

Stock code : 1457



YI JINN INDUSTRIAL CO., LTD

2021 Annual Shareholders' Meeting

Meeting Agenda

Date of meeting: June 29, 2021 (Tuesday), at 9:00 a.m.

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

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YI JINN INDUSTRIAL CO., LTD

Meeting Agenda of 2021 Annual Shareholders' Meeting

Date of meeting: June 29, 2021 (Tuesday), at 9:00 a.m.

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

I. Call meeting to order (Report of shareholding attendance)

II. Chairman's address

III. Reported Matters

(1) 2020 Business Report

(2) 2020 Annual final accounting books and statements audited b by
audit committee

(3) 2020 Employees 'and Directors 'Remuneration Allocation
Report

(4) 2020 Earnings Distribution Report

(5) Amendment of "Guidelines for the Adoption of Codes of
Ethical Conduct" Report

(6) Amendment of "Procedures for Ethical Management and
Guidelines for Conduct" Report

IV. Acknowledged Matters

Proposals of 2020 Business Report, Financial Statements, and
Earnings Distribution

V. Matters for Discussion (1):

(1) Amendment of "Articles of Incorporation"

(2) Amendment of "Regulations of Directors Election"

VI. Election Matters:

Comprehensive re-election of the Company's directors

VII. Matters for Discussion (2):

Lifting restrictions of non-compete prohibition of new-elected
directors

VIII. Extemporaneous Motions

XV. Adjournment

Reported Matters

ONE

Proposal: 2020 Business Report, for your approval

Explanation:

The Company's business report for 2020, please refer to P.6-P.7 of the agenda.

TWO

Proposal: 2020 Annual final accounting books and statements audited by audit committee, for your approval

Explanation:

Audit Committee's Auditor's report, please refer to P.8 of the agenda

THREE

Proposal: 2020 Employees' and Directors' Remuneration Allocation Report, for your approval

Explanation:

- (1) Handled in accordance with Article 27 of Articles of Incorporation.
- (2) After the Company's pre-tax benefits of the year 2020 deducted the allocation of employees' and directors' remuneration, the profit was NT\$ 820,393,347, the appropriation was not less than 0.5% as employee's remuneration, the amount was NT\$ 4,758,282, and it was not higher than 2% of directors' remuneration, the amount was NT\$ 8,203,933, both were paid in cash, and there was no difference in recognizing estimated amount.

FOUR

Proposal: 2020 Earning distribution report, for your approval.

Explanation:

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

Time	Resolution date of board of directors	Allotment amount per share	Dividends payment date
The first half of the year 2020	August, 11, 2020	0.5	September 17, 2020
The second half of the year 2020	March 25, 2021	1	May 25, 2021

FIVE

Proposal: Amendment of the Company's "Guidelines for the Adoption of Codes of Ethical Conduct", for your approval.

Explanation:

- (1) To adapt to the regulations, and amended the Company's "Guidelines for the Adoption of Codes of Ethical Conduct".
- (2) Comparison of article amendments, please refer to P.16-P.17 of attachment 1 of the meeting agenda.

SIX

Proposal: Amendment of the Company's "Procedures for Ethical Management and Guidelines for Conduct", for your approval.

Explanation:

- (1) Drew up the Company's "Procedures for Ethical Management and Guidelines for Conduct".
- (2) All articles of the procedure, please refer to P.18-P.26 of attachment 2 of the meeting agenda.

YI JINN INDUSTRIAL CO., LTD

2020 Business Report



For a long time, the textile industry of Taiwan has constantly utilized the advantages of research and development, innovation, and flexible production to become the important city of research and development and production of functional fabrics; however, encountering the pursuit of technologies and price competition from China, and it still has world leadership. Since the end of the year 2019, the epidemic of COVID-19 broke out, and rapidly spread in January of the year 2020, and the influence of global textile industry was gradually enlarged, mainly affected the production side and the demand side, further influenced the overall textile supply chain, consequently the negative influence of the textile industry of Taiwan was substantially more far-reaching. To confront the current trend of the industry, the Company strengthens its competitive advantages to develop the production model of small-volume, large-variety, and actively develop differential products.

The inventory of Tainan factory was completely sold out in the third quarter of the year 2020, and the Company's main production business focused on the production of polyester filament yarn (chip) from the subsidiary of Hung Chou Fiber Industry Co., Ltd., and the production of drawn textured yarn from Kwang Ming Silk Mill Co., Ltd., the operating revenue of the parent company "YI JINN INDUSTRIAL CO., LTD" was focused on high gross profit of industrial webbing, and the stable rent revenue.

(1) Practice results of the business plan:

In the fiscal year of 2020, the Company's consolidated operating revenue was NT\$ 2,707,215 thousand, consolidated operating cost was NT\$ 2,501,874 thousand, the operating margin was NT\$ 205,341 thousand, the gross margin was 8%, consolidated operating expenses was NT\$ 221,908 thousand, consolidated operating net profit was NT\$ 905,331 thousand, the net loss after tax of consolidated with suspended business unit was NT\$ (75,635) thousand, and consolidated net income was NT\$ 556,686 thousand.

(2) Budget implementation: there's no budget information reported by the Company in 2020.

(3) Financial receipts and expenditures and profitability analysis:

Unit: NT\$1,000

Item		2020	2019
Financial receipts and expenditures	Operating revenue	2,707,215	4,071,473
	Operating costs	2,501,874	3,516,265
	Income from continuing operations before income tax	810,287	650,647
	Net profit after tax	556,686	570,685

Profitability	Return on assets (%)	3.67	3.96
	Return on equity (%)	7.34	7.80
	Pre-tax net profit to paid-in capital ratio (%)	26.86	21.57
	Net profit rate (%)	20.56	14.02
	Earnings per share (dollar)	2.89	1.02

(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 2020, the financial statements among them was audited by Chang, Shu-Ying and Chih, Shih-Chin 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

2021 Annual Shareholders' Meeting of YI JINN INDUSTRIAL CO., LTD

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

March 25, 2021

Acknowledged Matters

Proposed by board of directors

Proposal: 2020 business report, financial statements and the proposal earnings distributions, for your approval.

Explanation: (1) The Company's balance sheets, statements of comprehensive income, statements of changes in equity and statements of cash flows of the year 2020 (included consolidated financial statements, please refer to P.27-P.46 of attachment 3 of the agenda), were audited by Chang, Shu-Ying and Chih, Shih-Chin of KPMG, and audit report has been offered.

(2) 2020 business report of the Company, please refer to P.6-P.7 of the meeting agenda.

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

YI JINN INDUSTRIAL CO.,LTD 2020 Profit Distributio

Unit: NTD

Beginning of period undistributed earnings	659,565,313
Add: net profit after tax of the fiscal year	644,257,821
equity instruments of disposal financial	15,726,644
assets at fair value through other	
comprehensive income	
reversal for special reserve	20,938.945
Subtotal:	1,340,488,723
Minus: designated 10% legal reserve	(50,498,636)
designated number of the first of	
the year 2020	
designated number of annual	(15,499,811)
inequality of the fiscal year	
Minus: designated special reserve	(22,514,947)
designated number of the first of	22,514,947
the year 2020	
designated number of annual	
inequality of the fiscal year	

Distributable earnings subtotal of the fiscal year	1,274,490,276
Minus: distributed cash dividends of the mid-term of the year 2020 (NT\$0.5 per share)	(150,823,820)
shareholders' cash dividends of the second half of the year 2020 (NT\$1 per share)	(301,647,640)
End of term undistributed earnings	822,018,816
Note: undistributed profit of the year 2020 was prior to distribute.	

Chairman:

Chan, Cheng-Tien



Managerial Officer:

Weng, Mao-Cheng



Accountant in charge:

Lai, Yu-Min



(4) For your approval.

Resolution:

Matters for Discussion (1)

Proposed by board of directors

ONE

Proposal: Amendment of the Company's "Articles of Incorporation", for your discussion.

Explanation: according to the actual operating needs of the Company, programed to amend part of articles, the comparison of the amended articles, please refer to P.47-P.48 of attachment 4 of the agenda.

Resolution:

Proposed by board of directors

TWO

Proposal: Amendment of the Company's "Regulations of Directors election", for your discussion.

Explanation: According to the actual needs, the Company programed to amend partial articles of the Company's "Regulations of Directors election", for comparison of the amended articles, please refer to P.49-P.51 of attachment 5 of the agenda.

Resolution:

Election Matters

Proposed by board of directors

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

Explanation:

- (1) The term of office of the Company's current directors ended on May 31, 2021.
- (2) According to Article 16 of Articles of Incorporation, programmed to elect nine directors, and included three independent directors at the annual shareholders' meeting, the term of office is three years from June 29, 2021 to June 28, 2024.
- (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 25, 2021, for the relevant information, please refer to P.52-53 of attachment 6 of the agenda, for your election:

Results of the election:

Matters for Discussion (2)

Proposed by board of directors

Proposal: lifting restrictions of non-compete prohibition of new-elected Directors,
for your discussion.

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 name list of lifting programed in accordance with the regulations is as follows:

Title	Name	Contents of programed lifting non-compete prohibition
Director	Chan, Cheng-Tien	Chairman of Hung Chou Fiber Industry Co., Ltd. Chairman of Kwang Ming Silk Mill Co., Ltd. Chairman of Yi Tong Fiber Co., Ltd. Chairman of Ta Tien International Development Co., Ltd. Chairman of Ta Yi International Development Co., Ltd. Independent director of Oriental Union Chemical Corp.
Director	Chan, Yi-Chin	Director of Hung Chou Fiber Industry Co., Ltd.
Director	Cheng, Yu-Jing	Director of Hung Chou Fiber Industry Co., Ltd. Director of Kwang Ming Silk Mill Co., Ltd. Director of Yi Tong Fiber Co., Ltd.
Director	Lai, Yu-Min	Director of Ta Tien International Development Co., Ltd. Director of Ta Yi International Development Co., Ltd.
Independent director	Chen, Shiou-Chung	Chairman of Tah Tong Textile Co., Ltd. Independent director of Everest Textile Co., Ltd. Director of Great Bell Printing & Dyeing Co., Ltd.

Resolution:

Extemporany Motions

Adjournment

Attachments

Attachment 1: Comparison of amendment of "Guidelines for the Adoption of Codes of Ethical Conduct"

Attachment 2: all articles of "Procedures for Ethical Management and Guidelines for Conduct"

Attachment 3: 2020 Financial Statements

Attachment 4: Comparison of amendment of "Articles of Incorporation"

Attachment 5: Comparison of amendment of "Regulations of Directors Election"

Attachment 6: The candidates list of directors

Attachment 7: The Company's Article of Incorporation

Attachment 8: The Company's Regulations of Directors Election

Attachment 9: The Company's Rules of Procedure for Shareholders Meetings

Attachment 10: The Company's shareholding of all Directors

YI JINN INDUSTRIAL CO.,LTD

Comparison of Amendment of Guidelines for the Adoption of Codes of Ethical

Conduct

Amended articles	Current articles	Explanation
<p>2. Content of the code Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters:</p> <p>(1) Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p> <p>(2) - (6). Omitted.</p> <p>(7) Encouraging reporting on illegal or unethical activities: The Company shall raise awareness of ethics internally and encourage</p>	<p>2. Content of the code Taking its individual circumstances and needs into consideration, the Company shall adopt a code of ethical conduct that addresses at least the following eight matters:</p> <p>(1) Prevention of conflicts of interest: Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, <u>parents, children</u>, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the Company.</p> <p>(2) - (6). Omitted.</p> <p>(7) Chief internal auditor or other appropriate individual reports. To encourage employees to report illegal conduct, the company shall</p>	Revised in accordance with the decree.

<p>employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate individual upon suspicion or discovery of any activity in violation of a law or regulation or the code of ethical conduct. To encourage employees to report illegal conduct, the company shall establish a concrete whistle-blowing system, <u>permit report anonymously</u>, and make employees aware that the Company will use its best efforts to ensure the safety of <u>informants</u> and protect them from reprisals.</p>	<p>establish a concrete whistle-blowing system, and make employees aware that the Company will use its best efforts to ensure the safety of informants and protect them from reprisals.</p>	
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YI JINN INDUSTRIAL CO.,LTD
Procedures for Ethical Management and Guidelines for Conduct

Article 1 (Purpose of adoption and scope of application)

The Company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these Procedures for Ethical Management and Guidelines for Conduct (hereinafter, "Procedures and Guidelines") are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the applicable laws and regulations of the places where this Corporation and its business groups and organizations operate, with a view to providing all personnel of this Corporation with clear directions for the performance of their duties.

The scope of application of these Procedures and Guidelines includes the subsidiaries of the Company, any incorporated foundation in which the Company's accumulated contributions, direct or indirect, exceed 50 percent of the total funds of the foundation, and other group enterprises and organizations, such as institutions or juristic persons, substantially controlled by the Company.

Article 2 (Applicable subjects)

For the purposes of these Procedures and Guidelines, the term "personnel of the Company" refers to any director, supervisor, managerial officer, employee, mandatory or person having substantial control, of the Company or its group enterprises and organizations.

Any provision, promise, request, or acceptance of improper benefits by any personnel of the Company through a third party will be presumed to be an act by the personnel of the Company.

Article 3 (Unethical conduct)

For the purposes of these Procedures and Guidelines, "unethical conduct" means that any personnel of the Company, in the course of their duties, directly or indirectly provides, promises, requests, or accepts improper benefits or commits a breach of ethics, unlawful act, or breach of fiduciary duty for purposes of acquiring or maintaining benefits.

The counter parties of the unethical conduct under the preceding paragraph include public officials, political candidates, political parties or their staffs, and government-owned or private-owned enterprises or institutions and their directors, supervisors, managerial officers, employees, persons having substantial control, or other interested parties.

Article 4 (Types of benefits)

For the purposes of these Procedures and Guidelines, the term "benefits" means any money, gratuity, gift, commission, position, service, preferential treatment, rebate, facilitating payment, entertainment, dining, or any other item of value in whatever form or name.

Article 5 (Responsible unit)

The Company shall designate the general manager room of Taipei Company as the solely responsible unit (hereinafter, "the Company's responsible unit") under the board of directors and in charge of the amendment, implementation, interpretation, and advisory services with respect to these Procedures and Guidelines, the recording and filing of reports, and the monitoring of implementation. The Company's responsible unit shall be in charge of the following matters and also submit regular reports to the board of directors (at least one time each year):

1. Assisting in incorporating ethics and moral values into the Company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Adopting programs to prevent unethical conduct and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Developing a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the board of directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures
7. Making and properly keeping the ethics policy and its following statements, the relevant documental information of implementing the commitment, and the implementation statements, etc.

Article 6 (Prohibition against providing or accepting improper benefits)

Except under one of the following circumstances, when providing, accepting, promising, or requesting, directly or indirectly, any benefits as specified in Article 4, the conduct of the given personnel of this Corporation shall comply with the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and these Procedures and Guidelines, and the relevant procedures shall have been carried out:

1. The conduct is undertaken to meet business needs and is in accordance with local courtesy, convention, or custom during domestic (or foreign) visits, reception of guests, promotion of business, and communication and coordination.
2. The conduct has its basis in ordinary social activities that are attended or others are invited to hold in line with accepted social custom, commercial purposes, or developing relationships.
3. Invitations to guests or attendance at commercial activities or factory visits in relation to business needs, when the method of fee payment, number of participants, class of accommodations, and the time period for the event or visit have been specified in advance.
4. Attendance at folk festivals that are open to and invite the attendance of the general public.

5. Rewards, emergency assistance, condolence payments, or honorariums from the management.
6. Other conduct that complies with the rules of the Company.

Article 7 (Procedures for handling the acceptance of improper benefits)

Except under any of the circumstances set forth in the preceding article, when any personnel of the Company are provided with or are promised, either directly or indirectly, any benefits as specified in Article 4 by a third party, the matter shall be handled in accordance with the following procedures:

1. If there is no relationship of interest between the party providing or offering the benefit and the official duties of this Corporation's personnel, the personnel shall report to their immediate supervisor within 3 days from the acceptance of the benefit, and the responsible unit shall be notified if necessary.
2. If a relationship of interest does exist between the party providing or offering the benefit and the official duties of the Company's personnel, the personnel shall return or refuse the benefit, and shall report to his or her immediate supervisor and notify the responsible unit. When the benefit cannot be returned, then within 3 days from the acceptance of the benefit, the personnel shall refer the matter to the responsible unit for handling.

"A relationship of interest between the party providing or offering the benefit and the official duties of the Company's personnel," as referred to in the preceding paragraph, refers to one of the following circumstances:

1. When the two parties have commercial dealings, a relationship of direction and supervision, or subsidies (or rewards) for expenses.
2. When a contracting, trading, or other contractual relationship is being sought, is in progress, or has been established.
3. Other circumstances in which a decision regarding the Company's business, or the execution or non-execution of business, will result in a beneficial or adverse impact.

The responsible unit of the Company shall make a proposal, based on the nature and value of the benefit under paragraph 1, that it be returned, accepted on payment, given to the public, donated to charity, or handled in another appropriate manner. The proposal shall be implemented after being reported and approved.

Article 8 (Prohibition of and handling procedure for facilitating payments)

The Company shall neither provide nor promise any facilitating payment.

If any personnel of the Company provides or promises a facilitating payment under threat or intimidation, they shall submit a report to their immediate supervisor stating the facts and shall notify the responsible unit.

Upon receipt of the report under the preceding paragraph, the responsible unit shall take immediate action and undertake a review of relevant matters in order to minimize the risk of recurrence. In a case involving alleged illegality, the Company's responsible unit shall also immediately report to the relevant judicial agency.

Article 9 (Procedures for handling political contributions)

Political contributions by the Company shall be made in accordance with the following provisions, reported to the supervisor in charge for approval:

1. It shall be ascertained that the political contribution is in compliance with the laws and regulations governing political contributions in the country in which the recipient is located, including the maximum amount and the form in which a contribution may be made.
2. A written record of the decision-making process shall be kept.
3. Account entries shall be made for all political contributions in accordance with applicable laws and regulations and relevant procedures for accounting treatment.
4. In making political contributions, commercial dealings, applications for permits, or carrying out other matters involving the interests of the Company with the related government agencies shall be avoided.

Article 10 (Procedures for handling charitable donations or sponsorships)

Charitable donations or sponsorships by the Company shall be provided in accordance with the following provisions and reported to the supervisor in charge for approval, and a notification shall be given to the responsible unit. When the amount is NT\$ 30 million or more, the donation or sponsorship shall be provided only after it has been submitted for adoption by the board of directors:

1. It shall be ascertained that the donation or sponsorship is in compliance with the laws and regulations of the country where the Company is doing business.
2. A written record of the decision making process shall be kept.
3. A charitable donation shall be given to a valid charitable institution and may not be a disguised form of bribery.
4. The returns received as a result of any sponsorship shall be specific and reasonable, and the subject of the sponsorship may not be a counter party of the Company's commercial dealings or a party with which any personnel of the Company has a relationship of interest.
5. After a charitable donation or sponsorship has been given, it shall be ascertained that the destination to which the money flows is consistent with the purpose of the contribution.

Article 11 (Recusal)

When a Company director , supervisor, officer or other stakeholder attending or present at a board meeting, or the juristic person represented thereby, has a stake in a proposal at the meeting , that director, supervisor, officer or stakeholder shall state the important aspects of the stake in the meeting and, where there is a likelihood that the interests of the Company would be prejudiced, may not participate in the discussion or vote on that proposal, shall recuse himself or herself from any discussion and voting, and may not exercise voting rights as proxy on behalf of another director. The directors shall exercise discipline among themselves, and may not support each other in an inappropriate manner.

If in the course of conducting company business, any personnel of the Company discovers that a potential conflict of interest exists involving themselves or the juristic person that they represent, or that they or their spouse, parents, children, or a person with whom they have a relationship of interest is likely to obtain improper benefits, the personnel shall report the relevant matters to both his or her immediate

supervisor and the responsible unit, and the immediate supervisor shall provide the personnel with proper instructions.

No personnel of the Company may use company resources on commercial activities other than those of the Company, nor may any personnel's job performance be affected by his or her involvement in the commercial activities other than those of the Company.

Article 12 (Special unit in charge of confidentiality regime and its responsibilities)

The Company shall set up a special unit charged with formulating and implementing procedures for managing, preserving, and maintaining the confidentiality of the Company's trade secrets, trademarks, patents, works and other intellectual properties and it shall also conduct periodical reviews on the results of implementation to ensure the sustained effectiveness of the confidentiality procedures.

All personnel of the Company shall faithfully follow the operational directions pertaining to intellectual properties as mentioned in the preceding paragraph and may not disclose to any other party any trade secrets, trademarks, patents, works, and other intellectual properties of the Company of which they have learned, nor may they inquire about or collect any trade secrets, trademarks, patents, and other intellectual properties of the Company unrelated to their individual duties.

Article 13 (Prohibition against disclosure of confidential information)

The Company shall follow the Fair Trade Act and applicable competition laws and regulations when engaging in business activities, and may not fix prices, make rigged bids, establish output restrictions or quotas, or share or divide markets by allocating customers, suppliers, territories, or lines of commerce.

Article 14 (Prohibition against insider trading)

The Company shall collect and understand the applicable laws and regulations and international standards governing its products and services which it shall observe and gather and publish all guidelines to cause personnel of the Company to ensure the transparency of information about, and safety of, the products and services in the course of their research and development, procurement, manufacture, provision, or sale of products and services.

The Company shall adopt and publish on its website a policy on the protection of the rights and interests of consumers or other stakeholders to prevent its products and services from directly or indirectly damaging the rights and interests, health, and safety of consumers or other stakeholders.

Where there are media reports, or sufficient facts to determine, that the Company's products or services are likely to pose any hazard to the safety and health of consumers or other stakeholders, the Company shall, within 30 days, recall those products or suspend the services, verify the facts and present a review and improvement plan.

The responsible unit of the Company shall report the event as in the preceding paragraph, actions taken, and subsequent reviews and corrective measures taken to the board of directors.

Article 15 (Non-disclosure agreement)

All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of

which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading.

Any organization or person outside of the Company that is involved in any merger, demerger, acquisition and share transfer, major memorandum of understanding, strategic alliance, other business partnership plan, or the signing of a major contract by the Company shall be required to sign a non-disclosure agreement in which they undertake not to disclose to any other party any trade secret or other material information of the Company acquired as a result, and that they may not use such information without the prior consent of the Company.

Article 16 (Following and announcement of policy of ethical management)

The Company shall request directors and senior management to prepare a statement about following an ethical management policy, and request employees to follow ethical management policy in the hiring conditions.

The Company shall disclose its policy of ethical management in its internal rules, annual reports, on the company's websites, and in other promotional materials, and shall make timely announcements of the policy in events held for outside parties such as product launches and investor press conferences, in order to make its suppliers, customers, and other business-related institutions and personnel fully aware of its principles and rules with respect to ethical management.

Article 17

(Ethical management evaluation prior to development of commercial relationships)

Before developing a commercial relationship with another party, such as an agent, supplier, customer, or other counter party in commercial dealings, the Company shall evaluate the legality and ethical management policy of the party and ascertain whether the party has a record of involvement in unethical conduct, in order to ensure that the party conducts business in a fair and transparent manner and will not request, offer, or take bribes.

When the Company carries out the evaluation under the preceding paragraph, it may adopt appropriate audit procedures for a review of the counter party with which it will have commercial dealings with respect to the following matters, in order to gain a comprehensive knowledge of its ethical management:

1. The enterprise's nationality, location of business operations, organizational structure, and management policy, and place where it will make payment.
2. Whether the enterprise has adopted an ethical management policy, and the status of its implementation.
3. Whether enterprise's business operations are located in a country with a high risk of corruption.
4. Whether the business operated by the enterprise is in an industry with a high risk of bribery.
5. The long-term business condition and degree of goodwill of the enterprise.
6. Consultation with the enterprise's business partners on their opinion of the enterprise.
7. Whether the enterprise has a record of involvement in unethical conduct such as bribery or illegal political contributions.

Article 18

(Statement of ethical management policy to counter parties in commercial dealings)

Any personnel of the Company, when engaging in commercial activities, shall make a statement to the trading counter party about the Company's ethical management policy and related rules, and shall clearly refuse to provide, promise, request, or accept, directly or indirectly, any improper benefit in whatever form or name.

Article 19 (Avoidance of commercial dealings with unethical operators)

All personnel of the Company shall avoid business transactions with an agent, supplier, customer, or other counter party in commercial interactions that is involved in unethical conduct. When the counter party or partner in cooperation is found to have engaged in unethical conduct, the personnel shall immediately cease dealing with the counter party and blacklist it for any further business interaction in order to effectively implement the Company's ethical management policy.

Article 20 (Stipulation of terms of ethical management in contracts)

Before entering into a contract with another party, the Company shall gain a thorough knowledge of the status of the other party's ethical management, and shall make observance of the ethical management policy of the Company part of the terms and conditions of the contract, stipulating at the least the following matters:

1. When a party to the contract becomes aware that any personnel has violated the terms and conditions pertaining to prohibition of acceptance of commissions, rebates, or other improper benefits, the party shall immediately notify the other party of the violator's identity, the manner in which the provision, promise, request, or acceptance was made, and the monetary amount or other improper benefit that was provided, promised, requested, or accepted. The party shall also provide the other party with pertinent evidence and cooperate fully with the investigation. If there has been resultant damage to either party, the party may claim from damages, and may also deduct the full amount of the damages from the contract price payable.
2. Where a party is discovered to be engaged in unethical conduct in its commercial activities, the other party may terminate or rescind the contract unconditionally at any time.
3. Specific and reasonable payment terms, including the place and method of payment and the requirement for compliance with related tax laws and regulations.

Article 21 (Handling of unethical conduct by personnel of the Company)

As an incentive to insiders and outsiders for informing of unethical or unseemly conduct, the Company will grant a reward depending the seriousness of the circumstance concerned, insiders having made a false report or malicious accusation shall be subject to disciplinary action and be removed from office if the circumstance concerned is material.

The Company shall internally establish and publicly announce on its website and the intranet, or provide through an independent external institution, an independent mailbox or hotline, for Company insiders and outsiders to submit reports. A whistleblower shall at least furnish the following information:

1. The whistleblower's name and I.D. number, and an address, telephone number and e-mail address where it can be reached.
2. The informed party's name or other information sufficient to distinguish its identifying features.
3. Specific facts available for investigation.

The Company personnel handling whistle-blowing matters shall represent in writing they will keep the whistleblowers' identity and contents of information confidential, the Company also undertakes to protect the whistleblowers from improper treatment due to their whistle-blowing.

The responsible unit of the Company shall observe the following procedure:

1. The accusation shall be reported to the department head if involving the rank and file and to an independent director or supervisor if involving a director or a senior executive.
2. The responsible unit of the Company and the department head or personnel being reported to in the preceding subparagraph shall immediately verify the facts and, where necessary, with the assistance of the legal compliance or other related department.
3. If a person being informed of is confirmed to have indeed violated the applicable laws and regulations or the Company's policy and regulations of ethical management, the Company shall immediately require the violator to cease the conduct and shall make an appropriate disposition. When necessary, the Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests.
4. Documentation of case acceptance, investigation processes and investigation results shall be retained for five years and may be retained electronically. In the event of a suit in respect of the whistleblowing case before the retention period expires, the relevant information shall continue to be retained until the conclusion of the litigation.
5. With respect to a confirmed information, the Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent recurrence.
6. The responsible unit of the Company shall submit to the board of directors a report on the whistleblowing case, actions taken, and subsequent reviews and corrective measures.

Article 22

(Actions upon event of unethical conduct by others towards this Corporation)

If any personnel of the Company discovers that another party has engaged in unethical conduct towards the Company, and such unethical conduct involves alleged illegality, the Company shall report the relevant facts to the judicial and prosecutorial authorities; where a public service agency or public official is involved, the Company shall additionally notify the governmental anti-corruption agency.

Article 23

(Establishment of a system for rewards, penalties, and complaints, and related disciplinary measures)

The responsible unit of the Company shall organize the awareness sessions one time each year and arrange for the chairperson, general manager, or senior management

to communicate the importance of ethics to its directors, employees, and the mandatory.

The Company shall link ethical management to employee performance evaluations and human resources policy, and establish clear and effective systems for rewards, penalties, and complaints.

If any personnel of the Company seriously violates ethical conduct, the Company shall dismiss the personnel from his or her position or terminate his or her employment in accordance with applicable laws and regulations or the personnel policy and procedures of the Company.

The Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response.

Article 24 (Enforcement)

These Procedures and Guidelines, and any amendments hereto, shall be implemented after adoption by resolution of the board of directors, and shall be delivered to each supervisor and reported to the shareholders meeting.

When these Procedures and Guidelines are submitted to the board of directors for discussion, each independent director's opinions shall be taken into full consideration, and their objections and reservations expressed shall be recorded in the minutes of the board of directors meeting. An independent director that is unable to attend a board meeting in person to express objection or reservation shall provide a written opinion before the board meeting unless there is a legitimate reason to do otherwise, and the opinion shall be recorded in the minutes of the board of directors meeting.

Independent auditors' report

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 financial statements as of December 31, 2020 and 2019, and parent company only statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2020 and 2019, 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, 2020 and 2019, 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, 2020. These matters were addressed in the context of our audit of the parent company only 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 company's parent company only financial statements for the year ended December 31, 2020 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 parent company only financial statement.

Description of the key audit matters:

The Group is primarily involved in the manufacturing polyester yarn, polyester draw textured yarn, tetoron fabric and woven fabric. The main concern is the authentication of the revenue. Operating revenue highly depends on the economic fluctuations. Therefore, we determined that the revenue recognition as key audit matters.

How the matter was addressed in our audit?

Our principal audit procedures included: Our audit procedure related to the evaluating the controls of sales and cycle of payment; reviewing and adjusting the record of sales system and general ledger; performing sales cut-off test of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether sales transactions have been appropriately recognised; assessing whether the revenue recognition was performed in accordance with the Group.

2. Accounts receivable valuation

Please refer to the Note 4 (6) “Financial Instrument”, Note 5 (1) “significant accounting assumptions and judgement, and major source of estimation uncertainty”, Note 6 (4) “account receivable” of the parent company only financial statement.

Description of the key audit matters:

The Group with distributors in different region and the financial status of the clients might have a risk in account receivable. Therefore, we determined that the account receivable valuation is a key audit matter.

How the matter was addressed in our audit?

Our Principal audit procedures included: expected credit impairment loss of account receivable; understand the environment of the industry, customers credit investigation and past record; understanding the accounting policy of expected credit impairment loss of account receivable; sampling and inspecting the suitability of the expected credit impairment loss of account receivable.

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 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 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 (including members of the 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 disclosures, 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 group audit, we remain solely responsible for our audit opinion.

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

We also provide 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 bear on 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, 2020 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

Chang Shu-Ying

Auditors:

Chih Shih-Chin

The reference number of the	No. Taiwan-Financial-Securities- VI-0940100754
FSC approval Letter:	No. Financial-Supervisory- Securities-auditing- 1020000737

March 25, 2021

Yi Jinn Industrial Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current Assets :					
1100	Cash and cash equivalent (Note 6 (1))	\$ 145,998	2	192,496	2
1110	Financial assets at fair value through profit or loss - current(Note 6 (2))	401,766	5	54,782	1
1150	Notes receivable, net (Note 6 (4) and (18))	4,479	-	30,242	-
1170	Accounts receivables, net (Note 6 (4) (18) and 7)	282,458	4	332,557	4
1200	Other receivables (Note 6 (5) and 7)	5,858	-	1,126	-
1310	Inventories s – manufacturing (Note 6 (6))	49,257	1	252,670	3
1410	Prepayments	3,950	-	2,224	-
1460	Non-current assets held for sale (Note 6 (7) and 8)	-	-	1,396,256	16
1476	Other financial assets – current (Note 8)	14,646	-	298,159	3
1470	Other current assets	15,229	-	487	-
	Total current assets	923,641	12	2,560,999	29
Non-current assets :					
1551	Investments accounted for using equity method (Note 6 (8))	2,149,321	27	2,164,581	25
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6 (3))	421,194	5	330,141	4
1600	Property, plant and equipment (Note 6 (9))	40,564	-	82,669	1
1760	Investment property, net (Note 6 (10) and 8)	4,145,826	52	3,338,606	38
1840	Deferred tax assets (Note 6 (15))	28,469	-	34,118	-
1980	Other financial assets – non-current	484	-	484	-
1990	Other non-current assets – other (Note 6(11) and 9)	285,540	4	303,456	3
	Total non-current assets	7,071,398	88	6,254,055	71
Total		\$ 7,995,039	100	8,815,054	100

Yi Jinn Industrial Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities					
2100	Short-term loans (Note 6 (12))	\$ 440,000	6	1,382,309	16
2130	Contract liability – current (Note 6 (18))	2,553	-	177	-
2150	Notes payable (Note 7)	39,469	-	36,190	-
2171	Accounts payable (Note 7)	88,485	1	53,460	1
2200	Other payable (Note 6 (19))	24,601	-	68,656	1
2230	Tax liabilities of the period (Note 6 (15))	-	-	7,979	-
2322	Long-term borrowings-current portion (Note 6 (13))	206,738	3	751,106	8
2399	Other current liabilities – other (Note 6 (7), 7 and 9)	1,581	-	350,776	4
Total current liabilities		803,427	10	2,650,653	30
Non-current liabilities					
2540	Long-term loans (Note 6 (13))	2,515,422	31	1,997,019	23
2645	Guarantee deposits (Note 9)	59,886	1	33,807	-
Total non-current liabilities		2,575,308	32	2,030,826	23
Total Liabilities		3,378,735	42	4,681,479	53
Equity (Note 6 (16))					
3110	Common Stock	3,016,476	38	3,016,476	34
3200	Capital Reserve	458,206	6	419,079	5
3300	Retained Earnings	1,401,974	17	1,043,639	12
3490	Other interest	65,111	1	(20,939)	-
3500	Treasury Stock	(325,463)	(4)	(324,680)	(4)
Total equity		4,616,304	58	4,133,575	47
Total liabilities and Equity		\$ 7,995,039	100	8,815,054	100

(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, 2020 and 2019

		In Thousands of New Taiwan Dollars			
		Year 2020		Year 2019	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 815,566	101	921,713	101
4170	Less: Sales returns	56	-	1,609	-
4190	Sales allowance	7,918	1	7,248	1
	Net Operating Revenue	807,592	100	912,856	100
5110	Cost of goods sold (Note 6 (14) (19) and 7)	617,973	77	623,569	68
	Gross Profit	189,619	23	289,287	32
	Operating Expenses (Note 6 (19) and 7):				
6100	Selling expenses	40,124	5	34,990	4
6200	Administrative expenses	55,178	7	50,899	6
	Net operating expenses	95,302	12	85,889	10
	Other income and expenses:				
6510	Non-current assets held for sale (Note 6 (7) (20))	973,130	120	-	-
	Net other income and expenses	973,130	120	-	-
	Net operating profit	1,067,447	131	203,398	22
	Non-operating income and expenses (Note 6 (10) (21)):				
7010	Other income	7,371	1	2,120	-
7020	Other gains and losses	(31,021)	(4)	(4,861)	(1)
7050	Financial costs	(43,299)	(5)	(62,140)	(7)
7055	Impairment loss	-	-	(58,741)	(6)
7070	Share of profit or loss of associates and joint ventures accounted for using equity method	(117,433)	(15)	203,679	22
	Total non-operating revenue and expenses	(184,382)	(23)	80,057	8
	Profit before tax from continuing operations	883,065	108	283,455	30
7950	Less: income tax expense (Note 6 (15))	163,173	20	8,108	1
8000	Income from continuing operation	719,892	88	275,347	29
	Income(loss) from discontinued operation:				
8100	Loss from discontinued operation (Note 6 (4) (6) (7))	(75,635)	(9)	(45,044)	(5)
8200	Net income	644,257	79	230,303	24
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (16))				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	91,053	11	(26,453)	(3)
8330	Share of profit or loss of associates and joint ventures accounted for using equity method — components of other comprehensive income that will not be reclassified to profit or loss.	10,723	1	(2,359)	-
8349	Less: income tax related to components of other comprehensive income that will not be classified to profit or loss	-	-	-	-
8300	Other comprehensive income	101,776	12	(28,812)	(3)
	Total comprehensive income	<u>\$ 746,033</u>	<u>91</u>	<u>201,491</u>	<u>21</u>
	Basic earnings per share (in dollar) (Note 6 (7) (17))				
	From continuing operations	\$	3.23		1.22
	From discontinued operations		(0.34)		(0.20)
		<u>\$ 2.89</u>		<u>1.02</u>	
	Diluted earnings per share (in dollar)				
	From continuing operations	\$	3.22		1.22
	From discontinued operations		(0.34)		(0.20)
		<u>\$ 2.88</u>		<u>1.02</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 Changes in Equity
For the years ended December 31, 2020 and 2019

	In Thousands of New Taiwan Dollard								
	Common Stock	Capital Surplus	Legal Reserve	Retained Earnings		Total	Other equity items	Treasury Stock	Total Equity
				Special Reserve	Undistributed retained earnings		Unrealized gain or losses on FVTOCI financial assets		
January 1 2019	\$ 3,016,476	367,960	139,741	4,425	1,034,855	1,179,021	7,873	(298,476)	4,272,854
Net income for the year	-	-	-	-	230,303	230,303	-	-	230,303
Other comprehensive income	-	-	-	-	-	-	(28,812)	-	(28,812)
Total comprehensive income	-	-	-	-	230,303	230,303	(28,812)	-	201,491
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	49,538	-	(49,538)	-	-	-	-
Special reserve	-	-	-	(4,425)	4,425	-	-	-	-
Cash dividends of preferred stock	-	-	-	-	(361,977)	(361,977)	-	-	(361,977)
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	-	(26,204)	(26,204)
Dividends to subsidiary in adjusting capital surplus	-	41,356	-	-	-	-	-	-	41,356
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	1,409	-	-	-	-	-	-	1,409
Changes in ownership interests in Subsidiaries	-	8,354	-	-	(3,708)	(3,708)	-	-	4,646
December 31 2019	3,016,476	419,079	189,279	-	854,360	1,043,639	(20,939)	(324,680)	4,133,575
Net income for the year	-	-	-	-	644,257	644,257	-	-	644,257
Other comprehensive income	-	-	-	-	-	-	101,776	-	101,776
Total comprehensive income	-	-	-	-	644,257	644,257	101,776	-	746,033
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	23,030	-	(23,030)	-	-	-	-
Special reserve	-	-	-	20,939	(20,939)	-	-	-	-
Cash dividends of preferred stock	-	-	-	-	(301,648)	(301,648)	-	-	(301,648)
Subsidiary purchase parent's shares as treasury stock	-	-	-	-	-	-	-	(783)	(783)
Dividends to subsidiary in adjusting capital surplus	-	37,779	-	-	-	-	-	-	37,779
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	5,871	-	-	-	-	-	-	5,871
Changes in ownership interests in Subsidiaries	-	(4,523)	-	-	-	-	-	-	(4,523)
Investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	15,726	15,726	(15,726)	-	-
December 31, 2020	\$ 3,016,476	458,206	212,309	20,939	1,168,726	1,401,974	65,111	(325,463)	4,616,304

(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, 2020 and 2019

	In Thousands of New Taiwan Dollars	
	Year 2020	Year 2019
Cash flow from operating activities:		
Income from continuing operation before income tax	\$ 883,065	283,455
Loss from discontinued operation	(75,635)	(45,044)
Net income before income tax	807,430	238,411
Adjustment for :		
Income and expense		
Depreciation expense	16,014	52,302
Amortization expense	944	4,239
Expected credit impairment (reversal gains) losses	(378)	58,741
Valuation gain on financial investments	(46,441)	(2,382)
Interest expense	43,299	62,140
Interest income	(23)	(157)
Dividend income	(5,181)	(1,083)
Share of profit(loss) of associates and joint ventures accounted for using equity method	117,433	(203,679)
Loss on disposal of property, plant and equipment	5,893	88
Disposal of non-current interests held for sale	(973,130)	-
Impairment loss on non-financial assets	45,262	-
Total adjustments to reconcile profit (loss)	(796,308)	(29,791)
Changes in operating assets and liabilities		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(300,543)	(4,564)
Notes receivable	25,763	4,914
Accounts receivable	50,477	(18,455)
Another receivable	(4,732)	876
Current inventories	203,413	35,533
Prepayments	(1,726)	24,928
Other current assets	(14,742)	5,949
Other financial assets	(13,330)	5,896
Total changes in operating assets	(55,420)	55,077
Changes in operating liabilities:		
Contract liabilities	2,376	(8,838)
Nates payable	3,279	(54,822)
Accounts payable	35,025	6,655
Other payable	(43,285)	(22,869)
Other current liabilities	(2,998)	12,175
total changes in operating liabilities	(5,603)	(67,699)
Total changes in operating assets and liabilities	(61,023)	(12,622)
Total adjustment	(857,331)	(42,413)
Net cash generated (used) by operating activities	(49,901)	195,998
Interest received	23	174
Interest paid	(44,069)	(63,193)
Income taxes paid	(165,503)	(33,035)
Net cash generated (used) by operating activities	(259,450)	99,944

Yi Jinn Industrial Co., Ltd.

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

	In Thousands of New Taiwan Dollars	
	Year 2020	Year 2019
Cash flows from investing activities :		
Acquisition of investments accounted for using equity method	(122,500)	(10,000)
Disposal of investments accounted for using equity method	-	30,150
Disposal of non-current assets	3,019,806	-
Acquisition of property, plant and equipment	(34,515)	(29,133)
Proceeds from disposal of property, plant and equipment	11,951	44,855
Acquisition of investment property	(1,433,230)	-
Increase in other financial assets	3,369	(2,882)
Decrease in other receivable	-	10,000
Increase(decrease) in other non-current assets	2,476	(4,232)
Increase in prepayments for property	(53,261)	(186,054)
Dividends received	62,699	67,953
Net cash flows from investing activities	<u>1,456,795</u>	<u>(79,343)</u>
Cash flows from financing activities:		
Increase(decrease) in short-term loans	(942,309)	484,627
Proceeds for long-term debt	1,336,110	220,000
Repayments of long-term debt	(1,362,075)	(361,325)
Increase in deposits received	26,079	15,000
Cash dividends paid	<u>(301,648)</u>	<u>(361,977)</u>
Net cash used in financing activities	<u>(1,243,843)</u>	<u>(3,675)</u>
Net increase (decrease) in cash and cash equivalents	(46,498)	16,926
Cash and cash equivalents, beginning of period	<u>192,496</u>	<u>175,570</u>
Cash and cash equivalents, end of period	<u>\$ 145,998</u>	<u>192,496</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, 2020, 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

By

Chan, Zheng-Tian

March 25, 2021

Independent auditor's report

The board of directors

Yi Jinn Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yi Jinn Industrial Co., Ltd., which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2020 and 2019, 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 Company as of December 31, 2020 and 2019, 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 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 consolidated financial statements for the year ended December 31, 2020. 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 company's consolidated financial statements for the year ended December 31, 2020 are stated as follows:

3. Revenue recognition

Please refer to Note 4 (16) "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 Group is primarily involved in the manufacturing polyester yarn, polyester draw textured yarn, tetoron fabric and woven fabric. The main concern is the authentication of the revenue. Operating revenue highly depends on the economic fluctuations. Therefore, we determined that the revenue recognition as key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: Our audit procedure related to the evaluating the controls of sales and cycle of payment; reviewing and adjusting the record of sales system and general ledger; performing sales cut-off test of a period before and after the reporting date by vouching relevant documents of sales transactions to determine whether sales transactions have been appropriately recognised; assessing whether the revenue recognition was performed in accordance with the Group.

4. Inventory valuation

Please refer to Note 4 (8) inventory, Note 5 (2) “significant accounting assumptions and judgement, and major source of estimation uncertainty”, and Note 6 (6) of the consolidated financial statement.

Description to the key audit matters:

The inventories of the Group measured at the lower of cost and net realizable value. Since the group in the environment of fluctuations in price for raw materials and the fluctuations of selling price and sales volume due to supply and demand on the market, the cost of inventories might have a risk to exceed the 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: understanding the Group’s inventory management and valuation were performed in accordance with the Group’s policy; performing sampling procedures to understand the new realizable values used by management and the prices in a period after the reporting date to ensure the appropriateness of the valuation; sampling and inspecting the accuracy of the inventory aging report; assessing whether the disclosure of provision for inventory valuation and obsolescence was appropriate at the reporting date.

5. Accounts receivable valuation

Please refer to the Note 4 (7) “Financial Instrument”, Note 5 (1) “significant accounting assumptions and judgement, and major source of estimation uncertainty”, Note 6 (4) “account receivable” of the consolidated financial statement.

Description of the key audit matters:

The Group with distributors in different region and the financial status of the clients might have a risk in account receivable. Therefore, we determined that the account receivable valuation is a key audit matter.

How the matter was addressed in our audit

Our principal audit procedures included: expected credit impairment loss of account receivable; understand the environment of the industry, customers credit investigation and past record; understanding the accounting policy of expected credit impairment loss of account receivable; sampling and inspecting the suitability of the expected credit impairment loss of account receivable.

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, 2020 and 2019 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 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 (including members of the Audit Committee) are responsible for overseeing the Company'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:

7. 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.
8. 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.
9. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
10. 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 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 company to cease to continue as a going concern.
11. 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.

Obtain sufficient appropriate audit evidence regarding the financial information of the entities for business activities within the company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, we remain solely responsible for our audit opinion.

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

We also provide 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 bear on 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, 2020 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

Chang Shu-Ying

Auditors:

Chih Shih-Chin

The reference number of the FSC approval Letter:	No. Taiwan-Financial-Securities-VI-0940100754 No. Financial-Supervisory-Securities-auditing-1020000737
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March 25, 2021

Yi Jinn Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Assets		2020		2019	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Current Assets:					
1100	Cash and cash equivalent (Note 6(1))	\$ 479,716	3	513,740	3
1110	Financial assets at fair value through profit or loss -current (Note 6 (2))	594,350	3	167,238	1
1120	Financial asset at fair value through other comprehensive income – current (Note 6 (3))	3	-	3	-
1150	Notes receivable, net (Note 6 (4) (18))	74,855	-	132,460	1
1170	Account receivable, net (Note 6 (4) (18))	416,911	3	462,841	3
1220	Current tax assets	5,703	-	-	-
1310	Inventories – manufacturing (Note 6 (5) and 9)	671,658	4	930,830	5
1410	Prepayments (Note 9)	77,652	-	35,560	-
1461	Non-current assets held for sale (Note 6 (6), 8 and 9)	-	-	1,366,362	8
1476	Other financial assets – current (Note 6 (6) and 8)	268,773	2	354,546	2
1479	Other current assets – other (Note 6 (14))	<u>34,182</u>	<u>-</u>	<u>18,137</u>	<u>-</u>
	Total current assets	<u>2,623,803</u>	<u>15</u>	<u>3,981,717</u>	<u>23</u>
Non-current assets					
1510	Financial assets at fair value through profit or loss – non-current (Note 6 (2))	88,867	1	93,655	1
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6 (3))	504,094	3	571,693	3
1550	Investments accounted for using equity method	26,491	-	27,825	-
1600	Property, plant and equipment (Note 6 (9), 8 and 9)	3,436,768	19	3,482,794	19
1760	Investment property, net (Note 6 (10) and 8)	10,703,563	60	9,434,118	51
1840	Deferred tax assets (Note 6 (15))	70,234	-	74,972	-
1980	Other financial assets – non-current (Note 6 (6) (7) and 8)	10,988	-	48,570	-
1990	Other non-current assets – other (Note 6 (11) (14) and 9)	<u>316,006</u>	<u>2</u>	<u>502,500</u>	<u>3</u>
	Total non-current assets	<u>15,157,011</u>	<u>85</u>	<u>14,236,127</u>	<u>77</u>
	Total	<u>\$17,780,814</u>	<u>100</u>	<u>18,217,844</u>	<u>100</u>

Yi Jinn Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

		2020		2019	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities :					
2100	Short-term loans (Note6 (12))	\$ 1,353,920	8	2,161,401	12
2130	Contract liability – current (Note 6 (18))	38,456	-	7,124	-
2150	Notes Payable	52,441	-	48,303	-
2171	Accounts payable	217,907	1	221,401	1
2200	Other payable (Note 6 (10) (19))	143,041	1	167,351	1
2230	Tax liability of the period	15,899	-	6,615	-
2320	Long-term borrowings-current portion (Note 6 (13))	439,932	2	945,146	5
2399	Other current liabilities – other (Note 6 (6))	7,495	-	313,276	2
Total current liabilities		<u>2,269,091</u>	<u>12</u>	<u>3,870,617</u>	<u>21</u>
Non-current liabilities:					
2540	Long-term loans (Note 6 (13))	7,387,362	42	6,638,418	36
2570	Deferred income tax liabilities (Note 6 (15))	227,114	1	226,996	1
2645	Guarantee deposits (Note 9)	134,049	1	72,391	-
Total non-current liabilities		<u>7,748,525</u>	<u>44</u>	<u>6,937,805</u>	<u>37</u>
Total liabilities		<u>10,017,616</u>	<u>56</u>	<u>10,808,422</u>	<u>58</u>
Equity attributable to shareholders of the parent (Note 6 (3) and (16))					
3110	Common stock	3,016,476	17	3,016,476	18
3200	Capital surplus	458,206	3	419,079	2
3300	Retained earnings	1,401,974	8	1,043,639	6
3400	Other equity	65,111	-	(20,939)	-
3500	Treasury Stock	<u>(325,463)</u>	<u>(2)</u>	<u>(324,680)</u>	<u>(2)</u>
		4,616,304	26	4,133,575	24
36XX	Non-controlling interests (Note 6 (8))	<u>3,146,894</u>	<u>18</u>	<u>3,275,847</u>	<u>18</u>
Total equity		<u>7,763,198</u>	<u>44</u>	<u>7,409,422</u>	<u>42</u>
Total liabilities and equity		<u>\$17,780,814</u>	<u>100</u>	<u>18,217,844</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, 2020 and 2019

In Thousands of New Taiwan Dollars

		2020		2019	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18))	\$ 2,731,362	101	4,107,453	100
4170	Less: sales returns	13,659	1	18,959	-
4190	Sales allowance	10,488	-	17,021	-
	Net operating revenue	<u>2,707,215</u>	<u>100</u>	<u>4,071,473</u>	<u>100</u>
5110	Cost of goods sold (Note 6 (5) (14))	<u>2,501,874</u>	<u>92</u>	<u>3,516,265</u>	<u>86</u>
	Gross Profit	<u>205,341</u>	<u>8</u>	<u>555,208</u>	<u>14</u>
	Operating expenses (Note 6 (5) (19) and 7)				
6100	Selling expenses	112,196	4	112,346	3
6200	Administrative expenses	109,712	4	123,858	3
	Net operating expenses	<u>221,908</u>	<u>8</u>	<u>236,204</u>	<u>6</u>
	Other income and expenses (Note 6 (6) (20) and 13)				
6511	Loss of disposal investment property	(48,642)	(2)	-	-
6514	Disposal of non-current assets held for sale	970,540	36	380,968	9
	Other income and expenses	<u>921,898</u>	<u>34</u>	<u>380,968</u>	<u>9</u>
	Net operating profit	<u>905,331</u>	<u>34</u>	<u>699,972</u>	<u>17</u>
	Non-operating income and expenses (Note 6 (5) (7) (10) (11) and 7):				
7100	Interest income	1,375	-	2,348	-
7010	Other income	68,798	3	25,132	-
7020	Other gains and losses	(35,130)	(1)	122,446	3
7050	Financial costs	(128,753)	(5)	(140,520)	(3)
7055	Impairment loss	-	-	(58,741)	(1)
7060	Share of profit or loss of associates and joint ventures accounted for using equity method	(1,334)	-	10	-
	Total non-operating revenue and expenses	<u>(95,044)</u>	<u>(3)</u>	<u>(49,325)</u>	<u>(1)</u>
	Profit before tax from continuing operations	<u>810,287</u>	<u>31</u>	<u>650,647</u>	<u>16</u>
7950	Less income tax expense (Note 6 (15))	<u>177,966</u>	<u>7</u>	<u>34,918</u>	<u>1</u>
8000	Net income from continuing operation	<u>632,321</u>	<u>24</u>	<u>615,729</u>	<u>15</u>
	Loss from discontinued operation (Note 6 (4) (6)):				
8100	New loss from discontinued operation	(75,635)	(3)	(45,044)	(1)
	Net income	<u>556,686</u>	<u>21</u>	<u>570,685</u>	<u>14</u>
8300	Other comprehensive income				
8310	Components of other comprehensive income that will not be 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	114,054	4	(42,451)	(1)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
		<u>114,054</u>	<u>4</u>	<u>(42,451)</u>	<u>(1)</u>
8300	Other comprehensive income	<u>114,054</u>	<u>4</u>	<u>(42,451)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 670,740</u>	<u>25</u>	<u>528,234</u>	<u>13</u>
	Profit, attributable to:				
	Profit (loss), attributable to owners of parent	\$ 644,257	24	230,303	6
8620	Profit(loss), attributable to non-controlling interests	(87,571)	(3)	340,382	8
		<u>\$ 556,686</u>	<u>21</u>	<u>570,685</u>	<u>14</u>
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 746,033	28	201,491	5
	Comprehensive income, attributable to non-controlling interests	(75,293)	(3)	326,743	8
		<u>\$ 670,740</u>	<u>25</u>	<u>528,234</u>	<u>13</u>
	Earnings(loss) per share (Note 6 (6) (17))				
	Basic earnings per share				
	From continuing operations	\$ 3.23		1.22	
	From discontinuing operations	(0.34)		(0.20)	
		<u>\$ 2.89</u>		<u>1.02</u>	
	Diluted earnings per share				
	From continuing operations	\$ 3.22		1.22	
	From discontinuing operations	(0.34)		(0.20)	
		<u>\$ 2.88</u>		<u>1.02</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 Statement of Change in Equity
For the years ended December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

	Equity attributable to shareholders of the Parent										
							Other equity items		Total equity attributable to owners of parent	Non-controlling interests	Total equity
							Unrealized gain or losses on FVTOCI				
	Share capital		Retained earnings				Financial assets	Treasury stock			
Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
January 1, 2019	\$ 3,016,476	367,960	139,741	4,425	1,034,855	1,179,021	7,873	(298,476)	4,272,854	2,944,591	7,217,445
Net income for the year	-	-	-	-	230,303	230,303	-	-	230,303	340,382	570,685
Other comprehensive income	-	-	-	-	-	-	(28,812)	-	(28,812)	(13,639)	(42,451)
Total comprehensive income	-	-	-	-	230,303	230,303	(28,812)	-	201,491	326,743	528,234
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	49,538	-	(49,538)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(361,977)	(361,977)	-	-	(361,977)	-	(361,977)
Reversal of special reserve	-	-	-	(4,425)	4,425	-	-	-	-	-	-
Subsidiary purchase parent’s shares as treasury stock	-	-	-	-	-	-	-	(26,204)	(26,204)	(34,606)	(60,810)
Dividends to subsidiary in adjusting capital surplus	-	41,356	-	-	-	-	-	-	41,356	50,088	91,444
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	1,409	-	-	-	-	-	-	1,409	(1,409)	-
Changes in ownership interests in subsidiaries	-	8,354	-	-	(3,708)	(3,708)	-	-	4,646	(4,646)	-
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(89,824)	(89,824)
Increase/ Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	84,910	84,910
December 31, 2019	3,016,476	419,079	189,279	-	854,360	1,043,639	(20,939)	(324,680)	4,133,575	3,275,847	7,409,422
Net income of the year	-	-	-	-	644,257	644,257	-	-	644,257	(87,571)	556,686
Other comprehensive income	-	-	-	-	-	-	101,776	-	101,776	12,278	114,054
Total comprehensive income	-	-	-	-	644,257	644,257	101,776	-	746,033	(75,293)	670,740
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	23,030	-	(23,030)	-	-	-	-	-	-
Special reserve	-	-	-	20,939	(20,939)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(301,648)	(301,648)	-	-	(301,648)	-	(301,648)
Subsidiary purchase parent’s shares as treasury stock	-	-	-	-	-	-	-	(783)	(783)	(864)	(1,647)
Dividends to subsidiary in adjusting capital surplus	-	37,779	-	-	-	-	-	-	37,779	-	37,779
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(75,217)	(75,217)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	5,871	-	-	-	-	-	-	5,871	(5,871)	-
Changes in ownership interests in subsidiaries	-	(4,523)	-	-	-	-	-	-	(4,523)	4,523	-
Increase/ Decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	23,769	23,769
Investments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	15,726	15,726	(15,726)	-	-	-	-
December 31, 2020	\$ 3,016,476	458,206	212,309	20,939	1,168,726	1,401,974	65,111	(325,463)	4,616,304	3,146,894	7,763,198

(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, 2020 and 2019

	In Thousands of New Taiwan Dollars	
	Year 2020	Year 2019
Cash flow from operating activities:		
Income from continuing operation before income tax	\$ 810,287	650,647
Loss from discontinued operation	<u>(75,635)</u>	<u>(45,044)</u>
Net income before income tax	734,652	605,603
Adjustment for :		
Income and expense		
Depreciation expense	142,898	160,448
Amortization expense	1,514	4,603
Expected credit impairment (reversal gains) losses	(378)	58,741
Interest expense	128,753	140,520
Interest income	(1,375)	(2,348)
Dividend income	(56,963)	(18,965)
Share of profit(loss) of associates and joint ventures accounted for using equity method	1,334	(10)
Loss (gain) on disposal of property, plant and equipment	5,406	(3,402)
Acquisitions of investment property loss	48,642	-
Disposal of non-current assets held for sale	(970,540)	(380,968)
Impairment loss (reversal of impairment loss) on non-financial assets	45,262	(90,000)
Valuation gain on financial assets	(66,740)	(49,554)
Loss of determination of lease	22	13,056
Rental income	(897)	(959)
Total income and expense	<u>(723,062)</u>	<u>(168,838)</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	(368,201)	(54,212)
Note receivable	57,605	92,913
Account receivable	46,308	(3,468)
Inventories	259,172	19,631
Prepayment	(42,092)	23,057
Other current assets	(16,159)	(5,020)
Other financial assets	(36,461)	4,814
Total Net changes in operating assets	<u>(99,828)</u>	<u>77,715</u>
Net changes in operating liabilities		
Contract liabilities	31,332	(19,699)
Note payable	4,138	(5,986)
Account payable	(3,494)	(225,335)
Other payable	(27,129)	(22,338)
Other current liabilities	(3,944)	5,374
Total net changes in operating liabilities	<u>903</u>	<u>(267,984)</u>
Total Net changes in operating assets and liabilities	<u>(98,925)</u>	<u>(190,269)</u>
Total adjustment	<u>(821,987)</u>	<u>(359,107)</u>
Net cash generated (used) by operating activities	(87,335)	246,496
Interest received	1,375	2,348
Dividend received	56,963	18,965
Interest paid	(125,934)	(142,621)
Income taxes paid	(169,529)	(66,256)
Net cash generated (used) by operating activities	<u>(324,460)</u>	<u>58,932</u>

Yi Jinn Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2020 and 2019

In Thousands of New Taiwan Dollars

Cash flows from investing activities :

Disposal of investments accounted for using equity method	10,451	-
Acquisition of Fair value through profit or loss financial assets.	-	(10,030)
FVTPL financial assets		
Disposal of Fair value through profit or loss financial assets. FVTPL financial assets	-	66,890
Disposal of non-current assets held for sale	3,071,132	492,508
Acquisition of property, plant and equipment	(113,087)	(117,788)
disposal of property, plant and equipment	12,793	13,710
Acquisition of investment property	(1,867,673)	(1,262,870)
Increase/Decrease in other financial assets	3,621	(2)
Increase in other noncurrent asset	(7,744)	(384,395)
Net cash generated (used) in investing activities	<u>1,109,493</u>	<u>(1,201,977)</u>

Cash flows from financing activities:

Increase(decrease) in short-term loans	(807,481)	711,504
Proceeds for long-term debt	2,617,480	2,485,300
Repayments of long-term debt	(2,373,750)	(1,590,448)
Increase in deposits received	61,658	32,030
Cash dividends paid	(263,869)	(270,533)
Cash Dividends contributes by subsidiaries	(75,217)	(89,824)
Cost of treasury stock acquired	(1,647)	(60,810)
Increase in non-controlling interests	23,769	50,000
Disposal of subsidiaries shares (without losing control)	-	34,910
Net cash generated (used) in financing activities	<u>(819,057)</u>	<u>1,302,129</u>
Net increase (decrease) in cash and cash equivalents	(34,024)	159,084
Cash and cash equivalents, beginning of period	513,740	354,656
Cash and cash equivalents, end of period	<u><u>\$ 479,716</u></u>	<u><u>513,740</u></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

Comparison of Amendment of “Articles of Incorporation”

Amended articles	Current articles	Revising reason
<p>Article 26: The fiscal year of the Company is from January 1 to December 31. As the end of each fiscal year, board of directors shall prepare the following statements and records not later than the 30th day prior to the meeting date of a regular meeting of shareholders, and report for the approval of a regular meeting of shareholders.</p> <p>(1) The business report (2) The financial statements (3) The surplus earning distribution or loss off-setting proposals.</p>	<p>Article 26: The fiscal year of the Company is from January 1 to December 31. As the end of each fiscal year, board of directors shall prepare the following statements and records not later than the 30th day prior to the meeting date of a regular meeting of shareholders, and report for the approval of a regular meeting of shareholders.</p> <p>(1) The business report (2) The financial statements (3) The surplus earning distribution or loss off-setting proposals.</p> <p>The Company's earning distribution or loss off-setting proposals can be made after the end of every half fiscal year. distribution or loss off-setting proposals mentioned in the preceding paragraph, shall be submitted with the business report and the financial statements to Audit Committee for audit, then reported to board of directors for approval.</p>	Revised as the actual operating needs.
<p>Article 30: The Company's Article of Incorporation was established on March 8, 1981.</p> <p>The 1st amendment was made on August 21, 1981.</p> <p>The 2nd amendment was made on August 17, 1983.</p> <p>The 3rd amendment was made on May 6, 1985.</p> <p>The 4th amendment was made on August 28, 1987.</p> <p>The 5th amendment was made on October 9, 1989.</p> <p>The 6th amendment was made on December 15, 1990.</p> <p>The 7th amendment was made on September 26, 1991.</p> <p>The 8th amendment was made on October 29, 1991.</p> <p>The 9th amendment was made on June 20,</p>	<p>Article 30: The Company's Article of Incorporation was established on March 8, 1981.</p> <p>The 1st amendment was made on August 21, 1981.</p> <p>The 2nd amendment was made on August 17, 1983.</p> <p>The 3rd amendment was made on May 6, 1985.</p> <p>The 4th amendment was made on August 28, 1987.</p> <p>The 5th amendment was made on October 9, 1989.</p> <p>The 6th amendment was made on December 15, 1990.</p> <p>The 7th amendment was made on September 26, 1991.</p> <p>The 8th amendment was made on October 29, 1991.</p> <p>The 9th amendment was made on June 20,</p>	Amended times and dates.

<p>1992.</p> <p>The 10th amendment was made on November 7, 1992.</p> <p>The 11th amendment was made on April 4, 1993.</p> <p>The 12th amendment was made on May 22, 1995.</p> <p>The 13th amendment was made on May 7, 1997.</p> <p>The 14th amendment was made on May 12, 1998.</p> <p>The 15th amendment was made on May 27, 1999.</p> <p>The 16th amendment was made on May 22, 1999.</p> <p>The 17th amendment was made on June 12, 2002.</p> <p>The 18th amendment was made on June 10, 2005.</p> <p>The 19th amendment was made on June 9, 2006.</p> <p>The 20th amendment was made on June 4, 2010.</p> <p>The 21st amendment was made on June 10, 2011.</p> <p>The 22nd amendment was made on June 8, 2012.</p> <p>The 23rd amendment was made on June 11, 2013.</p> <p>The 24th amendment was made on May 30, 2014.</p> <p>The 25th amendment was made on June 24, 2016.</p> <p>The 26th amendment was made on June 1, 2018.</p> <p>The 27th amendment was made on June 6, 2019.</p> <p>The 28th amendment was made on June 11, 2020.</p> <p><u>The 29th amendment was made on June 29, 2021.</u></p>	<p>1992.</p> <p>The 10th amendment was made on November 7, 1992.</p> <p>The 11th amendment was made on April 4, 1993.</p> <p>The 12th amendment was made on May 22, 1995.</p> <p>The 13th amendment was made on May 7, 1997.</p> <p>The 14th amendment was made on May 12, 1998.</p> <p>The 15th amendment was made on May 27, 1999.</p> <p>The 16th amendment was made on May 22, 1999.</p> <p>The 17th amendment was made on June 12, 2002.</p> <p>The 18th amendment was made on June 10, 2005.</p> <p>The 19th amendment was made on June 9, 2006.</p> <p>The 20th amendment was made on June 4, 2010.</p> <p>The 21st amendment was made on June 10, 2011.</p> <p>The 22nd amendment was made on June 8, 2012.</p> <p>The 23rd amendment was made on June 11, 2013.</p> <p>The 24th amendment was made on May 30, 2014.</p> <p>The 25th amendment was made on June 24, 2016.</p> <p>The 26th amendment was made on June 1, 2018.</p> <p>The 27th amendment was made on June 6, 2019.</p> <p>The 28th amendment was made on June 11, 2020.</p>	
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YI JINN INDUSTRIAL CO.,LTD

Comparison of Amendment of “Regulations of Directors Election”

Amended articles	Current articles	Revising reason
3. <u>The authorized conveners of a shareholders’ meeting</u> shall prepare pre-printed ballots, the quantity is same as the number of elected directors, and add his/her voting rights, distribute to the attending shareholders of a shareholders’ meeting, <u>register of electors, may be replaced by the attending card number on the ballots.</u>	3. Board of Directors shall prepare pre-printed ballots, the quantity is same as the number of elected directors, and add his/her voting rights, distribute to the attending shareholders of a shareholders’ meeting,	Revised as the actual needs.
4. Before the election begins, vote monitoring and counting personnel <u>are shareholders</u> for the voting on a proposal shall be appointed by the chair for acting the related duties.	4. Before the election begins, vote monitoring and counting personnel for the voting on a proposal shall be appointed by the chair for acting the related duties.	Revised as the actual needs.
5. For the election of directors, the ballot box shall be set by <u>the authorized conveners of a shareholders’ meeting</u> , and opening and examining the ballot box the ballots shall be made by the monitoring personnel in public before voting.	5. For the election of directors, the ballot box shall be set by board of directors , and opening and examining the ballot box the ballots shall be made by the monitoring personnel in public before voting.	Revised as the actual needs.
	6. When the elected is shareholder, the elected shall fill in the name and shareholder’s account number in the column of “the elected” on the ballots; if he/she is not a shareholder, the name and I.D. number of the elected shall be filled in. However, when the government or a juristic shareholder is the elected, the column of the elected name on the ballots shall be filled in the name of the government or a juristic person, or filled in the name of the government or a juristic person and its representative’s name; if there are some representatives, the representatives’ names shall be separately filled in.	Deleted
<u>6.</u> When any of the following circumstances is satisfied, the ballots	<u>7.</u> When any of the following circumstances is satisfied, the	Revised and

<p>shall be null and void:</p> <p>(1) Non ballots prepared by <u>the authorized conveners</u> are used.</p> <p>(2) The blank ballots were thrown in the ballots box.</p> <p>(3) The illegible handwriting or altered.</p> <p>(4) The filled elected is approved discrepancy with <u>the director candidates list</u>.</p> <p>(5) Except <u>the distributed numbers of votes</u>, mixed with other texts.</p>	<p>ballots shall be null and void:</p> <p>(1) The ballots prepared by the regulations are not used.</p> <p>(2) The blank ballots were thrown in the ballots box.</p> <p>(3) The illegible handwriting or altered.</p> <p>(4) When the filled elected is shareholder, his/her account name and shareholder's account number are discrepant; if the filled elected is a shareholder, his/her name and I.D. number are approved discrepancy.</p> <p>(5) Except the account name (name) of the filled elected or his/her account number (I.D. number), and the distributed numbers of votes, mixed with other texts.</p> <p>(6) The account name (name) of the elected or a shareholder's number (I.D. number) was not filled.</p> <p>(7) Two or more elected are filled in the same ballot.</p>	<p>adjusted the order of the clauses as the actual needs.</p>
<p>7. The election of the Company's directors shall be considered the overall configuration of board of directors. The composition of board of directors members shall be considered the diversification, and according to its operation, the operation type and development demand, programed to establish a proper diversification policy, and properly included, but not limited to the standard of the following two aspects:</p> <p>(1) The basic conditions and values: gender, age, nationality and culture, etc.</p> <p>(2) Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.</p> <p>The Company's directors separately calculate the voting rights of independent directors and non-independent directors in accordance with Articles of Incorporation, more numbers of votes with which they</p>	<p>8. The election of the Company's directors shall be considered the overall configuration of board of directors. The composition of board of directors members shall be considered the diversification, and according to its operation, the operation type and development demand, programed to establish a proper diversification policy, and properly included, but not limited to the standard of the following two aspects:</p> <p>1. (1) The basic conditions and values: gender, age, nationality and culture, etc.</p> <p>(2) Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.</p> <p>The Company's directors separately calculate the voting</p>	<p>Revised and adjusted the order of the clauses as the actual needs.</p>

<p>were elected are elected in order. When two or more people gained the same number of votes and exceeded the number of people assigned, shall be determined by drawing lots of the people who gained the same number of votes, the chair shall represent non attendant people to draw lots.</p> <p>A majority of seats should be provided among the directors, and shall not be the spouse, a blood relative within the second degree of kinship of a director.</p>	<p>rights of independent directors and non-independent directors in accordance with Articles of Incorporation, more numbers of votes with which they were elected are elected in order. When two or more people gained the same number of votes and more than the number of people assigned, shall be determined by drawing lots of the people who gained the same number of votes, the chair shall represent non attendant people to draw lots.</p> <p><u>A majority of seats</u> should be provided among the directors, and shall not be the spouse, a blood relative within the second degree of kinship of a director.</p>	
<p><u>8.</u> The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.</p>	<p>9. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.</p>	<p>Adjusted the order of the clauses.</p>
<p><u>9.</u> Not provided matters in the regulations shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and related decrees.</p>	<p>10. Not provided matters in the regulations shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and related decrees.</p>	<p>Adjusted the order of the clauses.</p>
<p><u>10.</u> The regulations, and any amendments hereto, shall be implemented after approved by a shareholders meeting.</p>	<p>11. The regulations, and any amendments hereto, shall be implemented after approved by a shareholders meeting.</p>	<p>Adjusted the order of the clauses.</p>

YI JINN INDUSTRIAL CO.,LTD

The Director Candidates List

Proposed by board of directors

Candidate type	Name	Shareholding number	Education/work experience
Director	Chan, Cheng-Tien	25,010,494	Graduated from the high school. Chairman of Hung Chou Fiber Industry Co., Ltd. Chairman of Kwang Ming Silk Mill Co., Ltd. Independent director of Oriental Union Chemical Corp. Chairman of Taiwan Textile Federation
Director	Cheng, Yu-Jing	2,053,074	Graduated from the university. Director of Hung Chou Fiber Industry Co., Ltd. Director of Kwang Ming Silk Mill Co., Ltd.
Director	Chan, Yi-Chin	2,916,961	Graduated from the university. Director of Hung Chou Fiber Industry Co., Ltd. Supervisor of Kwang Ming Silk Mill Co., Ltd.
Director	Chen, Meng-Wu	0	Graduated from the graduate school. Chairman of Small & Medium Enterprise Research Foundation R.O.C. Chief operating officer of Deloitte Taiwan
Director	Weng, Mao-Cheng	480,343	Graduated from the university. General manager of Yi Jinn Industrial Co., Ltd.
Director	Lai, Yu-Min	492,916	Graduated from the two-year junior college. Vice general manager of Yi Jinn Industrial Co., Ltd.
Independent director	Lai, Sun-Quae	0	Master's degree of Graduate School of Business Administration, Indiana University of Pennsylvania Chairman of CSBC Corporation, Taiwan Director of Small & Medium Enterprise Administration, Ministry of Economic Affairs Chairman of Chairman of Chung Yueh Technology Co., Ltd.
Independent director	Huang, Tien-Chang	0	Master's degree of Graduate School of Finance and Taxation, National Chengchi University Chairman of Taiwan Business Bank Chairman of Trust Association of R.O.C. Managing independent director of Mega International Commercial Bank
Independent	Chen, Shiou-	0	Department of Business Administration, Feng

director	Chung		Chia University Chairman of Tah Tong Textile Co., Ltd. Managing director of Taiwan Spinner's Association Managing director of Taiwan Textile Federation Director of Taiwan Textile Research Institute Industry & Economics consultant of Chinese National Federation of Industries
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YI JINN INDUSTRIAL CO, LTD.

Articles of Incorporation

Chapter 1. General Provision

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

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

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

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

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

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

Chapter 2. Shares

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

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

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

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

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

Chapter 3. Shareholders' meeting

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

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

Article 11: In case a director appoints another director to attend a meeting of the board of directors in his/her behalf, he/she shall, in each time, issue a written proxy stating therein the scope of authority in accordance with Article 177 of the Company Act and Article 25-1 of Securities and

Exchange Act, authorize the proxy to attend, and related use matters shall be handled in accordance with Regulations Governing the Use of Proxies for Attendance at Shareholder Meetings of Public Companies.

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

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

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

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

Chapter 4. Directors and Audit Committee

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

The total number of shareholders of registered share certificates held by the Company's all directors shall not be less than a certain ratio of the total number of the Company's shares, two persons, his/her share

ownership ratios, audit and exercise shall be handled in accordance with Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies.

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

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

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

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

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

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

Article 20: Board of directors was organized by directors, adopted by a majority vote

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

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

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

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

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

Article 23: Deleted.

Article 24: Deleted.

Chapter 5. Managerial Officer

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

removal, and remuneration shall be handed in accordance with the Company Act.

Chapter 6. Accounting

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

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

The Company's surplus earning distribution or loss off-setting proposal may be proposed at the close of each half fiscal year.

The proposal of surplus earning distribution or loss off-setting mention in the preceding paragraph, together with the business report and financial statements, shall be forwarded to the audit committee for audit, and afterwards be submitted to the board of directors for approval.

Article 27: When the Company has profits, shall allocate not less than 0.5% as employees' remuneration, not more than 2% as directors' remuneration. However, the company's accumulated losses shall have been covered. Employees' remuneration mentioned in the preceding paragraph may be distributed in the form of shares or in cash, its distributed subjects shall include employees of a subordinate company complied with certain conditions. Directors' remuneration mentioned in the preceding paragraph may be distributed in cash only.

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

Article 27-1: When there's net income in the Company's annual accounts of each year, accumulated deficits shall be covered, allocated 10% as legal reserve, and then allocation or reversal for special reserve shall be handled in accordance with the decrees or regulations of the competent authority. In respect of its balance , together with beginning undistributed earnings, board of directors shall draw the proposal of earnings distribution, and submit to a shareholders' meeting for approval of shareholders' dividends distribution.

The Company's distribution of dividends and bonus, or all or part of legal reserve and capital reserve shall be distributed in cash, board of

directors shall be authorized to act by a resolution by a majority voting of the directors present at a meeting of its board of directors attended by two-thirds of the directors of the company, and reported to a shareholders' meeting.

The Company's dividend policy, was along with the current and further development plan, considered the investment environment, capital needs and domestic and overseas competition situations, and to take shareholder's equity into account and the Company's development, when shareholder's dividends were distributed by the resolution of a shareholders' meeting, distributed cash dividends shall not be less than 10%, the remaining shall be distributed by stock dividends.

Chapter 7. Supplemental Provisions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The 22nd amendment was made on June 8, 2012.
The 23rd amendment was made on June 11, 2013.
The 24th amendment was made on May 30, 2014.
The 25th amendment was made on June 24, 2016.
The 26th amendment was made on June 1, 2018.
The 27th amendment was made on June 6, 2019.
The 28th amendment was made on June 11, 2020.

YI JINN INDUSTRIAL CO.,LTD
Chairman: Chan, Cheng-Tien

YI JINN INDUSTRIAL CO.,LTD
Regulations of Directors Election

1. The election of the Company's directors shall be handled in accordance with the rules.
2. The election of the Company's directors shall be adopted a cumulative voting system, the number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates.
3. Board of directors shall prepare the number of ballots with same quantity as the number of directors, also add his/her right number, and distribute to shareholders attending the shareholders' meeting.
4. Before the election begins, several vote monitoring and counting persons for the voting on a proposal shall be appointed by the chair for acting the related duties..
5. For the election of the Company's directors, the ballot box shall be prepared by board of directors, and opening and examining the ballot box the ballots shall be made by the monitoring personnel in public.
6. When the elected is a shareholder, the elected shall fill in the name and shareholder's account number in the column of "the elected" on the ballots; if he/she is not a shareholder, the name and I.D. number of the elected shall be filled in. However, when the government or a juristic shareholder is the elected, the column of the elected name on the ballots shall be filled in the name of the government or a juristic person, or filled in the name of the government or a juristic person and its representative's name; if there are some representatives, the representatives' names shall be separately filled in.
7. When any of the following circumstances is satisfied, the ballots shall be null and void:
 - (1) Non ballots prepared in accordance with the regulations are used.
 - (2) The blank ballots thrown in the ballots box.
 - (3) The illegible handwriting or altered.
 - (4) When the filled elected is a shareholder, his/her account name and

- shareholder's account number are discrepant; if the filled elected not a shareholder, his/her name and I.D. number are approved discrepancy.
- (5) Except the account name (name) of the filled elected or his/her account number (I.D. number), and the distributed numbers of votes, mixed with other texts.
 - (6) The account name (name) of the elected or a shareholder's number (I.D. number) was not filled.
 - (7) Two or more elected were filled in the same ballot.
8. The election of the Company's directors shall be considered the overall configuration of board of directors. The composition of board of director's members shall be considered the diversification, and according to its operation, the operation type and development demand, programed to establish a proper diversification policy, and properly included, but not limited to the standard of the following two aspects:
- (1) The basic conditions and values: gender, age, nationality and culture, etc.
 - (2) Professional knowledge and skills: professional background (e.g. law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, etc.
- The Company's directors separately calculate the voting rights of independent directors and non-independent directors in accordance with Articles of Incorporation, more numbers of votes with which they were elected are elected in order. When two or more people gained the same number of votes and exceeded the number of people assigned, shall be determined by drawing lots of the people who gained the same number of votes, the chair shall represent non attendant people to draw lots.
- A majority of seats should be provided among the directors, and shall not be the spouse, a blood relative within the second degree of kinship of a director.
9. The voting rights shall be calculated on site immediately after the end of the poll, and the results of the calculation, shall be announced by the chair on the site.
10. Not provided matters in the regulations shall be handled in accordance with the Company Act, the Company's Articles of Incorporation and related decrees.
11. The regulations, and any amendments hereto, shall be implemented after approved by a shareholders meeting.

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

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

preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted pursuant to Article 175, paragraph 1 of the Company Act, the chair may resubmit the tentative resolution for a vote by the shareholders' meeting pursuant to Article 174 of the Company Act.

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

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

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

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

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

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

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

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

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

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

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

Title	Name	Book closure date (May 1, 2021) Shareholding number registered in the shareholders roster	Shareholding ratio
Chairman	Chan, Cheng-Tien	25,010,494	8.29%
Director	Chan, Yi-Chin	2,916,961	0.97%
Director	Chen, Meng-Wu	0	0.00%
Director	Weng, Mao-Cheng	480,343	0.16%
Director	Yu-Jing	2,053,074	0.68%
Director	Lai, Yu-Min	492,916	0.16%
Independent director	Lai, Sun-Quae	0	0%
Independent director	Huang, Tien-Chang	0	0%
Independent director	Chen, Shiou-Chung	0	0%
Sum	9 seats of directors	30,953,788	10.26%