

YI JINN INDUSTRIAL CO., LTD



2024 Annual General Shareholders' Meeting Meeting Proceeding.

Time: 9am, June 19, 2024 (Wednesday)

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

Present shareholders: 162,339,797 shares of shares

represented by attendance and delegates are 53.82% of
the total 301,647,640 shares of the company with voting
rights.

Chairman: Chan, Cheng-Tien



Recorder: Lai, Yu-Min



Attend: Director Chen, Meng-Wu , Director Chen, Yu-Jing , Director Weng, Mao-Cheng , Director Lai, Yu-Min, Independent director Lai, Sun-Quae, Independent director Chen, shiou-Chung, Independent director Huang, Tien-Chang

Attend: Huang, Hui-wen Manager of KPMG

Reported Matters

1 、 2023 Business Report

Explanatory Notes:

The Business Report is attached hereto as ANNEX 1.

2 、 Report by Audit Committee

Explanatory Notes:

The Report by Audit Committee is attached hereto as ANNEX 2.

3 、 Remuneration to Directors and Employee Bonus in 2023

Explanatory Notes:

(1)Handled in accordance with Article 27 of Articles of Incorporation.

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

4 、 2023 Directors' Remuneration Report, for your approval Explanation:

Explanatory Notes:

The Company's Directors' Remuneration Report for 2023, is attached hereto as ANNEX 3.

5 、 2023 Earnings and capital reserve distribution by cash report, for your approval.

Explanatory Notes:

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

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

Acknowledged Matters

- 1、2023 business report, financial statements and the proposal earnings distributions, for your approval.

Explanatory Notes:

- (1) The Company's balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows of the year 2023 (included consolidated financial statements, is attached hereto as ANNEX 4.), were audited by Pan Chun-Ming and Chang, Shu-Ying of KPMG, and audit report has been offered.
- (2) 2023 business report of the Company, is attached hereto as ANNEX 1.
- (3) The profit distribution made in accordance with Articles of Incorporation is as follows:

YI JINN INDUSTRIAL CO.,LTD

2023 Profit Distributio

Unit: NTD

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

Chairman:
Chan, Cheng-Tien



Managerial Officer:
Weng, Mao-Cheng



Accountant in charge:
Lai, Yu-Min



- (4) For your approval.

Shareholder Questions: None

Company Response: Not Applicable

Resolution:

Explanation of voting results: Approval votes are 160,601,647 rights (including electronic voting rights). Disapproval votes are 72,183 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are 1,665,967 rights (All exercised by electronic vote). Approval votes are 98.92% of the total 162,339,797 votes of the attendance shareholders .

Matters for Discussion (One)

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

Explanation:

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

Shareholder Questions: None

Company Response: Not Applicable

Resolution:

Explanation of voting results: Approval votes are 160,943,014rights (including electronic voting rights). Disapproval votes are86,360 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are1,310,423 rights (All exercised by electronic vote). Approval votes are 99.13% of the total 162,339,797 votes of the attendance shareholders .

Election Matters

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

Explanation:

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

YI JINN INDUSTRIAL CO.,LTD The Candidates List

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

Election process:

The chairman designated shareholder Zhang Hengjia with account number 59 as the scrutineer, and the vote counters were staffed by the company's staff. Voting time is 2 minutes.

Election results:

The list of elected directors is as follows:

Account number or ID number	Name	vote weight	Remark
3	Chan, Cheng-Tien	169,487,622	elected director
10	Cheng, Yu-Jing	159,923,673	elected director
N10255****	Chen, Meng-Wu	156,888,674	elected director
40801	Chan, Yi-Chin	156,890,457	elected director
7818	Weng, Mao-Cheng	162,979,876	elected director
67127	Lai, Yu-Min	158,095,407	elected director
N10375****	Lai, Sun-Quae	163,027,383	elected Independent Director
P10151****	Huang, Tien-Chang	160,013,862	elected Independent Director
A10205****	Chen, Shiou-Chung	160,002,928	elected Independent Director

Matters for Discussion (Two)

Proposal : for release of Directors from non-competition restrictions

Explanation :

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

Candidate title	Name	Contents of proposed lifting of non-competition
Director	Chan, Cheng-Tien	Hung Chou Fiber Co. Ltd. Chairman Kwang Ming Silk Mill Co. Ltd. Chairman Yi Xin Industrial Co. Ltd. Chairman Yi Tong Fiber Co. Ltd. Chairman Da Tien International Development Co., Ltd. Chairman

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

Shareholder Questions: None

Company Response: Not Applicable

Resolution:

Explanation of voting results: Approval votes are 157,570,537rights (including electronic voting rights). Disapproval votes are2,809,107 rights (All exercised by electronic vote). Invalid votes are 0. Abstention votes are1,960,153 rights (All exercised by electronic vote). Approval votes are 97.06% of the total 162,339,797 votes of the attendance shareholders .

TEMPORARY MOTION

MEETING ADJOURNED (AM09:20)

YI JINN INDUSTRIAL CO., LTD
2023 Business Report

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

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

(1) Practice results of the business plan:

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

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

(3) Financial receipts and expenditures and profitability analysis:

Unit: NT\$1,000

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

(4) Budget variance: omitted

Chairman:

Chan, Cheng-Tien

Managerial Officer:

Weng, Mao-Cheng

Accountant in charge:

Lai, Yu-Min

Audit Committee's Auditor's Report

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

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

Faithfully

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

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

March 12, 2024

Remunerations of Directors

Attachment 3

Title	Name	Remuneration of Director						Ratio of Total Remuneration (A+B+C+D) to Net Income (%) (Note 10)		Remuneration from other jobs						The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit (Note 10)		Remuneration from related parties (Note 11)			
		Remuneration (A) (Note 2)		Retirement pension (B)		Director remuneration (C) (Note 3)		Business execution expenses (D) (Note 4)		Retirement pension (F)		Remuneration, bonus and special fees (E) (Note 5)		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)	Cash	Share				
																			Cash	Share	Cash
Director	Chan, Cheng-Tien	2,252	3,692	0	0	3,185	4,721	180	600	0	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	2,274	0	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	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	3,272	0	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	1,821	0	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	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	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	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	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.

Independent Auditors' Report

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

Opinion

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

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

Basis for opinion

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

Key Audit Matters

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

1. Product sales receipts are recognized

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

Description of the key audit matters:

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

According to the auditing procedure:

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

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

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

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

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

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

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

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

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

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

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

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

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

KPMG

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

March 12, 2024

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

In Thousands of New Taiwan Dollars

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Assets :					
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	-
	Total current assets	1,243,443	12	959,676	10
Non-current assets :					
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
	Total non-current assets	9,144,092	88	8,842,037	90
	Total	\$ 10,387,525	100	9,801,707	100

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					
Current liabilities					
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	-
Total current liabilities		<u>1,465,898</u>	<u>14</u>	<u>1,196,724</u>	<u>12</u>
Non-current liabilities					
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	-
Total non-current liabilities		<u>3,420,003</u>	<u>33</u>	<u>3,449,005</u>	<u>35</u>
Total liabilities		<u>4,885,901</u>	<u>47</u>	<u>4,645,729</u>	<u>47</u>
Equity (Note 6 (16))					
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)
Total equity		<u>5,501,624</u>	<u>53</u>	<u>5,155,978</u>	<u>53</u>
Total liabilities and equity		<u>\$ 10,387,525</u>	<u>100</u>	<u>9,801,707</u>	<u>100</u>

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

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

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

In Thousands of New Taiwan Dollars

		Year 2023		Year 2022	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) and (18))	\$ 968,131	103	918,902	101
4170	Less: Sales returns	-	-	75	-
4190	Sales allowance	25,570	3	7,463	1
	Net Operating Revenue	942,561	100	911,364	100
5110	Cost of goods sold (Note 6 (6) and 7)	667,299	71	651,561	71
	Gross Profit	275,262	29	259,803	29
	Operating Expenses (Note 6 (19) and 7):				
6100	Selling expenses	40,148	4	38,846	4
6200	Administrative expenses	52,401	6	50,773	6
	Net operating expenses	92,549	10	89,619	10
	Other income and expenses (Note 6(7)) :				
6510	Disposal of non-current assets to be sold	112,735	12	-	-
	Total other income, costs and losses	112,735	12	-	-
	Net profit	295,448	31	170,184	19
	Non-operating income and expenses (Note 6 (20)):				
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
	Total non-operating revenue and expenses	346,969	37	858,800	94
	Profit before tax from continuing operations	642,417	68	1,028,984	113
7950	Less: income tax expense (Note 6 (15))	75,297	8	15,027	2
8200	Net income	567,120	60	1,013,957	111
8300	Other comprehensive income(Note 6 (16)):				
8310	Items that are not reclassified to profit or loss				
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	Other comprehensive income	41,487	4	(140,222)	(15)
	Total comprehensive income	\$ 608,607	64	873,735	96
	Basic earnings per share (in dollar) (Note 6 (17))				
9750	Basic earnings per share	\$ 2.55		4.55	
9850	Diluting earnings per share	\$ 2.55		4.54	

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

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

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

	In Thousands of New Taiwan Dollar						
	Other equity items						Total Equity
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Retained Earnings Undistributed retained earnings	Total	
Balance at December 31 2022	\$ 3,016,476	500,655	278,308	-	1,022,621	1,300,929	4,584,810
Net income for the year	-	-	-	-	1,013,957	1,013,957	1,013,957
Other comprehensive income	-	-	-	-	-	-	(140,222)
Total comprehensive income	-	-	-	-	1,013,957	1,013,957	(140,222)
Appropriation and distribution of retained earnings:							873,735
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 2023	3,016,476	404,213	298,368	-	1,810,393	2,108,761	5,155,978
Net income for the year	-	-	-	-	567,120	567,120	567,120
Other comprehensive income	-	-	-	-	-	-	41,487
Total comprehensive income	-	-	-	-	567,120	567,120	41,487
Appropriation and distribution of retained earnings:							608,607
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)
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)
Balance at December 31, 2023	\$ 3,016,476	448,544	397,250	29,269	1,949,559	2,376,078	5,501,624
						10,374	(349,848)

(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>
Cash flow from operating activities:		
Net profit before tax for the period	\$ 642,417	1,028,984
Adjustment for:		
Income and expense		
Depreciation expense	46,836	38,340
Net (profit) loss of financial assets and liabilities is measured at fair value through profit or loss	(35,187)	31,879
Interest expense	93,286	65,764
Interest income	(1,287)	(110)
Dividend income	(20,233)	(44,412)
The share of the interests of subsidiaries, affiliates and joint ventures recognized using the equity method	(382,496)	(868,930)
Disposal of non-current assets to be sold	(112,735)	-
Total adjustments to reconcile profit (loss)	(411,816)	(777,469)
Changes in operating assets and liabilities		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	83,072	(143,653)
Notes receivable	(3,133)	2,259
Accounts receivable	(9,359)	(187,345)
Another receivable	(5,071)	(4,479)
Current inventories	20,776	(12,779)
Prepayments	5,136	(7,158)
Other financial assets	(14,515)	3,962
Other non-current assets	-	(3)
Total changes in operating assets	76,906	(349,196)
Changes in operating liabilities:		
Contract liabilities	1,154	72
Notes payable	47,034	(9,646)
Accounts payable	8,671	6,494
Other payable	40,279	6,951
Other current liabilities	46	3,323
Total changes in operating liabilities	97,184	7,194
Total changes in operating assets and liabilities	174,090	(342,002)
Total adjustment	(237,726)	(1,119,471)
Cash inflows (outflows) from operations	404,691	(90,487)
Interest received	668	110
Interest paid	(92,534)	(64,759)
Income taxes paid	(22,175)	(3,829)
Net cash inflows (outflows) from operating activities	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>
Cash flows from investing activities :		
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)	-
Net cash outflow from investing activities	<u>(28,778)</u>	<u>(183,810)</u>
Cash flows from financing activities:		
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)
Net cash (outflow) inflows from financing activities	<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><u>\$ 76,686</u></u>	<u><u>51,823</u></u>

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

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

Representation letter

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

Sincerely yours,

Yi Jinn Industrial Corporation Limited

Chan, Zheng-Tian

March 12, 2024

Independent auditor’s report

To the board of directors

Yi Jinn Industrial Co., Ltd.

Opinion

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

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

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our 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 our 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

Assets		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current Assets:					
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	-
	Total current assets	<u>4,162,247</u>	<u>20</u>	<u>2,780,081</u>	<u>14</u>
Non-current assets					
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
	Total non-current assets	<u>16,319,566</u>	<u>80</u>	<u>17,159,828</u>	<u>86</u>
	Total	<u>\$ 20,481,813</u>	<u>100</u>	<u>\$ 19,939,909</u>	<u>100</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>
<u>Liabilities and equity</u>					
Current liabilities :					
2100	Short-term loans (Note6 (12))	\$ 1,536,660	8	1,468,402	8
2130	Contract liability – current (Note 6 (18))	35,979	-	38,167	-
2150	Notes Payable	86,573	-	48,080	-
2171	Accounts payable	110,764	1	234,525	1
2200	Other payable (Note 6(10) (19))	291,510	1	146,068	1
2230	Tax liability of the period	108,462	1	62,394	-
2280	Lease liability – current	3,512	-	-	-
2320	Long-term liabilities – current portion (Note 6 (13))	437,455	2	373,157	2
2399	Other current liabilities – other(Note 9)	53,765	-	47,967	-
	Total current liabilities	<u>2,664,680</u>	<u>13</u>	<u>2,418,760</u>	<u>12</u>
Non-current liabilities:					
2540	Long-term loans (Note 6 (13))	7,948,668	39	8,223,460	42
2570	Deferred income tax liabilities (Note 6 (15))	223,530	1	227,763	1
2580	Lease liability – non-current	3,572	-	-	-
2645	Guarantee deposits	44,276	-	37,861	-
	Total non-current liabilities	<u>8,220,046</u>	<u>40</u>	<u>8,489,084</u>	<u>43</u>
	Total liabilities	<u>10,884,726</u>	<u>53</u>	<u>10,907,844</u>	<u>55</u>
Equity attributable to shareholders of the parent					
(Note 6 (3)(16))					
3110	Common stock	3,016,476	15	3,016,476	15
3200	Capital surplus	448,544	2	404,213	2
3300	Retained earnings	2,376,078	12	2,108,761	11
3400	Other equity	10,374	-	(29,269)	-
3500	Treasury Stock	(349,848)	(2)	(344,203)	(2)
		5,501,624	27	5,155,978	26
36XX	Non-controlling interests (Note 6 (8) (16))	4,095,463	20	3,876,087	19
	Total equity	<u>9,597,087</u>	<u>47</u>	<u>9,032,065</u>	<u>45</u>
	Total liabilities and equity	<u>\$ 20,481,813</u>	<u>100</u>	<u>19,939,909</u>	<u>100</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

		Year 2023		Year 2022	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 3,159,871	101	4,368,041	101
4170	Less: sales returns	8,707	-	11,782	-
4190	Sales allowance	30,509	1	20,877	-
	Net operating revenue	3,120,655	100	4,335,382	101
5110	Cost of goods sold (Note 6 (6))	2,913,324	93	3,762,208	87
	Gross Profit	207,331	7	573,174	14
	Operating expenses (Note 6 (4) (19) and 7):				
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)	-
	Net operating expenses	212,101	7	263,704	6
	Other income and expenses (Note 6 (7) (10) and (20))				
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
	Other gains and losses aggregate	1,421,623	46	2,004,729	47
	Net operating profit	1,416,853	46	2,314,199	55
	Non-operating income and expenses (Note 6 (21)):				
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)	-
	Total non-operating revenue and expenses	(130,084)	(5)	(158,883)	(4)
	Profit before tax from continuing operations	1,286,769	41	2,155,316	51
7950	Less income tax expense (Note 6 (15))	206,163	7	125,178	3
	Net income	1,080,606	34	2,030,138	48
8300	Other comprehensive gains and losses:				
8310	Items not reclassified to profit or loss (Note 6(16))				
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	Other consolidated gains and losses for the period	50,466	2	(154,713)	(4)
	Total consolidated profit and loss for the period	\$ 1,131,072	36	1,875,425	44
	Profit, attributable to:				
	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
		\$ 1,080,606	34	2,030,138	48
	Comprehensive income attributable to:				
	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
		\$ 1,131,072	36	\$ 1,875,425	44
	Earnings per share (Note 6 (17))				
	Basic earnings per share	\$ 2.55		4.55	
	Diluted earnings per share	\$ 2.55		4.54	

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

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

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

In Thousands of New Taiwan Dollars

	Equity attributable to shareholders of the Parent										
	Other equity items										
	Unrealized gain										
	Or losses on FVOCI										
Share capital	Retained earnings			Financial assets			Treasury stock	Total equity attributable to owners of parent	Non-controlling interests	total equity	
Common stock	capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	total						
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>
Cash flows from operating activities:		
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

	Year 2023	Year 2022
Cash flows from investing activities:		
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)
Net cash inflows from investing activities	261,028	540,589
Cash flows from financing activities:		
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)
Net cash outflow from financing activities	(705,323)	(370,329)
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	\$ 317,994	401,534