,037,056	4,432,891	13,469,947
Addition	175,787	234,765	410,552
Disposal	(607,358)	(92,080)	(699,438)
Transferred from other non-current assets	37,772	77,479	115,251
Other heavy classifications	(421,762)	872,506	450,744
Reclassified as non-current assets held for sale	(157,482)	(298,447)	(455,929)
Balance at December 31, 2023	<b>\$ 8,064,013</b>	<b>5,227,114</b>	<b>13,291,127</b>
Balance at January 1, 2022	\$ 8,232,728	3,466,604	11,699,332
Addition	756,584	930,253	1,686,837
Other reductions	(54)	(368)	(422)
Transferred from other non-current assets	31,721	28,951	60,672
Reclassified	16,077	7,451	23,528
Balance at December 31, 2022	<b>\$ 9,037,056</b>	<b>4,432,891</b>	<b>13,469,947</b>
Depreciation and Impairment Loss:			
Balance at January 1, 2023	\$ 49,339	321,759	371,098
Depreciation	-	95,180	95,180
Disposal	-	(33,044)	(33,044)
Reclassified as non-current assets held for sale	- -	(26,479,886)	(26,479,886)
Other heavy classifications	-	16,129	16,129
Balance at December 31, 2023	<b>\$ 49,339</b>	<b>373,545</b>	<b>422,884</b>
Balance at January 1, 2022	\$ 49,339	234,508	283,847
Depreciation	-	83,886	83,886
Reclassified	-	3,365	3,365
Balance at December 31, 2022	<b>\$ 49,339</b>	<b>321,759</b>	<b>371,098</b>
Book Value:			
December 31, 2023	<b>\$ 8,014,674</b>	<b>4,853,569</b>	<b>12,868,243</b>
January 1, 2022	<b>\$ 8,183,389</b>	<b>3,232,096</b>	<b>11,415,485</b>
December 31, 2022	<b>\$ 8,987,717</b>	<b>4,111,132</b>	<b>13,098,849</b>

- (1) Investment property consists of various property and plant for leasing to others. The consolidated company create pledge of part of the land in Changhua, which hold by CHANG, ZHEN TIAN and others. To the consolidated company and the land is used to for rent temporarily.
- (2) The Consolidated Company's board of directors resolved to sell the land and building in Guanyin District, Taoyuan City in November 2023 and completed the sale and purchase agreement. The sale price of NT\$1,988,110 thousand (including tax) was determined with reference to the appraisal report and negotiated with the Consolidated Company. Subsequently, on December 20, 2023, the Company completed the registration of transfer of ownership and recognized a gain on disposal of investment property of NT\$1,308,888 thousand and a gain on disposal of property, plant and equipment of NT\$255 thousand, net of tax and related expenses. As of December 31, 2023, the outstanding balance amounted to NT\$1,830,000 thousand (classified as other receivables), and the asset preservation procedures have been completed, which will be released upon full recovery of the aforementioned amounts.
- (3) The investment property held by the consolidated company is appraised by the market value and the appraisal report of the closed area and the fair value were NT\$21,819,480 thousand and NT\$21,317,893 thousand of the date December 31, 2023 and 2022, respectively.

- (4) The significant purchase and disposal of investment property of the consolidated company in 2023, please refer to Note 13.
- (5) The Consolidated Company's land in the Yucheng section of Nangang entered into a joint construction contract with Farglory Construction Co., Ltd. on January 29, 2019, and has obtained the use license and completed the transfer of real estate rights on December 20, 2023. As of December 31, 2023, the unpaid finding subsidy related to the aforementioned transaction amounted to NT\$50,562 thousand.
- (6) The consolidated company transfer the investment property to non-current asset held for sale in the second quarter of June 30, 2023, related description please refer to Note 6(7).
- (7) For details of the long-term borrowings and financing lines that have been used as security for long-term borrowings and financing lines as at 31 December 2023 and 2022, please refer to Note 8 for details.

#### 11. Other non-current assets

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Advance real estate payment	\$ -	115,251
Prepayment for equipment	1,118	77,464
Other	126	32,460
	<b><u>\$ 1,244</u></b>	<b><u>225,175</u></b>

The information on significant real estate prepayment on the date of December 31, 2023 and 2021 of the consolidated company is stated in Note 9.

#### 12. Short-term loans

The details of short-term loans of the consolidated company as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured loan from bank	\$ 594,012	818,402
Secured loan from bank	768,000	513,000
Loan from letter of credit	174,648	137,000
Total	<b><u>\$ 1,536,660</u></b>	<b><u>1,468,402</u></b>
Unused facilities	<b><u>\$ 1,346,352</u></b>	<b><u>\$ 1,470,698</u></b>
Interest rate collars	<b><u>2.0%~2.045%</u></b>	<b><u>1.2%~2.07%</u></b>

The asset created for bank deposit endorsement pledge of the consolidated company, please refer to Note 8.

#### 13. Long-term loans

Details, terms and conditions of long loan of the consolidated company, as follows:

<b>December 31, 2023</b>			
	<b>Currency</b>	<b>Interest rate collars</b>	<b>Year overdue</b>
Secured loan from bank	New Taiwan Dollars	1.63%~2.48%	2025~2043
			\$ 8,386,123
Less: Parts overdue within one year			(437,455)
Total			<b><u>\$ 7,948,668</u></b>
Interest rate collars			<b><u>\$ 78,000</u></b>

December 31, 2022				
	Currency	Interest rate collars	Year overdue	Amount
Secured loan from bank	New Taiwan Dollars	1.08%~2.16%	2022~2042	\$ 8,596,617
Less: Parts overdue within one year				(373,157)
Total				\$ 8,223,460
Interest rate collars				\$ -

Collaterals for bank loans

For the asset created for bank deposit endorsement pledge of the consolidated company, please refer to Note 8.

#### 14. Operating lease

The consolidated company leases its investment real estate. Because it does not transfer almost all the risks and rewards belonging to the ownership of the target assets, these lease contracts are classified as operating leases. Please refer to note 6 (10) investment real estate for details.

The undiscounted amount of rental payment due after the report date as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than a year	\$ 241,243	210,984
One to two year	213,755	192,354
Two to three year	184,993	164,041
Three to four year	134,419	145,170
Four to five year	65,600	115,234
More than five years	91,024	236,271
Total amount of undiscounted lease	<u><u>\$ 931,034</u></u>	<u><u>1,064,054</u></u>

The above-stated leasing contract is recognised as rental income, in accordance of IFRS 16 the lease payment is recognised as rental income under the duration of lease by the straight-line-basis.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Lease receivable – current (listed under other current assets)	\$ 379	759
Long-Term Receivable (listed under other non-current assets)	587	8,235
	<u><u>\$ 966</u></u>	<u><u>8,994</u></u>

The rental income from investment property and renting assets of the year 2023 and 2022 please refer to Note 6(18). The maintenance expense (listed as operating cost) of renting investment property please refer to Note 6(6).

#### 15. Income tax

##### (1) Income tax expense

The details of income tax expense of the consolidated of 2023 and 2022, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Current income tax expense		
Created with the period	\$ 32,425	\$ 59,879
Surtax on undistributed retained earnings	83,453	4,887
Land Value increment tax	75,199	54,479

Previous years were underestimated (over)estimated	9,041	(13,495)
	200,118	105,750
Deferred income tax expense		
Reverse and occur of temporary difference	6,045	19,428
Income tax expense	<b>\$ 206,163</b>	<b>125,178</b>

The adjustment of relationship between income tax expense and net income before tax of the consolidated company of the year 2023 and 2022, as follows:

	Year 2023	Year 2022
Income before tax	\$ 1,286,769	2,155,316
Income tax calculated by the tax rate enacted by the region of the company	\$ 257,354	431,063
Dividend income	(12,925)	(20,950)
Surtax on undistributed retained earnings	83,453	4,887
Underestimation (over)valuation of income tax in previous years	9,041	(13,495)
Valuation gain on financial assets	(3,392)	32,757
The current tax loss of deferred income tax assets has not been recognized	71,772	-
Changes in temporary differences and taxable losses are not recognized	(2,234)	(29,807)
Tax-free income of land sold	(364,290)	(341,233)
Land Value Added Tax	75,199	54,479
Other	92,185	7,477
Total	<b>\$ 206,163</b>	<b>125,178</b>

(2) Deferred income tax assets and liabilities

i. Unrecognised deferred income tax assets

The unrecognised deferred income tax assets of the consolidated company, as follows:

	December 31, 2023	December 31, 2022
Bad Debts loss	\$ 11,748	\$ 11,748
Deferred interest	16,073	14,672
Loss carryforwards	205,072	199,574
Other	14,646	18,281
	<b>\$ 247,539</b>	<b>\$ 244,275</b>

According to the provisions of the Income Tax Law, the loss of the previous ten years is deducted from the net profit of the current year after being approved by the tax collection authority, and then the income tax is accounted. These are not recognized as deferred income tax assets because the consolidated company may not have sufficient tax income for the temporary difference.

ii. Recognised deferred income tax assets

	Loss carryforwards	Other	Total
<b>Deferred income tax assets:</b>			
<b>Balance at January 1, 2023</b>	\$ 45,273	6,774	52,047
Debit income statement	(9,273)	(1,005)	(10,278)
<b>Balance at December 31, 2023</b>	<b>\$ 36,000</b>	<b>5,769</b>	<b>41,769</b>
<b>Balance at January 1, 2022</b>	\$ 63,529	7,261	70,790
Debit income statement	(18,256)	(487)	(18,743)
<b>December 31, 2022</b>	<b>\$ 45,273</b>	<b>6,774</b>	<b>52,047</b>

	<b>Land Value Increment Tax</b>	<b>Other</b>	<b>Total</b>
<b>Deferred income tax liabilities:</b>			
<b>Balance at January 1, 2023</b>	\$ (226,293)	(1,470)	(227,763)
Debit income statement	2,837	1,396	4,233
<b>Balance at December 31, 2023</b>	<b>\$ (223,456)</b>	<b>(74)</b>	<b>(223,530)</b>
<b>Balance at January 1, 2022</b>	\$ (226,293)	(785)	(227,078)
Debit income statement	-	(685)	(685)
<b>December 31, 2022</b>	<b>\$ (226,293)</b>	<b>(1,470)</b>	<b>(227,763)</b>

- iii. As at 31 December 2023, the deduction period for the undeducted taxable losses of the consolidated company is as follows:

<b>Year of Loss</b>	<b>Loss before deduction</b>	<b>Last deduction year</b>
Year 2014	282,482	Year 2024
Year 2015	253,230	Year 2025
Year 2016	46,191	Year 2026
Year 2018	14,218	Year 2028
Year 2019	12,286	Year 2029
Year 2020	222,902	Year 2030
Year 2021	7,960	Year 2031
Year 2022	7,232	Year 2032
Year 2023	358,857	Year 2033
	<b>\$ 1,205,358</b>	

- (3) The tax authorities have completed examination of income tax returns of the Company and subsidiaries in 2021.

#### 16. Capital and other equity

##### (1) common stock

As of December 31, 2023 and 2022, the authorized share of common stock of the Company amounted to NT\$5,600,000 thousand with a par value of NT\$10 per share of which NT\$560,000 thousand shares. NT\$301,648 thousand shares were issued and all issued shares were paid up upon issuance.

##### (2) Capital Surplus

The components of capital surplus were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share premium	\$ 57,579	\$ 57,579
Treasury stock	363,033	326,116
Recognise changes in all equity in Subsidiaries	16,187	8,773
Other	11,745	11,745
	<b>\$ 448,544</b>	<b>404,213</b>

According to the Company Act, Capital Surplus is used to make up the loss and distribute the realised capital surplus to the shareholders with their original ratio of shareholding in form of new shares or cash. The realised capital surplus is including the additional paid-in capital in excess of par-issued stock and the income of gift received. According to the "Regulations Governing the Offering and Issuance of Securities by Securities Issuers", the distribution capital of capital surplus may not exceed 10% of the total capital every year.

On March 23, 2023, the Company issued a cash dividend with a capital reserve of NT\$120,659 thousand through a resolution of the Board of Directors.



### (3) Retained earnings

According to the Article of Incorporation, the retained earnings of the annual final account shall be used for tax payment, to make up the loss of the past years and to reserve 10% for the legal reserve, but it is not restricted if the legal reserve exceed the capital of the Company. The company may allocate the special reserve depending on the need of operating and legal restriction; if there are still earnings, they can be added to the undistributed earnings at the opening balance and distributed by the proposal of board of directors and the approval from the shareholders' meeting. If the Company distributes dividends and bonuses or legal reserve and capital surplus in whole or in part in the form of cash, the Board of Directors is authorized to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report such distribution to the shareholders' meeting.

The bonus policy of the Company is to cope with the current and future development plan, considering the investment environment, capital needed and the competition within the country and overseas. For the interest of shareholders and the development of the company, not more than 10% of the cash dividend will be distributed and the rest will be distributed with share dividend when the shareholders approved to distribute shareholders' dividends and bonuses.

#### i. Legal Reserve

Legal reserve may be distributed when there is no loss of the company and approved by the shareholders' meeting. The legal reserve may be distributed in form of new shares and cash, and only when the legal reserve exceeds 25% of the total capital.

#### ii. Special Reserve

According to the regulations of the FSC when distributing retained earnings, the company shall list the difference between the net value of other shareholders' equity deduction and the balance of special reserve and shall listed the special reserve from the current profit and loss and the undistributed earnings from the previous period. For the amount of other shareholders' equity deduction of aforementioned, shall listed with the undistributed earnings from the previous period and may not be distributed. If there is other shareholders' equity deduction reversal, then the company may distribute the reversal part of the other shareholders' equity deduction. Therefore, on May 31, 2023, the Company resolved by the resolution of the general meeting of shareholders of the Republic of China to raise a special surplus reserve of NT\$29,269 thousand.

#### iii. Earning distribution

The cash dividend amount of the 2022 surplus distribution proposal resolved by the Board of Directors on March 13, 2023 is as follows:

	<b>Year 2022</b>	
	<b>Dividend rate(yuan)</b>	<b>Amount</b>
Dividends to common stockholder:		
Cash	\$ 1.0	<u><u>301,647</u></u>

The earning distribution of 2021 was approved by the board of directors on March 23, 2022. The amount of owners' dividend distribution as follows:

	<b>July to December, 2021</b>	
	<b>Dividend rate(yuan)</b>	<b>Amount</b>
Dividends to common stockholder:		
Cash	\$ 0.6	<u><u>180,988</u></u>

The information on the above-mentioned earnings distribution plan is available on the MOPS and other channels.

### (4) Treasury Stock

The following table shows the treasury stock of the company holds by the reinvesting subsidiaries (Xin Mao Investment Co., Ltd. and Yi Tong Fiber Co., Ltd.) on the date December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
Subsidiary holding parent company shares (Thousands of shares)	<u>79,249</u>	<u>78,565</u>
Acquisition cost	<u>\$ 743,487</u>	<u>731,599</u>
Stock market price	<u>\$ 1,474,029</u>	<u>1,469,163</u>
Amount of treasury stock	<u>\$ 349,848</u>	<u>344,203</u>

The price per share of treasury shares on December 31, 2023 and 2022, was NT\$18.60 and NT\$18.70 respectively.

(5) Other equity (Net amount after tax)

	Unrealized gains or losses on fair value through other comprehensive income financial assets.
Balance at January 1, 2023	\$ (29,269)
Unrealized gains or losses on fair value through other comprehensive income financial assets	41,487
Disposal of equity instruments measured at fair value through other comprehensive profit or loss	(1,844)
Balance at December 31, 2023	<u>\$ 10,374</u>
Balance at January 1, 2022	\$ 110,953
Unrealized gains or losses on fair value through other comprehensive income financial assets.	(140,222)
Balance at December 31, 2022	<u>\$ (29,269)</u>

(6) Non-controlling equity

	Year 2023	Year 2022
Opening balance	\$ 3,876,087	3,309,374
Net income of the year	513,486	1,016,181
Unrealized gains or losses on fair value through other comprehensive income financial assets	8,979	(14,491)
Cash dividend paid to the subsidiaries	41,648	41,648
Difference of carrying value of acquired or disposed shareholding of the subsidiaries	(4,452)	37,785
Subsidiaries buy shares of parent as treasury stock	(6,243)	-
Subsidiaries distribute cash dividends to non-controlling equity	(278,580)	(144,776)
Recognise changes in all equity in Subsidiaries	(2,962)	52
Increased in non-controlling equity	(100,000)	(156,750)
Cash capital increase of the subsidiary	47,500	22,500
Cash reduction of subsidiaries	-	(235,436)
Ending balance	<u>\$ 4,095,463</u>	<u>3,876,087</u>

The Consolidated Company acquired a 28.58% equity interest in a subsidiary, DTI International Development (stock) Inc. from an unrelated party for NT\$100,000 thousand in September 2023, thereby increasing the capital reserve - the actual acquisition or disposal of the subsidiary's equity and books The value difference is NT\$4,452 thousand.

The Consolidated Company acquired a 7.5% equity interest in a subsidiary, DYI International Development (stock) Inc. from an unrelated party for NT\$156,750 thousand in May 2022, thus reducing capital surplus by NT\$12,648 thousand and NT\$25,137 thousand from the difference between the actual acquisition or disposal of the subsidiary's equity interest and it carrying value and unappropriated earnings.

17. Earnings (loss) per share

The basic earnings per share and diluted earnings per share of the consolidated company for the years 2023 and 2022 are calculated as follows:

	Year 2023	Year 2022
<b>Basic earnings per share</b>		
Net profit from continuous operations of the company	\$ 567,120	1,013,957
Weighted average number of common shares outstanding (thousands of shares)	<u>222,398</u>	<u>223,083</u>
	<u>\$ 2.55</u>	<u>4.55</u>

	<u>Year 2023</u>	<u>Year 2022</u>
<b>Diluted earnings per share</b>		
Net profit from continuous operations of the company	\$ 567,120	1,013,957
Weighted average number of common shares outstanding (thousands of shares)	222,398	223,083
Influence on dilutive potential common share		
Influence of employees' stock compensation (thousands of shares)	233	299
Weighted average number of common shares outstanding (after adjusting for dilutive potential common share impact) (in thousands)	222,631	223,382
	<u><u>\$ 2.55</u></u>	<u><u>4.54</u></u>

18. Revenue from contracts with customers  
(1) Disaggregation of revenue

		<u>Year 2023</u>		
		<u>Department of textile</u>	<u>Department of leasing</u>	<u>Total</u>
Main region market:				
Taiwan	\$	1,945,586	176,882	2,122,468
Asia		550,473	-	550,473
America		292,288	-	292,288
Europe		47,205	-	47,205
Africa		108,221	-	108,221
	\$	<u>2,943,773</u>	<u>176,882</u>	<u>3,120,655</u>
Major product/service lines:				
Product sold-polyester yarn	\$	972,882	-	972,882
Product sold-polyester chip		561,086	-	561,086
Product sold-polyester textured yarn		679,099	-	679,099
Product sold-woven fabric		708,827	-	708,827
Processing income		1,176	-	1,176
Rental income		-	196,103	196,103
Other		1,482	-	1,482
	\$	<u>2,924,552</u>	<u>196,103</u>	<u>3,120,655</u>
		<u>Year 2022</u>		
		<u>Department of textile</u>	<u>Department of leasing</u>	<u>Total</u>
Main region market:				
Taiwan	\$	2,924,429	174,959	3,099,388
Asia		788,983	-	788,983
America		244,802	-	244,802
Europe		117,939	-	117,939
Africa		84,270	-	84,270
	\$	<u>4,160,423</u>	<u>174,959</u>	<u>4,335,382</u>
Major product/service lines:				
Product sold-polyester yarn	\$	1,608,406	-	1,608,406
Product sold-polyester chip		949,787	-	949,787
Product sold-polyester textured yarn		895,822	-	895,822
Product sold-woven fabric		674,930	-	674,930
Processing income		27,288	-	27,288
Rental income		-	174,959	174,959

Other	4,190	-	4,190
	<u><b>\$ 4,160,423</b></u>	<u><b>174,959</b></u>	<u><b>4,335,382</b></u>

(2) Contract balance

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Note and Account receivable (including overdue receivable)	\$ 510,322	\$ 511,244	395,398
Less: Impairment loss	-	-	(17,730)
Total	<u><b>\$ 510,322</b></u>	<u><b>\$ 511,244</b></u>	<u><b>377,668</b></u>
Contract liabilities	<u><b>\$ 35,979</b></u>	<u><b>\$ 38,167</b></u>	<u><b>99,975</b></u>

The disclosure of note receivable and account receivable and its impairment loss, please refer to Note 6(4).

The contract liabilities of January 1, 2023 and 2022 is listed as the amount of revenue of opening balance of the year 2023 and 2022 as NT\$38,167 thousand and NT\$99,975 thousand, respectively.

19. Employees' Compensation and directors' remuneration

As stated in the Article of Incorporation, if the company gained in profit, the company shall appropriate no less than 0.5% as the employees' compensation and not more than 2% as the directors' remuneration. If the company has accumulated losses, the profit earned shall be reserved to make up the losses. Recipients entitled to receive shares or cash distributed as employee remunerations include employees of controlled companies and subordinate companies meeting certain requirements. The remuneration to the directors may only in form of cash.

The Company estimated the compensation to employees were NT\$3,332 thousand and NT\$5,349 thousand in 2023 and 2022, respectively, and the remuneration to Directors was NT\$8,492 thousand and NT\$8,915 thousand in 2023 and 2022, respectively. The amount was estimated using the profits before tax and before net of the remuneration in each period to multiply a designated percentage specified in the Articles of Incorporation. The distribution was recorded as operating costs or operating expenses of 2023 and 2022.

The compensation to the employees in 2022 and 2021 were NT\$5,349 thousand and NT\$1,157 thousand, respectively, and the remuneration to the directors were NT\$8,915 thousand and NT\$4,303 thousand, respectively. There is no difference between the actual distribution and the amount stated on the financial statement. For relevant information, please log on to MOPS hosted by TWSE for inquiry.

20. Other income and expenses

The composition of net value of other income and expenses of the consolidated company as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Loss of prepaid price impairment	\$ -	(13,395)
Disposal of investment real estate interests	1,308,889	-
Disposal of asset interest held for sale	112,735	2,018,124
	<u><b>\$ 1,421,624</b></u>	<u><b>2,004,729</b></u>

The prepayment impairment loss of \$13,395 thousands was recognized in 2022 because the supplier's products did not meet the Consolidated Company's quality and production efficiency requirements and the Consolidated Company now intends to terminate the order with the supplier. The Consolidated Company believes that the probability of recovering this amount is extremely low and therefore recognizes the prepayment impairment loss in full.

## 21. Non-operating income and expenses

### (1) Other income

The composition of other income of the consolidated company of the year 2023 and 2022, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Dividend income	\$ 64,627	104,749
Other	6,082	11,471
	<b>\$ 70,709</b>	<b>\$ 116,220</b>

### (2) Other gains and losses

The composition of other gains and losses of the consolidated company of the year 2023 and 2022, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Gains and losses of disposal property, plant and equipment	\$ 1,683	(93)
Gains and losses of currency exchange	916	45,625
Loss from lease termination	(9,112)	-
Net income at fair value through income or loss financial assets	16,958	(163,783)
Other	-	363
	<b>\$ 10,445</b>	<b>(117,888)</b>

### (3) Financial Cost

The composition of other financial cost of the consolidated company of the year 2023 and 2022, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Interest expense of bank deposit	\$ 211,953	157,335
Interest expense of imputed interest	358	289
Interest expense on lease liabilities	363	-
	<b>\$ 212,674</b>	<b>157,624</b>

## 22. Financial instruments

### (1) Credit risk

#### i. Credit risk exposure

The maximum credit risk exposure of the Group's financial assets is equal to their carrying amount.

#### ii. Concentration of credit risk

The consolidated company's account receivable from the customers and securities investment are the main source of credit risk. The customers or the counterpart of the financial instruments failed to perform the obligations of the contract and result in risk of financial impairment.

#### iii. Credit risk of account receivable

The information on credit risk of note receivable and account receivable, please refer to Note 6(4).

The related composition of financial assets at amortised (including other receivable), please refer to Note 6(5).

The aforementioned are financial asset at low credit risk and as impairment loss of the 12-month expected credit losses (The description of determine low credit risk of the consolidated company, please refer to Note 4(7)).

### (2) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying value	Contractual cash flow	Within 6 months	6 to 12 months	1 to 2 year	2 to 5 year	Over 5 years
<b>December 31, 2023</b>							
Floating interest rate \$ instruments	9,922,783	10,717,118	1,458,541	693,686	2,212,041	1,791,342	4,561,508
Non-interest-bearing liability	566,123	566,123	396,002	132,611	6,615	29,010	1,885
Lease liabilities	7,084	7,200	1,800	1,800	3,600	-	-
	<b>\$ 10,495,990</b>	<b>11,290,441</b>	<b>1,856,343</b>	<b>828,097</b>	<b>2,222,256</b>	<b>1,820,352</b>	<b>4,563,393</b>
<b>December 31, 2022</b>							
Floating interest rate \$ instruments	10,065,019	8,934,824	1,029,831	875,446	499,737	2,987,418	3,542,392
Non-interest-bearing liability	500,172	500,172	434,378	33,686	1,213	17,723	13,172
	<b>\$ 10,565,191</b>	<b>9,434,996</b>	<b>1,464,209</b>	<b>909,132</b>	<b>500,950</b>	<b>3,005,141</b>	<b>3,555,564</b>

The consolidated company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(3) Currency risk

i. Risk exposure

The consolidated company's financial assets and financial liability exposed to significant. Currency risks were as follows:

	December 31, 2023			December 31, 2022			
	Foreign currency	Exchange rate	New Taiwan Dollars	Foreign currency	Exchange rate	New Taiwan Dollars	
<u>Financial Assets</u>							
<u>Monetary assets</u>							
US Dollars	\$	12,977	30.705	398,459	11,986	30.71	368,090
<u>Financial Liabilities</u>							
<u>Financial liabilities</u>							
US Dollars		13	30.705	399	13	30.71	399

ii. Sensitivity analysis

The consolidated company's exposure to foreign currency risk arose from cash and cash equivalents, account receivables, other receivables, loans and borrowings, accounts payable and other payables that were denominated in foreign currencies. A 1% appreciation or depreciation of the TWD against the USD as of December 31, 2023 and 2022 would have increased or decreased the net income before tax from the years ended December 31, 2023 and 2022 by NT\$3,981 thousand and NT\$3,677 thousand, respectively. The analysis was performed on the same basis for both periods.

iii. Foreign exchange gain and loss on monetary item

The information on foreign exchange gain on monetary items is disclosed by the consolidated company in summary. For the December 31, 2023 and 2022, foreign exchange losses (including realised and unrealised abortions) amounted to NT\$916 thousand and NT\$45,625 thousand.

(4) Interest rate risk

Please refer to the note on liquidity risk management for the interest rate exposure of the consolidated company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the increment or decrement by 1% when reporting to the management internally, which also represents the management's assessment of the reasonable interest

rate change.

If the interest rate had increased or decreased by 1%, the consolidated company's net income before tax would have decreased or increased by NT\$97,360 thousand and NT\$99,437 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the consolidated company's borrowing and time deposit at floating rates.

(5) Other price risk

The impact to the comprehensive income and loss if the stock price on reporting date changes (The analysis was performed on the same basis for both periods, and if the other variables remain unchanged), as follow

	Year 2023		Year 2022	
	Amount of comprehensive income or loss after tax	Post-tax profit or loss	Amount of comprehensive income or loss after tax	Post-tax profit or loss
<b>Stock price on reporting date</b>				
Increased by 5%	\$ 23,254	44,402	\$ 21,822	51,066
Decreased by 5%	\$ (23,254)	(44,402)	\$ (21,822)	(51,066)

(6) Fair Value and carrying amount

i. Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the consolidated company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

December 31, 2023					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 910,749	891,029	2,984	16,736	910,749
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed on domestic market	\$ 3	3	-	-	3
Unquoted equity instruments at fair value measured	465,068	-	-	465,068	465,068
Subtotal	465,071	3	-	465,068	465,071
<b>Total</b>	<b>\$ 1,375,820</b>	<b>891,032</b>	<b>2,984</b>	<b>481,804</b>	<b>1,375,820</b>
December 31, 2022					
	Carrying amount	Fair Value			
		Level 1	Carrying amount	Level 1	Carrying amount
<b>Financial assets at fair value through profit or loss</b>					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 1,038,301	1,024,074	5,921	8,306	1,038,301
<b>Financial assets at fair value through other comprehensive income</b>					
Stocks listed on domestic market	\$ 3	3	-	-	3
Unquoted equity instruments at fair value measured	436,446	-	-	436,446	436,446
Subtotal	436,449	3	-	436,446	436,449
<b>Total</b>	<b>\$ 1,474,750</b>	<b>1,024,077</b>	<b>5,921</b>	<b>444,752</b>	<b>1,474,750</b>

- ii. Valuation techniques and assumptions not used in fair value  
The consolidated company estimated the instrument of not used in fair value in the method and the assumptions as follows:
- (i) Financial asset and liabilities at amortised cost  
If there is quotation information of the transaction or market maker, the latest transaction price and quotation data shall be used as the basis for evaluating the fair value. If there is no market value for reference, the evaluation method is adopted. The fair value is estimated based on the discounted value of cash flow.
- iii. Valuation techniques and assumptions used in fair value determination of financial instrument at fair value  
Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.  
If public quotation of financial assets may be obtained from exchange, brokers, underwriters, industry association, pricing service agencies or competent authorities in a timely and frequent manner, and the prices represent actual and frequent fair market transactions, then the financial instrument consider as active market quoted publicly. If the above criteria are not met, the market is regarded as inactive. Generally, significant difference between the buying and selling prices, significant increase in such price difference or the rear transactions are indicators of an inactive market.  
The financial instruments held by the company are classified as follows according to the evaluation sources used to determine the fair value:
- Financial instruments with active markets: Shares of listed company, the fair value based on quoted market prices.
  - Financial instruments with no active markets: The fair value is estimated using the market comparable company method. The main assumption is based on the net value multiplier derived from the market quotation of the comparable listed (counter) company of the investor. This estimate has been adjusted for the discount effect of the lack of market liquidity of the equity securities.
- iv. Transfer between level 1 and level 2  
There was no transfer of the fair value tier of any financial instruments in 2023 and 2022.
- v. Reconciliation of Level 3 fair values

	Fair value is measured through profit and loss	Fair value through other comprehensive income
	private equity fund	Unquoted equity instruments
January 1, 2023	\$ 8,306	436,446
Total income or loss		
Recognized in profit or loss	2,430	-
Recognized as other comprehensive income	-	50,466
Purchase	6,000	30,000
Disposal	-	(51,844)
December 31, 2023	<b>16,736</b>	<b>465,068</b>
January 1, 2022	\$ -	574,694
Total income or loss		
Recognized in profit or loss	306	-



Recognized as other comprehensive income	-	(154,713)
Purchase	8,000	16,465
December 31, 2022	<u>8,306</u>	<u>436,446</u>

Above stated total income or loss is recognised as “unrealised gains or losses at fair value through other comprehensive income financial asset”. The total income or loss related to the assets held by the date of December 31, 2023 and 2022, as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
Total income or loss		
Recognized in profit and loss (reported in "Other benefits and losses")	<u>\$ 2,430</u>	<u>306</u>
Recognized as other comprehensive income or loss (listed under the “unrealized gains or losses at fair value through other comprehensive income”)	<u>\$ 48,622</u>	<u>(154,713)</u>

vi. Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The fair value measured at level 3 of the consolidated company are financial assets measured at fair value through profit and loss – equity securities investment and financial assets at fair value through other comprehensive income – equity securities investment.

For fair value measurements categorised within level 3 of the fair value hierarchy quantitative information about significant unobservable inputs used in the fair value measurement, as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Private equity investments in financial assets measured at fair value through profit and loss	Net asset value method	·Net asset value	·The higher the net asset value, the higher the fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Net asset value method	·Net asset value	N/A
Financial assets at fair value through other comprehensive income equity investments without an active market	Comparative listed company	·Multiplier of price-to-earnings ratio (as of December 31, 2023 and 2022 were 0.88~15.80 and 0.86~9.15 respectively) ·Market illiquidity discount rate (25% as of December 31, 2023 and 2022)	·The estimated fair value would increase(decrease) if the multiplier were higher (lower) ·The market illiquidity discount were lower(higher)

vii. Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The consolidated company’s measurement of the fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results.

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			Other comprehensive income	
	Input	Assumptions	Favorable	Unfavorable
December 31, 2023				
Financial assets fair value through other comprehensive income				
Equity investments without an active market	Price-to-book multiple	±1%	\$ 4,739	(4,739)
	Liquidity discount	±1%	\$ 14,353	(14,353)
December 31, 2022				
Financial assets fair value through other comprehensive income				
Equity investments without an active market	Price-to-book multiple	±1%	\$ 4,076	(4,076)
	Liquidity discount	±1%	\$ 13,107	(13,107)

The favourable and unfavourable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

If the fair value of the financial assets impacted by one or more input, the above table just represent the impact changed by single inputs and not consider of the relevant and the variability of inputs.

## 23. Financial risk management

### (1) Overview

The consolidated company is exposed to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

This note discloses information about the consolidated company's exposure to the aforementioned risks, and its goals, policies, and procedures regarding the measurement and management of these risks. For additional quantitative disclosures of these risks, please refer to the notes regarding each risk disclosed throughout the financial report.

### (2) Risk management framework

The consolidated company's risk management policies are established to identify and analyse the risk faced by the consolidated company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the consolidated company's activities. The consolidated company, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (3) Credit risk

Credit risk is the risk of financial loss to the consolidated company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the consolidated company receivables from customers and investment securities.

- i. Trade and other receivables

As the consolidated company has a large customer base, and does not significantly concentrate on trading with a single customer and the sales area is scattered, there is no concern of significant concentration in the credit risk of account receivable. To reduce the credit risk, the consolidated company regularly and

continuously evaluates on the clients' financial status and as in practice the consolidated company has not request collateral from our clients.

ii. Investments

The credit risk exposure in the bank deposits, fixed income investment and other financial instruments is measured and monitored by the consolidated company's finance department. Since those who transact with the consolidated company are banks and other external parties with good credit standing, there are no non-compliance issues, and therefore there is no significant credit risk.

(4) Liquidity risk

The consolidated company aims to maintain the level of its cash and cash equivalents for the operating of the consolidated company and reduce the impact of rise and fall of cash flows. The management personnel of the consolidated company monitoring the use of short-term bank facilities and ensure the terms and condition of loan contract is complied.

The bank funding is one of the main sources of liquidity to the consolidated company. The consolidated company has unused short-term bank facilities of NT\$1,424,352 thousand and NT\$1,470,698 thousand on December 31, 2023 and 2022, respectively.

(5) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the consolidated company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptance parameters and optimize the return on investment.

i. Currency risk

The consolidated company is exposed to currency risk on sales and purchase transactions that are denominated in a currency other than the respective functional currencies of the consolidated company, primarily TWD. The currencies used in these transactions are the TWD and USD.

With regard to monetary assets and liabilities denominated in a foreign currency, when a short-term risk exposure exists, the consolidated company relies on immediate foreign exchange transactions to ensure the net exposure to foreign exchange risk is maintained at an acceptance level.

ii. Interest rate risk

The consolidated company maintained in a combination of fixed interest rate and floating interest rate and make the interest rate perspective and the existing risk preference in consistency to ensure the hedging strategy for cost efficient.

iii. Other market price risk

The equity price risk of the consolidated company is caused by the investment in listed OTC equity securities. The equity investment is not held for trading, but a strategic investment. The consolidated company is not involved in the investment of aforementioned transaction. The management personnel of the company manage the risk by holding different risk investment combination.

24. Capital management

The consolidated company is to maintain a strong capital base so as to maintain investors compensation and the interest of other stakeholder to maintain the best capital structure to reduce the funds cost.

To maintain or adjust the structure, the consolidated company may adjust the dividends to the shareholders and return the capital to the shareholders by capital reduction, issuing new shares and selling assets to settle the liability.

The consolidated company is using debt ratio as basis to control the capital. The ratio is calculated by the net liability divided by total capital. The net liability as the liability listed on the balance sheet and less the cash and cash equivalent. Total amount of capital is the

composition of all of the equity (capital stock, capital surplus, retained earnings and other equity) add the net liability.

The capital management strategy of 2023 is consistent with that of 2022, that is to maintain the certain debt ratio in order for funding with the reasonable cost.

The debt ratios on December 31, 2023 and 2022 are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liability	\$ 10,884,726	10,907,844
Less: cash and cash equivalent	<u>317,994</u>	<u>401,534</u>
Net liability	10,566,732	10,506,310
Total amount of equity	<u>9,597,087</u>	<u>9,032,065</u>
Adjusted capital	<u><b>\$ 20,163,819</b></u>	<u><b>19,538,375</b></u>
Debt ratio	<u><b>52.40%</b></u>	<u><b>53.77%</b></u>

## VII. Transactions with related parties

### 1. Name and relationship with the related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements:

<u>Name of the related party</u>	<u>Relationship with the consolidated company</u>
CHAN, YI-CHIN	The director of the company
Jin Xian Welfare and Charity Foundation	Same chairman as the company

### 2. Significant transactions with the related parties

#### (1) Others

- ① The rental income from the Consolidated Company's investment properties leased to other related parties - Jen Ching in 2023 and 2022 was NT\$3,429 thousand.
- ② The consolidated company donates to Jin Xian Welfare and Charity Foundation NT\$5,500 thousand and NT\$7,000 thousand as of Year 2023 and 2022.

### 3. Personnel transaction from key management

	<u>Year 2023</u>	<u>Year 2022</u>
Short-term employee benefits	\$ 28,633	40,109
Post-employment benefits	<u>139</u>	<u>136</u>
	<u><b>\$ 28,772</b></u>	<u><b>40,245</b></u>

## VIII. Assets pledged as collaterals

The composition of the carrying value pledge for endorsement, as follows:

<u>Pledged assets</u>	<u>object</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other financial asset – non-current	Long-term rental	\$ 5,744	5,715
Property, plant and equipment	Long-term and short-term rental	2,413,067	2,849,884
Investment property	//	<u>12,696,156</u>	<u>12,795,541</u>
		<u><b>\$ 15,114,967</b></u>	<u><b>\$ 15,651,140</b></u>

## IX. Major contingent liabilities and unrecognized contractual commitments

### 1. Significant unrecognized contractual commitments:

- (1) The letter of credit that were issued but not used as of the date of December 31, 2023 and 2022:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
New Taiwan Dollars	<u><b>\$ 274,000</b></u>	<u><b>297,000</b></u>
US Dollars	<u><b>\$ -</b></u>	<u><b>22,978</b></u>
Japanese Yen	<u><b>\$ -</b></u>	<u><b>830</b></u>

- (2) The Consolidated Company had received NT\$12,180 thousand and NT\$17,960 thousand in checks for sales and leasing of investment real estate collection guarantees, on the date of December 31, 2023 and 2022, respectively.
- (3) The amount of contract signed for purchase the investment property and the floor are ratio of the consolidated company were NT\$ 0 thousand and NT\$ 462,803 thousand on the date of December 31, 2023 and 2022, and paid NT\$ 0 thousand and NT\$ 115,251 thousand according to the contract (listed as other noncurrent assets-other).
- (4) The land joint development of the consolidated company with Farglory construction Co., Ltd.( hereinafter referred to as Farglory) is approved by the board of director on the January 29, 2019 and with the expected allocation ratio of 64.00%. The allocated land and housing will be used as headquarter and for lease or sell to increase rental income and increase in capital. The consolidated company received the deposit for joint develop were NT\$33,000 thousand on the date of December 31, 2023 and 2022.

In addition, the net amount of housing compensation payable by the Merging Company to Farglory Company under the supplementary agreement for the joint construction of the house totaled NT \$60,427 thousand, and the amount paid as of December 31, 2023 and 2022 was NT\$14,502 thousand.

- (5) The unrecognized commitments of the consolidated company as follows

	December 31, 2023	December 31, 2022
<u>Contract signed (before tax)</u>		
Purchase of raw material	\$ -	49,950
Renovation works	\$ 11,190	11,616
Purchase of Equipment	\$ 5,375	77,640
<u>Payment paid or received</u>		
Purchase of raw material	\$ -	16,969
Renovation works	\$ 5,476	5,647
Purchase of Equipment	\$ 1,118	70,307

Note 1: Recognised as inventories and prepayment account

Note 2: Recognised as property, plant and equipment and other non-current assets.

## 2. Contingent liabilities

The consolidated company issued the guarantee notes submitted for the purpose of purchasing raw material and loans amounted NT\$752,211 thousand and on NT\$1,401,211 thousand the date of December 31, 2023 and 2022.

**X. Loss due to major disasters: N/A**

**XI. Significant subsequent events: N/A**

**XII. Other**

The employee benefits expenses, depreciation and amortization, categorized by function, were as follows:

By function By nature	Year 2023			Year 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit						
Salary	133,092	99,709	232,801	162,461	98,291	260,752
Labor and health insurance	15,863	4,794	20,657	15,577	4,498	20,075
pension	7,034	2,364	9,398	6,722	2,294	9,016
Other	8,159	2,397	10,556	9,362	2,478	11,840
Depreciation	185,938	13,296	199,234	168,612	9,039	177,651
Amortization	312	-	312	2,257	-	2,257

### XIII. Additional disclosure

#### 1. Information on major transactions

The following is the information on significant transactions required by the “Regulations Governing the Preparation of the Financial Reports by Securities Issuers” for the consolidated company for the years ended December 31, 2023:

##### (1) Loans extended to other parties:

Unit: Thousands of New Taiwan Dollars

Number	Company of loan funding	Other party of loan funding	Accounting items	As related parties	The highest amount of the period	Ending Balance	The actual used amount	Interest rate collars	Nature of loan funding	Amount of business transactions between two parties	Reasons of necessity for short-term loan	Amount of listed impairment loss	Pledge		Ceiling of funding to other to single borrowers	Ceiling of funding to others of the company
													Name	Value		
1	The Company	Kwang Ming Silk Mill Co., Ltd.	Other Receivable	Yes	350,000	350,000	300,000	2%	2	-	Repay the loan	-		-	603,295	904,943

Note 1: The nature of the loans as follows:

- (1) With business transactions.
- (2) With the necessity of short-term loan.

Note 2: The amount of loan funding shall not exceed 30% of the total capital received of the company and ceiling to individual borrowers shall not exceed 20% of the total capital received of the company.

Note 3: Written off at the time of preparation of the consolidated financial statements.

##### (2) Endorsement and guarantees for others: N/A

##### (3) Securities hold at the end of the period (excluding investing in subsidiaries, affiliated enterprise and joint ventures):

Unit: Thousands of New Taiwan Dollars

Company of shareholding	Nature and name Of security	Relationship With the securities issuers	Account name	End of Period				The highest shareholding or capital contribution in the period	Remark
				Number of shares	Book Value	Holding Percentage	Market Value		
Yi Jinn Industrial Corp., Limited.	Shares of Asia Cement Corporation	None	Fair value through profit or loss financial assets – current	4,054,000	168,038	0.11 %	168,038	0.11%	
"	Shares of Taiwan Cement Corporation	"	"	1,431,006	49,870	0.02 %	49,870	0.02%	
"	Shares of Far Eastern New Century Corporation	"	"	1,200,000	37,440	0.02 %	37,440	0.02%	
"	LeaLea Technology Co., Ltd.	"	"	1,382,160	14,304	2.57 %	14,304	2.77%	
"	Shares of Zig Sheng Industrial CO., LTD.	"	"	3,217,000	35,226	0.61 %	35,226	0.61%	
"	Mega Overseas Structured Commodity - Walmart Bond	"	"	100,000	2,984	- %	2,984	- %	
"	China Trust Growth Turnaround Multi-Asset Fund	"	"	100,000	1,000	- %	1,000	- %	
"	Mega Global Bond ETF Strategic Income Fund of Funds	"	"	100,000	990	- %	990	- %	
"	Shares of Hongyi Fiber Industry Co., Ltd.	"	"	2,183,000	37,984	1.65%	37,984	1.65%	
"	Shares of Feng Hsin Steel Co., Ltd.	"	"	308,000	21,282	0.05 %	21,282	0.05%	
"	Shares of Ho Chi Tang Investment Co., Ltd.	"	Fair value through other comprehensive income financial assets - non-current	2,430,530	6,844	14.75 %	6,844	14.75%	
"	Shares of Kuanz Ho Securities	"	"	6,866,506	130,326	15.58 %	130,326	15.58%	
"	Shares of COCONA.INC.	"	"	3,225,018	15,818	2.78 %	15,818	2.78%	
"	Shares of YaMai (Hong Kong) Limited	"	"	11,700,000	7,755	22.70 %	7,755	22.70%	
"	Beili Biotechnology Investment Co., Ltd.	"	"	3,000,000	26,734	9.37 %	26,734	9.37%	
"	Shares of Nice Plaza Co., Ltd.	The company as the legal entity director	"	10,000,000	140,600	5.79 %	140,600	8.68%	
Yi Tong Fiber Co., Ltd.	Shares of Taiwan Cement Corporation	None	Fair value through profit or loss financial assets – current	3,451,000	143,044	0.10%	143,044	0.10%	
"	Shares of Yi Shin Textile Co., Ltd.	"	"	1,774,000	46,479	2.62 %	46,479	2.62%	

Company of shareholding	Nature and name Of security	Relationship With the securities issuers	Account name	End of Period				The highest shareholding or capital contribution in the period	Remark
				Number of shares	Book Value	Holding Percentage	Market Value		
"	Shares of Taiwan Cement Corporation	"	"	680,863	23,728	0.01 %	23,728	0.03%	
"	Shares of Far Eastern New Century Corporation	"	"	2,725,000	85,020	0.05 %	85,020	0.05%	
"	Shares of Hongyi Fiber Industry Co., Ltd.	"	"	445,000	7,743	0.34 %	7,743	0.34%	
"	Shares of Zig Sheng Industrial CO., LTD.	"	"	2,117,000	23,181	0.40 %	23,181	0.40%	
"	Shares of Lan Fa Textile Co., Ltd.	"	"	1,039,000	10,494	0.29 %	10,494	0.29%	
"	Fuyou Private Equity Limited Partnership Fund	"	Fair value through profit or loss financial assets – non-current	-	8,368	1.00 %	8,368	1.00%	
"	Shares of Yi Jinn Industrial Corp., Limited.	Ultimate parent entity	Fair value through other comprehensive income financial assets – non-current	57,954,410	1,077,952	19.21 %	1,077,952	19.21%	
"	Shares of KHH Arena Corporation	None	"	1,000,000	9,087	0.40 %	9,087	0.40%	
Yi Tong Fiber Co., Ltd.	Shares of Taiwan Incubator SME Development Corporation	The company as the legal entity director	Fair value through other comprehensive income financial assets – non-current	2,425,280	28,781	3.44 %	28,781	3.44%	
"	Shares of The First Leasing Corporation	The chairman of the company is a director of the company	"	4,192,407	92,914	19.06 %	92,914	19.06%	
Da Tian International Co., Ltd.	Shares of Yi Shin Textile Co., Ltd.	None	Fair value through profit or loss financial assets – current	1,668,000	43,702	2.47 %	43,702	2.47%	
Xin Mao Investment Co., Ltd.	Shares of Yi Jinn Industrial Corp., Limited.	Ultimate parent entity	"	21,294,470	396,077	7.06 %	396,077	7.06%	Note
"	Shares of Hung Chou Fiber Industry Co., Ltd.	Subsidiaries of Parent company	"	152,000	1,291	0.12 %	1,291	0.12%	
"	Shares of Kwang Ming Silk Mill Co., Ltd.	"	"	50,000	2,220	0.12 %	2,220	0.12%	
"	Shares of Yi Shin Textile Co., Ltd.	None	"	1,784,064	45,799	2.59 %	45,799	2.59%	
"	Shares of Ho Chi Tang Investment Co., Ltd.	"	Fair value through other comprehensive income financial assets – non-current	150,000	422	0.91 %	422	0.91%	
"	Shares of Cheering Knitting Industrial Co., Ltd.	"	"	25,400	451	0.58 %	451	0.58%	
"	Shares of I Jinn Industrial Co., Ltd.	"	"	120,750	2,189	0.60 %	2,189	0.60%	
Kwang Ming Silk Mill Co., Ltd.	Shares of Taiwan Cement Corporation	"	Fair value through profit or loss financial assets – current	1,300,000	53,855	0.04 %	53,855	0.04%	
"	Shares of Yi Shin Textile Co., Ltd.	"	"	1,542,000	40,400	2.28 %	40,400	2.28%	
"	Fuyou Private Equity Limited Partnership Fund	"	Fair value through profit or loss financial assets – non-current	-	8,368	1.00 %	8,368	1.00%	
Hung Chou Fiber Industry Co., Ltd.	Shares of China Man-made Fiber Co., Ltd.	"	Fair value through other comprehensive income financial assets – current	278	3	- %	3	- %	
"	Shares of Taiwan Filament Weaving Development Co., Ltd.	"	Fair value through other comprehensive income financial assets – non-current	2,175,660	3,147	3.57 %	3,147	3.57%	
"	Taishin Flexible Income Bond Fund	"	Fair value through profit or loss financial assets – current	100,000	1,001	- %	1,001	- %	
Da Yi International Development Co., Ltd.	Shares of Yi Shin Textile Co., Ltd.	"	"	16,000	419	0.02 %	419	0.02%	

Note 1: Pledged for 13,500,000 shares.

- (4) Accumulative amount of buy in or sold out of single securities that exceed Three hundred thousand New Taiwan Dollars or 20% of the total capital received: N/A
- (5) The amount of acquired properties exceeds Three hundred thousand New Taiwan Dollars or 20% of the total capital received:

Unit: Thousands of New Taiwan Dollars

Company of Acquired real estate	Name of property	Date of Occurrence of the fact	Amount of Transactions	Condition of payment	Trading parties	Relationship	If the transaction parties is related parties, the information of previous transfer				Price determination and supporting reference	Purpose of acquired and condition of using	Other matters agreed
							Owners	The relationship with the issuer	The date transferred	Amount			
The Company	Land and building of Haotian Section, Xizhi District, New Taipei City	December 30, 2020	462,803	462,803 (Note)	Farglory Land Development Co., Ltd. And Farglory International Investment Co., Ltd.	None	-	-	-	-	Appraisal Report	Owner-occupied or rent	

Note: The transfer of ownership will be completed in 2023.

- (6) The amount of disposal properties exceeds Three hundred thousand New Taiwan Dollars or 20% of the total capital received:

Unit: Thousands of New Taiwan Dollars

Company of disposing property	Name of the assets	Date of occurrence of the fact	Acquired date	Book Value	Amount of Transactions	Condition of Receiving	Income and loss from disposal (Note)	Parties of transaction	relationship	Purpose of disposal	Price determination and supporting evidence	Other matters agreed
The Company.	Land and buildings in Xizhi District, New Taipei City	May 31, 2023	August 24, 2018	364,172	461,601	Collected in full	92,879	Xinyuan System Co., Ltd	Third Parties	Revitalizing and use of assets	Appraisal Report	
Kwang Ming Silk Mill Co., Ltd.	Land and buildings in Guanyin District, Taoyuan City	November 27, 2023	June 05, 1973	675,857 (Note)	1,985,000	155,000	1,309,143	Dongqi Dyeing and Finishing Co., Ltd	Third Parties	Repayment of borrowings and replenishment of working capital	Appraisal Report	

Note: It includes the difference between the acquisition cost and the fair value of NT\$515,818 thousand.

- (7) The amount of purchase or sell exceed One Hundred Million New Taiwan Dollars or 20% of the capital received:

Unit: Thousands of New Taiwan Dollars

Company of Purchase or Sales	Name of Trading Subject	Relationship	Trading Status				Situation and reasons in difference of trading conditions with normal tradings		Note, Account receivable (payable)		Remark
			Purchase or Sales	Amount	Ration to the total purchase or sales	Credit Period	Unit Price	Credit Period	Balance	Ratio to the total Note, Account receivable (payable)	
Yi Jinn Industrial Corp., Limited.	Kwang Ming Silk Mill Co., Ltd.	Subsidiary	Purchase	135,978	22.69%	Credit on 30 days	-	-	(22,287)	(18.43)%	
Kwang Ming Silk Mill Co., Ltd.	Yi Jinn Industrial Corp., Limited.	parent company	Sales	(135,978)	(19.74)%		-	-	22,287	19.18%	
Hung Chou Fiber Industry Co., Ltd	Kwang Ming Silk Mill Co., Ltd.	associate(s)	Sales	(439,678)	(22.03)%	Credit on 15 days	-	-	39,398	37.99%	
Kwang Ming Silk Mill Co., Ltd.	Hung Chou Fiber Industry Co., Ltd	associate(s)	Purchase	439,678	96.43%		-	-	(39,398)	(78.52)%	

Note: It has been written off at the time of preparation of the consolidated financial statements.

- (8) Account receivable from the related parties exceed One Hundred Million New Taiwan Dollars or 20% of the Capital received: N/A
- (9) Financial derivative transactions: N/A
- (10) Business relationship and significant intercompany transactions:

NO	Name of company	Name of counter-party	Existing relationship with counter-party	Transaction details			
				Account name	amount	Trasing terms	Percentage of the total consolidated revenue or total assets
1	Kwang Ming Silk Mill Co., Ltd.	Yi Jinn Industrial Corp., Limited.	2	Sale income	135,978	No significant differences	4.36%
1	Kwang Ming Silk Mill Co., Ltd.	Yi Jinn Industrial Corp., Limited.	2	Notes and accounts receivable	22,287	No significant differences	0.11%
2	Hung Chou Fiber Industry Co., Ltd	Kwang Ming Silk Mill Co., Ltd.	3	Sale income	439,678	No significant differences	14.09%
2	Hung Chou Fiber Industry Co., Ltd	Kwang Ming Silk Mill Co., Ltd.	3	Notes and accounts receivable	39,398	No significant differences	0.19%

Note 1: the number indication as follows:

- 0 as Parent Company.
- Subsidiaries is in order from figure 1 according to the company

Note 2 the existing relationship with counterparty as follows:

- Parent to subsidiaries
- Subsidiaries to parent
- Subsidiaries to Subsidiaries



## 2. Information on reinvesting enterprise:

The company's reinvestment business information for 2023 is as follows (excluding mainland investee companies):

Unit: Thousands of New Taiwan Dollars

Investing company Name	Investee company Name	Location	Main operating business	Initial investing amount		Holdings at the end of period			The highest shareholding or capital contribution in the period	Investee company Current Profit and loss	Listed of the Period Investment Profit and Loss	Remark
				End of Period	End of last year	Shares	Rate	Book Value				
Yi Jinn Industrial Corp., Limited.	Yi Tong Fiber Co., Ltd.	Taiwan	Real Estate Rental or trading	225,627	225,627	20,721,296	46.81%	869,243	46.81%	67,461	4,451	Subsidiaries
Yi Jinn Industrial Corp., Limited.	Xin Mao Investment Co., Ltd.	Taiwan	Investment	298,091	298,091	5,959,886	35.33%	(14,176)	35.33%	13,755	(4,392)	"
Yi Jinn Industrial Corp., Limited.	Kwang Ming Silk Mill Co., Ltd.	Taiwan	Cotton filament, artificial fibre and others manufacturing, processing and trading business	474,758	474,758	15,586,193	38.53%	1,038,560	38.53%	1,636,080	435,140	"
Yi Jinn Industrial Corp., Limited.	Hung Chou Fiber Industry Co., Ltd.	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business	249,778	249,778	36,601,000	27.70%	478,094	27.70%	(132,786)	(37,661)	"
Yi Jinn Industrial Corp., Limited.	Da Tian International Co., Ltd.	Taiwan	Housing and Building Development	225,000	100,000	22,500,000	64.29%	231,495	64.29%	(12,531)	(6,063)	"
Yi Jinn Industrial Corp., Limited.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	741,125	673,750	70,743,750	61.25%	611,996	61.25%	(14,659)	(8,979)	"
Yi Tong Fiber Co., Ltd.	Kwang Ming Silk Mill Co., Ltd.	Taiwan	Cotton filament, artificial fibre and others manufacturing, processing and trading business	98,507	98,507	3,246,900	8.03%	216,311	8.03%	1,636,080	Exempted from disclosure	"
Yi Tong Fiber Co., Ltd.	Hung Chou Fiber Industry Co., Ltd.	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business	65,000	65,000	10,000,000	7.57%	179,211	7.57%	(132,786)	"	"
Yi Tong Fiber Co., Ltd.	Chu Sing Industrial CO., Ltd.	Taiwan	All sorts of man-made, natural fibre manufacturing, processing and trading business	22,185	22,185	269,285	31.09%	26,718	31.09%	445	"	associate(s)
Yi Tong Fiber Co., Ltd.	Da Tian International Co., Ltd.	Taiwan	Housing and Building Development	75,000	75,000	7,500,000	21.43%	77,165	25.00%	(12,531)	"	Subsidiaries
Yi Tong Fiber Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	109,750	109,750	10,975,000	5.41%	54,068	5.41%	(14,659)	"	"
Yi Tong Fiber Co., Ltd.	Xin Mao Investment Co., Ltd.	Taiwan	Investment	20,500	20,500	2,050,000	12.15%	42,861	12.15%	13,755	"	"
Kwang Ming Silk Mill Co., Ltd.	Hung Chou Fiber Industry Co., Ltd.	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business	45,500	45,500	7,000,000	5.30%	125,472	5.30%	(132,786)	"	"
Kwang Ming Silk Mill Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	161,006	148,687	13,684,688	11.85%	139,700	11.85%	(14,659)	"	"
Hung Chou Fiber Industry Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	94,868	87,062	8,196,562	7.10%	70,908	7.10%	(14,659)	"	"
Da Tian International Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	40,000	40,000	4,000,000	3.46%	34,604	3.46%	(14,659)	"	"

Note: the subsidiaries part is write-off by the time of preparing consolidate statement.

## 3. Information on investment in Mainland China: N/A

## 4. Information on major shareholders:

Shares	Shareholding	Ratio of shareholding
Name of major shareholders		
Yi Tong Fiber Co., Ltd.	57,954,410	19.21%
CHAN, CHENG-TIEN	23,010,494	7.62%
Xin Mao Investment Co., Ltd.	21,294,470	7.05%
Yi Jinn Industrial Co., Ltd.	19,229,717	6.37%

## XIV. Segment information

### 1. General Information

The consolidated company has three segments that shall be disclosed: textile segment, leasing segment and general segments. The textile segment is engaged in the processing and trading of artificial and natural fibre and textile products. Leasing segment is engaged in real estate sales and leasing business. The general segments are engaged in the import and export business of textile products and investment in various securities and real estate development.

The segments of the consolidated company segments that shall be disclosed were the strategic business units providing products and services. Because each strategic business unit needs different technology and marketing strategy, it must be managed separately. Most of the operating units are acquired individually and the management teams were retained by the time of acquisition.

### 2. The information on the income and loss, assets and liabilities of the reported segments and its measurement and adjustment

The consolidated company takes the income and loss, checked and reviewed by the main operating decision maker with internal management report, as the basis of management sources

allocation and assessing performance. The income tax, the recurring income and loss and exchange income and loss were managed in the basis of the Group, therefore the consolidated company not allocating income tax expense (income), and nonrecurring income and loss and exchange income and loss to the reported segment. In addition, not all of the income and loss of disclosed segments include non-cash items, except depreciation and amortised. The amount of the report and the report for operating decision maker is consistent.

The consolidated company assumed the purchase, sale and transfer between the segments as the third parties' transaction and measured in current market price.

Operating Segments Information and Adjustment, as follows:

Year 2023					
	Segment of textile	Segment of leasing	Segment of general	Adjustment and elimination	Total
Major regional markets:					
Income From outside customers	\$ 2,924,552	196,103	-	-	3,120,655
Income within the segment	583,244	27,624	-	(601,868)	-
Interest income	1,644	274	-	(619)	1,299
Total income	<b>\$ 3,509,440</b>	<b>224,001</b>	<b>-</b>	<b>(611,487)</b>	<b>3,121,954</b>
Interest expense	\$ 144,145	69,390	2,169	(3,030)	212,674
Depreciation and amortization	182,412	38,239	-	(21,105)	199,546
The amount of affiliated enterprise and joint venture under the equity method	372,542	77,468	-	(449,873)	137
<b>Income and loss of reported segment</b>	<b>\$ 2,157,271</b>	<b>39,310</b>	<b>134,023</b>	<b>(1,043,835)</b>	<b>1,286,769</b>
Assets:					
Investment under equity method	\$ 3,565,466	630,938	-	(4,169,686)	26,718
Capital expense of non-current assets	374,528	9,924	-	-	384,452
<b>Assets of reported segment</b>	<b>\$ 17,091,599</b>	<b>7,781,603</b>	<b>466,064</b>	<b>(4,857,453)</b>	<b>20,481,813</b>
<b>Liabilities of reported segment</b>	<b>\$ 7,778,344</b>	<b>3,487,491</b>	<b>113,385</b>	<b>(494,494)</b>	<b>10,884,726</b>
Year 2022					
	Segment of textile	Segment of leasing	Segment of general	Adjustment and elimination	Total
Major regional markets:					
Income From outside customers	\$ 4,160,423	174,959	-	-	4,335,382
Income within the segment	727,634	27,624	-	(755,258)	-
Interest income	223	200	-	-	423
Total income	<b>\$ 4,888,280</b>	<b>202,783</b>	<b>-</b>	<b>(755,258)</b>	<b>4,335,805</b>
Interest expense	\$ 103,964	54,941	1,507	(2,788)	157,624
Depreciation and amortization	170,264	33,074	-	(23,430)	179,908
The amount of affiliated enterprise and joint venture under the equity method	870,354	(3,851)	-	(866,517)	(14)
<b>Income and loss of reported segment</b>	<b>\$ 1,117,916</b>	<b>1,981,126</b>	<b>(17,685)</b>	<b>(926,041)</b>	<b>2,155,316</b>
Assets:					
Investment under equity method	\$ 3,157,655	554,409	-	(3,685,483)	26,581
Capital expense of non-current assets	625,981	1,219,273	-	-	1,845,254
<b>Assets of reported segment</b>	<b>\$ 15,142,713</b>	<b>7,907,175</b>	<b>455,027</b>	<b>(3,565,006)</b>	<b>19,939,909</b>
<b>Liabilities of reported segment</b>	<b>\$ 7,597,908</b>	<b>3,387,014</b>	<b>116,384</b>	<b>(193,462)</b>	<b>10,907,844</b>

3. Information on regions: Refer to Note 6 (18).

4. Information on major customers

The composition of customers that exceed 10% of the amount of operating income of the consolidated company in 2023 and 2022 is as follows:

	<b><u>Year 2023</u></b>	<b><u>Year 2022</u></b>
Client A	\$ <b>533,416</b>	<b>752,388</b>
Client B	<b><u>321,824</u></b>	<b><u>319,527</u></b>
	<b><u>\$ 855,240</u></b>	<b><u>1,071,915</u></b>

# Attachment II

Stock Code : 1457

**Yi Jinn Industrial Corp., Limited**

**Parent Company Only Financial Staten**

**and Independent Auditors' Report**

**Year 2023 and 2022**

(For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English for the original Chinese version prepared and used in the Republic of China. In the event of and discrepancy between the English version and the original Chinese version or and differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail. )

**Company Address: 7F, No.607 Ruiguang Rd. Neihu Dist. Taipei City**  
**Tel: (02)26575859**

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

		<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) 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>	<b>\$ 608,607</b>	<b>64</b>	<b>873,735</b>	<b>96</b>
	<b>Basic earnings per share (in dollar) (Note 6 (17))</b>				
9750	<b>Basic earnings per share</b>	<b>\$ 2.55</b>		<b>4.55</b>	
9850	<b>Diluting earnings per share</b>	<b>\$ 2.55</b>		<b>4.54</b>	

(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**

	<b>In Thousands of New Taiwan Dollard</b>								
							Other equity items		
	Common Stock	Capital Surplus	Retained Earnings			Total	Unrealized gain or losses on FVTOCI financial assets	Treasury Stock	Total Equity
			Legal Reserve	Special Reserve	Undistributed retained earnings				
Balance at December 31 2022	\$ 3,016,476	500,655	278,308	-	1,022,621	1,300,929	110,953	(344,203)	4,584,810
Net income for the year	-	-	-	-	1,013,957	1,013,957	-	-	1,013,957
Other comprehensive income	-	-	-	-	-	-	(140,222)	-	(140,222)
Total comprehensive income	-	-	-	-	1,013,957	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)	-	-	(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)	(25,137)	-	-	(37,785)
Changes in ownership interests in Subsidiaries	-	(52)	-	-	-	-	-	-	(52)
Balance at December 31 2022	3,016,476	404,213	298,368	-	1,810,393	2,108,761	(29,269)	(344,203)	5,155,978
Net income for the year	-	-	-	-	567,120	567,120	-	-	567,120
Other comprehensive income	-	-	-	-	-	-	41,487	-	41,487
Total comprehensive income	-	-	-	-	567,120	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)	-	-	(301,647)
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	-	(5,645)	(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	(1,844)	-	-
<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>2,376,078</b>	<b>10,374</b>	<b>(349,848)</b>	<b>5,501,624</b>

(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>		
<b>Net profit before tax for the period</b>	\$ 642,417	1,028,984
<b>Adjustment for:</b>		
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)	(411,816)	(777,469)
<b>Changes in operating assets and liabilities</b>		
<b>Changes in operating assets:</b>		
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	76,906	(349,196)
<b>Changes in operating liabilities:</b>		
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	97,184	7,194
Total changes in operating assets and liabilities	174,090	(342,002)
<b>Total adjustment</b>	(237,726)	(1,119,471)
<b>Cash inflows (outflows) from operations</b>	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>	290,650	(158,965)

**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

**Yi Jinn Industrial Corp., Ltd**  
**Notes to Parent Company Only Financial Statements**  
**For the years ended December 31, 2023 and 2022(Amount in Thousands of New Taiwan**  
**Dollars, unless specified otherwise)**

**i. Company history**

Yi Jinn Industrial Corp., Ltd (The “Company”) has been officially listed in the Taiwan Stock Exchange on October 20, 1994. The registered address of the company is 7<sup>th</sup> Floor, No.607, Ruiguang Rd., Neihu Dist., Taipei City. The main scope of business is as follows:

1. Manufacturing, processing and trading business of all kinds of artificial and natural fibre and its false twist.
2. Manufacturing, processing and trading business of all kinds of bulk continuous filament, nylon stretch yarn, tetoron of synthetic fibre, fabrics of male or female ready-to-wear and its dyeing and finishing.
3. Import and export trading business of raw materials, materials and final products of items mentioned in two preceding paragraphs.
4. Commissioning construction enterprises to build public housing and commercial buildings for lease and sale.
5. Commissioning construction enterprises to develop industrial areas approved by industrial supervisory authority.
6. Real estate trading and leasing business.

**ii. Date and procedures of authorization of financial statements for issuance**

The accompanying parent company only financial statements were approved and authorized for issue by the board of directors on March 12, 2024.

**iii. Newly issued or revised standards and interpretations**

1. Impact of newly issued and amended standards and interpretations approved by the Financial Supervisory Commission (FSC).

The Company started to apply the following amendments to the IFRSs from January 1, 2023 which did not have a significant effect on the Company’s parent company only financial reports.

- Amendments to IAS 1, "Disclosure of Accounting Policies
- Amendments to IAS 8, "Definition of Accounting Estimates".
- Amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction".

The Company started to apply the following amendments to the IFRSs from May 23, 2023 which did not have a significant effect on the Company’s parent company only financial reports.

- Amendments to IAS 12, " International Tax Reform Pillar 2 Model Rules"
2. The impact of not adopting the international financial reporting standards endorsed by the FSC  
The Company evaluates that the following amendments to IFRS standards, effective from January 1, 2024, will not have a significant impact on the parent company only financial reporting.
    - Amendments to IAS 1, "Classification of Liabilities as Current or Non-Current".
    - Amendments to IAS 1, "Non-current Liabilities with Contractual Terms.
    - Amendments to IAS 7 and IFRS 7, "Vendor Financing Arrangements".
    - Amendments to IFRS 16, "Lease Obligations in Sale and Leasebacks.



3. New and amended standards and interpretations not yet endorsed by the FSC.

The Company expects that the following new and amended standards, which have not yet been endorsed, will not have a significant impact on parent company only financial statements.

- Amendments to IFRS 10 and IAS 28, "Disposals or Contributions of Assets between an Investor and its Affiliates or Joint Ventures".
- IFRS 17 "Insurance Contracts" and Amendments to IFRS 17.
- Amendments to IAS 21 "Lack of Convertibility".

**iv. Summary of significant accounting policies**

The summary of significant accounting policies are as follows; the following accounting policy is applied in this parent only financial statement.

1. Statement of Compliance

The accompanying parent company only financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

2. Basis of Preparation

(1) Basis of Measurement

The accompanying parent company only financial statements have been prepared on the historical cost basis except the following significant items of the balance sheet:

- i. Financial assets measured at fair value through profit and loss; and
- ii. Financial assets measured at fair value through other comprehensive profit and loss.

(2) Functional Currency and presentation currency

The functional currency is the currency for the economic environment in which the company operates. The parent company only financial statement is in our functional currency and presented in New Taiwan Dollars. All of the information provided in this financial statement is presented in Thousands of New Taiwan Dollars.

3. Foreign Currencies

Foreign currency transactions are translated into functional currencies at the exchange rate on the transaction date. At the end of each reporting period (hereinafter referred to as the "reporting date), monetary items denominated in foreign currencies are retranslated into the functional currency at the rates prevailing at that date. Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated into the functional currency at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in foreign currencies are translated at the rates of exchange prevailing at the dates of the transactions.

Exchange differences arising from foreign currency exchange, if any, are recognized in profit or loss, except for the following circumstances recognized as other comprehensive income:

- (1) Designated equity instrument at fair value through other comprehensive income.
- (2) Designated as net investment of the operation in overseas and effective hedging in financial liability; or
- (3) Qualified effective hedging in cash flow.

4. Classification of current and non-current assets and liabilities

Assets meeting one of the following criteria are classified as current assets, and all other assets not classified to the current assets are classified as non-current assets:

- (1) Assets expected to be converted to cash or intended to be sold or consumed in its normal business cycle;

- (2) Assets held for trading purpose;
- (3) Assets expected to be converted to cash within one year from the end of the reporting date; or
- (4) Assets as cash or cash equivalent, but the assets with other restrictions (used for exchange or to settle liabilities at least 12 months after the reporting period) shall be excluded.

Liabilities meeting one of the following criteria as current liabilities, and all other liabilities not classified to the current liabilities are classified as non-current liabilities:

- (1) Liabilities expected to be settled within one normal operating period;
- (2) Liabilities held for trading purposes;
- (3) Liabilities expected to be settled within one year from the end of the reporting date; or
- (4) Liabilities that have not the right to defer the due date to the 12 months after the reporting date, unconditionally. The condition of liabilities may be settled by the issuing of equity instrument at the choice of the counter party of the transaction, which will not affect the classification.

## 5. Cash and Cash Equivalent

Cash includes cash in hand and cash deposit. Cash Equivalent refers to short-term and highly liquid investments that are readily convertible to fixed amounts of cash and with low risk of value change. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments rather than investment or other purposes are recognized in cash equivalents.

## 6. Financial Instruments

Account receivable and the bond issued are recognized when it happens. All of the other financial assets are recognized when the Company becomes one of the parties to a financial instrument contract. Financial assets that are not measured at the fair value (except the account receivable as part of the significant financial composition) or original financial liabilities are measured at the fair value plus the transaction cost attributable to their acquisition or issuance. Account receivable not as part of the significant financial composition shall be measured by the price of transaction.

### (1) Financial Assets

The financial assets purchased or sold in regular ways are recognized and derecognized on a trade date or settlement date basis for which financial assets were classified in the same way, respectively.

The originated financial assets are classified into: financial assets measured at amortised cost, investment in equity instruments measured at fair value through other comprehensive income or financial assets measured at fair value through profit or loss. The Company reclassified the affected financial assets from the first day of next reporting date only when the Company change its management mode of managing financial assets.

#### i. Financial assets at amortised cost

The financial assets that fall under the following criteria and not designated to be measured at fair value are measured at amortised cost:

- Financial assets are held under the management mode for the purpose of receiving cash flow from the contract.
- Cash flow on the certain date under the contract of financial assets is solely for paying the principal and the interest of principal outstanding.

These assets are subsequently measured at amortised cost calculated by the original recognized amount plus or minus the accumulated amortisation calculated by the effective interest method, and after adjusting any impairment loss. Interest income, foreign exchange gains and losses and impairment losses are recognised as profit and loss. At derecognition, the profit or loss shall be recognized in profit and loss.

ii. Financial assets measured at fair value through other comprehensive income

On initial recognition, the Company may irrevocably select to recognize the subsequent changes in fair value of equity instrument investment not held for trading in other comprehensive profits and losses. The above selection is based on the item by item basis.

Investments in equity instruments are subsequently measured at fair value. Dividends on these investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss unless they clearly represent a recovery of part of the cost of the investment. Other net income or loss are recognized as other comprehensive income and not reclassified as profit and loss.

Dividend income of the equity investment is recognised on the date the Company has the right to obtain the dividends (usually the ex-dividend date).

iii. Financial assets at fair value through profit or loss

Financial assets that are not measured at amortized cost or at fair value through other comprehensive gains or losses (For example, financial assets held for trading and managed and evaluated on a fair value basis) as described above are measured at fair value through profit or loss. At the time of original recognition, in order to eliminate or significantly reduce the accounting mismatch, the company may irrevocably designate financial assets that meet the conditions of measuring at amortised cost or at fair value through other comprehensive profit and loss as financial assets measured at fair value through profit and loss.

Such assets are subsequently measured at fair value and their net income or loss (including any dividend and interest income) is recognised as profit and loss.

iv. Impairment loss on financial assets

The company recognised the expected credit loss of the financial assets measured at amortised cost (including cash and cash equivalent, notes receivable, accounts receivable, other receivables, refundable deposit and other financial assets) as the impairment loss.

The impairment loss of the financial assets meeting the following circumstances are measured at the amount of the expected credit loss within 12 months and the rest are measured at expected credit loss during the lifetime:

- The credit risk of the debt securities on the reporting date is determined to be low, and
- The credit risk of other debt securities and bank deposits (that is, the risk of default during the expected life of financial instruments) has not increased significantly since the original recognition.

The impairment loss of accounts receivable is measured by the amount of expected credit loss during the lifetime.

When measuring if the credit risk is significantly increased after the initial recognition, the Company may consider from reasonable and verifiable information (that can be acquired without excessive cost or effort), including qualitative and quantitative information, and analysis made based on the historical experience, credit evaluation and forward-looking information of the company.

If the payment of contract is due over 90 days, the expected credit loss of the company is increased significantly.

If the payment of contract is due over 180 days or the borrower is unlikely to perform its credit obligation to repay the company with full amount, the company assumed that the financial assets are in breach of contract.

Expected credit loss during the lifetime is the expected credit loss of all the possible reason of breach of contract with in the expected lifetime of the financial instrument.

Expected credit loss within 12 months are the expected credit loss that may occur due to the reason of breach the contract of financial instrument within the 12 months after reporting date (or even shorter, if the lifetime of financial instruments is shorter than 12 months).

When measuring the longest lifetime of expected credit loss are the longest contract lifetime of the Company expose under the credit risk.

Expected credit losses are the weighted estimate of the ratio of credit loss during the lifetime of the financial instrument. Credit loss is measured under the current value of the cash shortfall, which is the difference between the cash inflow according to the contract and the cash inflow expected. The expected credit loss is discounted under the effective interest rate of the financial asset.

The company estimates the credit loss of financial asset at amortised cost and debt securities at fair value through other comprehensive income on each reporting date. When one or more of the matters that may affected the expected future cash flow of the financial assets occurred, the financial asset is in credit loss. The evidence of credit loss of financial assets includes observable data on the following matters:

- The borrower or issuer is under significant financial difficulties;
- Breach of contract, like lag or due over 180 days;
- Due to economic or contractual reasons with related to the financial difficulties of the borrower, the company offers the borrower certain concession that originally will not be considered.
- The borrower will possibly file in bankruptcy or other financial reorganization; or
- The active market of the financial asset may disappear due to the financial difficulties.

The impairment loss of the financial assets at amortised cost is deducted from the book value of the assets.

When the company cannot reasonably expect to recover the whole or part of the financial assets, it will directly reduce the total amount of the financial assets. For company accounts, the company analyses the time point and amount of write-off on the basis of whether it reasonably expects to be recoverable. The expected write-off amount will not be reversed significantly. However, the financial assets already written off still can be enforced in order to fulfil the procedure of recovering overdue amount of the Company. Based on his experience, after 180 days, it will not be possible to recover the overdue amount from the company's account.

v. Derecognize of financial assets

he company will only derecognize the financial assets when the contractual rights from the cash flow of the assets are terminated, or the financial assets have been transferred and almost all the risks and rewards of the ownership of the assets have been transferred to other enterprises, or almost all the risks and rewards of the ownership have not been transferred or retained and the control of the financial assets has not been retained.

If the company enters into a transaction of transferring financial assets and retains all or almost all the risks and rewards of the ownership of the transferred assets, it will continue to be recognized in the balance sheet.

(2) Financial Liability and equity instrument

i. Classification of debt and equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Transaction of equity

Equity instruments represent the contract of residual interest after the deduction of

assets from the liability. The amount of equity instrument is recognised based on the acquired amount less the direct issuing cost.

iii. Treasury Stock

When the company buys back the equity instrument recognised, the consideration it paid (including the directly attributable cost) is recognized as the reduction of the equity. Shares bought back by the company is categorised as the treasury stock. The amount collected for further sale or reissuing of treasury stock is recognized as increase in equity, and the balance or loss of the transaction is recognized as capital surplus or retained earnings (if the capital surplus is not insufficient for offset).

iv. Financial Liabilities

Financial liabilities are measured at amortised cost. Financial liabilities are subsequently measured at amortised cost under effective interest. Interest expense and exchange income (loss) are recognized in profit and loss. Upon derecognition, any income or loss shall be recognized in income and loss.

v. Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire. When the terms of financial liabilities are amended and there is a significant difference in the cash flow of the amended liabilities, the original financial liabilities are derecognized and new financial liabilities are recognized at fair value on the basis of the amended terms.

When the financial liabilities are derecognised, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognised in profit and loss

vi. Offsetting of financial assets and liabilities

Financial assets and financial liabilities can only be offset and expressed in net amount in the balance sheet when the company has the right to offset legally and intends to deliver the assets with net amount or realize the assets and settle the liabilities simultaneously.

7. Inventories

Inventories are measured by the cost and the net realizable value, whichever is lower. The cost includes the acquisition, manufacturing or processing costs and other costs incurred in making it available for use, and is calculated by the weighted average method. The cost of finished goods and work in progress inventory includes the manufacturing cost apportioned according to the normal production capacity in an appropriate proportion.

Net realizable value refers to the balance of the estimated selling price under normal operation minus the estimated cost still to incur upon completion and the estimated cost for sale.

8. Non-current assets held for sale

Non-current assets or disposal groups consisting of assets and liabilities are classified as held for sale when it is highly probable that the carrying amount will be recovered through sale rather than through continuing use. An asset or component of a disposal group is remeasured in accordance with the Company's accounting policies before it is initially classified as held for sale. After classification as held for sale, the impairment loss is measured at the lower of its carrying amount or fair value less costs to sell. Any impairment loss on disposal of a group is allocated first to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that the loss is not allocated to assets that are not within the scope of IAS 36 Impairment of Assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses recognized for items originally classified as held for sale and gains and losses resulting from subsequent remeasurement are recognized in profit or loss to the extent that the reversal of such gains does not exceed the cumulative impairment loss recognized.

Depreciation or amortization ceases when property, plant and equipment are classified as

held for sale. In addition, the equity method of accounting is discontinued when an affiliated company recognized under the equity method is classified as held for sale.

9. Investing subsidiaries

When preparing the parent company only financial statement, the company evaluates the investee company with control by equity method. Under equity method, the current profits and losses and other comprehensive profits and losses in the parent company financial report are the same as those in the financial report prepared on a consolidated basis. The owner's equity in the parent company only financial report is the same as that of the parent company in the financial report prepared on the consolidated basis

If the change of the ownership rights and interests of the subsidiary does not result in the loss of control, it shall be regarded as the rights and interests transaction with the owner..

10. Investment property

Investment property refers to the property held for rent or asset appreciation, or both, rather than for normal business sale, production, provision of goods or services, or for administrative purposes. The original investment property is measured by cost, and subsequently is measured by cost less accumulated depreciation and accumulated impairment. The depreciation method, service life and residual value of investment property are subject to the provisions of real estate, plant and equipment.

Profit or loss from disposal of investment property (calculated in the difference of net disposal amount and the book value) are recognized in profit and loss.

Rental income of the investment property during the leasing period is recognized as operating income under the straight-line method and the leasing incentives are recognized as part of the leasing revenue.

The estimated service life in the current and the comparative period is as follows:

Building and Structures	50 Years
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11. Property, plant and equipment

(1) Recognition and measurement

Property, plant and equipment are measured by the cost (including the cost of loans in capital) deducted the accumulative depreciation and all of the accumulative impairment.

If the significant part of property, plant and equipment is with different service life, it is regarded as the individual items (major components) of property, plant and equipment.

The profit or loss from disposal of property, plant and equipment are recognised as profit and loss.

(2) Subsequent expenditure

Subsequent expenditure is capitalized only when its future economic benefits are likely to flow into the company.

(3) Depreciation

Depreciation is calculated by the assets cost less the residual value and is recognized in profit or loss within the estimated service life each component using the straight-line method.

No depreciation is recognized for land.

The estimated service life of current and the comparative period is as follows:

Building and Structure	42 Years
Transportation Equipment	5 Years
Office equipment	1 ~ 8 Years

The company reviews the method of depreciation, service life and residual value at every reporting date and makes appropriate adjustment if necessary.

(4) Reclassification to investment property

If the property changes the purpose of its property from self-use to investment, the

carrying amount of the property is reclassified as investment property when the use of property changes.

## 12. Leasing

The company determine whether the contract is leasing or include leasing on the day of conclusion of contract. If the contract can be determined to obtain the control of an asset within the period of time to receive the consideration, then it is considered as leasing or including leasing.

### (1) The company as lessee

The company recognised the right-of-use asset and the leasing liability on the date the lease starts. The right-to-use assets are originally measured at cost, which includes the original measured amount of lease liabilities, adjustment of any lease payments paid on or before the lease start date, addition of the original direct costs incurred and the estimated costs for dismantling, removing and restoring the target assets, and deduction of any lease incentives received.

The depreciation of the right-of-use asset is recognized from the beginning of the lease to the expiry of the service life of the right-of-use assets or when the lease terminates, which is earlier, by the straight-line-method. In addition, the company shall evaluate the impairment of the right-of-use assets and handle all of the impairment loss occurred and adjust the right-of-use asset when re-measurement of leasing liabilities occurs.

The initial measure of the leasing liability is on the present value of the lease payment payable from the commencement of lease. If the implied interest rate of the lease is easy to determine, the discount rate shall be the interest rate. If it is not easy to determine, the incremental borrowing rate of the company shall be used. Generally speaking, the company adopts its incremental loan interest rate as the discount rate.

The leasing payment measured under the leasing liability includes:

- i. Fixed payment, including the substantial fixed payment;
- ii. Variable lease payment depends on an index or a rate are included in the initial measurement of the lease liability;
- iii. Amounts expected to be payable by the lessee under residual value; and
- iv. The exercise amount of purchase option or termination option or the penalty to be paid when it is reasonably determined that the purchase option or lease termination option will be exercised.

The lease liability is subsequently re-measured to reflect changes in:

- i. An index or a rate used to determine the payment;
- ii. The amounts expected to be payable under residual value guaranteed;
- iii. The assessment of a purchase option;
- iv. Estimation on extension or termination option to change in the rental duration;
- v. Lease objectives, scope or other terms.

The lease liability is adjusted in the book value of the right-of-use assets when the above-stated change in index or rate, residual value guaranteed, and assessment of purchase, extension and termination. When the book value of right-of-use assets deducted to zero, the remaining balance shall be recognised in profit or loss.

For a lease modification that reduces the scope of the lease, the carrying amount of the right-to-use asset is reduced to reflect the partial or full termination of the lease, and the difference between it and the re-measured amount of the lease liability is recognized in profit or loss.

The company represent the right-of-use assets and leasing liability disqualified the definition of the investment property in single item on the balance sheet.

For short-term leasing of machinery equipment and office equipment or lease of

subjects with low value, the company selects to not recognise them as right-of-use asset and leasing liability but to recognise the leasing payment as expenses within the duration of leasing under straight-line-basis.

(2) The company as lessor

For the transactions with the company as lessor, a lease is classified as finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease. In the evaluation, the company considers whether the lease term covers the main part of the economic life of the target asset and other relevant specific indicators.

If the company is an intermediate lessor, it shall account the head lease and a sublease separately, and the head lease is classified as right-of-use asset assessed subtle transaction. If the head lease is a short-term lease and the recognition exemption is applicable, the sublease transaction should be classified as an operating lease.

If the agreement consists of leasing and non-leasing parts, the company allocates the consideration in the contract in accordance with IFRS 15.

13. Impairment of non-financial assets

The company reviews its book value of non-financial assets for indications of impairment at the end of each report date. If any indication of impairment exists, the asset's recoverable amount is estimated.

For the purpose of impairment test, a group of assets with cash inflow mostly independent of other individual assets or asset groups is regarded as the smallest identifiable asset group.

The recoverable amount is the higher of the fair value of an individual asset or cash generating unit less disposal costs and its value in use. When evaluating the value in use, the estimated future cash flow is converted to the present value at the pre-tax discount rate, which should reflect the current market assessment of the time value of money and the specific risk of the asset or cash generating unit.

The impairment loss is recognized when the carrying amount of an individual asset or cash generating unit exceeds its recoverable amount.

The impairment loss is recognized immediately in profit and loss, and the carrying amount of the amortization goodwill of the cash generating unit is reduced first, and then the carrying amount of each asset is reduced in proportion to the carrying amount of other assets in the unit. For non-financial assets other than goodwill, they can only be reversed within the range not exceeding the carrying amount (less depreciation or amortization) determined when the impairment loss of the asset was not recognized in the previous year.

14. Income recognition

Income from contracts with customers

Income is measured according to the consideration expected to be obtained by transferring goods or services. The company recognizes the income when the control over goods or services is transferred to customers and the performance obligations are met. The description of the main income of the company as follows:

(1) Sales of goods

The company recognizes income when the control over the products is transferred. The transfer of control over the product means that the product has been delivered to the customer, and the customer can completely determine the sales channel and price of the product, and there is no un-performed obligation that will affect the customer's acceptance of the product. Delivery occurs when the product is delivered to a specific place, the risk of obsolescence and loss has been transferred to the customer, the customer has accepted the product according to the sales contract, the acceptance terms have expired, or the company has objective evidence that all acceptance conditions have been met.

The company recognises receivables from the time of goods delivery as the company



has the right to receive the price of transaction, unconditionally.

(2) Composition of finance

The company expected that the time between transferring the goods or services to the clients and the time of customer payment for the goods or services should be within a year. Therefore, the company does not make any adjustment on the time value of currency for the price of transaction.

15. Employee Benefits

(1) Defined benefit plans

The allocation obligation of defined benefit pension plans is recognized as expenses while the employees are under service duration.

(2) Short-term employee benefit

Short-term employee benefit is recognized as expense while the service is provided. If the company has the current legal or constructive payment obligation due to the past service provided by the employees, and the obligation can be estimated reliably, the amount shall be recognized as a liability.

16. Income tax

Income tax consists of current tax and deferred tax. Except for expenses related to business merger or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current tax comprises the expected tax payables or receivables on the taxable profits (losses) for the year and adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases, the following temporarily differences not recognized as deferred tax:

- (1) Assets or liabilities that are not originally recognized in a business combination transaction that (i) do not affect accounting profits and taxable income (losses) and (ii) do not result in equivalent taxable and deductible temporary differences at the time of the transaction;
- (2) Temporarily differences associated with investment in subsidiaries, affiliated enterprise and joint venture, but only to the extent that the company is able to control the timing of the reversal of the differences and it is probable that the reversal will not occur in the foreseeable future; and
- (3) Liabilities arising from initial recognition of goodwill.

A deferred tax asset should be recognized for the carry-forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences shall also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits and deductible temporary differences can be utilized.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

- (1) The company has the legal right to offset the current income tax assets and current income tax liabilities; and

- (2) The taxing of deferred tax assets and liabilities fulfil one of the below scenarios:
- i. Levied by the same taxing authority; or
  - ii. Levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

17. Earnings per share

The company discloses the basic and diluted earnings per share attributed to the common stock equity owners of the company. The basic earnings per share of the company is calculated by dividing the profit and loss attributable to the common equity interest holders of the company by the weighted average number of common shares outstanding in the current period. Diluted earnings per share is calculated by adjusting the profit and loss attributable to the company's common equity interest holders and the weighted average number of outstanding common shares, respectively, for the impact of all potential diluted common shares. The dilutive potential common stock includes the compensation to the employees in form of shares.

18. Information on department

Information on department is disclosed within the consolidated financial statement, therefore excluded from Individual financial statement.

**v. Critical accounting judgments and key sources of estimation and uncertainty**

The preparation of the financial statements in conformity with the, requires management to make judgment, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next periods.

Information on accounting policies consists of critical accounting judgments and significant impact on the amount listed on the accompanying parent only financial statements: None.

**Valuation procedure**

The company's accounting policies and disclosure include fair value measurement of its financial and non-financial assets and liabilities. The company has established relevant internal control system for fair value measurement, and regularly reviews and adjusts major unobservable input values. If the input value used to measure the fair value is the information from an external third party (such as a broker or a pricing service provider), the evaluation team will evaluate the evidence provided by the third party in support of the input value to determine that the evaluation and its fair value classification are in line with the IFRS.

The company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair value levels are based on the degree in which the fair value can be observed and grouped in to level 1 to 3 as follows:

1. Level 1: Quoted prices (unadjusted) in active markets for identified assets or liabilities.
2. Level 2: inputs, other than the quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (derived from prices).
3. Level 3: inputs for assets or liabilities that are not based on observable market data (unobservable inputs).

**Transfer within levels**

If there is fact or condition for transfer within levels, the company shall recognize such transfer at the reporting date

**Further information on the assumption used in fair value**

For further information on the assumption used in fair value, please refer to the following Note 6(21), Financial Instrument

**vi. Contents of significant accounts**

## 1. Cash and cash equivalent

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on Hand	\$ 120	120
Check Deposit	49,340	38,229
Demand Deposit	6,902	2,287
Foreign Currency Deposit	20,323	11,187
Cash and Cash Equivalent stated on statement of cash flow	<b><u>\$ 76,686</u></b>	<b><u>51,823</u></b>

The disclosure of interest rate risk and the sensitivity analysis of the financial assets and liability, please refer to Note 6 (21)

## 2. Financial asset at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial Assets at Fair Value through Profit or Loss		
Flowing:		
Beneficiary Certificate	\$ 1,990	2,747
Shares of domestic companies listed the exchange and OTC	364,144	408,335
Foreign bonds	2,984	5,921
Total	<b><u>\$ 369,118</u></b>	<b><u>417,003</u></b>

(1) For information regarding credit risk and market risk, please refer to Note 6(21).

(2) Financial assets at fair value through profit or loss of the company are not provided as pledge endorsement by the date of December 31, 2023 and 2022.

## 3. Financial asset at fair value through comprehensive income or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity Instrument at Fair Value through Profit or Loss		
Non-current:		
Shares of domestic companies not listed the exchange and OTC		
Shares of COCONA.INC.	15,818	11,865
Shares of Kuanz Ho Securities	130,326	118,310
Ho Chi Tang Investment Co., Ltd	6,844	3,104
Shares of Nice Plaza Co., Ltd.	140,600	162,450
Shares of YaMai (Hong Kong) Limited	7,755	20,576
Beili Biotechnology Investment Co., Ltd.	26,734	-
Total	<b><u>\$ 328,077</u></b>	<b><u>316,305</u></b>

(1) The equity instrument of the company is for strategic investment and not for the purpose of trading, and therefore is designated as measured at fair value through comprehensive income or loss.

(2) The Company disposed of its Nice Plaza (stock) shares at fair value through other

comprehensive income or loss on September 14, 2023, for NT\$51,844 thousand (net of tax) due to a change in investment strategy, and the cumulative gain on disposal amounted to NT\$1,844 thousand; therefore, the aforementioned cumulative gain on disposal has been transferred from other equity to retained earnings.

- (3) For information regarding credit risk and market risk, please refer to Note 6(21).  
 (4) Financial assets at fair value through comprehensive income of the company are not provided as pledge endorsement by the date of December 31, 2023 and 2022.

4. Note Receivable and Account Receivable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Note receivable-resulting from operating activities	\$ 4,959	1,826
Account receivable-amortized cost	347,170	337,811
	<b><u>\$ 352,12</u></b>	<b><u>339,637</u></b>

- (1) The company adopts a simplified method to estimate the expected credit loss for all notes receivable and accounts receivable, that is, to measure the expected credit loss during the period of existence. For this purpose, these notes receivable and accounts receivable are grouped according to the common credit risk characteristics representing the customer's ability to pay all amounts due according to the contract terms, and have been included in the forward-looking information, including the overall economy and related industry information. An analysis of the company's expected credit losses on notes and accounts receivable is as follows:

	<b>December 31, 2023</b>		
	<b>Book value of accounts receivable</b>	<b>Forecast weighted average credit loss ratio</b>	<b>Lifetime allowance forecast credit loss</b>
Not overdue	<u>\$ 352,129</u>	0%	<u>-</u>
	<b>December 31, 2022</b>		
	<b>Accounts receivable book value</b>	<b>Forecast weighted average credit loss ratio</b>	<b>Lifetime allowance forecast credit loss</b>
Not overdue	\$ 320,023	0 %	-
Past due under 90 days	19,610	0 %	-
Past due 90 ~ 180 days	4	0 %	-
	<b><u>\$ 339,637</u></b>		<b><u>-</u></b>

- (2) The change in impairment loss of note receivable and account receivable, as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Opening balance	-	1,545
Amount written off for the current year due to recoverability	-	(1,545)
Ending balance	<b><u>\$ -</u></b>	<b><u>-</u></b>

- (3) The note receivable and account receivable of the company are not provided as pledge endorsement on the date of December 31, 2023 and 2022.  
 (4) Other information on credit risk, please refer to Note 6(21).

5. Other receivables

	December 31, 2023	December 31, 2022
Other receivables-equity transfer	\$ 58,741	58,741
Other receivables-business tax refund	7,594	6,322
Other receivables-other	9,211	5,412
Less: Allowance loss	(58,741)	(58,741)
	<b><u>\$ 16,805</u></b>	<b><u>11,734</u></b>

The credit risk of other receivables has not changed significantly and no impairment loss is suspected, except for the impairment loss recorded. Please refer to Note 6(21) for additional credit risk information.

6. Inventories

	December 31, 2023	December 31, 2022
Raw material	40,049	41,736
Finished goods	\$ 46,630	65,719
Less: Allowance loss	(4,700)	(4,700)
	<b><u>\$ 81,979</u></b>	<b><u>102,755</u></b>

The sales price details are as follows:

	Year 2023	Year 2022
Inventory sale transfer	\$ 599,380	590,589
rental cost	67,919	60,972
	<b><u>\$ 667,299</u></b>	<b><u>651,561</u></b>

The company are not provided as pledge endorsement on the date of December 31, 2023 and 2022.

7. Non-current assets to be sold

- (1) The Company's board of directors resolved to sell the land and buildings on Section 1, New Taiwan 5th Road, Xizhi District, New Taipei City in May 2023, and completed the sale and purchase agreement on July 7, 2023, with the sale price amounting to NT\$477, 386 thousand (including tax). Accordingly, on May 31, 2023, the investment property - land and buildings amounting to NT\$364,172 thousand was reclassified as non-current assets held for sale. On September 12, 2023, the Company completed the registration of ownership transfer and received the full price of the investment property and recognized a gain of NT\$92,879 thousand on disposal of non-current assets held for sale, net of tax and related expenses of NT\$20,335 thousand.
- (2) The Company's board of directors resolved to sell the land and buildings on Zhongxing Road, Xizhi District, New Taipei City in May 2023, and the deed of sale was completed on June 2, 2023, for a sale price of NT \$88,350 thousand (including tax). Accordingly, on May 31, 2023, the investment property - land and buildings of NT \$65,278 thousand was reclassified as non-current assets held for sale. Subsequently, the Company recognized a gain on disposal of non-current assets held for sale of NT \$19,856 thousand, net of tax and related expenses of NT \$3,216 thousand, on July 7, 2023, after completing the registration of transfer of ownership and receiving the full amount of the purchase price.

8. Investment under equity method

The investment under equity method on the report date as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	<u>\$ 3,229,388</u>	<u>2,846,242</u>
Subsidiaries - Loan balances	<u>\$ (14,176)</u>	<u>(14,072)</u>

(1) Subsidiaries

Please refer to the 2023 consolidated financial statement.

(2) Endorsement

The investment under equity method is not provided as pledge endorsement as of the date of December 31, 2023 and 2022.

9. Property, plant and equipment

The cost, depreciation and change in impairment loss of the property, plant and equipment of 2023 and 2022 as follows:

	Land	Building & Structure	Transportation Equipment	Office Equipment	Total
Cost or deemed cost:					
Balance at January 1, 2023	\$ 32,235	3,054	7,485	5,704	48,478
Balance at December 31, 2023	<u>\$ 32,235</u>	<u>3,054</u>	<u>7,485</u>	<u>5,704</u>	<u>48,478</u>
Balance at January 1, 2022	\$ 32,235	3,054	7,485	5,704	48,478
Balance at December 31, 2022	<u>\$ 32,235</u>	<u>3,054</u>	<u>7,485</u>	<u>5,704</u>	<u>48,478</u>
Depreciation:					
Balance at January 1, 2023	\$ -	1,674	3,954	4,771	10,399
Depreciation of the fiscal year	-	71	831	107	1,009
Balance at December 31, 2023	<u>\$ -</u>	<u>1,745</u>	<u>4,785</u>	<u>4,878</u>	<u>11,408</u>
Balance at January 1, 2022	\$ -	1,603	3,123	4,640	9,366
Depreciation of the fiscal year	-	71	831	131	1,033
Balance at December 31, 2022	<u>\$ -</u>	<u>1,674</u>	<u>3,954</u>	<u>4,771</u>	<u>10,399</u>
Book value:					
December 31, 2023	<u>\$ 32,235</u>	<u>1,309</u>	<u>2,700</u>	<u>826</u>	<u>37,070</u>
January 1, 2022	<u>\$ 32,235</u>	<u>1,451</u>	<u>4,362</u>	<u>1,064</u>	<u>39,112</u>
December 31, 2022	<u>\$ 32,235</u>	<u>1,380</u>	<u>3,531</u>	<u>933</u>	<u>38,079</u>

The property, plant and equipment are not provided as bank deposit or financing credit endorsement on the date of December 31, 2023 and 2022.

10. Investment Property

The Investment property as the office building rented to third parties for operating rental owned by the company. The rental period of investment property is five to ten years and part of the contracts allows the lessee to have options on extension.

The change in investment property of the company as follows:

	Land	Building & Structure	Total
Cost or deemed cost:			
Balance at January 1, 2023	\$ 3,760,220	1,967,930	5,728,150
Addition	151,189	230,971	382,160
Transferred from other non-current assets	37,772	77,479	115,251
Reclassification	(357,337)	357,337	-
Reclassified to non-current assets for sale	(157,482)	(289,447)	(455,929)
Balance at December 31, 2023	<u>\$ 3,434,362</u>	<u>2,335,270</u>	<u>5,769,632</u>
Balance at January 1, 2022	\$ 3,570,527	1,692,523	5,263,050
Addition	189,693	275,407	465,100
Balance at December 31, 2022	<u>\$ 3,760,220</u>	<u>1,967,930</u>	<u>5,728,150</u>

	<b>Land</b>	<b>Building &amp; Structure</b>	<b>Total</b>
Depreciation and impairment loss:			
Balance at January 1, 2023	\$ 76,242	137,171	213,413
Depreciation	-	42,315	42,315
Reclassified to non-current assets for sale	-	(26,479)	(26,479)
Balance at December 31, 2023	<b>\$ 76,242</b>	<b>153,007</b>	<b>229,249</b>
Balance at January 1, 2022	\$ 76,242	99,864	176,106
Depreciation	-	37,307	37,307
Balance at December 31, 2022	<b>\$ 76,242</b>	<b>137,171</b>	<b>213,413</b>
Book Value:			
December 31, 2023	<b>\$ 3,358,120</b>	<b>2,182,263</b>	<b>5,540,383</b>
January 1, 2022	<b>\$ 3,494,285</b>	<b>1,592,659</b>	<b>5,086,944</b>
December 31, 2022	<b>\$ 3,683,978</b>	<b>1,830,759</b>	<b>5,514,737</b>

- (1) The investment property consists of various commercial property and plant for renting to others. The agricultural land of Huantan Township, Changhua held by CHANG, ZHEN TIAN and various people, the aforesaid land has been fully derogated from in previous years.
- (2) The investment property held by the company were NT\$10,328,447 thousand and NT\$9,295,142 thousand at fair value on the date of December 31, 2023 and 2022 and the price is determined by the market price of deal for the surrounding area and the real estate appraisal report.
- (3) For the purchase of significant investment real estate by the company in 2023, please refer to Note 13(1).5.
- (4) The company's Nangang Yucheng section land signed a joint construction contract with Farglory Construction Co., Ltd. on January 29, 2019, the use license has been obtained on December 20, 2023 of the Republic of China and the transfer of real estate rights has been completed. As of December 31, 2023, the amount of NT\$25,964 thousand in connection with the aforesaid transaction had not been paid.
- (5) In the year 2023 of the Republic of China and December 31, 2022, the details of the Company's investment real estate that have been used as guarantee for the loan and financing quota are please note 8.

#### 11. Other non-current assets

Details of other non-current assets of the company as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Real estate Prepayment	\$ -	115,251
Other	126	126
	<b>\$ 126</b>	<b>115,377</b>

#### 12. Short-term loan

Details of short-term loan as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured loan from bank	\$ 594,012	780,000
Secured loan from bank	438,000	198,000
Total	<b>\$ 1,032,012</b>	<b>978,000</b>
Unused facilities	<b>\$ 555,000</b>	<b>792,000</b>
Interest rate collars	<b>1.81%~1.95%</b>	<b>1.60%~2.07%</b>

The assets created for bank deposit pledge as stated on Note 8.

13. Long-term loan

Details, terms and conditions of long loan as follows:

<b>December 31, 2023</b>				
	<b>currency</b>	<b>Interest rate collars</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured loan from bank	New Taiwan Dollar	1.87%~2.43%	2025~2043	\$ 3,516,045
Less: due within one year				(142,590)
Total				<u>\$ 3,373,455</u>
Unused facilities				<u>\$ -</u>

<b>December 31, 2022</b>				
	<b>currency</b>	<b>Interest rate collars</b>	<b>Year of maturity</b>	<b>Amount</b>
Secured loan from bank	New Taiwan Dollar	1.62%~2.16%	2025~2042	\$ 3,509,789
Less: due within one year				(95,834)
Total				<u>\$ 3,413,955</u>
Unused facilities				<u>\$ -</u>

The assets created for bank deposit pledge is stated in Note 8.

14. Operating leasing

The investment property for rental of the company are not transfer the ownership and its risk and compensation, therefore the contract classified as operating rental, please refer to Investment Property of Note 6(10).

The undiscounted amount of rental payment due after the report date as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Less than one year	\$ 150,362	\$ 110,411
One to two years	144,656	113,764
Two to three years	125,408	102,208
Three to four years	103,953	91,064
Four to five years	54,949	78,125
More than five years	93,898	126,900
Total undiscounted lease payment	<u>\$ 673,226</u>	<u>622,472</u>

The rental income from the investment property, please refer to Note 6 (18) of the year 2023 and 2022. The maintenance expense of investment property (listed as operating cost) , please refer to Note 6 (6).

15. Income tax

1. Income tax expenses

The details of income tax of the year 2023 and 2022 as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Current income tax expense		
Generate within the period	\$ 32,426	3,135
Adjust the current income tax of the previous period	11,634	(6,364)
Undistributed Earnings Tax Increase	19,109	-
Land value added tax	2,855	-
	<u>66,024</u>	<u>(3,229)</u>
Deferred income tax expense		
Reverse and occur of temporary difference	9,273	18,256
Income tax expenses of continuing business units	<u>\$ 75,297</u>	<u>15,027</u>



The adjustment of income tax expense and net income before tax of continuing operation of year 2023 and 2022 as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Profit before tax from continuing operations	\$ 642,417	1,028,984
Income tax calculated with the tax rate of the region	\$ 128,483	205,797
The company registered		
Tax-free income	(786)	-
Investment profit under the equity method	(76,499)	(173,786)
Dividend income	(4,047)	(8,882)
Undistributed Earnings Levy	19,109	-
Underestimation (over)valuation of income tax in previous years	11,634	(6,364)
Financial asset valuation profit and loss	(6,251)	6,376
Recognition of unrecognized tax losses in previous periods	-	(14,687)
Income basic tax	-	3,135
Land value added tax	2,855	-
Other	799	3,438
<b>Total</b>	<b>\$ 75,297</b>	<b>15,027</b>

2. Deferred tax assets

i. Unlisted deferred tax assets

The unlisted deferred tax assets as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Loss from uncollectible	\$ 11,748	11,748

The loss of tax is under the rule of Income Tax Act, with the approval of tax collection authorities may deducted the loss from the net income of the year and re-assessing the income tax. These are not listed as unlisted deferred income tax assets because the company may not have sufficient temporary difference for the income tax.

ii. Listed deferred tax assets

The changes in deferred income tax assets in 2023 and 2022 are as follows:

	<b>Loss carryforward</b>	<b>Other</b>	<b>Total</b>
<b>Deferred income tax liabilities:</b>			
<b>Balance at January 1, 2023:</b>	\$ 9,273	940	10,213
Debit profit and loss statement	(9,273)	-	(9,273)
<b>Balance at December 31, 2023:</b>	\$ -	940	940
<b>Balance at January 1, 2022</b>	\$ 27,529	940	28,469
Debit profit and loss statement	(18,256)	(18,256)	(18,256)
<b>Balance at December 31, 2022</b>	\$ 9,273	940	10,213

iii. The tax authorities have completed examination of income tax returns of the Company through 2021.

16. Capital and other equity

As of December 31, 2023 and 2022, the authorized share of common stock of the Company amounted to NT\$5,600,000 thousand with a par value of NT\$10 per share of which

560,000 thousand shares. 301,648 thousand shares were issued and all issued shares were paid up upon issuance.

(1) Capital Surplus

The component of capital surplus as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share premium	\$ 57,579	57,579
Treasury stock	363,033	326,116
Recognise changes in all equity in Subsidiaries	16,187	8,773
Other	11,745	11,745
	<b><u>\$ 448,544</u></b>	<b><u>404,213</u></b>

According to the Company Act, capital Surplus is used to make up the loss and distribute the realised capital surplus to the shareholders with their original ratio of shareholding in form of new shares or cash. The realised capital surplus is including the additional paid-in capital in excess of par-issued stock and the income of gift received. According to the “Regulations Governing the Offering and Issuance of Securities by Securities Issuers”, the distribution capital of capital surplus may not exceed 10% of the total capital every year.

On March 23, 2022, the Company issued a cash dividend with a capital reserve of NT\$ 120,659 thousands by resolution of the Board of Directors.

(2) Retained earnings

According to the Article of Incorporation, the retained earnings of the annual final account shall be used for tax payment, to make up the loss of the past years and to reserve 10% for the legal reserve, but it is not restricted if the legal reserve exceed the capital of the Company. The company may allocate the special reserve depending on the need of operating and legal restriction; if there are still earnings, they can be added to the undistributed earnings at the opening balance and distributed by the proposal of board of directors and the approval from the shareholders' meeting. If the Company distributes dividends and bonuses or legal reserve and capital surplus in whole or in part in the form of cash, the Board of Directors is authorized to do so with the presence of at least two-thirds of the directors and the approval of a majority of the directors present, and to report such distribution to the shareholders' meeting.

The bonus policy of the Company is to cope with the current and future development plan, considering the investment environment, capital needed and the competition within the country and oversea. For the interest of shareholders and the development of the company, not more than 10% of the cash dividend will be distributed and the rest will be distributed with share dividend when the shareholders approved to distribute shareholders' dividends and bonuses.

i. Legal Reserve

When the company has no losses, it may, through the resolution of the shareholders' meeting, issue new shares or cash from the statutory earnings reserve, provided that the earnings exceeds 25% of the paid in capital.

ii. Special Reserve

According to the regulations of the FSC, when distributing the distributable earnings, the company shall make up for the special earnings reserve from the current profit and loss and the previous undistributed earnings according to the difference between the net amount of other shareholders' equity decrease and the balance of the special earnings reserve; If the amount of other shareholders' equity deduction is accumulated in the previous period, the special earnings reserve shall be added from the undistributed earnings of the previous period and shall not be distributed. If there is a reversal in the amount of the subsequent reduction in other shareholders' equity, the

earnings may be distributed in respect of the reversal.

Therefore, on May 31, 2023, the Company resolved by the resolution of the general meeting of shareholders of the Republic of China to raise a special surplus reserve of NT\$29,269 thousand.

iii. Earning distribution

The earning distribution of 2022 was approved by the board of directors on March 13, 2023. The amount of owners' dividend distribution as follows:

<b>Year 2022</b>		
	<b>Dividend rate(yuan)</b>	<b>Amount</b>
Dividends to common stockholder:		
Cash	\$ 1.0	<u><u>301,647</u></u>

The earning distribution of 2021 was approved by the board of directors on March 23, 2022. The amount of owners' dividend distribution as follows:

<b>Year 2021</b>		
	<b>Dividend rate(yuan)</b>	<b>Amount</b>
Dividends to common stockholder:		
Cash	\$ 0.60	<u><u>180,988</u></u>

The information regards to the above-stated earning distribution is available on MOPS.

(3) Treasury stock

The following table shows the treasury stock of the company holds by the reinvesting subsidiaries (Xin Mao Investment Co., Ltd. and Yi Tong Fiber Co., Ltd.) on the date December 31, 2023 and 2022.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Subsidiary holding parent company shares	<u><u>79,249</u></u>	<u><u>78,565</u></u>
Acquisition cost	<u><u>\$ 743,487</u></u>	<u><u>731,599</u></u>
Stock market price	<u><u>\$ 1,474,029</u></u>	<u><u>1,469,163</u></u>
Amount of treasury stock - attributable to owners of the parent company	<u><u>\$ 349,848</u></u>	<u><u>344,203</u></u>

The market price per share is NT\$18.60 and NT\$18.70 on date December 31, 2023 and 2022 respectively.

(4) Other equity (net value after tax)

	<b>Unrealized gains or losses on fair value through other comprehensive income financial assets.</b>
Balance at January 1, 2023	\$ (29,269)
Unrealized gains or losses on fair value through other comprehensive income financial assets.	33,616
Disposal of equity instruments measured at fair value through other comprehensive profit or loss	(1,844)
Unrealized gains or losses on fair value through other comprehensive income financial assets of Associates & Joint Ventures Accounted for Using Equity Method	<u>7,871</u>
Balance at December 31, 2023	<u><u>\$ 10,374</u></u>
Balance at January 1, 2022	\$ 109,953
Unrealized gains or losses on fair value through other comprehensive income financial assets.	(129,288)
Unrealized gains or losses on fair value through other comprehensive income financial assets of Associates & Joint Ventures Accounted for Using Equity Method	<u>(10,934)</u>
Balance at December 31, 2022	<u><u>\$ (29,269)</u></u>

17. Earnings per share

The calculation of basic earnings per share and the diluted earnings of the year 2023 and 2022, show as follows:

	<u>Year 2023</u>	<u>Year 2022</u>
<b>Basic earnings per share</b>		
Net profit attributable to holders of common shares of the Company	\$ 567,120	1,013,957
Weighted average number of common shares outstanding (thousands)	\$ 222,398	223,083
	<u>\$ 2.55</u>	<u>4.55</u>
<b>Diluted earnings per share</b>		
Net profit attributable to holders of common shares of the Company	\$ 567,120	1,013,957
Weighted average number of common shares outstanding (thousands)	222,398	223,083
Influence on dilutive potential common share		
Influence of employees' stock compensation (thousands of shares)	233	299
Weighted average number of dilutive potential common share outstanding (thousands of shares)	222,631	223,382
	<u>\$ 2.55</u>	<u>4.54</u>

18. Revenue from Contracts with Customers

(1) Disaggregation of revenue

	<u>Year 2023</u>	<u>Year 2022</u>
Main region and market		
Taiwan	\$ 107,476	93,297
Asia	387,371	371,056
America	292,288	244,802
Europe	47,205	117,939
Africa	108,221	84,270
	<u>\$ 942,561</u>	<u>911,364</u>
Main Products		
Sales of goods -draw textured yarn	\$ 146,096	168,016
Sales of goods -woven fabric	708,827	674,930
Rent income	87,638	68,418
	<u>\$ 942,561</u>	<u>911,364</u>

(2) Balance of the contracts

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2021</u>
Notes and account receivable (Including collection payments)	\$ 352,129	339,637	156,096
Less: Allowance loss	-	-	(1,545)
Total	<u>\$ 352,129</u>	<u>339,637</u>	<u>154,551</u>
Contract Liabilities	<u>\$ 4,447</u>	<u>3,293</u>	<u>3,221</u>

- i. Disclosure of note receivable and account receivable, and their impairment please refer to Note 6(4)
- ii. The contract liabilities of January 1, 2023 and 2022 is listed as the amount of revenue of opening balance of the year 2023 and 2022 as NT\$3,293 thousand and NT\$3,221 thousand, respectively.

19. Employees' compensation and directors' remuneration

As stated in the Article of Incorporation, if the company gained in profit, the company shall appropriate no less than 0.5% as the employees' compensation and not more than 2% as the directors' remuneration. If the company has accumulated losses, the profit earned shall be reserved to make up the losses. Recipients entitled to receive shares or cash distributed as employee remunerations include employees of controlled companies and subordinate companies meeting certain requirements. The remuneration to the directors may only in form of cash.

The Company estimated the compensation to employees were NT\$3,332 thousand and NT\$5,349 thousand in 2023 and 2022, respectively, and the remuneration to Directors were NT\$8,492 thousand and NT\$8,915 thousand in 2023 and 2022, respectively. The amount was estimated using the profits before tax and before net of the remuneration in each period to multiply a designated percentage specified in the Articles of Incorporation. The distribution was recorded as operating costs or operating expenses.

The compensation to the employees in 2022 and 2021 were NT\$5,349 thousand and NT\$1,157 thousand, respectively, and the remuneration to the directors were NT\$8,915 thousand and NT\$4,303 thousand, respectively. There is no difference between the actual distribution and the amount stated on the financial statement. For relevant information, please log on to MOPS hosted by TWSE for inquiry.

20. Non-operating income and expense

(1) Other income

The detail of other income of the Year 2023 and 2022 as show as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Dividend income	\$ 20,233	44,412
Other	521	695
	<b>\$ 20,754</b>	<b>45,107</b>

(2) Other gains and losses

The detail of other interest and loss of the Year 2023 and 2022 as show as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Foreign Exchange Profit (Loss)	\$ 531	42,296
Net (loss) interest in financial assets measured at fair value through profit or loss	35,187	(31,879)
	<b>\$ 35,718</b>	<b>10,417</b>

(3) Financial cost

The details of financial cost of the Year 2023 and 2022 as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Interest expense of bank deposit	\$ 92,775	65,618
Interest expense of imputed interest	363	146
Interest expense on lease liabilities	148	-
	<b>\$ 93,286</b>	<b>65,764</b>

21. Financial Instruments

(1) Credit risk

i. Credit risk exposure

The maximum credit risk exposure of the company's financial assets is equal to their carrying amount.

ii. Concentration of credit risk

Credit risk is the risk of financial loss arising from the failure of the Company's customers or counterparties to financial instruments to meet their contractual obligations and arises primarily from the Company's accounts receivable from customers and investments in securities. As of December 31, 2023

and 2022, 61% and 60% of the accounts receivable balance consisted of four companies, respectively, which resulted in a significant concentration of credit risk for the Company.

iii. Credit risk of account receivable

The information on credit risk of note receivable and account receivable, please refer to Note 6 (4).

The related composition of financial assets at amortised (including other receivable), please refer to Note 6(5).

The aforementioned are financial asset at low credit risk and as impairment loss of the 12-month expected credit losses (The description of determine low credit risk of the company, please refer to Note 4(6)).

(2) Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments but excluding the impact of netting agreements.

	Carrying value	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>December 31, 2023</b>							
Floating rate Instrument	\$ 4,548,057	4,900,268	1,001,466	251,459	858,123	693,690	2,095,530
Non-interest-bearing liability	263,946	263,946	220,146	15,000	-	28,800	-
	<b>\$ 4,812,003</b>	<b>5,164,214</b>	<b>1,221,612</b>	<b>266,459</b>	<b>858,123</b>	<b>722,490</b>	<b>2,095,530</b>
	Carrying value	Contractual cash flows	Within 6 months	6 to 12 months	1 to 2 years	2 to 5 years	More than 5 years
<b>December 31, 2022</b>							
Floating rate Instrument	\$ 4,487,789	4,825,315	651,803	496,901	227,451	1,309,207	2,139,953
Non-interest-bearing liability	133,424	133,424	97,838	15,064	1,153	8,263	11,106
	<b>\$ 4,621,213</b>	<b>4,958,739</b>	<b>749,641</b>	<b>511,965</b>	<b>228,604</b>	<b>1,317,470</b>	<b>2,151,059</b>

The company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(3) Currency risk

i. Risk exposure

The consolidate company's financial assets and financial liability exposed to significant. Currency risk were as follows:

	December 31, 2023			December 31, 2022		
	Foreign Currencies	Exchange rate (Yuan)	New Taiwan Dollars	Foreign Currencies	Exchange rate (Yuan)	New Taiwan Dollars
<u>Financial Assets</u>						
<u>Monetary assets</u>						
US Dollars	\$ 12,331	30.705	378,623	11,362	30.71	348,927

ii. Sensitivity analysis

The company's exposure to foreign currency risk arose from cash and cash equivalents, account receivables, other receivables, loans and borrowings, accounts payable and other payables that were denominated in foreign currencies. A 1% appreciation or depreciation of the TWD against the USD as of December 31, 2023 and 2022 would have increased or decreased the net income after tax from the years ended December 21, 2023 and 2022 by NT\$3,786 thousand and NT\$3,489 thousand. The analysis was performed on the same basis for both periods.

iii. Foreign exchange gains and loss on monetary item

The information on foreign exchange gain(loss) on monetary items is disclosed by the company in summary. For the December 31, 2023 and 2022, foreign exchange

gain (including realised and unrealised abortions) amounted to NT\$531 thousand and NT\$42,296 thousand.

(4) Interest rate risk

Please refer to the note on liquidity risk management for the interest rate exposure of the company's financial assets and liabilities.

The following sensitivity analysis is based on the risk exposure to interest rates on derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is on the basis of the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the increment or decrement by 1% when reporting to the management internally, which also represents the management's assessment of the reasonable interest rate change.

If the interest rate had increased or decreased by 1%, the company's net income before tax would have decreased or increased by NT\$45,208 thousand and NT\$44,743 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remaining constant. This is mainly due to the company's borrowing and time deposit at floating rates.

(5) Other price risk

The impact to the comprehensive income and loss if the stock price on reporting date changes (The analysis was performed on the same basis for both periods, and if the other variables remain unchanged), as follow:

Stock Price on reporting date	Year 2023		Year 2022	
	Amount of comprehensive income or loss after tax	Post-tax profit or loss	Amount of comprehensive income or loss after tax	Post-tax profit or loss
Increased by 5%	\$ 16,604	18,207	15,815	20,417
Decreased by 5%	\$ (16,604)	(18,207)	(15,815)	(20,417)

(6) Information on fair value

i. Categories and fair value of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

December 31, 2023					
	Carrying amount	Fair Value			
		Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value through profit or loss</b>					
Financial asset at fair value through profit or loss mandatorily	\$ 369,118	366,134	2,984	-	369,118
<b>Financial Assets at fair value through other comprehensive income</b>					
Unquoted equity instruments at fair value	328,077	-	-	328,077	328,077
<b>Total</b>	<b>\$ 697,195</b>	<b>366,134</b>	<b>2,984</b>	<b>328,077</b>	<b>697,195</b>

<b>December 31, 2022</b>					
	<b>Carrying amount</b>	<b>Fair Value</b>			
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets at fair value through profit or loss</b>					
Financial asset at fair value through profit or loss mandatorily	\$ 417,003	411,082	5,921	-	417,003
<b>Financial Assets at fair value through other comprehensive income</b>					
Unquoted equity instruments at fair value	316,305	-	-	316,305	316,305
<b>Total</b>	<b>\$ 733,308</b>	<b>411,082</b>	<b>5,921</b>	<b>316,305</b>	<b>733,308</b>

ii. Valuation techniques and assumptions not used in fair value

The company estimated the instrument of not used in fair value in the method and the assumptions as follows:

- (i) Financial assets at amortised cost  
If there is an open quotation in the active market, the market price shall be the fair value; if there is no market price for reference, the evaluation method is used to estimate or use the quotation of the counterparties..
- (ii) Financial asset and liabilities at amortised  
If there is quotation information of the transaction or market maker, the latest transaction price and quotation data shall be used as the basis for evaluating the fair value. If there is no market value for reference, the evaluation method is adopted. The fair value is estimated based on the discounted value of cash flow.

iii. Valuation techniques and assumptions used in fair value determination of financial instrument at fair value

Financial instruments traded in active markets are based on quoted market prices. The quoted price of a financial instrument obtained from main exchanges and on-the-run bonds from Taipei Exchange can be used as a basis to determine the fair value of the listed companies' equity instrument and debt instrument of the quoted price in an active market.

If public quotation of financial assets may be obtained from exchange, brokers, underwriters, industry association, pricing service agencies or competent authorities in a timely and frequent manner, and the prices represent actual and frequent fair market transactions, then the financial instrument consider as active market quoted publicly. If the above criteria are not met, the market is regarded as inactive. Generally, significant difference between the buying and selling prices, significant increase in such price difference or the rear transactions are indicators of an inactive market.

The financial instruments held by the company are classified as follows according to the evaluation sources used to determine the fair value:

- Financial instruments with active markets: Shares of listed company, the fair value based on quoted market prices.
- Financial instruments with no active markets: When the financial instrument of the company is not traded in an active market, its fair value is determined based on the ratio of the quoted market price of the comparative listed company, and the main assumption for the model basis of both the net equity value of the equity of the investee and the equity multiplier derived from the quoted market price of the comparative listed company. The estimated adjustments of the fair value are discounted for its lack of liquidity in the market.



- iv. There is no transformation of any financial asset of the company at the year 2023 and 2022.
- v. Reconciliation of level 3 fair values

	<b>Fair value through other comprehensive income</b>
	<u>Unquoted equity instruments</u>
January 1, 2023	\$ 316,305
Total profit or loss	
Listed under other comprehensive income	33,616
Purchase	30,000
Punishment	(51,844)
December 31, 2023	<u>\$ 328,077</u>
January 1, 2022	\$ 445,593
Total profit or loss	
Listed under other comprehensive income	(129,288)
December 31, 2022	<u>\$ 316,305</u>

Above stated total income or loss is recognised as “other income and loss” and “unrealised gains or losses at fair value through other comprehensive income financial asset”. The total income or loss related to the assets held by the date of December 31, 2023 and 2022, as follow:

	<u><b>Year 2023</b></u>	<u><b>Year 2022</b></u>
Total income or loss		
Recognized as other comprehensive income or loss (listed under the “unrealized gains or losses at fair value through other comprehensive income”)	<u><b>\$ 31,772</b></u>	<u><b>(129,288)</b></u>

- vi. Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

Those categorized as level 3 in fair value measurement are financial assets at fair value through other comprehensive income – equity securities investment.

For fair value measurements categorised within level 3 of the fair value hierarchy quantitative information about significant unobservable inputs used in the fair value measurement, as follows:

<u>Items</u>	<u>Valuation Technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income – investment in equity instrument with no active market	Comparable listed company	<ul style="list-style-type: none"> <li>• Multiplier of market to book ratio (0.88~15.80 and 0.94~4.44 on December 31, 2023 and December 31, 2022 respectively)</li> <li>• Discount for lack of marketability (25% aon December 31, 2023 and December 31, 2022 respectively)</li> </ul>	<ul style="list-style-type: none"> <li>• The estimated fair value would increase(decrease) if</li> <li>• the multiplier were higher (lower)</li> <li>• the market illiquidity discount were lower(higher)</li> </ul>

- vii. Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The consolidated company's measurement of the fair value of financial instruments is reasonable, but the use of different evaluation models or evaluation parameters may result in different evaluation results.

For fair value measurements in Level 3, changing one or more of the assumptions would have the following effects on profit or loss and other comprehensive income:

			Other comprehensive income	
	Input	Assumptions	Favorable	Unfavorable
<b>December 31, 2023</b>				
Financial assets at fair value through other comprehensive income				
equity Investment without active market	Price-to-book multiple	1%	\$ 3,281	(3,281)
	Liquidity discount	1%	\$ 12,228	(12,228)
<b>December 31, 2022</b>				
Financial assets at fair value through other comprehensive income				
Equity investment without active market	Price-to-book multiple	1%	3,163	(3,163)
	Liquidity discount	1%	12,652	(12,652)

The favourable and unfavourable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

The favourable and unfavourable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique.

## 22. Financial Risk Management

### (1) Overview

The company is exposed to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

This note discloses information about the aforementioned risks the company is exposed to, and its goals, policies, and procedures regarding the measurement and management of these risks. For additional quantitative disclosures of these risks, please refer to the notes regarding each risk disclosed throughout the financial report.

### (2) Risk management framework

The company's risk management policies are established to identify and analyse the risk faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### (3) Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company receivables from customers and investment securities.

- i. Accounts receivable and other receivables

To maintain the quality of accounts receivable, the Company has established procedures to manage credit risk associated with its operations. The risk assessment

of individual customers considers several factors that may affect the customer's ability to pay, including the customer's financial condition, credit rating agency ratings, the Company's internal credit ratings, historical transaction history and current economic conditions. To reduce the credit risk, the company regularly and continuously evaluating on the clients' financial status and as in practice the company has not request collateral from our clients.

ii. Investments

The credit risk exposure in the bank deposits, fixed income investment and other financial instruments is measured and monitored by the company's finance department. Since those who transact with the company are banks and other external parties with good credit standing, there are no non-compliance issues, and therefore there is no significant credit risk.

iii. Guarantee

The policy of the company stated only provides financial Guarantee to the fully-owned subsidiaries, as until December 31, 2023 and 2022, the company did not provide any endorsement or guarantees to the other.

(4) Liquidity risk

The company aims to maintain the level of its cash and cash equivalents for the operating of the company and reduce the impact of rise and fall of cash flows. The management personnel of the company monitoring the use of short-term bank facilities and ensure the terms and condition of loan contract is complied.

The bank funding is one of the main sources of liquidity to the company. The balance of the company's short-term bank facilities is NT\$555,000 thousand and NT\$792,000 thousand on December 31, 2023 and 2022, respectively.

(5) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptance parameters.

i. Currency risk

The company is exposed to currency risk on sales and purchase transactions that are denominated in a currency other than the respective functional currencies of the consolidated company, primarily TWD. The currencies used in these transactions are the TWD and USD.

With regard to monetary assets and liabilities denominated in a foreign currency, when a short-term risk exposure exists, the company relies on immediate foreign exchange transactions to ensure the net exposure to foreign exchange risk is maintained at an acceptance level.

ii. Interest rate risk

The company maintained in a combination of fixed interest rate and floating interest rate and make the interest rate perspective and the existing risk preference in consistency to ensure the hedging strategy for cost efficient.

iii. Other market price risk

The company listed on exchange OTC and expose the risk in equity price. The equity investment is not for transaction and as strategic investment. The company not involved in the investment of aforementioned transaction. The management personnel of the company manage the risk by holding different risk investment combination.

## 23. Capital Management

The company is to maintain a strong capital base so as to maintain investors compensation and the interest of other stakeholder to maintain the best capital structure to reduce the funds cost.

To maintain or adjust the structure, the company may adjust the dividends to the shareholders and return the capital to the shareholders by capital reduction, issuing new shares and selling assets to settle the liability.

The company is using debt ratio as basis to control the capital. The ratio is calculated by the net liability divided by total capital. The net liability as the liability listed on the balance sheet and less the cash and cash equivalent. Total amount of capital is the composition of all of the equity (capital stock, capital surplus, retained earnings and other equity) add the net liability.

The capital management strategy of 2023 is consistent with that of 2022 and maintains the certain debt ratio in order for funding with the reasonable cost.

The Debt ratios of the Republic of China on December 31, 2023 and 2022 are as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total liabilities	\$ 4,885,901	4,645,729
Less: Cash and cash equivalent	76,686	51,823
Net liabilities	4,809,215	4,593,906
Total equity	5,501,624	5,155,978
Adjusted capital	<b>\$ 10,310,839</b>	<b>9,749,884</b>
Debt ratio	<b>46.64%</b>	<b>47.12%</b>

## vii. Transactions with the related parties

### 1. Name and relationship with the related parties

Individual financial statement shows the transactions with related parties (subsidiaries of the company and other related parties transacts with the company) as follows:

<b>Name of the related parties</b>	<b>Relationship to the Company</b>
Yi Tong Fiber Co., Ltd.	Subsidiaries of the Company
Kwang Ming Silk Mill Co., Ltd.	Subsidiaries of the Company
Hung Chou Fiber Industry Co., Ltd	Subsidiaries of the Company
Jin Xian Welfare and Charity Foundation	Same chairman as the Company.

### 2. Major transactions with the related parties

#### (1) Purchase

The amount of purchase from the related parties as follows:

	<b>Year 2023</b>	<b>Year 2022</b>
Subsidiaries		
Kwang Ming Silk Mill Co., Ltd.	\$ 135,978	157,700
Hung Chou Fiber Industry Co., Ltd	6,246	-
	<b>\$ 142,224</b>	<b>157,700</b>

There is no difference in the purchase price of the above-mentioned companies and the third parties' companies; the payment term is 30 days per month, which is not significantly different from the general manufacturer's 30~60 days of monthly settlement.

#### (2) Account payable with the related parties

The details of account payable with the related parties as follows:

<b>Listed account items</b>	<b>Related Party Categories</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Notes payable	Subsidiaries – Kwang Ming Silk Mill Co., Ltd.	\$ 10,572	-
Account payable	Subsidiaries – Kwang Ming Silk Mill Co., Ltd.	11,715	6,156
		<b>\$ 22,287</b>	<b>6,156</b>

(3) Loans to related parties

The actual expenditure of the Company's capital loan and related parties is as follows:

	December 31, 2023	December 31, 2022
Subsidiaries—Kwang Ming Silk Mill Co., Ltd.	<u>\$ 300,000</u>	<u>-</u>

The Company's capital loan and related parties are calculated at an interest rate of 2% per annum, and the loan is unsecured, and the interest receivable and interest income in 2023 are both NT\$619 thousand.

(4) Contract of leasing

The Company leases the office to the related party, and the rental expenses incurred are as follows:

Lessor Year 2023	Subject matter for lease	Period	Monthly Rent before tax	Rent expense	Payment method
Subsidiaries—Yi Tong Fiber Co., Ltd.	7th Floor, No.607, Ruiguang Rd., Neihu Dist., Taipei City	January 1, 2023 ~ December 31, 2023	\$ 150	<u>1,800</u>	Monthly payment
<b>Year 2022</b>					
Subsidiaries—Yi Tong Fiber Co., Ltd.	7th Floor, No.607, Ruiguang Rd., Neihu Dist., Taipei City	January 1, 2022 ~ December 31, 2022	\$ 150	<u>1,800</u>	Monthly payment

(5) Others

- i. The Company donated NT\$1,500 thousand and NT\$2,000 thousand to the Jinxian Welfare Charity Foundation in 2023 and 2022 respectively.
- ii. The development project of the company and with its subsidiaries, please refer to Note 9 for description.

3. Transactions with key management personnel

Compensation to the key management personnel

	Year 2023	Year 2022
Short-term employee benefits	<u>\$ 14,440</u>	<u>18,144</u>

viii. Pledged Assets as Collaterals

The detail of book value of the pledged assets as follows:

Assets	Subject matter for pledge guarantee	December 31, 2023	December 31, 2022
Investment Property	Long-term and short-term loan	<u>\$ 5,422,843</u>	<u>5,386,361</u>

ix. Commitments and contingencies

1. Significant unrecognized contractual commitments:

- (1) The contract signed for purchase of property were NT\$462,803 thousand and paid according to the contract (listed under other current liabilities) were NT\$0 thousand and NT\$115,251 thousand on the date of December 31, 2023 and December 31, 2022, respectively.
- (2) The board of directors of the company approved the joint land development with Farglory Land Development Co., Ltd. on the date of January 29, 2019. The expected ratio of allocating housing will be 64.00%, and will be used in operating headquarters and for rent and trading to increase in rental income and capital. The use license was obtained on December 20, 2023, and the real estate transfer was completed. The joint construction deposit collected on December 31, 2023 and 2022, was both NT\$15,000 thousand.

In addition, the Company paid a total of NT\$34,163,000 thousand to Farglory Company pursuant to the supplementary agreement for the construction of housing, and the amount paid as of December 31, 2022 was NT\$8,199 thousand.

2. Contingent liabilities

The promissory note issued by the company for the purpose of purchasing raw materials and loan funding on December 31, 2023 and 2022 were NT\$301,111 thousand, respectively.

x. **Loss due to major disasters: None**

xi. **Significant Subsequent Events: None**

xii. **Other**

Employees' benefit, depreciation, damage and amortised expense are compiled as follows:

Character Classification	Year 2023			Year 2022		
	Belongs to operating cost	Belongs to operating expense	Total	Belongs to operating cost	Belongs to operating expense	Total
Employee benefits expenses						
Salaries expenses	-	22,315	22,315	-	20,692	20,692
Labor and Health care expenses	-	1,894	1,894	-	1,726	1,726
Pension expenses	-	899	899	-	857	857
Directors' remuneration	-	13,744	13,744	-	15,572	15,572
Other employee benefits expense	-	1,174	1,174	-	1,011	1,011
Depreciation expense	42,315	4,521	46,836	37,307	1,033	38,340
Amortizations	-	-	-	-	-	-

The additional information of number of employees and the expense of employees' benefit on 2023 and 2022 as follows:

	Year 2023	Year 2022
Number of employees	<u>25</u>	<u>25</u>
Number of directors who do not serve concurrently as an employee or officer	<u>5</u>	<u>5</u>
Average expense of employee benefits	<u>\$ 1,314</u>	<u>1,214</u>
Average expense of employee salary	<u>\$ 1,116</u>	<u>1,035</u>
Adjusted Average expense of employee salary	<u>7.83%</u>	
Remuneration to supervisors	<u>\$ -</u>	<u>-</u>

The information of the salaries and compensation policy as follows:

Due to the huge quantity of our employees with different nature of work, the compensation system is set, added to the basic salary, in order to manage and calculate.

Duty allowance: Duty allowance is given monthly according to the duty and the rank of the employee.

All sorts of allowance: Allowance and bonus is given monthly according to the content of the duty.

Performance bonuses: Bonus is given with different performance.

Overtime pay: The company pays and calculates the overtime pay according to the Article 24 of Labour Standard Acts.

Board expenses: The board expenses are given by the company with NT\$3,000 per month per person.

xiii. **Additional disclosure**

1. Information on major transactions

The company shall disclose other major transactions of 2023 according to the "Regulations Governing the Preparation of Financial Reports by Securities Issue" as follows:

(1) Loan funding to others:

Unit: Thousands of New Taiwan Dollars

Number	Company of loan funding	Other party of loan funding	Accounting items	As related parties	The highest amount of the period	Ending Balance	The actual used amount	Interest rate collars	Nature of loan funding	Amount of business transactions between two parties	Reasons of necessity for short-term loan	Amount of listed impairment loss	Pledge		Ceiling of funding to other to single borrowers	Ceiling of funding to others of the company
													Name	Value		
1	The Company	Kwang Ming Silk Mill Co., Ltd.	Other Receivable	Yes	350,000	350,000	300,000	2%	2	-	Repay the loan	-		-	603,295	904,943

Note 1: The nature of the loans as follows:

- (1) With business transactions.
- (2) With the necessity of short-term loan.

Note 2: The amount of loan funding shall not exceed 30% of the total capital received of the company and ceiling to individual borrowers shall not exceed 20% of the total capital received of the company.

(2) Endorsement or guarantees to others: None

(3) Securities hold at the end of the period (excluding investing in subsidiaries, affiliated enterprise and joint ventures):

Unit: Thousands of New Taiwan Dollars

Company of shareholding	Nature and name Of security	Relationship With the securities issuers	Account name	End of Period				Remark
				Number of shares	Book Value	Holding Percentage	Market Value	
Yi Jinn Industrial Corp., Limited	Shares of Asia Cement Corporation	None	Fair value through profit or loss financial assets – current	4,054,000	168,038	0.11 %	168,038	
"	Shares of Taiwan Cement Corporation	"	"	1,431,006	49,870	0.02 %	49,870	
"	Shares of Far Eastern New Century Corporation	"	"	1,200,000	37,440	0.02 %	37,440	
"	LeaLea Technology Co., Ltd.	"	"	1,382,160	14,304	2.57 %	14,304	
"	Shares of Zig Sheng Industrial CO., LTD.	"	"	3,217,000	35,226	0.61 %	35,226	
"	Mega Overseas Structured Commodity - Walmart Bond	"	"	100,000	2,984	- %	2,984	
"	China Trust Growth Turnaround Multi-Asset Fund	"	"	100,000	1,000	- %	1,000	
"	Mega Global Bond ETF Strategic Income Fund of Funds	"	"	100,000	990	- %	990	
"	Shares of Hongyi Fiber Industry Co., Ltd.	"	"	2,183,000	37,984	1.65 %	37,984	
"	Shares of Feng Hsin Steel Co., Ltd.	"	"	308,000	21,282	0.05 %	21,282	
"	Shares of Ho Chi Tang Investment Co., Ltd.	"	Fair value through other comprehensive income financial assets – non-current	2,430,530	6,844	14.75 %	6,844	
"	Shares of Kuanz Ho Securities	"	"	6,866,506	130,326	15.58 %	130,326	
"	Shares of COCONA.INC.	"	"	3,225,018	15,818	2.78 %	15,818	
"	Shares of YaMai (Hong Kong) Limited	"	"	11,700,000	7,755	22.70 %	7,755	
"	Beili Biotechnology Investment Co., Ltd.	"	"	3,000,000	26,734	9.37 %	26,734	
"	Shares of Nice Plaza Co., Ltd.	The company as the legal entity director	"	10,000,000	140,600	5.79 %	140,600	
Yi Tong Fiber Co., Ltd.	Shares of Asia Cement Corporation	None	Fair value through profit or loss financial assets – current	3,451,000	143,044	0.10%	143,044	
"	Shares of Yi Shin Textile Co., Ltd.	"	"	1,774,000	46,479	2.62 %	46,479	
"	Shares of Taiwan Cement Corporation	"	"	680,863	23,728	0.01 %	23,728	
"	Shares of Far Eastern New Century Corporation	"	"	2,725,000	85,020	0.05 %	85,020	
"	Shares of Hongyi Fiber Industry Co., Ltd.	"	"	445,000	7,743	0.34 %	7,743	
"	Shares of Zig Sheng Industrial CO., LTD.	"	"	2,117,000	23,181	0.40 %	23,181	
"	Shares of Lan Fa Textile Co., Ltd.	"	"	1,039,000	10,494	0.29 %	10,494	
"	Fuyou Private Equity Limited Partnership Fund	"	Fair value through profit or loss financial assets –non-current	-	8,368	1.00 %	8,368	
"	Shares of Yi Jinn Industrial Corp., Limited.	Ultimate parent entity	Fair value through other comprehensive income financial assets – non-current	57,954,410	1,077,952	19.21 %	1,077,952	
"	Shares of KHH Arena Corporation	None	"	1,000,000	9,087	0.40 %	9,087	
"	Shares of Taiwan Incubator SME Development Corporation	The company as the legal entity director	"	2,425,280	28,781	3.44 %	28,781	
"	Shares of The First Leasing Corporation	The chairman of the company is a director of the company	"	4,192,407	92,914	19.06 %	92,914	
Da Tian International Co., Ltd.	Shares of Yi Shin Textile Co., Ltd.	None	Fair value through profit or loss financial assets – current	1,668,000	43,702	2.47 %	43,702	

Xin Mao Investment Co., Ltd.	Shares of Yi Jinn Industrial Corp., Limited.	Ultimate parent entity	"	21,294,470	396,077	7.06 %	396,077	Note
Company of shareholding	Nature and name Of security	Relationship With the securities issuers	Account name	End of Period				Remark
				Number of shares	Book Value	Holding Percentage	Market Value	
Xin Mao Investment Co., Ltd.	Shares of Hung Chou Fiber Industry Co., Ltd.	Subsidiaries of Parent company	Fair value through profit or loss financial assets – current	152,000	1,291	0.12 %	1,291	
"	Shares of Kwang Ming Silk Mill Co., Ltd.	"	"	50,000	2,220	0.12 %	2,220	
"	Shares of Yi Shin Textile Co., Ltd.	None	"	1,784,064	45,799	2.59 %	45,799	
"	Shares of Ho Chi Tang Investment Co., Ltd.	"	Fair value through other comprehensive income financial assets - non-current	150,000	422	0.91 %	422	
"	Shares of Cheering Knitting industrial Co., Ltd.	"	"	25,400	451	0.58 %	451	
"	Shares of I Jinn Industrial Co., Ltd.	"	"	120,750	2,189	0.60 %	2,189	
Kwang Ming Silk Mill Co., Ltd.	Shares of Asia Cement Corporation	"	Fair value through profit or loss financial assets – current	1,300,000	53,855	0.04 %	53,855	
"	Shares of Yi Shin Textile Co., Ltd.	"	"	1,542,000	40,400	2.28 %	40,400	
"	Fuyou Private Equity Limited Partnership Fund	"	Fair value through profit or loss financial assets - non-current	-	8,368	1.00 %	8,368	
Hung Chou Fiber Industry Co., Ltd.	Shares of China Man-made Fiber Co., Ltd.	"	Fair value through other comprehensive income financial assets - current	278	3	- %	3	
"	Shares of Taiwan Filament Weaving Development Co., Ltd.	"	Fair value through other comprehensive income financial assets - non-current	2,175,660	3,147	3.57 %	3,147	
"	Taishin Flexible Income Bond Fund	"	Fair value through profit or loss financial assets – current	100,000	1,001	- %	1,001	
Da Yi International Development Co., Ltd.	Shares of Yi Shin Textile Co., Ltd.	"	Fair value through profit or loss financial assets – current	16,000	419	0.02 %	419	

Note : Pledged for 13,500,000 shares.

- (4) The cumulative amount of purchases or sales of the same securities reaches NT\$300 million or 20% of the paid-in capital: None
- (5) The amount of acquired properties exceeds Three hundred thousand New Taiwan Dollars or 20% of the total capital received:

Unit: Thousands of New Taiwan Dollars

Company of Acquired real estate	Name of property	Date of Occurrence of the fact	Amount of Transactions	Condition of payment	Trading parties	Relationship	If the transaction parties is related parties, the information of previous transfer				Price determination and supporting reference	Purpose of acquired and condition of using	Other matters agreed
							Owners	The relationship with the issuer	The date transferred	Amount			
The Company	Land and building of Haotian Section, Xizhi District, New Taipei City	December 30, 2020	462,803	462,803 (Note)	Farglory Land Development Co., Ltd. And Farglory International Investment Co., Ltd.	None	-	-	-	-	Appraisal Report	Owner-occupied or rent	

Note : It includes the difference between the acquisition cost and the fair value of \$515,818 thousand.

- (6) The amount of disposal properties exceeds Three hundred thousand New Taiwan Dollars or 20% of the total capital received:

Unit: Thousands of New Taiwan Dollars

Company of disposing property	Name of the assets	Date of occurrence of the fact	Acquired date	Book Value	Amount of Transactions	Condition of Receiving	Income and loss from disposal (Note)	Parties of transaction	relationship	Purpose of disposal	Price determination and supporting evidence	Other matters agreed
The Company.	Land and buildings in Xizhi District, New Taipei City	May 31, 2023	August 24, 2018	364,172	461,601	Collected in full	92,879	Xinyuan System Co., Ltd	Third Parties	Revitalizing and use of assets	Appraisal Report	
Kwang Ming Silk Mill Co., Ltd.	Land and buildings in Guanyin District, Taoyuan City	November 27, 2023	June 05, 1973	675,857 (Note)	1,985,000	155,000	1,309,143	Dongqi Dyeing and Finishing Co., Ltd	Third Parties	Repayment of borrowings and replenishment of working capital	Appraisal Report	

Note : It includes the difference between the acquisition cost and the fair value of NT\$515,818 thousand.

- (7) The amount of purchase or sell exceed One Hundred Million New Taiwan Dollars or 20% of the capital received:

Unit: Thousands of New Taiwan Dollars

Company of Purchase or Sales	Name of Trading Subject	Relationship	Trading Status				Situation and reasons in difference of trading conditions with normal tradings		Note, Account receivable (payable)		Remark
			Purchase or Sales	Amount	Ration to the total purchase or sales	Credit Period	Unit Price	Credit Period	Balance	Ratio to the total Note, Account receivable (payable)	
Yi Jinn Industrial Corp., Limited.	Kwang Ming Silk Mill Co., Ltd..	Subsidiary	Purchase	135,978	22.69%	Credit on 30 days	-	-	(22,287)	(18.43)%	
Kwang Ming Silk Mill Co., Ltd.	Yi Jinn Industrial Corp., Limited.	parent company	Sales	(135,978)	(19.74)%	"	-	-	22,287	19.18%	
Hung Chou Fiber Industry Co., Ltd	Kwang Ming Silk Mill Co., Ltd..	associate(s)	Sales	(439,678)	(22.03)%	Credit on 15 days	-	-	39,398	37.99%	



Kwang Ming Silk Mill Co., Ltd.	Hung Chou Fiber Industry Co., Ltd	associate(s)	Purchase	439,678	96.43%	-	-	-	(39,398)	(78.52)%	
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(8) Account receivable from the related parties exceed One Hundred Million New Taiwan Dollars or 20% of the Capital received: None

(9) Financial derivative transactions: None

2. Information on reinvesting enterprise:

The company's reinvestment business information for 2023 is as follows (excluding mainland investee companies):

Unit: Thousands of New Taiwan Dollars

Investing company Name	Investee company Name	Location	Main operating business	Initial investing amount		Holdings at the end of period			Investee company Current Profit and loss	Listed of the Period Investment Profit and Loss	Remark
				End of Period	End of last year	Shares	Rate	Book Value			
Yi Jinn Industrial Corp. Limited.	Yi Tong Fiber Co., Ltd.	Taiwan	Real Estate Rental or trading	255,627	255,627	20,721,296	46.81%	869,243	67,461	4,451	Subsidiaries
Yi Jinn Industrial Corp. Limited.	Xin Mao Investment Co., Ltd.	Taiwan	Investment	298,091	298,091	5,959,886	35.33%	(14,176)	13,755	(4,392)	"
Yi Jinn Industrial Corp. Limited.	Kwang Ming Silk Mill Co., Ltd.	Taiwan	Cotton filament, artificial fibre and others manufacturing, processing and trading business	474,758	474,758	15,586,193	38.53%	1,038,560	1,636,080	435,140	"
Yi Jinn Industrial Corp. Limited.	Hung Chou Fiber Industry Co., Ltd	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business	249,778	249,778	36,601,000	27.70%	478,094	(132,786)	(37,661)	"
Yi Jinn Industrial Corp. Limited.	Da Tian International Co., Ltd.	Taiwan	Housing and Building Development	225,000	100,000	22,500,000	64.29%	231,495	(12,531)	(6,063)	"
Yi Jinn Industrial Corp. Limited.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	741,125	673,750	70,743,750	61.25%	611,996	(14,659)	(8,979)	"
Yi Tong Fiber Co., Ltd.	Kwang Ming Silk Mill Co., Ltd.	Taiwan	Cotton filament, artificial fibre and others manufacturing, processing and trading business	98,507	98,507	3,246,900	8.03%	216,311	1,636,080	Exempted from disclosure	"
Yi Tong Fiber Co., Ltd.	Hung Chou Fiber Industry Co., Ltd	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business.	65,000	65,000	10,000,000	7.57%	179,211	(132,786)	"	"
Yi Tong Fiber Co., Ltd.	Chu Sing Industrial CO., Ltd.	Taiwan	All sorts of man-made, natural fibre manufacturing, processing and trading business	22,185	22,185	269,285	31.09%	26,718	445	"	associate(s)
Yi Tong Fiber Co., Ltd.	Da Tian International Co., Ltd.	Taiwan	Housing and Building Development	75,000	75,000	7,500,000	21.43%	77,165	(12,531)	"	Subsidiaries
Yi Tong Fiber Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	109,750	109,750	10,975,000	5.41%	54,068	(14,659)	"	"
Yi Tong Fiber Co., Ltd.	Xin Mao Investment Co., Ltd.	Taiwan	Investment	20,500	20,500	2,050,000	12.15%	42,861	13,755	"	"
Kwang Ming Silk Mill Co., Ltd.	Hung Chou Fiber Industry Co., Ltd	Taiwan	Synthetic fibres, plastic filament manufacturing, processing and trading business.	45,500	45,500	7,000,000	5.30%	125,472	(132,786)	"	"
Kwang Ming Silk Mill Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	161,006	148,687	13,684,688	11.85%	139,700	(14,659)	"	"
Hung Chou Fiber Industry Co., Ltd	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	94,868	87,062	8,196,562	7.10%	70,908	(14,659)	"	"
Da Tian International Co., Ltd.	Da Yi International Development Co., Ltd.	Taiwan	Housing and Building Development	40,000	40,000	4,000,000	3.46%	34,604	(14,659)	"	"

3. Information on investment in Mainland China: None

4. Information on major shareholders:

Name of main shareholders	Shares	Amount of Shareholding	Ratio of Shareholding
Yi Tong Fiber Co., Ltd.		57,954,410	19.21%
CHANG, CHENG-TIEN		23,010,494	7.62%
Xin Mao Investment Co., Ltd.		21,294,470	7.05%
Yi JINN INDUSTRIAL CO., Ltd.		19,229,717	6.37%

xiv. Segment information

Please refer to the 2023 Consolidated Financial Statement.

Company Chop : Yi Jinn Industrial Co., Ltd.

Chairman : Chan, Cheng-Tien