

Stock code : 1457



YI JINN INDUSTRIAL CO., LTD

2022 Annual Shareholders' Meeting Meeting Agenda

Date of meeting: June 24, 2022 (Friday), 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 2022 Annual Shareholders' Meeting

Convening method of shareholders' meeting: physical shareholders' meeting

Date of meeting: June 24, 2022 (Friday), 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) 2021 Business Report
 - (2) 2021 Annual final accounting books and statements audited b by
audit committee
 - (3) 2021 Employees 'and Directors 'Remuneration Allocation
Report
 - (4) 2021 Earnings and Capital Reserve Distribution by Cash Report
- IV. Acknowledged Matters
 - Proposals of 2021 Business Report, Financial Statements, and
Earnings Distribution
- V. Matters for Discussion
 - Amendment of "Procedures for Acquisition or Disposal of Assets"
- VI. Extemporary Motions
- VII. Adjournment

Reported Matters

ONE

Proposal: 2021 Business Report, for your approval

Explanation:

The Company's business report for 2021, please refer to P.3 of the agenda.

TWO

Proposal: 2021 Annual final accounting books and statements audited by audit committee, for your approval

Explanation:

Audit Committee's Auditor's report, please refer to P.4 of the agenda

THREE

Proposal: 2021 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 2021 deducted the allocation of employees' and directors' remuneration, the profit was NT\$ 216,255,939, the appropriation was not less than 0.5% as employee's remuneration, the amount was NT\$ 1,156,538, and it was not higher than 2% of directors' remuneration, the amount was NT\$ 4,303,493, both were paid in cash, and there was no difference in recognizing estimated amount.

FOUR

Proposal: 2021 Earnings and capital reserve distribution by cash report, for your approval.

Explanation:

1. The Company's board of directors made a resolution that appropriated shareholder's cash dividend was NT\$ 180,988,584 from distributable earning of year 2021, it was NT\$ 0.6 per share, and the capital reserve of overage received by issued shares exceeding the denomination was NT\$ 120,659,056, and it was paid by cash, and it was NT\$ 0.4 per share, shares held by shareholders were specified in the roster of shareholders in accordance with ex-dividend date, the cash dividend was NT\$ 1 per share, and the cash dividends shall be calculated to dollar (amounts of less than NT\$ 1.00 unconditionally rounded down), the fractional sum of less than NT\$ 1.00, decimal point numbers shall be adjusted by descending order, and account numbers shall be adjusted in sequence, to meet the cash dividends total.
2. Chairman authorized by this proposal shall additionally set ex-dividend date, payment date and other relevant matters, if the number of the Company's outstanding common stocks changes afterward, and it causes that payout ratio is needed to adjusted, the chairman will be authorized to conduct with full discretion.

YI JINN INDUSTRIAL CO., LTD

2021 Business Report

To face the tendency of the global competition and the regional integration, RCEP will re-mould the pattern of APEC, and it's also an opportunity for Taiwan. Textile industry of Taiwan already continued to drive the expansion of upstream, midstream and downstream vertical integration and the horizontal value chain, and integrated the diversity of market analysis design, purchase, material development and quick proofing, etc.; meanwhile, the industry continued to configure the commodity overseas, remained the high-end functional production line and the center of R&D and operation in Taiwan, utilized OBM model to coordinate the complementarity of the supply chain from Southeast Asia for consolidating the complete supply chain of textile industry, and increased the production efficiency, and drove value-added and growing gross profit margin with the reallocation of the productivity in various regions.

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

(1) Practice results of the business plan:

In the fiscal year of 2021, the Company's consolidated operating revenue was NT\$ 4,146,179 thousand, consolidated operating cost was NT\$ 3,590,229 thousand, consolidated operating margin was NT\$ 555,950 thousand, the gross margin was 13%, consolidated operating expenses was NT\$ 225,923 thousand, consolidated operating net profit was NT\$330,027 thousand, and consolidated net income was NT\$ 366,132 thousand.

(2) Budget implementation: there's no budget information reported by the Company in 2021.

(3) Financial receipts and expenditures and profitability analysis:

Unit: NT\$1,000

Item		2020	2021
Financial receipts and expenditures	Operating revenue	2,707,215	4,146,179
	Operating costs	2,501,874	3,590,229
	Income from continuing operations before income tax	810,287	396,685
	Net profit after tax	556,686	366,132
Profitability	Return on assets (%)	3.67	2.57
	Return on equity (%)	7.34	4.68
	Pre-tax net profit to paid-in capital ratio (%)	26.86	13.15
	Net profit rate (%)	20.56	8.83
	Earnings per share (dollar)	2.89	0.90

(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 2021, 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

2022 Annual Shareholders' Meeting of YI JINN INDUSTRIAL CO., LTD

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

March 23, 2022

Acknowledged Matters

Proposed by board of directors

Proposal: 2021 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 2021 (included consolidated financial statements, please refer to P.8-P.27 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) 2021 business report of the Company, please refer to P.3 of the meeting agenda.

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

YI JINN INDUSTRIAL CO.,LTD 2021 Profit Distributio

Unit: NTD

Beginning of period undistributed earnings	822,018,816
Add: net profit after tax of the fiscal year	200,603,325
Subtotal:	1,022,622,141
Minus: designated 10% legal reserve	(20,060,333)
Distributable earnings subtotal of the fiscal year	1,002,561,808
Minus: shareholders' cash dividends of the year 2020 (NT\$0.5 per share)	(180,988,584)
End of term undistributed earnings	821,573,224
Note: undistributed profit of the year 2021 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

Proposed by board of directors

ONE

Proposal: Amendment of the Company's "Procedures for Acquisition or Disposal of Assets", for your discussion.

Explanation: according to the amendments of the decree, drafted to amend part of articles of Procedures for Acquisition or Disposal of Assets, and the comparison of the amended articles, please refer to P.28 of attachment 2 of the agenda.

Resolution:

Extemporaneous Motions

Adjournment

Attachments

Attachment 1: 2021 Financial Statements

Attachment 2: Comparison of amendment of “Procedures for Acquisition
or Disposal of Assets”

Attachment 3: The Company’s Article of Incorporation

Attachment 4: The Company’s Rules of Procedure for Shareholders
Meetings

Attachment 5: The Company’s shareholding of all Directors

Independent Auditors' Report

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

Opinion

We have audited the accompanying parent company only financial statements of Yi Jinn Industrial Co., Ltd., (the “company”) which comprise the parent company only balance sheet as of December 31, 2021 and 2020, and parent company only statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2021 and 2020, 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, 2021 and 2020, 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, 2021. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the company's parent company only financial statements for the year ended December 31, 2021 are stated as follows:

1. Revenue recognition

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

Description of the key audit matters:

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

According to the auditing procedure:

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

Industrial Co., Ltd., was in accordance with the relevant standards.

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

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned

scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

Auditors: CHANG, SHU-YING
 CHIH, SHIH-CHIN

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

March 23, 2022

Yi Jinn Industrial Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Assets		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current Assets :					
1100	Cash and cash equivalent (Note 6 (1))	\$ 130,547	2	145,998	2
1110	Financial assets at fair value through profit or loss - current(Note 6 (2))	305,229	4	401,766	5
1150	Notes receivable, net (Note 6 (4) and (18))	4,085	-	4,479	-
1170	Accounts receivables, net (Note 6 (4) and (18))	150,466	2	282,458	4
1200	Other receivables (Note 6 (5) and 7)	4,162	-	5,858	-
1310	Inventories – manufacturing (Note 6 (6))	89,976	1	49,257	1
1410	Prepayments	627	-	3,950	-
1476	Other financial assets – current	3,093	-	14,646	-
1470	Other current assets	32,895	-	15,229	-
Total current assets		721,080	9	923,641	12
Non-current assets :					
1551	Investments accounted for using equity method (Note 6 (8))	2,235,253	26	2149,321	27
1517	Financial assets at fair value through other comprehensive income – non-current (Note 6 (3))	445,593	5	421,194	5
1600	Property, plant and equipment (Note 6 (9))	39,112	-	40,564	-
1760	Investment property, net (Note 6 (10) and 8)	5,086,944	59	4,145,826	52
1840	Deferred tax assets (Note 6 (15))	28,469	-	28,469	-
1980	Other financial assets – non-current	484	-	484	-
1990	Other non-current assets – other (Note 6(11) and 9)	92,693	1	285,540	4
Total non-current assets		7,928,548	91	7,071,398	88
Total		\$ 8,649,628	100	7,995,039	100

Yi Jinn Industrial Co., Ltd.
Parent Company Only Balance Sheet
December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and equity					
Current liabilities					
2100	Short-term loans (Note 6 (12))	\$ 708,000	8	440,000	6
2130	Contract liability – current (Note 6 (18))	3,221	-	2,553	-
2150	Notes payable	35,087	-	39,469	-
2171	Accounts payable (Note 7)	33,315	-	88,485	1
2200	Other payable (Note 6 (19))	24,240	-	24,601	-
2230	Tax liabilities of the period (Note 6 (15))	10,193	-	-	-
2322	Long-term borrowings-current portion (Note 6 (13))	44,383	1	206,738	3
2399	Other current liabilities – other	693	-	1,581	-
Total current liabilities		<u>859,132</u>	<u>9</u>	<u>803,427</u>	<u>10</u>
Non-current liabilities					
2540	Long-term loans (Note 6 (13))	3,158,039	37	2,515,422	31
2645	Guarantee deposits (Note 9)	47,647	1	59,886	1
Total non-current liabilities		<u>3,205,686</u>	<u>38</u>	<u>2,575,308</u>	<u>32</u>
Total liabilities		<u>4,064,818</u>	<u>47</u>	<u>3,378,735</u>	<u>42</u>
Equity (Note 6 (16))					
3110	Common Stock	3,016,476	35	3,016,476	38
3200	Capital Reserve	500,655	6	458,206	6
3300	Retained Earnings	1,300,929	15	1,401,974	17
3490	Other interest	110,953	1	65,111	1
3500	Treasury Stock	(344,203)	(4)	(325,463)	(4)
Total equity		<u>4,584,810</u>	<u>53</u>	<u>4,616,304</u>	<u>58</u>
Total liabilities and equity		<u>\$ 8,649,628</u>	<u>100</u>	<u>7,995,039</u>	<u>100</u>

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, 2021 and 2020

In Thousands of New Taiwan Dollars

		Year 2021		Year 2020	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 771,501	101	815,566	101
4170	Less: Sales returns	17	-	56	-
4190	Sales allowance	7,560	1	7,918	1
	Net Operating Revenue	763,924	100	807,592	100
5110	Cost of goods sold (Note 6 (6) and 7)	592,314	78	617,973	77
	Gross Profit	171,610	22	198,619	23
	Operating Expenses (Note 6 (19) and 7):				
6100	Selling expenses	44,525	6	40,124	5
6200	Administrative expenses	39,875	5	55,178	7
	Net operating expenses	84,400	11	95,302	12
	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	87,210	11	1,067,447	131
	Non-operating income and expenses (Note 6 (10) (21)):				
7010	Other income	19,371	2	7,371	1
7020	Other gains and losses	38,415	5	(31,021)	(4)
7050	Financial costs	(45,466)	(6)	(43,299)	(5)
7070	Share of profit or loss of associates and joint ventures accounted for using equity method	111,566	15	(117,433)	(15)
	Total non-operating revenue and expenses	123,586	16	(184,382)	(23)
	Profit before tax from continuing operations	210,796	27	883,065	108
7950	Less: income tax expense (Note 6 (15))	10,193	1	163,173	20
8000	Income from continuing operation	200,603	26	719,892	88
	Income(loss) from discontinued operation:				
8100	Loss from discontinued operation (Note 6 (4) (6) (7))	-	-	(75,635)	(9)
8200	Net income	200,603	26	644,257	79
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	24,399	3	91,053	11
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.	21,443	3	10,723	1
8349	Less: income tax related to components of other comprehensive income that will not be classified to profit or loss	-	-	-	-
8300	Other comprehensive income	45,842	6	101,776	12
	Total comprehensive income	\$ 246,445	32	746,033	91
	Basic earnings per share (in dollar) (Note 6 (7) (17))				
	From continuing operations	\$	0.90		3.23
	From discontinued operations	-			(0.34)
		\$ 0.90			2.89
	Diluted earnings per share (in dollar)				
	From continuing operations	\$	0.90		3.22
	From discontinued operations	-			(0.34)
		\$ 0.90			2.88

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, 2021 and 2020

	In Thousands of New Taiwan Dollard								
							Other equity items		
							Unrealized gain or losses on FVTOCI		
	Retained Earnings								
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Undistributed retained earnings	Total	financial assets	Treasury Stock	Total Equity
Balance at January 1 2020	\$ 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)
nvestments in equity instruments measured at fair value through other comprehensive income	-	-	-	-	15,726	15,726	(15,726)	-	-
Balance at 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
Net income for the year	-	-	-	-	200,603	200,603	-	-	200,603
Other comprehensive income	-	-	-	-	-	-	45,842	-	45,842
Total comprehensive income	-	-	-	-	200,603	200,603	45,842	-	246,445
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	65,999	-	(65,999)	-	-	-	-
Cash dividends of preferred stock	-	-	-	-	(301,648)	(301,648)	-	-	(301,648)
Special surplus reserve reversal	-	-	-	(20,939)	20,939	-	-	-	-
Subsidiary purchase parent’s shares as treasury stock	-	-	-	-	-	-	-	(850)	(850)
Dividends to subsidiary in adjusting capital surplus	-	36,426	-	-	-	-	-	-	36,426
Difference between consideration and carrying amount of Subsidiaries acquired or disposed	-	5,368	-	-	-	-	-	7,079	12,447
Changes in ownership interests in Subsidiaries	-	655	-	-	-	-	-	(24,969)	(24,314)
Balance at December 31, 2021	\$ 3,016,476	500,655	278,308	-	1,022,621	1,300,929	110,953	(344,203)	4,584,810

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, 2021 and 2020

In Thousands of New Taiwan Dollars

	Year 2021	Year 2020
Cash flow from operating activities:		
Income from continuing operation before income tax	\$ 210,796	883,065
Loss from discontinued operation	-	(75,635)
Net income before income tax	210,796	807,430
Adjustment for:		
Income and expense		
Depreciation expense	28,037	16,014
Amortization expense	-	944
Expected credit impairment (reversal gains) losses	-	(378)
Valuation gain on financial investments	(49,969)	(46,441)
Interest expense	45,766	43,299
Interest income	(36)	(23)
Dividend income	(17,013)	(5,181)
Share of profit(loss) of associates and joint ventures accounted for using equity method	(111,566)	117,433
Loss on disposal of property, plant and equipment	122	5,893
Disposal of non-current interests held for sale	-	(973,130)
Impairment loss on non-financial assets	-	45,262
Total adjustments to reconcile profit (loss)	(104,749)	(796,308)
Changes in operating assets and liabilities		
Changes in operating assets:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	146,506	(300,543)
Notes receivable	394	25,763
Accounts receivable	131,992	50,477
Another receivable	1,696	(4,732)
Current inventories	(40,719)	203,413
Prepayments	3,323	(1,726)
Other current assets	(17,666)	(14,742)
Other financial assets	11,553	(13,330)
Total changes in operating assets	237,079	(55,420)
Changes in operating liabilities:		
Contract liabilities	668	2,376
Notes payable	(4,382)	3,279
Accounts payable	(55,170)	35,025
Other payable	(1,410)	(43,285)
Other current liabilities	(888)	(2,998)
Total changes in operating liabilities	(61,182)	(5,603)
Total changes in operating assets and liabilities	175,897	(61,023)
Total adjustment	71,148	(857,331)
Net cash generated (used) by operating activities	281,944	(49,901)
Interest received	36	23
Interest paid	(44,717)	(44,069)
Income taxes paid	-	(165,503)
Net cash generated (used) by operating activities	237,263	(259,450)

Yi Jinn Industrial Co., Ltd.
Statements of cash flows
For the years ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

	<u>Year 2021</u>	<u>Year 2020</u>
Cash flows from investing activities :		
Acquisition of investments accounted for using equity method	(13,078)	(122,500)
Disposal of non-current assets	-	3,019,806
Acquisition of property, plant and equipment	-	(34,515)
Proceeds from disposal of property, plant and equipment	170	11,951
Acquisition of investment property	(11,091)	(1,433,230)
Increase in other financial assets	-	3,369
Increase(decrease) in other non-current assets	(764,057)	(50,785)
Dividends received	100,967	62,699
Net cash (outflow) inflow from investing activities	<u>(687,089)</u>	<u>1,456,795</u>
Cash flows from financing activities:		
Increase(decrease) in short-term loans	268,000	(942,309)
Proceeds for long-term debt	737,000	1,336,110
Repayments of long-term debt	(256,738)	(1,362,075)
Deposit (decrease) increase	(12,239)	26,079
Cash dividends paid	(301,648)	(301,648)
Net cash inflow (outflow) from financing activities	<u>434,375</u>	<u>(1,243,843)</u>
Net increase in cash and cash equivalents	(15,451)	(46,498)
Cash and cash equivalents, beginning of period	145,998	192,496
Cash and cash equivalents, end of period	<u><u>\$ 130,547</u></u>	<u><u>145,998</u></u>

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, 2021, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Yi Jinn Industrial Corporation Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Sincerely yours,

Yi Jinn Industrial Corporation Limited

Chan, Zheng-Tian

March 23, 2022

Independent auditor's report

To the board of directors
Yi Jinn Industrial Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Yi Jinn Industrial Co., Ltd. and its subsidiaries (the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ends December 31, 2022 and 2021, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements represents fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards(IFRSs), International Accounting Standards(IASs), IFRIC Interpretations (IFRIC), and SIC Interpretations(SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our 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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2022 are stated as follows:

2. Revenue recognition

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

Description of the key audit matters:

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

How the matter was addressed in our audit:

Our principal audit procedures included: evaluating the controls on the cycle of sales and payment collection; reviewing and adjusting the record of sales system and general ledger; spot checking whether the management has obtained the vouchers sufficient to prove that the control of commodities has been transferred to the buyers so as to examine the sales transaction before and after the end of the reporting date, and thus to determine whether the revenues have been appropriately recognised during the period and whether the revenue recognition policies have been performed in accordance with related communique.

3. Inventory valuation

For accounting policies related to inventory evaluation, please refer to Note 4 (8) Inventory Recognition in the consolidated financial report; For the uncertainty of accounting estimates and assumptions in inventory evaluation, please refer to Note 5 (2) of the consolidated financial report for details; For the description of inventory evaluation, please refer to Note 6 (5) inventory of consolidated financial report.

Description to the key audit matters:

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

How the matter was addressed in our audit:

Our principal audit procedures included: understand the management's inventory management and evaluation policies and whether such policies were performed in actual inventory management and evaluation; carry out the audit procedure to compare the net realizable value adopted by the management with the latest inventory sales price, and evaluate the rationality of the net realizable value of inventory; implement sampling procedure to check the correctness of stock age statement and evaluate the adequacy of inventory allowance of the Group on the financial reporting date.

Other Matter

We have also audited the parent company only financial statements of Yi Jinn Industrial Corp., Limited as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

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

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

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

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

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

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

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 Group'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 Group's ability to continue as a going concern. If we conclude that a material disclosure in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
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.
12. Obtain sufficient appropriate audit evidence regarding the financial information of the entities for business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, and form our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

KPMG

Auditors:

CHANG, SHU-YING
CHIH, SHIH-CHIN

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

March 23, 2022

Yi Jinn Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

Assets		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Current Assets:					
1100	Cash and cash equivalent (Note 6(1))	\$ 499,153	3	479,716	3
1110	Financial assets at fair value through profit or loss –current (Note 6 (2))	677,531	4	594,350	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))	71,015	-	74,855	-
1170	Account receivable, net (Note 6 (4) (18))	306,653	2	416,911	3
1220	Current tax assets	-	-	5,703	-
1310	Inventories – manufacturing (Note 6 (5))	786,110	4	671,658	4
1410	Prepayments (Note 9)	28,602	-	77,652	-
1461	Non-current assets held for sale (Note 6 (6), 8 and 9)	430,613	3	-	-
1476	Other financial assets – current (Note 6 (3) and 7)	15,550	-	268,773	2
1479	Other current assets – other (Note 6 (14))	42,992	-	34,182	-
Total current assets		<u>2,858,222</u>	<u>16</u>	<u>2,623,803</u>	<u>15</u>
Non-current assets					
1510	Non-current financial assets at fair value through profit or loss (Note 6 (2))	-	-	88,867	1
1517	Non-current financial assets at fair value through other comprehensive income (Note 6 (3))	574,694	3	504,094	3
1550	Investments accounted for using equity method	26,595	-	26,491	-
1600	Property, plant and equipment (Note 6 (9), 8 and 9)	3,379,493	18	3,436,768	19
1760	Investment property, net (Note 6(6), (10) and 8)	11,415,485	62	10,703,563	60
1840	Deferred tax assets (Note 6 (15))	70,790	-	70,234	-
1980	Other non-current financial assets – non-current (Note 8)	11,550	-	10,988	-
1990	Other non-current assets – other (Note 6 (6),(11) (14) and 9)	<u>182,974</u>	<u>1</u>	<u>316,006</u>	<u>2</u>
Total non-current assets		<u>15,661,581</u>	<u>84</u>	<u>15,157,011</u>	<u>85</u>
Total		<u>\$ 18,519,803</u>	<u>100</u>	<u>17,780,814</u>	<u>100</u>

Yi Jinn Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

		<u>December 31, 2021</u>		<u>December 31, 2020</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<u>Liabilities and equity</u>					
Current liabilities :					
2100	Short-term loans (Note6 (12))	\$ 1,206,005	7	1,353,920	8
2130	Contract liability – current (Note 6 (18))	399,975	-	38,456	-
2150	Notes Payable	91,329	-	52,441	-
2171	Accounts payable	285,409	2	217,907	1
2200	Other payable (Note 6 (10) (19))	114,555	1	143,041	1
2230	Tax liability of the period	31,069	-	15,899	-
2320	Long-term liabilities – current portion (Note 6 (13))	307,079	2	439,932	2
2399	Other current liabilities – other	7,539	-	7,495	-
Total current liabilities		<u>2,142,960</u>	<u>12</u>	<u>2,269,091</u>	<u>12</u>
Non-current liabilities:					
2540	Long-term loans (Note 6 (13))	8,149,874	44	7,387,362	42
2570	Deferred income tax liabilities (Note 6 (15))	227,078	1	227,114	1
2645	Guarantee deposits (Note 9)	105,707	-	134,049	1
Total non-current liabilities		<u>8,482,659</u>	<u>45</u>	<u>7,748,525</u>	<u>44</u>
Total liabilities		<u>10,625,619</u>	<u>57</u>	<u>10,017,616</u>	<u>56</u>
Equity attributable to shareholders of the parent (Note 6 (3) and (16))					
3110	Common stock	3,016,476	16	3,016,476	17
3200	Capital surplus	500,655	3	458,206	3
3300	Retained earnings	1,300,929	7	1,401,974	8
3400	Other equity	11,0953	1	65,111	-
3500	Treasury Stock	(344,203)	(2)	(325,463)	(2)
		4,584,810	25	4,616,304	26
36XX	Non-controlling interests (Note 6 (8),(16)and 7)	3,309,374	18	3,146,894	18
Total equity		<u>7,894,184</u>	<u>43</u>	<u>7,763,198</u>	<u>44</u>
Total liabilities and equity		<u>\$ 18,519,803</u>	<u>100</u>	<u>17,780,814</u>	<u>100</u>

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, 2021 and 2020

In Thousands of New Taiwan Dollars

		Year 2021		Year 2020	
		Amount	%	Amount	%
4110	Operating revenue (Note 6 (14) (18) and 7)	\$ 4,175,379	100	2,731,362	101
4170	Less: sales returns	11,550	-	13,659	1
4190	Sales allowance	17,650	-	10,488	-
	Net operating revenue	4,146,179	100	2,707,215	100
5110	Cost of goods sold (Note 6 (5))	3,590,229	87	2,501,874	92
	Gross Profit	555,950	13	205,341	8
	Operating expenses (Note 6 (5) (19) and 7)				
6100	Selling expenses	129,539	3	112,196	4
6200	Administrative expenses	96,384	2	109,712	4
	Net operating expenses	225,923	5	221,908	8
	Other income and expenses (Note 6 (6) (10) and 20)				
6511	Loss of disposal investment property	-	-	(48,642)	(2)
6514	Disposal of non-current assets held for sale	-	-	970,540	36
	Net operating profit	330,027	8	905,331	34
	Non-operating income and expenses (Note 6 (5) (10) and (21)):				
	Interest income	452	-	1,375	-
7100	Other income	41,158	1	68,798	3
7010	Other gains and losses	150,168	4	(35,130)	(1)
7020	Financial costs	(125,224)	(3)	(128,753)	(5)
7050	Impairment loss				
7055	Share of profit or loss of associates and joint ventures accounted for using equity method	104	-	(1,334)	-
7060	Total non-operating revenue and expenses	66,658	2	(95,044)	(3)
	Profit before tax from continuing operations	396,685	10	810,287	31
	Less income tax expense (Note 6 (15))	30,553	1	177,966	7
7950	Net income from continuing operation	366,132	9	632,321	24
8000	Loss from discontinued operation (Note 6 (4) (6)):				
	New loss from discontinued operation	-	-	(75,635)	(3)
8100	Net income	366,132	9	556,686	21
	Other comprehensive income				
8300	Components of other comprehensive income that will not be reclassified to profit or loss (Note 6 (16))				
8310	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	70,600	2	114,054	4
8316	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
8349		70,600	2	114,054	4
	Other comprehensive income, net	70,600	2	114,054	4
8300	Total comprehensive income	\$ 436,732	11	670,740	25
	Profit, attributable to:				
	Profit (loss), attributable to owners of parent	\$ 200,603	5	644,257	24
	Profit(loss), attributable to non-controlling interests	165,529	4	(87,571)	(3)
8620		\$ 556,686	21	556,686	21
	Comprehensive income attributable to:				
	Comprehensive income, attributable to owners of parent	\$ 246,445	6	7460,33	28
	Comprehensive income, attributable to non-controlling interests	190,287	5	(75,293)	(3)
		\$ 436,732	11	670,740	25
	Earnings(loss) per share (Note 6 (6) (17))				
	Basic earnings per share				
	From continuing operations	\$ 0.90		3.23	
	From discontinuing operations	-		(0.34)	
		\$ 0.90		2.89	
	Diluted earnings per share				
	From continuing operations	\$ 0.90		3.22	
	From discontinuing operations	-		(0.34)	
		\$ 0.90		2.88	

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, 2021 and 2020

In Thousands of New Taiwan Dollars

Equity attributable to shareholders of the Parent

	Other equity items										
	Share capital		Retained earnings				Unrealized gain		Total equity attributable to owners of parent	Non-controlling interests	total equity
	Common stock	capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	total	Or losses on FVTOCI Financial assets	Treasury stock			
Balance at January 1, 2020	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)	-	-	-	-
Balance at 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
Net income for the year	-	-	-	-	200,603	200,603	-	-	200,603	165,529	366,132
Other comprehensive income	-	-	-	-	-	-	45,842	-	45,842	24,758	70,600
Total comprehensive income	-	-	-	-	200,603	200,603	45,842	-	246,445	190,287	436,732
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	65,999	-	(65,999)	-	-	-	-	-	-
Cash dividends of common stock	-	-	-	-	(301,648)	(301,648)	-	-	(301,648)	-	(301,648)
Special surplus reserve reversal	-	-	-	(20,939)	20,939	-	-	-	-	-	-
Dividends to subsidiary in adjusting capital surplus	-	36,426	-	-	-	-	-	-	36,426	42,039	78,465
Subsidiary purchase parent' s shares as treasury stock	-	-	-	-	-	-	-	(850)	(850)	(940)	(1,790)
Cash Dividends contributes by subsidiaries	-	-	-	-	-	-	-	-	-	(106,622)	(106,622)
Difference between consideration and carrying amount of subsidiaries acquired or disposed	-	5,368	-	-	-	-	-	7,079	12,447	(12,447)	-
Changes in ownership interests in subsidiaries	-	655	-	-	-	-	-	(24,969)	(24,314)	24,314	-
Balance at December 31, 2021	\$ 3,016,476	500,655	278,308	-	1,022,621	1,300,929	110,953	(344,203)	4,584,810	3,309,374	7,894,184

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, 2021 and 2020

In Thousands of New Taiwan Dollars

	Year 2021	Year 2020
Cash flow from operating activities:		
Income from continuing operation before income tax	\$ 396,685	810,287
Loss from discontinued operation	-	(75,635)
Net income before income tax	396,685	734,652
Adjustment for :		
Income and expense		
Depreciation expense	170,644	142,898
Amortization expense	4,110	1,514
Expected credit losses recognized on investments in debt instruments	-	(378)
Interest expense	125,224	128,753
Interest income	(452)	(1,375)
Dividend income	(27,581)	(56,963)
Share of profit(loss) of associates and joint ventures accounted for using equity	(104)	1,334
Loss on disposal of property, plant and equipment	(3,566)	5,406
Acquisitions of investment property loss	-	48,642
Disposal of non-current assets held for sale	-	(970,540)
Impairment loss on non-financial assets	-	45,262
Valuation gain on financial assets	(162,489)	(66,740)
Loss of determination of lease	54	22
Rental income	(511)	(897)
Total income and expense	105,329	(723,062)
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	180,792	(368,201)
Note receivable	3,840	57,605
Account receivable	110,258	46,308
Inventories	(114,452)	259,172
Prepayment	49,050	(42,092)
Other current assets	(8,664)	(16,159)
Other financial assets	33,777	(36,461)
Total Net changes in operating assets	254,601	(99,828)
Net changes in operating liabilities:		
Contract liabilities	61,519	31,332
Note payable	38,888	4,138
Account payable	67,502	(3,494)
Other payable	(26,044)	(27,129)
Other current liabilities	44	(3,944)
Total net changes in operating liabilities	141,909	903
Total Net changes in operating assets and liabilities	396,510	(98,925)
Total adjustment	501,839	(821,987)
Cash generated by operating activities	898,524	(87,335)
Interest received	452	1,375
Dividend received	27,581	56,963
Interest paid	(127,666)	(125,934)
Income taxes paid	(10,272)	(169,529)
Net cash generated by operating activities	788,619	(324,460)

Yi Jinn Industrial Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2021 and 2020

In Thousands of New Taiwan Dollars

	Year 2021	Year 2020
Cash flows from investing activities:		
Disposal of investments accounted for using equity method	171,202	10,451
Disposal of non-current assets held for sale	42,117	3,071,132
Acquisition of property, plant and equipment	(43,917)	(113,087)
disposal of property, plant and equipment	3,858	12,793
Acquisition of investment property	(249,519)	(1,867,673)
Increase/Decrease in other financial assets	(251)	3,621
Increase in other noncurrent asset	(840,328)	(7,744)
Net cash flows from investing activities	<u>(916,838)</u>	<u>1,109,493</u>
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(147,915)	(807,481)
Proceeds for long-term debt	1,272,150	2,617,480
Repayments of long-term debt	(642,491)	(2,373,750)
Increase in deposits received	(28,342)	61,658
Cash dividends paid	(223,183)	(263,869)
Cash Dividends contributes by subsidiaries	(106,622)	(75,217)
Cost of treasury stock acquired	(1,790)	(1,647)
Increase in non-controlling interests	25,849	23,769
Net cash flows from financing activities	<u>147,656</u>	<u>(819,057)</u>
Net increase in cash and cash equivalents	19,437	(34,024)
Cash and cash equivalents at beginning of period	479,716	513,740
Cash and cash equivalents at end of period	<u>\$ 499,153</u>	<u>479,716</u>

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

YI JINN INDUSTRIAL CO.,LTD

Comparison of Amendment of “Procedures for Acquisition or Disposal of Assets”

Amended articles	Current articles	Revising reason
<p>II. Contents:</p> <p>6. Public announcement and regulatory filing procedures:</p> <p>A. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) - (6) (The preceding is omitted.)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds <u>or foreign public debts which the credit rating is not lower than sovereign rating of our country.</u></p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of <u>foreign public debts</u> or ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds, <u>or subscription or reverse repurchase of Exchange Traded Note</u> or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted.)</p>	<p>II. Contents:</p> <p>6. Public announcement and regulatory filing procedures:</p> <p>A. Under any of the following circumstances, the Company acquiring or disposing of assets shall publicly announce and report the relevant information on the FSC's designated website in the appropriate format as prescribed by regulations within 2 days counting inclusively from the date of occurrence of the event:</p> <p>(1) - (6) (omitted above)</p> <p>(7) Where an asset transaction other than any of those referred to in the preceding six subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>a. Trading of domestic government bonds.</p> <p>b. Where done by professional investors-securities trading on securities exchanges or OTC markets, or subscription of ordinary corporate bonds or general bank debentures without equity characteristics (excluding subordinated debt) that are offered and issued in the primary market, or subscription or redemption of securities investment trust funds or futures trust funds, or subscription by a securities firm of securities as necessitated by its undertaking business or as an advisory recommending securities firm for an emerging stock company, in accordance with the rules of the Taipei Exchange.</p> <p>(The following is omitted.)</p>	<p>Revised in accordance with the regulations.</p>

<p>III. Asset appraisals and CPA's opinions:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) - (2) (The following is omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(The following is omitted.)</p>	<p>III. Asset appraisals and CPA's opinions:</p> <p>1. In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the company's paid-in capital or NT\$300 million or more, the company, unless transacting with a domestic government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment or right-of-use assets thereof held for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions:</p> <p>(1) - (2) (The following is omitted.)</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>a. The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount.</p> <p>b. The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount.</p> <p>(The following is omitted.)</p>	<p>accordance with the regulations.</p>
<p>III. Asset appraisals and CPA's opinions:</p> <p>2. (The preceding is omitted.)</p> <p>3. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior to the date of</p>	<p>III. Asset appraisals and CPA's opinions:</p> <p>2. (The preceding is omitted.)</p> <p>3. A public company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period, certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the company's paid-in capital or NT\$300 million or more, the company shall additionally engage a certified public accountant prior</p>	<p>Revised in accordance with the regulations.</p>

<p>occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	<p>to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the Financial Supervisory Commission (FSC).</p>	
<p>III. Asset appraisals and CPA's opinions: 4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price.</p>	<p>III. Asset appraisals and CPA's opinions: 4. Where the Company acquires or disposes of intangible assets or right-of-use assets thereof or memberships and the transaction amount reaches 20 percent or more of paid-in capital or NT\$300 million or more, except in transactions with a domestic government agency, the company shall engage a certified public accountant prior to the date of occurrence of the event to render an opinion on the reasonableness of the transaction price; the CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</p>	<p>Revised in accordance with the regulations.</p>
<p>III. Asset appraisals and CPA's opinions: 5-7 (The preceding is omitted.) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with <u>the voluntary code of practice of various subordinated trade associations and</u> the following requirements: (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When <u>implementing</u> a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the <u>adequacy</u>, and reasonableness of the sources of data</p>	<p>III. Asset appraisals and CPA's opinions: 5-7 (The preceding is omitted.) If the company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be related parties or de facto related parties of each other. When issuing an appraisal report or opinion, the personnel referred to in the preceding paragraph shall comply with the following requirements: (1) Prior to accepting a case, they shall prudently assess their own professional capabilities, practical experience, and independence. (2) When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion. The related working procedures, data collected, and conclusion shall be fully and accurately specified in the case working papers. (3) They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the sources of data used, the parameters, and the information, as the basis for issuance</p>	<p>Revised in accordance with the regulations.</p>

<p>used, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is <u>appropriate and</u> reasonable, and that they have complied with applicable laws and regulations.</p>	<p>of the appraisal report or the opinion.</p> <p>(4) They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</p>	
<p>IV. Related party transactions 1-6 (The preceding is omitted.)</p> <p><u>7. When the Company or non-subordinated public companies have the transaction of paragraph 4, subparagraph 2, the transaction amount reaches 10 percent or more of the company's total assets, the various information of paragraph 4, subparagraph 2 shall be reported, and enter into a transaction contract or make a payment until the following matters have been approved by shareholders' meeting, however, when transaction are conducted between its parent company, subsidiaries, or between its subsidiaries, this requirement does not apply. The calculation of the transaction amounts shall be done in accordance with paragraph 2, subparagraph 6.1, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items shall be reported to shareholders' meeting, board of directors and the audit committee in accordance with the regulation, and need not be counted toward the transaction amount until they have been approved.</u></p>	<p>IV. Related party transactions 1-6 (The preceding is omitted.)</p>	<p>Revised in accordance with the regulations.</p>

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.

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.

The 29th amendment was made on August 4, 2021.

YI JINN INDUSTRIAL CO.,LTD

Chairman: Chan, Cheng-Tien

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Title	Name	Book closure date (April 26, 2022) Shareholding number registered in the shareholders roster	Shareholding ratio
Chairman	Chan, Cheng-Tien	24,010,494	7.96%
Director	Chan, Yi-Chin	2,916,961	0.97%
Director	Chen, Meng-Wu	0	0.00%
Director	Weng, Mao-Cheng	522,343	0.17%
Director	Yu-Jing	2,053,074	0.68%
Director	Lai, Yu-Min	534,916	0.18%
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	30,037,788	9.96%