Stock Code: 1470

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2025

Annual Report

Annual report inquiry URL:

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http://www.evertex.tw

May 28, 2026

1. The name, title, telephone number, and e-mail address of the spokesman:

   Name: Shian-Jung Hung
   Title: Vice President
   Tel: (03)322-2241
   e-mail:alan.hung@evertex.tw

   The name, title, telephone number, and e-mail address of the acting spokesman:
   Name: Chao-Nan Hsu
   Title: Assistant Manager of Finance and Accounting Department
   Tel: (03)322-2241
   e-mail:nick.hsu@evertex.tw

2. The address and telephone number of the Company's headquarter, and factory:

   Address of Headquarter: 4F, No. 64, Tacheng St., Datong Dist., Taipei City 103605
   Tel: (02)2550-3266
   Address of Factory: No. 9, Rong'an Rd., Luzhu Dist., Taoyuan City 33852
   Tel: (03)322-2241

3. The name, address, e-mail address, and telephone number of the Stock Transfer Agency:

   Name: Fubon Securities Co., Ltd., Stock Transfer Agency Department
   Address: 2F, No. 17, Xuchang St., Zhongzheng Dist., Taipei City 100008
   Website: www.fubon.com/securities/home/index
   Tel: (02)2361-1300

4. Name, firm name, address, website and telephone number of the CPAs for the most recent financial report:

   CPAs: Meng-Gui Yu and Keng-Shi Chang
   Accounting Firm: Deloitte Taiwan
   Address: 20F, No. 100, Songren Rd., Xinyi Dist., Taipei City 11073
   Website: www.deloitte.com.tw
   Tel: 02)2725-9988

5. Name of the trading place where overseas securities are listed for trading, and inquiry method of the information of overseas securities: NA

6. Website of the Company: http://www.evertex.tw

Notice to readers

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

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I. Report to Shareholders

Ladies and Gentlemen:

I. Preface

With over 40 years of operation, Grand Textile has consistently upheld the philosophy of sustainable management. In response to external competitive challenges and the need for market repositioning, the company has transformed from a traditional dyeing and finishing commission plant into a diversified supplier of high-value-added functional athletic knit fabrics. To meet future consumer demands and navigate intensifying industry competition, we will continue to introduce highly automated and energy-efficient equipment, implement environmentally conscious production processes, and advance toward intelligent management. Simultaneously, we are committed to building a forward-thinking team that collaborates through innovation and R&D to embrace future challenges together.

II. 2025 Business Report

The Company's revenue from dyeing and finishing OEM was NT$131,384 thousand, accounting for 16% of the Company's total revenue; revenue from fabric sales was NT$661,266 thousand, accounting for 83% of the Company's total revenue; and revenue from electricity sales was NT$11,060 thousand, accounting for 1% of the Company's total revenue. The Company's total net operating revenue for 2025 was NT$803,710 thousand, increased by NT$15,671 thousand, or 1.9%, as compared to the same period last year.

Operating income for 2025 was NT$83,522 thousand, an decrease of NT$4,365 thousand as compared to 2024; net income for 2025 was NT$67,265 thousand, an decrease of NT$30,044 thousand as compared to 2024; and earnings per share after tax for 2025 was NT$0.78.

III. 2024 Budget Implementation Status

The Company did not prepare the 2024 financial budget, so this is not applicable.

IV. Analysis of Receipts and Expenditures

Unit: NT$ thousand

Item \ Year	2025	2024
Operating income	803,710	788,039
Operating cost	609,306	588,656
Operating margin	194,404	199,383
Operating expenses	110,894	112,015
Other income and expense	12	519
Net Operating income	83,522	87,887
Non-operating income and expenditure	(861)	32,813
Net profit before tax	82,661	120,700
Income tax expense	(15,396)	(23,391)
Net profit after tax for the current period	67,265	97,309
Basic earnings per share (NT$) (after tax)	0.78	1.13

V. Profitability Analysis

Item \ Year		2025	2024
Return on assets (%)		5.73	8.32
Return on shareholders' equity (%)		6.57	9.63
Percentage of paid-in capital (%)	Operating profit	9.74	4.02
	Net profit before tax	9.64	6.67
Net Margin (%)		8.37	12.35
Earnings per share (NT$)		0.78	1.13

VI. R&D Status

Our research and development include weaving, dyeing, finishing and coating, etc. In addition to enhancing the quality and scope of application for our dyeing and finishing processes to meet the changing requirements from our customers, we also develop various kinds of high functional fabrics for outdoor sportswear to effectively enhance the wear comfort and to meet the diversification of the textile demands in modern society.

VII. Future Business Plan

(I) Business policy and production and marketing policy

1. Continuously upgrade and renew dyeing, knitting, and post-processing equipment to improve product quality and product diversity.
2. We will continue to enhance the R&D capabilities and improve the overall operational performance by developing new processes and products.
3. Develop more business opportunities with international brand customers.
4. In addition to upgrading more energy-efficient machines and building standard laboratories, the following improvements have been made to enhance our competitiveness:

   ① Continue to purchase dyeing & finishing equipment to enhance product diversification.

   ② Introducing energy storage systems to supply and save costs by regulating and dispatching power.

   ③ Introduce into textile intelligent inspection system, it can reduce inspection time, labor costs significantly, and shorten the lead time.

   ④ Continue to develop products with low carbon footprints and strengthen business relationships with new cooperative brands.

   ⑤ Upgrade the operation data management and control center to obtain production capacity, carbon emission/environmental protection information in real time.
5. We continue to plan for the succession of officers in each unit to train outstanding employees and ensure that there is no shortage of talent in the Company.

(II) Production Plan

1. We continue to establish a work order process and a standardized database for process conditions to ensure consistent product quality with standardized data production.
2. We analyze and track abnormalities by project management to prevent the same abnormality from happening in the future.
3. Increase the turnover ratio in each processing stage to accelerate the supply capacity, shorten the delivery time, and improve the quality of customer service.
4. We discuss with dyeing auxiliaries and equipment suppliers to break through production bottlenecks, improve dyeing reproducibility and reduce deficiencies.
5. Continue to purchase polyester recycled yarn to develop recycled polyester fiber fabrics, and require suppliers to provide RCS or GRS certification to ensure the traceability and sustainability of the yarn; approximately 372 metric tons of recycled polyester will be collected in 2025, accounting for the total procurement volume 30%.

(III) The effect of external competition, the legal environment, and the overall business environment:

1. Effect of external competition

   Given that the textile industry is becoming extremely competitive, the Company has been optimizing its production processes, developing new products and improving the quality of its marketing services in order to establish product differentiation, while at the same time strengthening its foundation through product restructuring, replacing old equipment and improving the quality of its human resources in order to differentiate

itself from its competitors.

2. Effect of legal environment

(1) The Company's operating costs will definitely continue to rise due to the rising awareness of environmental protection and related regulations in these days. At present, we have passed the Swiss bluesign® standard, the highest environmental protection standard for textile products, and we produce products that meet this standard. The greenhouse gas emission standards have been adjusted downward year by year due to the global warming, there will levy carbon fee in the future. In recent years, we have been adding or replacing various eco-friendly equipment and improving the process to ensure that we can achieve the goal of energy saving and carbon reduction while meeting the requirements of environmental regulations.

(2) The basic wage increase and the amendment of labor laws significantly increase the operating cost of the Company, but the Company still fully complies with the laws and regulations by appropriately adjusting the employees' working hours, not only to maintain the production capacity in the production line, but also to take care of the employees' life quality.

(3) In order to continue to deepen corporate governance, the competent authorities promote "Corporate Governance 3.0-Sustainable Development Blueprint". The Company also actively cooperates and continues to improve the strengthening of the functions of the Board of Directors, the improvement of information transparency, and effective communication with stakeholders, in order to achieve Promote sustainable development of enterprises.

3. Effect of overall business environment

Although the economy stabilized in 2025, persistent inflation driven by Trump's high-tariff policies and the disruption of global supply chain structures, coupled with Taiwan's geopolitical risks, remain critical factors affecting the economic outlook. In the face of such a complex and volatile environment, the Company prioritizes not only execution but also flexible adaptability. We remain committed to our core values of continuous evolution, innovative R&D, and environmental sustainability, striving to provide a superior work environment for our employees and to be a high-quality enterprise trusted by both investors and consumers.

Best wishes to all our shareholders

Stay healthy and all the best!

EVERTEX FABRINOLOGY LTD

Chairman Chung-Fa Yeh

President Anthony Poliang Yeh

Accounting Supervisor Chao-Nan Hsu

II. Corporate Governance Report

I. Information of Directors, Supervisors, President, Vice Presidents, Assistant Vice President and Heads of Various Departments and Branches

(I) Information of Directors and Supervisors

1. Information of Directors and Supervisors

April 28, 2025

Title	Nationality or place of registration	Name	Gender/ Age	Date of election (taking office)	Term of office	Date of first appointment	Shareholding at the time of appointment		Current shareholding		Shareholding of spouse and minor children		Shareholdings in the names of other people		Major work experience (education background)	Positions at the company and other companies concurrently held	Other managers, directors or supervisors with a spouse or second degree of kinship			Remarks (Note 1)
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	Taiwan	Chung-Fa Yeh	Male 81~90	2023.06.27	3 years	1997.05.30	1,550,424	1.81	1,150,424	1.34	-	-	-	-	Chairman, TA TUNG DYEING & FINISHING CO., LTD.	Chairman of the Company and LANG WANG CO., LTD.	Director Director	Ching-Tse Yeh Anthony Poliang Yeh	Brother Father and son	
Director	Taiwan	Anthony Poliang Yeh	Male 51~60	2023.06.27	3 years	2008.06.25	4,454,832	4.80	3,792,832	4.42	-	-	-	-	Director of LAN FA TEXTILE CO., LTD.	President of the Company and Chairman of Da Fa Investment Co., Ltd.	Chairman	Chung-Fa Yeh	Father and son	
Director	Taiwan	Ching-Tse Yeh	Male 71~80	2023.06.27	3 years	1997.05.30	1,892,618	2.21	1,892,618	2.21	4,972	0.01	-	-	Chairman of LAN FA TEXTILE CO., LTD.	Chairman of LAN FA TEXTILE CO., LTD.	Chairman	Chung-Fa Yeh	Brother	
Director	Taiwan	Koi-Hui Yeh	Male 51~60	2023.06.27	3 years	2005.06.23	258,723	0.30	258,723	0.30	-	-	-	-	Director of LAN FA TEXTILE CO., LTD.	Director of LAN FA TEXTILE CO., LTD.	(None)	(None)	(None)	
Director	Taiwan	Yao-Chou Yang	Male 61~70	2023.06.27	3 years	2005.06.23	2,775,013	3.24	2,775,013	3.24	407,982	0.48	-	-	The Company Business	Senior Chief of Management Section	(None)	(None)	(None)	
Director	Taiwan	Sou-Tsun Yeh	Male 81~90	2023.06.27	3 years	2020.06.30	1,244,258	1.45	1,244,258	1.45	660,284	0.77	-	-	Chairman of ZIG SHENG INDUSTRIAL CO., LTD.	Chairman of ZIG SHENG INDUSTRIAL CO., LTD.	(None)	(None)	(None)	(Note 2)
Director	Taiwan	Rung-Shin Shu	Male 61~70	2023.06.27	3 years	2020.06.30	1,925,108	2.24	1,925,108	2.24	556,197	0.65	-	-	Director of TA TUNG DYEING & FINISHING CO., LTD.	Director of TA TUNG DYEING & FINISHING CO., LTD.	(None)	(None)	(None)	
Independent Director	Taiwan	Fu-Nan Chou	Male 81~90	2023.06.27	3 years	2017.06.28	-	-	-	-	-	-	-	-	Chairman of SINGHOTEX CO., LTD.	Chairman of SINGHOTEX CO., LTD.	(None)	(None)	(None)	
Independent Director	Taiwan	Wu-Zhong Liao	Male 71~80	2023.06.27	3 years	2020.06.30	-	-	-	-	-	-	-	-	Chairman of FONG WEI FIBERS CORPORATION	Chairman of FONG WEI FIBERS CORPORATIO N	(None)	(None)	(None)	
Independent Director	Taiwan	Sìn-Yì Huang	Male 71~80	2023.06.27	3 years	2023.06.27									Director of NAN YA PLASTICS CORPORATION	Adviser of NAN YA PLASTICS CORPORATION	(None)	(None)	(None)	

Note 1: Where the general manager or person of an equivalent post (the highest level manager) of a company are the same person as the Chairman of the Board of Directors, spouses or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (such as adding more independent directors and having more than half of the directors who are neither employees nor managers) adopted in response thereto.

(1) The Company is transformed from the traditional textile supplier to high performance textile fabric for sportswear supplier. Mr. Chung-Fa Yeh is the founder of the Company and Mr. Anthony Poliang Yeh, the President, is the eldest son of the Chairman, who has been involved in the industry for more than ten years with great achievements in management and transformation for the Company. He has possessed professional knowledge and industrial experiences and is the successor of the Company in the future.

(2) The Company has established an Audit Committee and currently has four independent directors. which not only defines its duties and responsibilities, but also provides a sound and supervised management function of the Board of Directors. The directors who concurrently serve as managers or employees of the Company are Anthony Poliang Yeh and Yao-Chou Yang, who are the President and Senior Chief of the Management Department, respectively; therefore, more than half of the directors do not concurrently serve as managers or employees.

Note 2: Director Mr. Yeh Shou-Tun passed away on April 21, 2025.

Note 3: Reason and Measures for Board Gender Representation Below One-Third: All current members of the Company's Board of Directors are male. This is the result of shareholder nominations and voting outcomes. The Company has traditionally prioritized professional qualifications in board member selection, which has led to a slower pace in promoting gender diversity. In the upcoming board election, at least one female director will be elected in accordance with regulations. The Company will also continue to encourage shareholders to nominate professionally qualified female candidates to enhance the diversity of the Board.

2. Major Shareholders of Corporate Shareholders: Not applicable.

3. Major Shareholders of Major Shareholders That Are Corporates: Not applicable.

4. Professional knowledge and independence of directors:

April 28, 2026

Criteria / Name	Professional Qualification and Experience	Independence status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Chairman Chung-Fa Yeh	Founder of the Company; a professional in the textile industry, with management and leadership skills and has been in the business for decades.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Director Anthony Poliang Yeh	President of the Company over ten years; a professional in the textile industry, with management and leadership skills. EMBA of Fu Jen Catholic University.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Director Ching-Tse Yeh	He is a professional in the textile industry, with management and leadership and decision-making capabilities, and has been in the industry for several decades, had been director of the National Federation of Industry Executive, director of the Taiwan Man-made Fiber Industries Association. He is the Chairman of LAN FA TEXTILE CO., LTD.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Director Yao-Chou Yang	He has been in the business for more than 10 years and holds an MBA from AZUSA PACIFIC University,and has been in the business for decades.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Director Koi-Hui Yeh	He is a management professional with an MBA from SHENANDOAH, USA, and is also a director of LAN FA TEXTILE CO., LTD, and has been in the business for decades.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Director Rung-Shin Shu	He is a professional in the textile industry and has been in the industry for decades. He graduated from the Department of Industrial Management of National Cheng Kung University and is also a director of Ta Tung Dyeing and Finishing Co. Ltd.	Not been a person of any conditions defined in Article 30 of the Company Act.	0
Independent Director Fu-Nan Chou	He is a professional in the textile industry and has been in the industry for decades. He graduated from National Chengchi University with a degree in International Trade and is the Chairman of SINGHOTEX CO., LTD. He has not been a person of any conditions defined in Article 30 of the Company Act.	Conform to the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” during the two years prior to be elected or during the term of office. 1. Including himself, none of his spouse, relatives within the second degree of kinship is a director, supervisor or manager of the Company or its affiliates. 2. No shares of the Company are held by him, his spouse or relatives within the second degree of kinship. 3. Not a director, supervisor or employee of any company engaged in specific relationship with the Company 4. No remuneration received for business, legal, financial or	0
Independent Director Wu-Zhong Liao	He is a professional in the textile industry and has been in the industry for several decades. He is the Chairman of FONG WEI FIBERS CORPORATION. He has not been a person of any conditions defined in Article 30 of the Company Act.		0
Independent Director Sìn-Yì Huang	He is a professional in the textile and chemical industry. He graduated from Ming Chi Institute of Technology with a degree in Chemical Engineering and has been the director and Vice President of NAN YA PLASTICS CORPORATION, The 4th Executive Director of the Taiwan Man-made Fiber Manufacturing Industry Association. He is currently a adviser for NAN YA PLASTICS CORPORATION and has been in the industry for decades.He has not been a person of any conditions defined in Article 30 of the Company Act.		0

Criteria / Name	Professional Qualification and Experience	Independence status	Number of Other Taiwanese Public Companies Concurrently Serving as an Independent Director
Independent Director Cong-Wen Shi	He is a professional in the textile and chemical industry. He graduated from National Taiwan University MBA. He is the founder and chairman of Ruisi Consulting (Inc.), and also serves as a adviser to NAN YA PLASTICS CORPORATION. He has been in the industry for nearly ten years.He has not been a person of any conditions defined in Article 30 of the Company Act.	accounting services provided by the Company or its affiliates in the last two years.	0

Note: Article 30 of Company Act
A person who is under any of the following circumstances shall not act as a managerial person nel of a company.
If he has been appointed as such, he shall certainly be discharged :

(1) Having committed an offence as specified in the Statute for Preventi on of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon.
(2) Having committed the offence in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence , or two years have not elapsedsince completion of serving th e sentence, expiration of the probation, or pardon.
(3) Having committed the offense as specified in the Anti -corruption Act and subsequently convicted of a crime, and has not started serving the sentence , has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon.
(4) Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by acourt, and having not been reinstated to his rights and privileges.
(5) Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet.
(6) Having no or only limited di sposing capacity.
(7) Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

5. Diversification and Independence of Board of Directors

(1) Diversification of Board of Directors

The Company has implemented a diversification policy for the Board of Directors, which includes, but is not limited to, the following two standards in the “Corporate Governance Best Practice Principles”: Basic requirements and values:
Gender, age, nationality, and culture; professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing, technology), professional skills, and industry experience.

The implementation status of the diversity policy for board members is as follows:

Board Members	Year of first appointment	Composition							Core Competencies				
		Work Experience	Gender	Employed by the Company	Age			Term of office for independent directors					
					41 ~ 50	51 ~ 60	61 years old and above	under nine years	Operational management	Business judgment	Accounting and Finance	Business	Risk management
Chung-Fa Yeh	1986	Chairman of TA TUNG DYEING & FINISHING CO., LTD. Chairman of LANG WANG CO., LTD.	Male				✓		✓	✓		✓	✓
Anthony Poliang Yeh	2008	President of the Company Director of LAN FA TEXTILE CO., LTD.	Male	✓		✓			✓	✓		✓	✓
Ching-Tse Yeh	1997	Chairman of LAN FA TEXTILE CO., LTD. Chairman of Hangzhou Lan Fa Textile Limited	Male				✓		✓	✓		✓	✓
Koi-Hui Yeh	2005	Director of LAN FA TEXTILE CO., LTD.	Male			✓			✓			✓	✓
Yao-Chou Yang	2005	Senior Chief of Management Section	Male	✓			✓			✓			✓
Rung-Shin Shu	2020	Director TA TUNG DYEING & FINISHING CO., LTD.	Male				✓		✓	✓		✓	✓
Fu-Nan Chou	2017	Chairman of SINGHOTEX CO., LTD.	Male				✓	✓	✓	✓	✓	✓	✓
Wu-Zhong Liao	2020	Chairman of FONG WEI FIBERS CORPORATION	Male				✓	✓	✓	✓		✓	✓
Sìn-Yì Huang	2023	Vice President,of NAN YA PLASTICS CORPORATION	Male				✓	✓	✓	✓		✓	✓
Cong-Wen Shi	2023	Adviser of NAN YA PLASTICS CORPORATION	Male		✓			✓	✓	✓		✓	

(2) Independence of the Board of Directors:

The Company currently has 10 members on its Board of Directors, of which 4 are independent directors (accounted for 40% of total directors). As of 2025, all of the independent directors have adhered to the policies set by the Securities and Futures Bureau of the Financial Supervisory Commission. The Chairman of the Board of Directors, Mr. Chung-Fa Yeh, is father of the Director Anthony Poliang Yeh; Mr. Chung-Fa Yeh is brother of the Director Ching-Tse Yeh. Seven other directors are not related to each other as spouses and relatives within 2nd degree of kinship (accounted for 70% of total directors). Also, the directors and the independent directors do not violate Paragraph 3 and 4 of Article 26 of the Securities and Exchange Act. (Please refer to page 5~6 of this annual report for the professional knowledge and the independence status of the directors).

The Company currently has 11 members on its Board of Directors. The specific management objectives and achievement status of the diversification of the Board of Director are as follows:

Management Objective	Achievement Status
The board includes at least one female director.	Not achieved
The number of independent directors exceeds one-third of the director seats.	Achieved

The number of directors who are related to each other as spous and relatives within 2nd degree of kinship of the Company should not exceed one-third of the number of director seats.	Achieved
The number of directors who are also employees or managers the Company should not exceed one-third of the number of director seats.	Achieved
Independent directors have not served more than three terms.	Achieved
Operational management, Business judgment, Risk Management are the three core projects, more than 80% of the members have core competencies.	Achieved
Complementarity of directors (Basic conditions, Professional background)	Not achieved

(II) Information of President, Vice Presidents, Assistant Vice Presidents, and Heads of Various Departments and Branches

April 27, 2024

Job title	Nationality	Name	Gender	Date of Engaged:	Shareholding		Shareholdings of spouse and minor children		Shareholdings in the names of other people		Major work experience (education background)	Concurrent positions at other companies	Managers with a spouse or relative within the second degree of kinship			Remarks (Note 1)
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Job title	Name	Relationship	
President	Taiwan	Anthony Poliang Yeh	Male	2013.07.01	3,792,832	4.42	-	-	-	-	Director of LAN FA TEXTILE CO., LTD.	Chairman of Da Fa Investment Co., Ltd.	Vice President	Shian-Jung Hung	Brother-in-law	
Senior Vice President and Chief Factory Manager	Taiwan	Bao-Hong Lin	Male	2011.06.01	89,274	0.1	13,700	0.02	-	-	Department of Industrial Management, China University of Technology	None	None	None	None	
Vice President of Main Management Department	Taiwan	Shian-Jung Hung	Male	2018.09.10	30,090	0.04	200,910	0.23	-	-	Georgia State University USA Ms. In Finance	Chairman of Bo Liang Investment Co., Ltd.	President	Anthony Poliang Yeh	Brother-in-law	
Taipei Sales Division Assistant Vice President	Taiwan	Ying Xiao	Female	2023.02.01	31,000	0.04			-	-	National Taiwan University EMBA.	None	None	None	None	

Note 1: Where the general manager or person of an equivalent post (the highest level manager) of a company are the same person as the Chairman of the Board of Directors, spouses or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures (such as adding more independent directors and having more than half of the directors who are neither employees nor managers) adopted in response thereto.

(1) The Company is engaged in the traditional textile business. Mr. Chung-Fa Yeh, the Chairman of the Board, is the founder of the Company and Mr. Anthony Poliang Yeh, the President, is the eldest son of the Chairman, who has been involved in the industry for more than ten years with great achievements in management and transformation for the Company. He has possessed professional knowledge and industrial experiences and is the successor of the Company in the future.

(2) The Company has established an Audit Committee in 2020, which not only defines its duties and responsibilities, but also provides a sound and supervised management function of the Board of Directors. The directors who concurrently serve as managers or employees of the Company are Anthony Poliang Yeh and Yao-Chou Yang, who are the President and Senior Chief of the Management Department, respectively; therefore, more than half of the directors do not concurrently serve as managers or employees. An additional independent director has been added at the 2023 shareholders' meeting in accordance with the regulations of the competent authority.

II. Remuneration paid to Directors, Supervisors, President and Vice Presidents in the Last Year

(I) Remuneration of General and Independent Directors (The company opts to disclose aggregate remuneration information, with the name(s) indicated for each remuneration range)

Unit: NT$ thousand

Job title	Name	Remuneration of directors								A, B, C, and D and their proportion to net income after tax (Note 7)		Remuneration received for concurrent employee positions								A, B, C, D, E, F and G and their proportion to net income after tax (Note 7)		Compensation paid to directors from non-consolidated affiliates or parent company (Note 8)
		Remuneration (A) (Note 1)		Retirement pension (B)		Directors' remuneration (C) (Note 2)		Business execution fee (D) (Note 3)				Salary, bonus and special fee (E) (Note 4)		Retirement pension (F)		Employee's remuneration (G) (Note 5)						
																The Company		From all consolidated entities (Note 6)				
		The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	The Company	From all consolidated entities (Note 6)	Cash	Stock (fair market value)	Cash	Stock (fair market value)	The Company	From all consolidated entities (Note 6)	
Director	Chung-Fa Yeh	780	780	-	-	1,641	1,716	130	130	2,551 3.79%	2,626 3.9%	4,113	4,113	173	173	118	-	165	-	6,955 10.34%	7,077 10.52%	None
	Anthony Poliang Yeh																					
	Ching-Tse Yeh																					
	Yao-Chou Yang																					
	Koi-Hui Yeh																					
	Sou-Tsun Yeh (Note)																					
	Rung-Shin Shu																					
Independent Director	Fu-Nan Chou	480	480	-	-	963	963	400	400	1,843 2.74%	1,843 2.74%	-	-	-	-	-	-	-	-	1,843 2.74%	1,843 2.74%	None
	Wu-Zhong Liao																					
	Sìn-Yì Huang																					
	Cong-Wen Shi																					

1. Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
   The board of directors shall be authorized to determine the remuneration and fees for all directors, in accordance with the Company's Articles of Incorporation while also taking reference from the standards of peer industries no matter the Company makes the profit or losses; the independent directors shall be paid separately for participating in the functional committee.
2. In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses): NA.

Note: Director Mr. Yeh Shou-Tun passed away on April 21, 2025.

Remuneration Range Table

Remuneration Paid to Each Director of the Company	Director's name			
	The total amount of the first four remuneration amounts (A+B+C+D)		The total amount of the first seven remuneration amounts (A+B+C+D+E+F+G)	
	The Company (Note 8)	From all consolidated entities (Note 6) H	The Company (Note 8)	From all consolidated entities (Note 6) I
Less than NT$1,000,000	Chung-Fa Yeh, Sou-Tsun Yeh (Note9), Ching-Tse Yeh, Koi-Hui Yeh, Rung-Shin Shu, Fu-Nan Chou, Wu-Zhong Liao, Sìn-Yì Huang, Cong-Wen Shi		Chung-Fa Yeh, Sou-Tsun Yeh (Note9), Ching-Tse Yeh, Koi-Hui Yeh, Rung-Shin Shu, Fu-Nan Chou, Wu-Zhong Liao, Sìn-Yì Huang, Cong-Wen Shi	
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Yao-Chou Yang		Yao-Chou Yang	
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	-		-	
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	Anthony Poliang Yeh		Anthony Poliang Yeh	
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-		-	
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-		-	
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-		-	
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-		-	
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-		-	
More than NT$100,000,000	-		-	
Total	11 persons		11persons	

Note 1: Refers to the remuneration of directors for the most recent year (including the directors' salary, allowance, severance pay, various bonuses, rewards etc.)

Note 2: This refers to filling in director's profit sharing of the latest fiscal year proposed and resolved by the Board.

Note 3: Payments to the director to cover business expenses (including transportation fee, special allowances, various subsidies, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed but not included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received.

Note 4: Payments to the director, who is also a president, executive vice president, manager, or employee, to cover business expenses (including transportation fee, special allowances, various subsidies, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed and included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 5: A person receiving employee remuneration (stock and cash bonus) to the director, (including concurrently serving as a president, executive vice president, other manager, or employee) shall disclose the rewarding amount proposed and resolved by the Board (If cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year).

Note 6 Total remuneration paid by the Group companies (including the Company) in the consolidated report to the director.

Note 7: Net income disclosed from the latest financial statement of each company.

Note 8:
a. This field represents all forms of remuneration that the director received from the Company's parent company or invested businesses other than subsidiaries (specify "None" if absent).
b. For directors who received remuneration from parent company or invested businesses other than subsidiaries, amounts received from these invested businesses or parent company have been added to column I of the remuneration brackets table. In which case, column I will be renamed "...parent company and all invested businesses...".
c. Remuneration refers to any return, compensation (including compensations received as an employee, director and supervisor) and professional service fee that the Company's director received for serving as director, supervisor, or manager in the parent company or invested businesses other than subsidiaries.

Note 9 Director Mr. Yeh Shou-Tun passed away on April 21, 2025.

＊ Remuneration shown under the chart is for disclosure purpose. It is not subject to "income" under the Income Tax Act, and thereby is not taxable.

(II) Remuneration paid to President and Vice Presidents

Unit: NT$ thousand

Job title	Name	Salary (A) (Note 1)		Retirement pension (B)		Bonus and special subsidies (C) (Note 2)		Employee remuneration (D) (Note 3)				A, B, C, and D and their proportion to net income after tax (Note 5)		Compensation paid to directors from non-consolidated affiliates or parent company (Note 6)
		The Company	From all consolidated entities (Note 4)	The Company	From all consolidated entities (Note 4)	The Company	From all consolidated entities (Note 4)	The Company		From all consolidated entities (Note 4)		The Company	From all consolidated entities (Note 4)	
								Cash	Stock (fair market value)	Cash	Stock (fair market value)			
President	Anthony Poliang Yeh	5,415	5,415	356	356	3,518	3,518	400	-	458	-	9,689 14.4 %	9,747 14.49 %	None
Senior Vice President and Chief Factory Manager	Bao-Hong Lin													
Vice President of Main Management Department	Shian-Jung Hung													

Remuneration Range Table

Tiers of Remuneration of President and Vice Presidents of the Company	Name of President and Vice Presidents	
	The Company (Note 6)	From all consolidated entities (Note 7) E
Less than NT$1,000,000	-	-
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	-	-
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)	Anthony Poliang Yeh, Bao-Hong Lin, Shian-Jung Hung	Anthony Poliang Yeh, Bao-Hong Lin, Shian-Jung Hung
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)	-	-
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)	-	-
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)	-	-
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)	-	-
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)	-	-
NT$50,000,000 (inclusive) - NT$100,000,000 (exclusive)	-	-
More than NT$100,000,000	-	-
Total	3 persons	3 persons

Note 1: Refers to the salary, allowance, severance pay for the President and Vice Presidents in the most recent year.

Note 2: Payments to presidents or executive vice presidents to reward or cover business expenses (including transportation fees, special allowances, various subsidies, allowances, reimbursements, accommodation, company cars, in-kind supplies, etc.) If residences, cars (or other transportations) or personal expenses are provided, information about the assets (including classification, cost, actual or fair market values of the rent, gasoline expenses, other perks) must be disclosed and included in the remuneration. Compensation paid to personal drivers must be noted, when applicable, but not accumulated under the remuneration received. Salary expenses recognized in accordance with IFRS 2, "Share-based Payment," including the acquisition of employee stock options, new shares with restricted employee rights and participation in cash capital increase to subscribe for shares, should also be included in remuneration.

Note 3: Employee remuneration amount (stock and cash; if cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year) to the president or the executive vice president. The rewarding amount is proposed and resolved by the Board of the fiscal years. Table 1-3 shall be filled in.

Note 4: Aggregated amount of individual compensation paid by the Group companies (including the Company) in the consolidated statement to the president or executive vice president.

Note 5: Net income disclosed from the latest financial statement of each company

Note 6: a. This field represents all forms of remuneration that the president and vice president received from the Company's parent company or invested businesses other than subsidiaries (specify "None" if absent).

b. For president and vice president who received remuneration from parent company or invested businesses other than subsidiaries, amounts received from these invested businesses or parent company have been added to

column E of the remuneration brackets table. In which case, column I will be renamed "...parent company and all invested businesses...".

c. Remuneration refers to any returns, compensation (including compensations received as an employee, director, and supervisor) and professional service fees that the Company's president/vice presidents received for serving as directors, supervisors or managers in the parent company or invested businesses other than subsidiaries.

＊Remuneration shown under the chart is for disclosure purpose. It is not subject to "income" under the Income Tax Act, and thereby is not taxable.

(III) Employees' Profit Sharing Paid to Management Team:

Unit: NT$ thousand

	Job title (Note 1)	Name (Note 1)	Stock (fair market value) (Note 2)	Cash (Note 2)	Total	Percentage of net profit after tax
Managerial Officer	President	Anthony Poliang Yeh	0	573	573	0.85%
	Senior Vice President and Chief Factory Manager	Bao-Hong Lin				
	Vice President of Main Management Department	Shian-Jung Hung				
	Taipei Sales Division Assistant Vice President	Ying Xiao				
	Accounting Supervisor	Chao-Nan Hsu				

Note 1: Individual names and titles should be disclosed, but the profits distributed should be disclosed in aggregate amount.

Note 2: Employee remuneration amount (stock and cash) to managers. The rewarding amount is proposed and resolved by the Board of the fiscal years. If cannot be estimated, the distribution amount of this year shall be determined by the actual distribution ratio of last year. Net income disclosed from the latest financial statement of each company.

Note 3: Managers subject to the rewarding (according to per March 27, 2003 Letter No. Securities and Futures Bureaus-0920001301 of the Financial Supervisory Commission, Executive Yuan of the Taiwan Stock Exchange Corporation) are:
(1) General Manager and the position equivalent to the General Manager.
(2) Deputy Manager and the position equivalent to the Deputy Manager.
(3) Assistant Vice President and the position equivalent to the Assistant Vice President.
(4) Supervisor of Finance Department
(5) Supervisor of Accounting Department
(6) Other persons authorized to manage affairs and sign documents on behalf of a company.

Note 4: For directors, presidents, and executive vice presidents who received employee remuneration (including stock and cash bonus), Table 1-2 must be filled in other than this chart.

(IV) An analysis of the proportion of the total remuneration paid to the Directors, Supervisors, President and Vice Presidents to the net profit after tax, and an explanation of the policy, standard and combination of the remuneration, the procedures for setting the remuneration, and the relevance to the business performance and future risks:

1. The proportion of the total remuneration paid to the company's Directors, President and Vice Presidents to the net profit after tax in the last two years:

Job title	2024				2025			
	The Company		All Companies in the Financial Report		The Company		All Companies in the Financial Report	
	Total remuneration	as a percentage of the net profit after tax	Total remuneration	as a percentage of the net profit after tax	Total remuneration	as a percentage of the net profit after tax	Total remuneration	as a percentage of the net profit after tax
Director	10,204	10.49%	10,406	10.69%	8,798	13.08%	8,920	13.26%

Supervisor (Note)	-	-	81	0.08%	-	-	-	-
President and Vice Presidents	9,834	10.11%	9,882	10.16%	9,689	14.4%	9,747	14.49%

(Note) The Company has established the Audit Committee in June 2020, this is the subsidiary supervisor.

2. The policy, standard and combination of the remuneration, the procedures for setting the remuneration, and the relevance to the business performance and future risks:

(1) Directors' remuneration appropriation policy and the procedure for determining remuneration:

According to "Remuneration Policy for Directors and Managers" of the company, directors' remuneration is divided into remuneration, compensation and service expenses. Under Article 33-2 of the Company's Articles of Incorporation, the Company shall pay a fixed remuneration to directors regardless of the Company's operating profit or loss. According to Article 33 of the Company's Articles of Incorporation, the Board of Directors has resolved to allocate no more than 3% as directors' remuneration. The allocation is based on the directors' level of participation in company operations and their contributions, including factors such as EPS, corporate governance, risk management and control, and supervision of sustainability implementation. The company may pay business execution fees when convening functional committees, shareholders' meetings, and the board of directors to approve annual financial reports.

(2) Managerial Officers' remuneration appropriation policy and the procedure for determining remuneration:

According to "Remuneration Policy for Directors and Managers" of the company, the remuneration structure of managerial officers consists of salary, bonus, employee' compensation, retirement benefits. Salary shall be by Article 33-2 of the Company's Articles of Incorporation, when the managers of the company perform their duties, the Company shall pay remuneration to managers regardless of the Company's operating profit or loss. Its remuneration is authorized to the Board of Directors according to their individual contributions to the Company and the standards of peer industries. Managers below the assistant vice president level will be awarded based on the assessment of operating performance (items as follows) and the company's operating results.

The performance appraisal of senior managers (president and vice presidents) is divided into operating performance (operation and management capabilities, risk management, revenue target achievement rate, pre-tax profit and loss) accounting for 70%, and sustainable development performance (low-carbon transformation(10%), occupational safety and health(3%), acquisition of international environmental protection and human rights-related certifications(10%), other major sustainability topics(7%), etc., divided into long/short term) accounting for 30%, and calculate the remuneration based on the assessment results. Employee' compensation shall be not less than 3% of the Company's profit according to the Company's Articles of Association. Retirement fee are conducted pursuant to labor-related laws and regulations. Salary, bonus, employee' compensation shall be reviewed by the remuneration committee.

(3) Relations with operating performance and future risks

The remuneration to directors, managers of the Company is determined in accordance with the Company's Articles of Incorporation, their individual contributions to the Company and the standards of peer industries. It is positively correlated with the operating performance. The Company will also review the

remuneration system in accordance with the actual operating status and relevant laws and regulations in order to strike a balance between sustainability and risk control, and disclose the amount of payment in the annual report each year in accordance with the laws and regulations; therefore, the risk should be minimal in the future.

III. Corporate Governance Status:

(I) Board of Directors

(1) Operation of the board of directors

In the last year (2023), the board of directors held 5 meetings (A) and the voting and non-voting attendance of directors is as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A)	Remarks
Chairman	Chung-Fa Yeh	5	-	100.00%	
Director	Anthony Poliang Yeh	5	-	100.00%	
Director	Ching-Tse Yeh	5	-	100.00%	
Director	Yao-Chou Yang	5	-	100.00%	
Director	Koi-Hui Yeh	3	-	60.00%	
Director	Shou-Tun Yeh	-		-	Note 1
Director	Rung-Shin Shu	5	-	100.00%	
Independent Director	Fu-Nan Chou	5	-	100.00%	
Independent Director	Wu-Zhong Liao	5	-	100.00%	
Independent Director	Sìn-Yì Huang	5	-	100.00%	
Independent Director	Cong-Wen Shi	4	-	80.00%	

Note 1: Director Mr. Yeh Shou-Tun passed away on April 21, 2025.

Other issues to be noted:

I. In case of any of the following circumstances in the operation of the board of directors, state the date of the board meeting, the number of the meeting session, the contents of the proposal, all the opinions of the independent directors and the company's handling of such opinions of the independent directors:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act

Board of Directors	Motion content and company's response	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors' dissenting opinions or qualified opinions
2024.03.12 10th meeting of the 15th term	1. Approved the ratio and amount of remuneration to directors and employees for 2024.	✔	None
	2. Approved the 2024 Business Report and Financial Statements of the Company.	✔	None
	3. Approved the proposal for the distribution of the Company's earnings for the second half of 2024.	✔	None

		4. Approved the 2024 Statement of Internal Control System.	✔	None
		Opinions of independent directors: None.		
		Company's response toward the opinion of independent directors: None.		
		Result of Resolution: Approved by all directors present.		
	2024.08.12 12th meeting of the 15th term	1. Approved that the Company would not distribute earnings for the first half of 2025.	✔	None
		Opinions of independent directors: None.		
		Company's response toward the opinion of independent directors: None.		
		Result of Resolution: Approved by all directors present.		
	2025.11.10 13th meeting of the 15th term	1. Proposed Revisions to the Company's "Board of Directors' Performance Evaluation Measures".	✔	None
		Opinions of independent directors: None.		
		Company's response toward the opinion of independent directors: None.		
		Result of Resolution: Approved by all directors present.		
	2025.12.24 14th meeting of the 15th term	1. The Company's 2026 Audit Plan.	✔	None
		2. Proposed amendments to the Company's "Internal Control System" related procedures and policies.	✔	None
		3. Review of the evaluation criteria for the Company's Board of Directors' performance assessment.	✔	None
		Opinions of independent directors: None.		
		Company's response toward the opinion of independent directors: None.		
		Result of Resolution: Approved by all directors present.		

(II) In addition to the matters above, other resolutions of the board meeting with objections or reservation of independent directors and records or written statements: None.

II. For the implementation of avoidance of motions by directors due to a conflict of interest involved, state the name of the director, the content of the motion, the reason for withdrawal from the meeting for interest avoidance and the voting results:

Date of Board Meetings	Name of Directors	Contents of Motion	Causes for Avoidance	Participation in Deliberation
2025.12.24	Anthony Poliang Yeh	The 2025 year-end bonus for managers of the Company.	Recusal of a director who is also a manager	Not participating in the discussion and voting
	Chung-Fa Yeh		Recusal in accordance with Article 206, Paragraph 3 of the Company Act (due to a parent–child relationship with Poliang Yeh).	

III. Evaluation cycle, period, scope, method and content of the board of directors' self (or peer) evaluation:

Implementation status of the Board of Directors' evaluation

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method
Carried out annually	January 1, 2025 - December 31, 2025	Board of directors, individual board	Internal Self-evaluation of

		member,compensation committees, audit committee	the Board of Directors and Self-Evaluation of Performance of Board Members

Evaluation aspect

(1) Board performance evaluation: The items and contents of the "Questionnaire of Self-Evaluation of Performance of the Board" include the following six aspects:
Participation in the operation of the company; improvement of the quality of the board of directors' decision making; composition and structure of the board of directors; election and continuing education of the directors; internal control; and attention to sustainable management (ESG).

(2) Performance evaluation of board members: The items and contents of the "Questionnaire of Self-Evaluation of Performance of Board Members (for Themselves or Peers)" include the following six aspects: Alignment of the goals and missions of the company , and attention to sustainable management (ESG); awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.

(3) Performance evaluation of compensation committees: The items and contents of the "Questionnaire of Self-Evaluation of Performance of the Compensation Committee" include the following five aspects: Participation in the operation of the company; awareness of the duties of the compensation committee; improvement of quality of decisions made by the compensation committee; selection of committee members and internal control.

(4) Performance evaluation of audit committees: The items and contents of the "Questionnaire of Self-Evaluation of Performance of the Audit Committee" include the following five aspects: Participation in the operation of the company; awareness of the duties of the audit committee; improvement of quality of decisions made by the audit committee; selection of audit members and internal control.

IV. Goals to improve the functions of the Board of Directors in the current and previous fiscal years (e.g. establishing an Audit Committee, promoting financial transparency, etc.) and an assessment of the implementation:

(I) Improve the functions of the Board of Directors:

(1) In order to implement corporate governance, enhance the functions of the board of directors of the company, and establish performance goals to enhance the operational efficiency of the board of directors, the "Measures for Performance Evaluation of the Board of Directors" was formulated on March 27, 2019, and the performance evaluation of the entire board of directors and individual directors, functional committees is carried out on a regular basis every year according to these measures. Executed since 2019. The regulations were revised in November 2025 to strengthen the Board of Directors' focus on sustainable management (ESG).

(2) The company' s 2025 annual evaluation results were submitted to the board of directors on March 9, 2026. The relevant overall evaluation results are as follows：

Assess Target		Weighted Average Score
Board of Directors as a whole		3.99
Individual directors		4.05
Functional committees	Compensation Committee	3.84
	Audit Committee	3.98

(3) In the future, the company will strengthen the diversification policy for the selection and appointment of directors, so as to make the company's measurement of business decisions more objective, and strengthen multi-faceted consideration to strengthen risk management.

(4) Promote corporate governance and sustainable development continued to strengthen the board of directors' oversight function.

(II) Improve information transparency:

The Company continuously and immediately announces major resolutions made by the Board of Directors and complies with the information disclosure requirements imposed by the competent authority, and publishes its annual report and financial statements in English simultaneously to ensure that all material information is disclosed promptly and properly; the Company's website is linked to the Market Observation Post System, so that shareholders and interested parties can refer to information related to the financial condition and business operations of the Company.

Note 1: If a director or supervisor is a legal entity, please disclose the name of the corporate shareholder and their representative.

Note 2: (1) If a director or supervisor resigns before the end of the year, the resignation date shall be indicated in the Remarks field. The actual attendance rate (%) was calculated on the basis of the number of board meetings held during each director's term and the number of meetings actually attended by that director.

(2) If there is a reelection of directors and supervisors before the end of the year, the new and former directors and supervisors must be stated in the Remarks field, and indicate if such director and supervisor is old, new or reelected, as well as the reelection date. The percentage of actual (proxy) attendance (%) will be calculated based on the number of Board of Directors' meetings held during active duty and the number of actual (proxy) attendance.

(II) Information on the Operation of the Audit Committee

In the last year (2025), the Audit Committee held 5 meetings (A) and the voting and non-voting attendance of independent directors is as follows:

Job title	Name	Number of actual attendance B	Number of attendance by proxy	Actual attendance rate (%)(B/A) (Note 1, Note 2)	Remarks
Convener	Fu-Nan Chou	5	-	100.00%	
Independent Director	Wu-Zhong Liao	5	-	100.00%	
Independent Director	Sìn-Yì Huang	5		100.00%	
Independent Director	Cong-Wen Shi	4		80.00%	

Annual work priorities:

To assist the Board of Directors in performing its role of overseeing the quality and integrity of the Company in performing accounting, auditing, financial reporting processes and financial controls. The main reviewed matters are as follows:

(1) Review the financial statements.

(2) Evaluate Certified Public Accountants' competence and independence.

(3) Review the amendments to the Procedures for the Acquisition and Disposal of Assets

(4) Review the amendments to the Internal Control System and Statement of Internal Control System.

(5) Review the Internal audit plan.

(6) Supervise the implementation of various risk management systems and the effective operation of their mechanisms

(7) Risk assessment of stomach.

Other issues to be noted:

I. In case of any of the following circumstances in the operation of the Audit Committee, state the date of the audit committee meeting, the meeting session, the contents of the

proposal, the objections, reservations or major recommendations of the independent directors, the resolution of the Audit Committee members and the company's handling of the opinion of the Audit Committee: (Note 3)

(I) Matters listed in Article 14-5 of the Securities and Exchange Act (Note 3)

(II) Except for the matters previously mentioned, the other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None.

II. For the implementation of avoidance of motions by independent directors due to a conflict of interest involved, the name of the independent director, the content of the motion, the reason for withdrawal from the meeting for interest avoidance and the voting results shall be stated: None.

III. Communication between independent directors and the internal audit director and the accountant (including major matters, methods and results of communication on the company's finance and business conditions).

Explanation:

(I) The independent directors and the internal audit manager communicate with each other at the quarterly meetings of Audit Committee. The internal audit manager reports to the independent directors at the meetings on a regular basis to discuss the audit results and the implementation status of their follow-ups.
Summary of communication between the independent directors and the internal auditors in 2025: (Note 4)

(II) The independent directors and the CPAs communicate with each other at the annual meeting. The independent CPAs provide explanations to the independent directors on the audit results of the financial statements, and communicate with each other on whether there are any amendments to the laws and regulations or new standards that may affect the Company's accounting practices.
Communications between independent directors and external accountants in 2025: (Note 5)

Note 1: Where a specific independent director may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director

Note 2: Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the audit committee during each independent director's term and the number of meetings actually attended by that independent director.

Note 3: Operation status

Date of meeting	Proposal Contents	Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act	Resolutions rejected by the Audit Committee but approved by two thirds of directors
2025.03.12 10th session of the 2nd term	1. Report on material financial and business results for 2024.	✔	None
	2. Assessment of external CPAs' competence and independence for 2025.	✔	None
	3. Endorsement and guarantee for subsidiaries	✔	None
	4. 2025 Statement of Internal Control System.	✔	None
	5. Amendment to the Company's Articles of Incorporation.		None
	Results of the resolution of the Audit Committee: All members of the Audit Committee present agreed to approve.		
	The Company's handling of the opinions of the Audit Committee (2025.03.12): All members of the Audit Committee present agreed to approve.		
2025.05.09 11th session	1. Report on material financial and business results for Q1 2025.	✔	None

Date of meeting	Proposal Contents	Matters specified in Article 14-5 of the Taiwan Securities and Exchange Act	Resolutions rejected by the Audit Committee but approved by two thirds of directors
of the 2nd term	2. Supplementary Report on the Risk Management Mechanism for 2024.		None
	3. Amendment to the Company's Sustainable Development Principles.		None
	4. Assessment of the Engagement of the Certifying CPA for the Provision of Non-Assurance Services.		None
	Results of the resolution of the Audit Committee: All members of the Audit Committee present agreed to approve.		
	The Company's handling of the opinions of the Audit Committee (2025.05.09): All members of the Audit Committee present agreed to approve.		
2025.08.12 12th session of the 2nd term	1. Report on material financial and business results for Q2 2025.	✔	None
	Results of the resolution of the Audit Committee: All members of the Audit Committee present agreed to approve.		
	The Company's handling of the opinions of the Audit Committee (2025.08.12): Approved by all the directors present.		
2025.11.10 13th session of the 2nd term	1. Report on material financial and business results for Q3 2024.	✔	None
	2. Revised "Risk Management Measures"		None
	Results of the resolution of the Audit Committee: All members of the Audit Committee present agreed to approve.		
	The Company's handling of the opinions of the Audit Committee (2025.11.10): Approved by all the directors present.		
2025.12.24 14th session of the 2nd term	1 Amendments to internal control system and related operations and procedures	✔	None
	2. 2026 Audit Plan	✔	None
	3. GM's Office establishes the Company's risk assessment of stomach in accordance with the Risk Management Policy.		None
	Results of the resolution of the Audit Committee: All members of the Audit Committee present agreed to approve.		
	The Company's handling of the opinions of the Audit Committee (2025.12.24): Approved by all the directors present.		

Note 4: Communications between independent directors and the internal audit manager:

Date	Matters communicated	Recommendations and Results from Independent Directors
2025.03.12	Report on internal audit implementation in Q4 2024.	No objection
2025.05.09	Report on internal audit implementation in Q1 2025.	No objection
2025.08.12	Report on internal audit implementation in Q2 2025.	No objection
2025.11.10	Report on internal audit implementation in Q3 2025.	No objection
2025.12.24	Report on internal audit implementation in October 2025.	No objection

Note 5: Communications between independent directors and external accountants in 2024:

Date	Matters communicated	Recommendations and Results from Independent Directors
2025.8.12	Communication has been made regarding governance issues related to the review of the financial statements and found that there were no extraordinary events and no material audit adjustments, discrepancies or undisclosed matters	No opinion
	Major accounting assessment recommendations: Evertex investing in fund market trading in 2025. The CPAs provided accounting treatment logic and a quarterly valuation model to ensure the completeness and accuracy of the financial statements.	No opinion
	Discussion on IFRS 15 issue: The CPAs explained to the independent directors that, starting from the	No opinion

	third quarter of 2025, contract assets will be estimated with reference to IFRS 15. This will be done through the five-step model—identifying customer contracts, identifying performance obligations, determining the transaction price, allocating the transaction price to performance obligations, and recognizing revenue when (or as) performance obligations are satisfied. By integrating plant production progress and contract unit prices, the value of contract assets at each quarter-end will be calculated and recognized in the accounts, faithfully representing the amount of revenue from performance obligations.	

(III) Corporate Governance Implementation as Required by Taiwan Financial Supervisory Commission:

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
I. Does the Company establish and disclose the Corporate Governance Best Practice Principles based on the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the "Corporate Governance Best Practice Principles". These principles, which are related to the protection of shareholders' rights and interests, the Company, the enhancement of the board of directors' functions, the function of the Audit Committee, the respect of stakeholders' rights and interests, and the enhancement of information transparency, have been clearly defined and implemented in the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, taking into account the industry conditions, laws and regulations, and the Company's status.	No difference.
II. Equity structure and shareholders' equity of the Company				
(I) Does the Company have internal operation procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If so, have these procedures been implemented accordingly?		✓	(I) Although the Company has not yet established internal procedures to handle shareholders' suggestions, doubts, disputes and litigation matters, the Company has designated a dedicated person (spokesperson and stock affairs unit) to properly handle shareholders' suggestions, doubts and disputes, etc. If there are legal issues involved, the Company's legal counsel will handle such issues.	(I) No material difference
(II) Does the Company have a list of major shareholders and ultimate controllers of	✓		(II) The Company's stock affairs are handled by a transfer agent, and the Company has good relations with	(II) No difference

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
major shareholders who actually control the Company?			major shareholders and keeps control of the shareholdings held by directors, managers and major shareholders holding 10% or more of the shares.	
(III) Has the company established and implemented risk control and firewall mechanisms with affiliated enterprises?	✓		(III) The Company has established "Rules Governing Financial and Business Matters between the Company and Its Affiliated Enterprises". The Company follows the relevant laws and regulations to control the risks associated with investments in affiliates, lending of funds and endorsement/guarantees to others, acquisition or disposal of assets, and accounts receivable transactions among related entities.	(III) No difference
(IV) Does the company have internal regulations that prohibit insiders of the company from buying and selling securities using non-public information?	✓		(IV) The Company has established the "Procedures for Handling Material Inside Information" to prohibit directors, managers and employees who have access to the Company's material inside information from disclosing such information to others. The Company's directors are highly self-disciplined to prohibit the occurrence of misconduct. The Company has also established the "Employee Code of Ethical Conduct ", the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct", which prohibit directors, managers, employees, appointees or persons with substantial control over the Company from engaging in unethical conduct for improper gain.	(IV) No difference
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Board of Directors established a diversity policy, set goals, and implemented them	✓		(I) The Company has established a "Corporate Governance Best Practice Principles" and a "Policy on the Diversification of the Board of	(I) No difference.

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
accordingly?			Directors" to formulate an appropriate policy on the board of directors' diversity with respect to the Company's operations, business structure and development needs (please refer to pages 5~8 of this annual report - Diversification and Independence of the Board of Directors). The Company plans to add one additional independent director to the Board when the Board is re-elected in 2023.	
(II) In addition to setting up the Compensation Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?		✓	(II) The Company does not have other functional committees at present. In the future, the President's Office will assign the head of each unit to be responsible for managing each function according to their responsibilities.	(II) The Company will set it up in the future as necessary.
(III) Has the Company established a methodology for evaluating the performance of its Board of Directors, on an annual basis, reported the results of the performance to the Board of Directors, and used the results as reference for directors' remuneration and renewal?	✓		(III) The Company has established the Board of Directors' performance evaluation policy on March 27, 2019, which stipulates that annual evaluation will be conducted and the evaluation results will be completed by the end of the first quarter of the following year. The evaluation is conducted by distributing the "Questionnaire of Self-Evaluation of Performance of the Board", "Questionnaire of Self-Evaluation of Performance of Board Members (for Themselves or Peers)" and "Questionnaire of Self-Evaluation of Performance of the Functional Committee" to each director before the end of each year. After receiving the questionnaires, the evaluation results are recorded and submitted to the Board of Directors. The measurement items of the performance evaluation of the board of directors of the Company cover the following six aspects:	(III) No difference

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			1. Participation in the operation of the company; 2. Improvement of the quality of the board of directors' decision making; 3. Composition and structure of the board of directors; 4. Election and continuing education of the directors. 5. Internal control. 6. Attention to sustainable management (ESG). The measurement items of the performance evaluation of the board members of the Company cover the following six aspects: 1. Alignment of the goals and mission of the company and attention to sustainable management (ESG); 2. Awareness of the duties of a director; 3. Participation in the operation of the company; 4. Management of internal relationship and communication; 5. The director's professionalism and continuing education; and 6. Internal control. The measurement items of the performance evaluation of the compensation committees of the Company cover the following five aspects: 1. Participation in the operation of the Company; 2. Awareness of the compensation committee's duties. 3. Enhancement of the quality of the compensation committee's decision-making 4. Selection of committee members. 5. Internal control. The measurement items of the performance evaluation of the audit	

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(IV) Does the Company regularly evaluate the independence of CPAs?	✓		committees of the Company cover the following five aspects: 1. Participation in the operation of the Company; 2. Awareness of the audit committee's duties. 3. Enhancement of the quality of the audit committee's decision-making 4. Selection of audit members. 5. Internal control. The results of 2025 performance evaluation of the Board of Directors were finalized at the end of 2025 and reported in the Board of Directors' Meeting on March 9, 2025: the results of the performance evaluation of the Board of Directors as a whole, the individual board members and the compensation committees and the audit committees were assessed to be "in compliance with the standards". The results of the performance evaluation as a whole are effective. (IV) The Company's Finance and Accounting Department has conduct annual evaluation to assess the independence of the external CPAs and submitted the evaluation results to the Audit Committee and the Board of Directors for approval on March 9, 2026. The CPAs of the Company, Meng-Gui Yu and Keng-Shi Chang from Deloitte Touche, have met the independence criteria of the Company (Note 1) and were qualified to serve as the Company's independent CPAs , and the Company also obtained the "CPAs' Statement of Independence" issued by them.	(IV) No difference
IV. Is the Company equipped with a competent and appropriate number of corporate governance officer, and has it	✓		On May 11, 2023, the company set up the position of Corporate Governance Director in the board of director which was assumed by the Vice President of the Main Management Department, and leads the	No difference.

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
designated a corporate governance director to be responsible for corporate governance related matters (including but not limited to providing information required by directors and supervisors to carry out business, assisting directors and supervisors in complying with laws and regulations, managing related matters of the board meeting and shareholders' meeting in accordance with laws, taking minutes of the board meeting and shareholders' meeting, etc.)?			staff in the Main Management Office to execute the corporate governance operations with the following main responsibilities: 1. Develop an appropriate corporate system and organizational structure to maintain the independence of the board of directors, the transparency of the company, and the compliance and enforcement of laws. 2. Consult the directors before the board meeting to plan and prepare the agenda, notify all directors to attend the meeting at least 7 days in advance and provide them with adequate information for the meeting, and invite the person in charge of the subject matter to attend the meeting so that the directors can understand the content of the relevant motions, and remind the relevant parties if the subject matter has conflict of interest that should be appropriately recused. 3. Register the shareholders' meeting date every year by the deadline set by the law, prepare and file the notice of meeting, meeting handbook and meeting minutes before the deadline, and register the changes after the amendment of the articles of incorporation or the election of directors.	
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up a stakeholder area on the company's website, and properly responded to major corporate social	✓		The Company has a spokesperson to communicate with its stakeholders. In addition to the spokesperson, the Company also provides the stakeholders with the opportunity to contact the Company by telephone or fax on the Company's website to address their questions and concerns, then the Company will respond to them appropriately.	No difference.

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
responsibility issues of concern to stakeholders?				
VI. Has the Company appointed a professional agency to handle the affairs of the shareholders' meeting?	✓		The Company appointed Fubon Securities Co., Ltd. to handle all the matter related to the shareholders' meeting on its behalf.	No difference.
VII. Information Disclosure (I) Has the Company set up a website to disclose financial and corporate governance information? (II) Does the Company adopt other ways of information disclosure (such as setting up an English website, appointing a dedicated person to be responsible for the collection and disclosure of the company's information, implementing the spokesperson system, and placing on the company's website the process of the seminar for institutional investors)? (III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second and third quarter financial report and the operation of each month ahead of the required time limit?	✓ ✓	 ✓	The Company set up dedicated personnel to disclose various financial standings on MPOS. The implementation of corporate governance is also disclosed on the corporate website.(http://www.evertex.tw) The Company implements a spokesperson system, and the spokesperson speaks in representing of the Company. To ensure the proper and timely disclosure of information about policies that might affect the decisions of shareholders and stakeholders. The Company also sets up Chinese and English version corporate website and appoints personnel responsible for gathering and disclosing the information. All financial and business information can be queried on the corporate website. Although the Company did not publicly announce and report the annual financial report and the first, second and third quarter financial reports in advance, the Company did announce and report them before the deadline as stipulated by the law.	No material difference

Item	Implementation status			Difference from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
VIII. Does the Company have other important information to help understand the operation of corporate governance (includi0ng but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, the status of directors' and supervisors' further education, the implementation of risk management policies and risk measurement standards, the implementation of customer policies, the company's purchase of liability insurance policy for directors and supervisors, etc.)?	✓		Since 2019, the company has purchased liability insurance for directors (supervisors) and important staff for the compensation liability for the execution of their business scope. The latest insurance period is from June 1, 2025 to May 31, 2026, and the insured amount is U.S.1 million dollars.	No difference.

IX. Please explain the improvement of the corporate governance evaluation results according to the findings issued by the Corporate Governance Center of the Taiwan Stock Exchange for the latest year, and put forward the priorities and measures for those that have not been improved: The Company has made improvements in 2025 to address the deficiencies listed in the 11th Corporate Governance Evaluation System, as described below:

Number	Items not yet improved in 2024	Improvement in 2025
4.4	Has the Company's Sustainability Report disclosed relevant ESG information with reference to the SASB Standards?	The Company's 2024 Sustainability Report has been prepared with reference to the SASB Standards and discloses relevant ESG information, including the SASB industry specific metrics index cross-reference table.
4.7	Has the Company uploaded the English version of the Sustainability Report to the Market Observation Post System (MOPS) and the Company's website?	The Company uploaded the English version of the Sustainability Report to the Market Observation Post System (MOPS) and the Company's website in August 2025.
4.24	Has the Sustainability Report prepared by the Company been submitted to and approved by the Board of Directors?	The Company's Sustainability Report for the year ended December 31, 2024 was submitted to and approved by the Board of Directors on August 12, 2025.

Note 1: Assessment of external CPAs' independence and competence:

Assessment items	Outcome of assessment	Whether to comply with the independence criteria
1. The external CPAs perform professional services with dignity and integrity.	Yes	Yes
2. The external CPAs are impartial and objective when performing professional services, while avoiding conflicts of interest that may affect their independence.	Yes	Yes
3. The external auditors shall have independence of mind and in appearance, to express an opinion on financial statements for the work of auditing and review.	Yes	Yes
4. When they have a direct or indirect material financial interest in the Company.	No	Yes
5. When they have a financing or guarantee relationship with the Company or its directors.	No	Yes
6. When they have a close business relationship with the Company	No	Yes
7. When they have a potential employment relationship with the Company	No	Yes
8. When there are contingency fees in the audit	No	Yes
9. Members of the audit service team have served as directors and supervisors, managers of clients or positions within the past two years that have a significant impact on audit cases	No	Yes
10. Non-audit services provided to clients will directly affect important items in an audit case	No	Yes
11. Promote or be a sales agent of shares or other securities issued by the Company	No	Yes
12. Acting as a defender of audit clients or representing the Company in a conflict with another third party, except for those permitted by law.	No	Yes
13. When there is a relationship with the Company's directors, supervisors, managers or those who have a significant influence on an audit case	No	Yes
14. Co-working accountants within one year before dismissal serving as the clients' directors, supervisors or managers, or positions that have a significant influence on an audit case	No	Yes
15. Receiving gifts or gifts of great value from clients, their directors and managers	No	Yes
16. The Company requires the accountants to improperly reduce accounting policies that should be performed.	No	Yes
17. In order to reduce audit fees, pressure is put on accountants to improperly reduce the audit work that should be performed.	No	Yes
18. The Company has been appointed the same external auditor for more than seven consecutive years.	No	Yes

Assessment items	Outcome of assessment	Whether to comply with the competence evaluation
1. Complete the attestation report on the financial statements of the Company for each period punctually.	Yes	Yes
2. Complete the audit on the financial statements of the investees of each period punctually.	Yes	Yes
3. Provide the Company with financial and tax consultative services from time to time.	Yes	Yes

Assessment items	Outcome of assessment	AQI report provided by CPAs
1. Professionalism: Do the accounting firm and CPAs possess expertise and management capacity for implementing the audit operations?	Yes	Yes
2. Quality control: Do the accounting firm and CPAs possess the quality control capacity for audits?	Yes	Yes
3. Independence: When the accounting firm and CPAs are implementing the audits, do they maintain the substantial and formal position of independence and impartially express their opinions?	Yes	Yes
4. Supervision: Is there any deficiency found regarding the implementation of the accounting firm and CPAs under the supervision of the supervisory agent?	Yes	Yes
5. Innovation capacity: Does the accounting firm possess plans for improving the audit quality or innovation capacity?	Yes	Yes

Note 2：Directors attend continuing education courses related to corporate governance in 2024

Title		Course title	Host by	Training hours
Directors	Chung-Fa Yeh	2025 Cathay Sustainable Finance & Climate Change Summit	Taiwan Stock Exchange Corporation	6 hours
	Anthony Poliang Yeh	Impacts of Recent Tax Law Reforms on Corporate Operations and Corresponding Response Strategies	Taiwan Corporate Governance Association	3 hours
		Key Insights into the New Corporate Governance Blueprint and Major Compliance Requirements	Taiwan Corporate Governance Association	3 hours
	Ching-Tse Yeh	Impacts of Recent Tax Law Reforms on Corporate Operations and Corresponding Response Strategies	Taiwan Corporate Governance Association	3 hours
		Key Insights into the New Corporate Governance Blueprint and Major Compliance Requirements	Taiwan Corporate Governance Association	3 hours
	Yao-Chou Yang	2025 Insider Equity Trading Compliance Seminar	Securities and Futures Institute	3 hours
		2025 Annual Insider Trading Prevention Promotion Conference	Securities and Futures Institute	3 hours
	Koi-Hui Yeh	Impacts of Recent Tax Law Reforms on Corporate Operations and	Taiwan Corporate Governance Association	3 hours

Title		Course title	Host by	Training hours
		Corresponding Response Strategies		
		Key Insights into the New Corporate Governance Blueprint and Major Compliance Requirements	Taiwan Corporate Governance Association	3 hours
	Rung-Shin Shu	Nature-Related Developments and the Nature-Positive Transition After UNFCCC COP30	Business Council for Sustainable Development Taiwan	3 hours
		2025 Insider Equity Trading Compliance Seminar	Securities and Futures Institute	6 hours
Independent Directors	Fu-Nan Chou	2025 Insider Equity Trading Compliance Seminar	Securities and Futures Institute	3 hours
		2025 Annual Insider Trading Prevention Promotion Conference	Securities and Futures Institute	3 hours
	Wu-Zhong Liao	Briefing Course on CDP Alignment with IFRS S2: Key Issues and Interpretation	Business Council for Sustainable Development Taiwan	6 hours
	Sìn-Yì Huang	2025 Annual Insider Trading Prevention Promotion Conference	Securities and Futures Institute	6 hours
	Cong-Wen Shi	2025 Cathay Sustainable Finance & Climate Change Summit	Taiwan Stock Exchange Corporation	6 hours

Managers attend continuing education courses related to corporate governance in 2024

Title		Course title	Host by	Training hours
Corporate Governance Officer	Shian-Jung Hung	Sustainability Disclosure Practices for Listed and OTC Companies	Securities and Futures Institute	9 hours
		Briefing Course on CDP Alignment with IFRS S2: Key Issues and Interpretation	Business Council for Sustainable Development Taiwan	6 hours
Accounting Supervisor	Chao-Nan Hsu	Ongoing Education for Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Accounting Research and Development Foundation of the Republic of China	12 hours

(IV) Compensation Committee Meeting Status

1. Information of Compensation Committee members

Qualification / Title (Note 1)	Name	Professional Qualification and Experience (Note 2)	Independence Status (Note 3)	Number of compensation committee member position concurrently held at other public offering companies
Independent Director Convener	Fu-Nan Chou	He is a professional in the textile industry and has been in the industry for decades. He graduated from National Chengchi University with a degree in International Trade and is the Chairman of SINGHOTEX CO., LTD. He has not been a person of any conditions defined in Article 30 of the Company Act.	1. None of his spouse, relatives within the second degree of kinship is a director, supervisor or manager of the Company or its affiliates. 2. No shares of the Company are held by him, his spouse or relatives within the second degree of kinship. 3. Not a director, supervisor or employee of any company engaged in specific relationship with the Company. 4. No remuneration received for business, legal, financial or accounting services provided by the Company or its affiliates in the last two years.	0
Independent Director	Wu-Zhong Liao	He is a professional in the textile industry and has been in the industry for several decades. He is the Chairman of FONG WEI FIBERS CORPORATION. He has not been a person of any conditions defined in Article 30 of the Company Act.		0
Independent Director	Sìn-Yì Huang	He is a professional in the textile and chemical industry. He graduated from Ming Chi Institute of Technology with a degree in Chemical Engineering and has been the director and Vice President of NAN YA PLASTICS (Co., Ltd.) , The 4th Executive Director of the Taiwan Man-made Fiber Manufacturing Industry Association. He is currently a adviser for NAN YA PLASTICS (Co., Ltd.) and has been in the industry for decades.He has not been a person of any conditions defined in Article 30 of the Company Act.		
Independent Director	Cong-Wen Shi	He is a professional in the textile and chemical industry. He graduated from National Taiwan University MBA. He is the founder and chairman of Ruisi Consulting (Inc.), and also serves as a adviser to NAN YA PLASTICS (Co., Ltd.). He has been in the industry for nearly ten years.He has not been a person of any conditions defined in Article 30 of the Company Act.		

Note 1: Please specify the related seniority, professional qualifications, experiences, and independence of each Compensation Committee member in the Table. For members who are also independent directors, please refer to pages 5~6 of this annual report - Diversification and Independence of the Board of Directors. In the Title field, each member is specified either as independent director or other (please mark the role of convener, if any)

Note 2: Professional qualifications and experience: Please specify the professional qualifications and experience for each member of the Compensation Committee.

Note 3: Compliance with the independence requirements: Please specify the Compensation Committee members' compliance of independence, including but not limited to, whether they or their spouses or relatives within the second degree of kinship serve as directors, supervisors, supervisors or employees in the Company or any of its affiliates; the number and percentage of the Company's shares held in their own names or names of the spouses, relatives within the second degree of kinship (or under the name of others); whether they serve as directors, supervisors, or employees in any company engaged in specific relationship with the Company (please refer to the subparagraphs 5–8, Paragraph 1 of Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Compensation Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

2. Status of Compensation Committee meetings

(1) There are four members on the Compensation Committee of the Company.

(2) The current term of the Compensation Committee members is from June 27, 2023 to June 26, 2026. The Compensation Committee held two meetings (A) in the most recent year and the qualifications and attendance record of members are as follows:

Job title	Name	Number of actual attendance (B)	Number of attendance by proxy	Actual attendance rate (%) (B/A) (Note 1, Note 2)	Remarks
Convener	Fu-Nan Chou	2	-	100%	
Member	Wu-Zhong Liao	2	-	100%	
Member	Sìn-Yì Huang	2	-	100%	
Member	Cong-Wen Shi	1	-	50%	

Other issues to be noted:

I. If the board meeting does not adopt or amends the recommendation of the Compensation Committee, state the date, period, content of the proposal, resolution results of the board meeting, and the Company's handling of the opinions of the Compensation Committee (if the compensation adopted by the board meeting is better than the proposal of the Compensation Committee, state the difference and reason): None.

II. In case of any objection or reservation of any member to the resolution of the Compensation Committee with a record or written statement in place, please state the date, period, proposal content, opinions of all members and the handling of the opinions of the members: None.

Note 1: Where a specific member of the Compensation Committee may be relieved from duties before the end of the fiscal year, specify the date of discharge in the "Remark" section. Actual attendance rate (%) was calculated based on the number of board meetings held during each director's term and the number of meetings actually attended by that director.

Note 2: Where a reelection may be held for filling the vacancies of member of Compensation Committee before the end of the fiscal year, list out both the new and the discharged member of Compensation Committee, and specify if they are the former member, or newly elected, re-elected and the date of the reelection in the "Remark" section. Actual attendance rate (%) was calculated on the basis of the number of meetings held by the compensation committee during each member's term and the number of meetings actually attended by that member.

3. The contents and results of the motions and resolutions recently discussed by the Compensation Committee of the Company

Meeting date	Motion content and company's response
2025.01.22 5th session of the 5th term	1. The 2024 remuneration to directors and managers of the Company were paid accordingly.
	2. The applicable compensation policy for directors and officers of the Company for the year 2025.
	3. The 2024 year-end bonus for managers of the Company.
	Result of Resolution: Approved by all member of Compensation Committee present.
2025.12.24 6th session of the 5th term	1. The remuneration to directors and managers of the Company Up to Q3 of 2025 were paid accordingly.
	2. The implementation status of the Company's remuneration to directors for the year 2024.
	3. Proposal for the Scope of Directors and Managers Subject to the 2025 Remuneration Review.
	4. Review of the Evaluation Criteria for the Board of Directors' Performance Assessment.

	5. Distribution of 2025 Year-End Bonuses for the Company's Managers.
	6. Proposal for the 2026 Annual Work Plan of the Remuneration Committee.
	Result of Resolution: Approved by all member of Compensation Committee present.

(V) Sustainable Development Implementation Status and differences from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
I. Does the Company have a governance structure for sustainability development and a dedicated (or ad-hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		The board of directors of the company was granted the general manager as the Chief Responsible Person, and President's Office is as sustainable development integrated unit, assign relevant department mandate sustainable development goals. Composition of executive members: Main Management Department is responsible for corporate governance, HR section is responsible for human rights, talent recruitment and employee welfare, Occupational Safety and Health section responsibilities environmental Issues and occupational safety and health. Board report content: 1. March 12 2025: Reported subsidiary company-Tong Fa Green Energy Co., Ltd. amount of electric power was 2.03 million kWh last year. 2. August 12 2025: Reported energy saving and carbon reduction last year, GHG volume certificate of external organization, and company statistics for water consumption and waste volume. 3. December 24 2025: Report the exctute status of sustainable development items in this year. Exctute status of sustainable development items in 2025: 1. Extra hire handicapped workers and continue hire middle and high older workers.Renewal of international certification: include bluesign® expires in April 2026 (renewal every 3 years)、Oeko Tex Stander 100、GRS	No difference.

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			& Higg Index-FEM & FSLM etc.(updated every year)。 2. Other environmental and social issues such as climate change, reduced energy efficiency, human rights, employee safety and welfare, and other social contributions, public interests, etc., please refer to page 36-57. Board of Directors Directive (December 24, 2025) IFRS issued the sustainability disclosure guidelines two years ago: S1 "General Requirements for Disclosure of Sustainability-Related Financial Information" and S2 "Climate-Related Disclosures". Based on our company's size, we should disclose these requirements in our financial statements for the previous year, to be published by March 2029. Please comply with the required schedule.	
II. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy? (Note 2)	✓		This information covers the Company's sustainable development performance in 2024. The risk assessment boundary is the Company, and the subsidiary, Tong Fa Green Energy Co., Ltd, is included in the scope. The Company conducts risk assessment related to important issues on the materiality principle, and establishes relevant risk management strategies based on the assessed risks. (Note 3)	No difference.
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?	✓		(I) 1. Internal Environmental Management System The Company has established an Environmental Management System Manual based on its industry characteristics. The key policies are as follows: (1)Establishment of an	(I) No difference.

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			Environmental Management System:Assess the Company's environmental aspects and impacts, set environmental objectives, and conduct regular reviews for continuous improvement. (2)Adoption of More Environmentally Friendly Equipment and Processes:Utilize equipment and processes that comply with bluesign® standards (BSBL/BSSL) to reduce energy and water consumption, as well as greenhouse gas emissions. For related implementation details, please refer to page 58. (3)Employee Training and Awareness:Provide regular training to employees on the safe use of chemicals and promote environmental protection awareness. 2. External certifications related to the environment: (1)The company has obtained certification from the Swiss international environmental organization, bluesign®, which is renewed every three years. The latest certificate is valid until April 23, 2026, a Swiss international environmental certification body, which includes the five major certification principles - resource productivity, consumer safety, wastewater and exhaust emissions, and occupational health - into a single standard accreditation. The recognition indicates that the	

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			Company's manufacturing processes and products are in line with ecological and environmental protection, health and safety, and above all, resources are utilized in the most efficient way, and the concept of harmless production is applied. The certification is the latest global environmental standard that guarantees the consumers' safety in using our products. (2)In June 2025, the Company passed the Higg FEM (Facility Environmental Module) audit, meeting the standards for greenhouse gas emissions, energy management, wastewater, waste, and chemical management. (3)The Company has been certified with the RWS (Responsible Wool Standard) for the quality of the raw material source. The wool we use is raised and obtained in a humane manner to fulfill the animal protection policy.	
(II) Is the Company committed to improving energy use efficiency and using renewable materials with low impact on the environment?	✓		(II) 1.Energy efficiency To effectively improve energy efficiency and reduce unnecessary waste, the company has established an "Energy Management Procedure." Older high-energy-consuming equipment has been replaced with high-efficiency, low-energy-consuming alternatives, such as low liquor ratio dyeing machines, variable frequency drives, smart meters, and energy storage systems as part of energy-saving measures. Additionally, the company has implemented an Energy	(II) No difference

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>Management System (EMS) to monitor energy consumption, identify potential energy-intensive equipment early, and prevent unnecessary energy waste.
Energy usage at Taoyuan plant in the past two years
<table><tr><th>Year</th><th>2024</th><th>2025</th></tr><tr><td>Electricity consumption (MWh)</td><td>8.357</td><td>8.320</td></tr><tr><td>Natural gas (10^3m^3)</td><td>4,417</td><td>4,226</td></tr></table>In terms of electricity consumption, using Year 2022 as the baseline, the Taoyuan Plant has achieved an 18% reduction in electricity usage. The reduction target of 7.9 million MWh by Year 2030 has reached 82% completion.
Currently, its subsidiary, Tongfa, has installed a 1,998.3kW solar power plant on the roof of its Taoyuan factory. In the future, it will continue to plan the available space to increase the capacity of solar installations. If electricity costs continue to rise in the future, self-generation for self-consumption will be considered.
2. Recycled materials
We are aware of the importance of environmental protection, so we operate our business with environmental protection in mind and use the Higg Index as a management framework:
(1) Purchasing recycled yarn for production use. In August 2024, we were certified with the Global Recycled Standard (GRS), which provides further source identification and</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>end-product protection for recycled fiber products.
(2) Of the 16 eco-friendly additives used in the factory, which will help reduce the carbon emissions of the fabric.
(3) C_6 water-repellent agent has been completely replaced by C_0 fluorine-free water-repellent agent, which has a more harmless impact on the environment.</td><td></td></tr>
<tr><td>(III) Does the Company assess the potential risks and opportunities of climate change for the enterprise now and in the future and take measures to deal with climate-related issues?</td><td>✓</td><td></td><td>(III) In response to the government's "2050 Net Zero Emissions" action, the company formulated the "Climate Change Response Policy" in June 2022, took response measures to climate-related issues, using TCFD (Note 6), and preparing a “Material Risk and Opportunity Assessment Table” (Note 5), with a reasonable estimation of the related financial impacts.</td><td>(III) No difference</td></tr>
<tr><td>(IV) Does the Company prepare statistics of greenhouse gas emissions, water consumption and the total weight of waste in the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?</td><td>✓</td><td></td><td>(IV) Energy saving and carbon reduction implementation items: Greenhouse gas emissions, water use and waste volume for the past two years (data boundary: For 2024, it covers the Company’s Taoyuan plant; for 2025, it covers the internally consolidated inventory statistics)
<table>
<tr><th>Year
Item</th><th>2024</th><th>2025</th></tr>
<tr><td>GHG (Scope 1)</td><td>9,257t CO_2e</td><td>8,871t CO_2e</td></tr>
<tr><td>GHG (Scope 2)</td><td>3,961t CO_2e</td><td>3,943t CO_2e</td></tr>
<tr><td>Greenhouse gas emissions per 1 ton dyed</td><td>3.6t CO_2e</td><td>3.4t CO_2e</td></tr>
<tr><td>Water</td><td>664,534</td><td>635,565</td></tr>
</table></td><td>(IV) No difference</td></tr>
</table>

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	

Consumption	m^3	m^3
Water consumption per 1 ton dyed	**180m^3**	**172m^3**
Hazardous waste	0t	0t
Non-hazardous waste	984t	1,037t
Waste generated per 1 ton dyed	**0.27t**	**0.28t**

1. GHG reduction：The Company is committed to reducing greenhouse gas emissions by enhancing energy efficiency and optimizing production processes, and by continuously promoting carbon reduction initiatives. A greenhouse gas inventory and management system has been established to regularly monitor emission performance and set reduction targets, in order to address climate change and achieve sustainable development.The replacement of coal-fired boilers with natural gas boilers from 2022 will significantly reduce GHG emissions. The company's GHG emissions are based on 2022, and the company aims to reduce carbon emissions by 55% by 2030, annual emissions of lower than 11,186 GHG volume , from 2022 to 2025, it's reduction of GHG 48%. The Company has appointed an external organization, AFNOR Asia, to conduct the verification.
2. Water Consumption reduction: The Company is committed to improving water use efficiency

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			by optimizing processes, upgrading equipment, and promoting water recycling and reuse, thereby continuously reducing water consumption. A water monitoring and management system has been established to regularly review water usage performance and implement water-saving targets, with the aim of achieving sustainable resource utilization and environmental protection. Reduce water consumption by introducing low liquor ratio dyeing machines, optimizing processes and additives, and recycling waste water. The company's water consumption are based on 2022, and the company aims to reduce water consumption by 36% by 2030., water consumption has been reduced by 32% from 2022 to 2025. In addition, the Company uses eco-friendly dye, which can significantly reduce the COD concentration in water and the wastewater treatment load. 3. Waste reduction: The Company is committed to reducing waste generation through source reduction, recycling, and reuse measures to enhance resource efficiency. In compliance with applicable regulations, waste is properly classified, stored, and treated. A management and monitoring system has been established to regularly review	

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>performance, in order to minimize environmental impact and promote sustainable development.The main types of waste generated by the Company’s manufacturing processes are sludge and fabric waste.<table><tr><th>Year
Item</th><th>2024</th><th>2025</th></tr><tr><td>Sludge</td><td>708t</td><td>754t</td></tr><tr><td>Fabric waste.</td><td>119t</td><td>123t</td></tr><tr><td>Others</td><td>157t</td><td>160t</td></tr><tr><td>Total</td><td>984t</td><td>1,037t</td></tr></table>Regarding sludge, the Company reduces its generation by implementing softening treatment of groundwater, optimizing process additives, and improving sludge dewatering efficiency. For fabric waste, reduction is achieved by minimizing fabric end stitching, color matching losses during cutting, and cutting scrap losses, as well as lowering rates of rework, additional dyeing, and color correction. Apart from household waste, other types mainly consist of recyclable materials such as plastic and metal waste. Using 2022 as the baseline (1,281 tons), the Company aims to reduce waste by 37.5% and keep total waste below 800 metric tons by 2030. In 2025, an 19% reduction has been achieved, reaching 51% of the target.</td><td></td></tr>
</table>

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant laws and regulations and International Human Rights Conventions?	✓		(I) We support and follow the principle and spirit of the "Universal Declaration of Human Rights" and the "International Labour Organization Convention" to protect human rights and to eliminate any act that violates or infringes on human rights, and we believe that respecting and protecting human rights is an important foundation for the sustainability of the Company. Based on this, we raise awareness of human rights among employees and stakeholders for continuous improvement and policy the following declaration: 1. Employee working hours, rest periods, leaves, wages, attendance, leave requests, performance evaluations, rewards and punishments, dismissals, and benefits are handled in accordance with the Company's "Work Rules" and related regulations, ensuring employees receive wages and benefits that comply with legal requirements. 2. A harassment-free work environment is maintained; any incidents of harassment are addressed according to the Company's "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures". 3. Illegal discrimination is strictly prohibited. Employees are ensured fair treatment during	(I) No difference.

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			interviews, hiring, daily work, promotions, performance evaluations, and dismissals without discrimination based on race, nationality, age, gender, skin color, social class, physical or mental disabilities, pregnancy, illness, sexual orientation, marital status, political views, religious beliefs, freedom of speech, or participation in specific organizations such as labor unions. 4. The use of child labor under the age of 16 is forbidden. Employment of individuals under 18 is limited to short-term internships in cooperation with educational institutions. 5. Forced labor, prison labor, and any form of slavery or human trafficking are strictly prohibited. 6. We respect privacy and the employees' right, and protect employees' personal data in accordance with the "Personal Data Protection Management Measures.". 7. We are committed to providing a safe and healthy working environment for our employees, complying with relevant laws and regulations, continuously improving the safety and sanitation of the working environment, preventing incidents, reducing the risk of occupational accidents, protecting the safety of our employees and promoting their physical and mental health.	

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			8. If any employee has concerns about the infringement of their rights, they may seek consultation and file complaints through the relevant channels in accordance with the "Labor Rights Consultation Measures." Employees of the Company also enjoy the right to collective bargaining, and the Company must comply with and implement any final agreements reached with labor representatives. The Company's highest authority is the Board of Directors, which supervises major risks. The General Manager's Office serves as the decision-making unit, responsible for resource allocation and reporting to the Board. The General Administration Department acts as the coordinating and executing unit, managing human rights and due diligence. According to the Company's "Social Responsibility Management Manual," it continuously upholds labor rights, occupational health and safety, and business ethics in compliance with social responsibility standards. The human rights policy commitment applies to all employees of the Company and its subsidiaries and, to the extent reasonably practicable, includes customers, suppliers, contractors, and the local communities where operations are located. For details on human rights due	

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(II) Has the Company established and implemented reasonable employee welfare measures (including compensation, vacation and other benefits) and properly reflected the operating performance or results in employee compensation?	✓		diligence, please refer to Note 4. (II) 1. Employees' salary includes basic salary (including basic salary and meal subsidy), duty allowance, personal performance bonus and year-end bonus. Salaries are determined by reference to the standards of the peer industry, job category, academic background, professional knowledge and skills, and years of experience, which are better than the average of the peer industry. Compensation to employees is calculated in accordance with the Company's Articles of Incorporation and is subject to an appropriation of at least 3% of the pre-tax profit for the period in which it is distributed. Of the allocated employee remuneration, no less than 60% is distributed to frontline employees. In March 2025, the Board of Directors resolved to allocate employee remuneration for 2024, which was disbursed in August of the same year. The amount distributed to frontline employees accounted for 69% of the total employee remuneration. 2. The company's year-end bonus is allocated to all employees based on 1% to 2% of the revenue, taking into account the annual performance evaluation; in addition, quarterly bonuses will be paid according to the	(II) No difference

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			individual's work performance, depending on the quarterly operational performance of the Company. Bonuses for long-term employees upon reaching a certain seniority level. 3. The Company has set up an Employee Welfare Committee. Each year, the Company contributes welfare funds in order to provide employees with various welfare measures, including employee travel subsidies, year-end gifts, gifts for the three holidays, birthday gifts, wedding gifts, maternity allowances, funeral subsidies, hospitalization subsidies, departmental dinners, etc. The leave system is handled in accordance with the Labor Standards Act. 4. The Company provides gender equality and a diversified work environment for all employees, and offers equal pay and promotion opportunities for both male and female employees. Workforce diversity information in 2025: There are 87 female employees, accounting for 36% of all employees, 14 female supervisors, accounting for 26% of the total number of supervisors. There are 45 middle-aged and senior male employees, and 30 middle -aged and senior female	

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(III) Does the Company provide a safe and healthy work environment for employees and regularly provide health and safety training for employees?	✓		employees, accounting for 53% of native employees (III) In order to provide a safe and healthy working environment for all employees, the Company has established an Occupational Safety and Health Committee in March 2020. We not only comply with domestic safety and health regulations and other requirements, but also raise the safety and health awareness and knowledge for all employees and related stakeholders by promoting the workplace safety and sanitation, and maintaining the occupational safety and health management system to constantly review and improve the workplace safety. 1. We provide annual health checkups for employees. We also schedule monthly on-site health services provided by physicians and nurses, especially for employees with hypertension, high blood sugar, high blood lipids, or chronic diseases, includes individual consultations with personalized improvement recommendations, to raise employees' awareness on correct health precautions and implement personal health management. 2. Establish 6S management system to communicate with employees on a regular basis to understand their needs and to review the improvements that are required in the factory in order to reduce	(III) No difference

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>the risk of occupational accidents.
3. We provide employees with protective gears and safety boots needed for their work, and set up medical kits in each factory in case of emergency.
4. The implementation status of occupational safety and health education and training in the past two years
<table><tr><th>Year</th><th>Total attendance of education training</th><th>Total hours of education training</th></tr><tr><td>2024</td><td>1,054</td><td>2,009</td></tr><tr><td>2025</td><td>699</td><td>1,289</td></tr></table>5. The Company’s occupational safety and health management is based on ISO 45001, but it has not been verified; no major occupational accidents and fire have occurred in recent years.
6. In April 2025, the Company passed the Higg Index FSLM (Facility Social & Labor Module) audit, which assessed various aspects of labor rights and workplace safety. The Company plans to further advance to Level 2 in the future.</td><td></td></tr>
<tr><td>(IV) Has the Company established an effective career development training program for its employees?</td><td>✓</td><td></td><td>(IV) In response to employee training needs, the company takes into account the enterprise and employee career development, and formulates and implements an internal education and training schedule by department every year to enhance employees' work skills. The instructors conduct tests after classes to understand the students' learning status. ; In addition, in order to improve professional work skills or regulatory requirements, specific</td><td>(IV) No difference</td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Explanation</th></tr>
<tr><td></td><td></td><td></td><td>personnel are arranged to undergo external education and training every year, or to participate in online courses from time to time.
Implementation status of professional education and training in the past two years.
<table><tr><th rowspan="2">Year</th><th colspan="2">Internal training</th><th colspan="2">External training</th></tr><tr><th>Attendance</th><th>Hrs</th><th>Attendance</th><th>Hrs</th></tr><tr><td>2024</td><td>1701</td><td>3234</td><td>23</td><td>163</td></tr><tr><td>2025</td><td>1930</td><td>2722</td><td>20</td><td>150</td></tr></table></td><td></td></tr>
<tr><td>(V) Does the Company follow relevant laws and regulations and international standards for customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures to protect the rights and interests of consumers?</td><td>✓

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(VI) Does the Company have a supplier management policy that requires suppliers to follow relevant specifications and their implementation in environmental protection, occupational safety and health or labor human rights issues?			data management. (VI) The company signs a chemical/basic chemical supplier letter of commitment with dyeing auxiliaries suppliers, requiring the chemical/basic chemical products provided by the supplier to comply with bluesign specifications.	(VI) No material difference
V. Does the Company prepare the sustainability report and other reports that disclose the company's non-financial information in accordance with the international reporting standards or guidelines? Is the aforesaid report confirmed or guaranteed by a third-party verification unit?	✓		The Company has prepared Sustainability Report in accordance with the GRI guidelines and regulatory requirements but has not obtained assurance from a third-party verification body.	No material difference
VI. If the company has established sustainable development principles based on Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established the "Sustainable Development Best Practice Principles" in accordance with the "Sustainable Development Best Practice Principles for TWSE/ TPEx Listed Companies", taking into account the industrial environment, laws and regulations, and actual conditions of the Company, and has operated in accordance with the contents of the Best Practice Principles with no material differences.				
VII. Any other important information that may help to understand the operation of sustainable development: 1. Social Contribution: While other textile companies moved overseas to set up factories to make profits, the Company has always stayed in Taiwan. Since 1988, we have continued to create local job opportunities in Datong District, Taipei City and Luzhu District, Taoyuan City. There are 30 people employed live near the above-listed administrative districts, accounting for 21% of the local employees. In addition, we have provided 2 students with internship opportunities in the Company by collaborating with Chin-Yi University of Technology, to share our practical experience with the students through various seminars and courses conducted by the management of the Company.				

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
2. Environmental protection: The Company implements energy conservation and industrial waste reduction by strengthening reduction, recycling and reuse solutions to improve the utilization of resources. In addition to purchasing eco-friendly and energy-saving equipment or raw materials, the Company also actively encourages employees to bring their own tableware in order to cut down on the use of disposable tableware. We have replaced old lighting fixtures, increased the reuse of single-sided waste paper, set up charging stations for electric bicycles in the factory, and replaced the traditional worship method of burning incense and paper money with fresh flowers and fruits. In addition, we have installed a solar power plant on the roof of the Taoyuan factory and become a solar power demonstration plant in conjunction with the government's green energy policy. By sharing the experience on the installation of solar panels, the Company can contribute to sustainable environmental development. 3. We donated 100 pieces of sweat-wicking clothing and 50 pieces of thermal vests to the Taiwan Leshan Association in January 2025. In the same month, 318 yards of fabric were donated to Seven Oaks International Co., Ltd. as raw materials for zero-waste apparel recycling and upcycling . In June 2025, a batch of mountaineering equipment was donated to the Chiayi County Fire Department. In March 2026, the Company sponsored the ABO Fusion Band's charity hospital tour, bringing comfort and healing to patients, their families, and healthcare professionals through the power of music . We also provide care to families that need assistance and respond to governmental policies by employing workers with physical and mental disabilities in accordance with the People with Disabilities Rights Protection Act to fulfill our corporate social responsibility. 4. Personal data protection: The company has established "Personal Data Protection Management Measures" to regulate the reasonable use of personal data of the company's employees, shareholders, business contacts, etc., to avoid infringement of personality rights. In October 2025, personal data protection training was conducted, with a total of 20 participants and 30 training hours. The pass rate for the post-training assessment was 100%. 5. Employee retirement system: Managed in accordance with the Labor Standards Act and the Labor Pension Act. In 2025, the contribution for the old pension scheme amounted to NT 315,000, sufficient to cover the retirement benefits for employees under the old system. Additionally, for the new pension scheme, 6% of each employee's monthly salary is contributed to their individual accounts with the Bureau of Labor Insurance. The contribution for the new pension scheme in 2025 totaled NT 5,515,000. 6. Equality in the workplace & Diversity: The Company is committed to provision of a working environment of dignity and safety for employees. We practice employment diversity as well as equality in remuneration and promotion opportunities, making sure that employees are not subject to discrimination, harassment, unfair treatment arising from ethnicity, gender, religion, age, political leanings, sexual orientation or otherwise protected by applicable laws and regulations. We have established internal management rules such as the "Rules for Gender Equality at Work", "Regulations on the Prevention and Punishment of Sexual Harassment in the Workplace", to protect the equality in the workplace.				

Item	Implementation status (Note 1)			Difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	

Distribution of multi-ethnic employees in 2025:

Nationality/Ethnicity	Taiwan		Aborigine		Philippines		Thailand		Indonesia	
Gender / Age	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
＜30 years old	4	6	0	0	19	3	10	5	0	0
Age 30~49	35	32	2	1	36	10	8	6	1	0
≧50 years old	37	24	1	0	0	0	2	0	0	0

7. Employee Opinion Survey: The Company actively listens to its employees' voices. At the end of 2025, the HR department conducted an annual online employee opinion survey, with 208 employees completing the questionnaire (approximately 85% coverage). The survey covered the entire 2025 and included topics such as work environment and responsibilities, career development, organizational culture, leadership and peer interactions, and work-life balance. The overall average score was 4.08, indicating a generally positive evaluation of the Company by employees.

   From the survey results, it was summarized that most tasks within the same department tend to be repetitive, making learning and growth difficult. Therefore, job rotations were arranged according to employees' departments and personal preferences, offering cross-departmental second-specialty training opportunities. Employees who complete the relevant training and pass qualification assessments are granted corresponding rewards.

Note 1: If "Yes" is checked under implementation, please describe the key policies, strategies, and measures and results adopted. If "No" is checked under implementation, please give reasons and describe relevant strategies and measures to be adopted in the future.However, related items 1 and 2, Listed & OTC companies should explain management and guidance structure of sustainable development, including, but not limited to management policy, strategy and target formulation, review measures, etc. In addition, the environmental, social and corporate governance issues of the company's conflicts, climate management policies and strategies, and their evaluation.

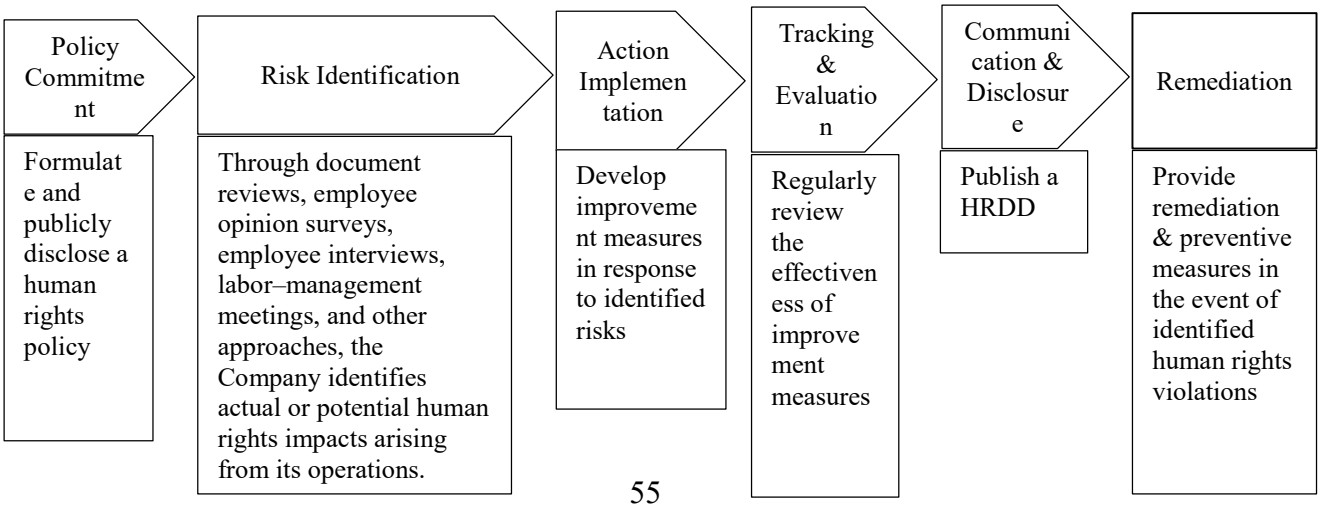
Note 2: The materiality principle refers to environmental, social, or corporate governance issues that have a material impact on the investors or other stakeholders of the company.

Note 3: The Company has formulated the following risk management strategies after evaluating the risks with respect to the materiality principle of sustainable development:

Major Issues	Risk Items	Risk Scenarios	Risk Management Strategies	Execution situation
Environment	Climate Change	1. Physical risks include extreme changes such as rising average temperatures and altered precipitation patterns. 2. Transition risks include carbon pricing/fees, low-carbon production requirements, and climate-related inflation.	We collect and analyze information related to the climate change annually, and identify and evaluate the risks associated with climate change in order to reduce the negative impact that climate change may have on the Company.	1. Verify greenhouse gas emission data every year in accordance with the "ISO 14064-1 standard". 2. Climate Change Risk Assessment and Management in Accordance with the TCFD Framework. 3. Please prefer Note 5: Significant risk/opportunity issue assessment form.
	Tongfa-solar energy operation	Solar photovoltaic panels may experience uneven light exposure and disrupted current flow due to dust,	Solar photovoltaic panels will produce hot spots due to their long service life, and then catch fire due to	1. Carry out maintenance and cleaning of solar modules (3 times a year). 2. Annual mechanical and

Major Issues	Risk Items	Risk Scenarios	Risk Management Strategies	Execution situation
		fallen leaves, water stains, bird droppings, lightning strikes, and similar factors, resulting in increased electrical resistance. Over time, this resistance can generate heat and damage the cells, forming hot spots that may eventually lead to fires caused by localized high temperatures.	local high temperatures. Therefore, it is necessary to sign a maintenance contract with a solar system operator and purchase loss insurance for solar electronic equipment.	electrical inspection. 3. Insure equipment annually.
Society	Safeguard Human Rights	1. Excessive employee overtime. 2. Employees being subjected to improper treatment (discrimination, harassment, bullying, forced labor). 3. Failure to provide a safe and healthy working environment may result in occupational accidents.	1. Publish a human rights policy and conduct human rights due diligence (Note 4). 2. Arrange a factory audit using the Higg FSLM (Facility Social & Labor Module).	1. Based on document reviews, questionnaires, and interview result analyses conducted through human rights due diligence, no significant human rights risks or irregularities were identified. 2. Through annual verification via the Higg FSLM.
	Information Security	As technology continues to advance rapidly, cyberattacks are occurring with increasing frequency, making it necessary to strengthen information security protection.	Establish a dedicated information security unit, formulate information security policies, conduct annual information review by accountants, and implement information security publicity and education training.	1. Implemented information security publicity and education training for a total of 19 people and a total of 38 hours. 2. There were no major information security incidents during the year.
Corporate Governance	Stock Management	1. Arrange the convening of shareholders' meetings, board meetings, and functional committee meetings. 2. Risks of omissions in financial report announcements, material information disclosures, and regulatory filings.	Comply with regulations applicable to public companies, closely monitor amendments to laws and regulations issued by the competent authorities and make timely adjustments, and plan meeting schedules while preparing filing schedules/checklists for control and management.	1. Shareholders' meetings, board meetings, and functional committee meetings are all convened regularly in accordance with regulations. 2. There were no violations resulting in penalties during the year.

Note 4:Human Rights Due Diligence



The results of the 2025 human rights due diligence are presented in the table below. Should any material risks be identified, improvement measures will be proposed to reduce the likelihood of risk occurrence.

Issues	Preventive and Mitigation Measures	2025 Assessment Results and Remediation
Migrant workers bearing recruitment agency fees	Recruitment agency fees and related costs that were previously borne by workers have been revised to be borne by the employer.	Starting from this year, the Company has assumed responsibility for the monthly agency service fees as well as the one-time recruitment-related costs incurred by newly recruited migrant workers prior to their arrival in Taiwan.
Talent Development and Management	To prevent employees' career development from being limited by performing repetitive tasks, job rotation is implemented based on employees' departments and personal preferences. Cross-departmental secondary skill training opportunities are provided, and employees who complete the relevant training and pass qualification assessments are granted corresponding rewards.	Two local employees from the Bleaching and Dyeing Section & Finishing and Special Processing Section were transferred to the Knitting Factory to learn knitting machine operations.
Occupational Safety	●A "Workplace Safety and Health Code" has been established, and an Occupational Safety and Health Committee is set up to conduct safety, health, and fire inspections inside and outside the factory by designated zones, achieving effective supervision. ●Annual health checkups are conducted for employees. For those with poor health indicators, contracted onsite health service personnel conduct interviews and provide improvement recommendations. ●Internal safety and health training totaled 699 participant sessions, with a total of 1,289 training hours; 12 employees attended external safety and health-related training courses, totaling 83 hours.	●Employee grievance channel : pasun.lin@evertex.tw, in the event of any related risk incidents, employees can communicate and report promptly. ●No major occupational accidents or government penalties have occurred. ●In the event of an accident, immediate first aid and referral will be provided, along with dedicated assistance for rehabilitation and return to work; medical subsidies will also be offered.
Prohibition of Forced Labor	●The Social Responsibility Management Manual includes the "Prohibition of Forced Labor Management Measures." ●Continuous promotion of the company's regulations regarding regular and extended working hours. ●Employees are encouraged to take leave during production off-seasons to rest and recharge. ●In December 2025, social responsibility system training was conducted, covering explanations of the prohibition of forced labor and ensuring workers' freedom of movement in and out of dormitories without restrictions.	●Employee grievance channel : csr@evertex.tw, in the event of any related risk incidents, employees can communicate and report promptly. ●No government penalties have been imposed. ●Should any internal or external complaints or government penalties arise, the company will reiterate relevant labor laws internally to ensure employees understand their rights and supervisors comprehend legal regulations.
Anti-Discrimination, Harassment, and Bullying	●The Social Responsibility Management Manual includes measures against discrimination, harassment, violence, intimidation, and abuse. ●A "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Policy" is established to provide a harassment-free environment and implement prevention, correction, and disciplinary actions to protect rights and privacy. ●Social responsibility training covering anti-harassment, abuse, and discrimination will be conducted in December 2025.	●An employee email inbox has been established to allow timely communication and reporting of any related risk incidents. ●In the event of an incident, support such as psychological counseling and options for work reassignment will be provided to the affected individuals.
Data Security and Privacy Protection	●A "Personal Data Protection Management Policy" is established to regulate the collection, processing, and use of personal data, preventing infringement of personal rights. ●An "Information Security Policy" is in place to prevent personal data leaks caused by system vulnerabilities or security lapses. ●Regular related training sessions are conducted.	●If any personal data is stolen, altered, damaged, lost, or leaked, it should be immediately reported to the supervisor and HR, who will convene an emergency meeting for internal investigation. ●In cases of hacking or malicious acts by former employees, the IT section will initiate the cybersecurity incident response procedures.

Note 5: Significant risk/opportunity issue assessment form in 2025

Risk / Opportunity	Issues	Risk and Opportunity Assessment						Impact period	Level of Risk /Opportunity	Management Strategy	(Quantitative) Target
		Attention/ Incidence rate	Financial impact								
			Sales	Costs	Capital Expenditure	Impairment of Assets	Impact level				
Physical risk	Rise in average temperatures	Middle to High	↓	↑			Concerned	Long	High	Introduce energy storage systems to allocate electric energy, increased capital expenditure by approximately 8.7 million. ,install smart meters	Factory power consumption is controlled within 7.9 million kWh
	Eextreme weather	Middle to Low	↓			↑	Moderate	Long	Low	Manufacturing process, dyeing machine and auxiliary optimization	Factory water consumption is controlled below 600,000 m^3
Transformation risk	Carbon fee and Laws	Middle to Low		↑			Moderate	Middle	Low	Comply with the emission standards of the new air pollution regulations. There is no carbon fee so far	Annual CO_2e emissions are controlled below 11,186 tons
	Sustainable certification	Middle	↓				Moderate	Short	Low	2024/8 had obtained GRS certification	Continuous certification every year
	Rising costs of raw materials and natural gas	High		↑			Major	Middle	High	1. Pay attention to the fluctuation of yarn prices . 2. Reduce remodeling and avoid energy waste 3. Recovery of boiler waste heat gas for reuse	Finished product yield set at 96%
	Research and develop new production technologies	Middle to Low		↑	↑		Moderate	Short	Middle	Development of smart dyeing and finishing technology and introduction of automatic cloth inspection machines, increased capital expenditure by approximately 4 million	Production costs can be reduced after stabilization
Opportunity	Development of moisture-wicking fabric	Middle to High	↑				Concerned	Short	Middle	Continuous research and development and communication with brands	Increase orders for moisture-wicking fabrics
	Develop low-carbon fabrics	Middle	↑				Concerned	Middle	Middle	Analysis of energy consumption hot spots in the process based on recycled yarn and biomass dyeing auxiliaries	Recycled polyester fabric products apply for carbon footprint certification
	Improve energy efficiency	Low		↓			Moderate	Short	Low	Factory-wide energy-saving planning	Establish digital energy management
	Participate in renewable energy resources	Middle	↑		↑		Moderate	Long	Low	Tong Fa Green Energy Co., Ltd. , (Subsidiary) develop solar energy business	Annual average power generation is 2 million kWh

Attention/ Incidence rate	
	High：Attention monthly / High probability of occurrence
	Middle：Attention quarterly /Medium probability of occurrence
	Low：Attention annual / Low probability of occurrence

Financial impact level	
	Very concerned：Cause the loss of customers' random orders, or have a high risk of financial loss
	Concerned：Reduce customer order declines or have no significant financial impact
	Moderate：It doesn't affect customer orders, or has limited impact on financial losses

Impact period	
	Long term：three to five years
	Middle term：one to three years
	Short term：less than one year

Note 6: TCFD

Category	Index	Corporate management action
Governance	Describe the board of directors' supervision on risks and opportunities regarding climate.	The risks regarding climate change have been included inthe scope of corporate risk management, and formulate "Climate Change Risk Management Operational Procedures", report the corporate risks and corresponding measures to the board of directors every year.
	Describe the role of management in assessing and managing risks and opportunities regarding climate.	Led by The President Office and convened to jointly execute with relevant departments of climate change risk, opportunity and financial impact assessment. Review the promotion status of climate change-related issues every year.
Strategy	Describe the short-term, medium-term, and longterm risks and opportunities regarding climate identifed by the organization.	According to the existing internal objective management timeline, we define the short-term (less than two year), medium-term (two to five years), and long-term (more than five years) risks and opportunities of climate.
	Describe the risks and opportunities regarding climate that will result in a signicant impact on the organization's business, strategy, and fnancial planning.	Identify major risks and opportunities according to the issue evaluation form, evaluate the potential impacts on operations and finance they will bring to the Company.
	Describe the organization's strategic resilience and taking into consideration of climate change with different scenarios, including a scenario of 2℃ or a scenario that is even more severe.	Evertex takes the scenarios of climate change into consideration and stipulates strategies and goals for major risks and opportunities.
Risk Management	Describe the organization's process of identifying and evaluating the risks regarding climate.	Use the TCFD framework to identify the risks and opportunities of climate, convene respective departments, and relevant factories to discuss and reach a consensus on major climate risks for the year, which will be verified by senior management. Use the TCFD framework to identify the risks and opportunities of climate, convene respective departments, and relevant factories to discuss and reach a consensus on major climate risks for the year, which will be verified by senior management. Please refer to Evertex's official website➔Investment➔the article 8 of "Climate Change Risk Management Operational Procedures".
	Describe the organization's process of managing the risks regarding climate.	Review control results of risk and opportunity of the level , please refer to the " Significant risk/opportunity issue assessment form".
	Describe the organization's process of identifying, evaluating, and managing risks regarding climate, and how it can be integrated into the overall risk management.	Evertex stipulated "Risk Management Measures" in 2021, the risk management of climate change was incorporated in the scope of corporate risk management. In 2024, the Audit Committee was designated as the supervisory body. In 2025, risk appetite was defined with reference to the COSO ERM 2017 framework.
Goal of indicators	Disclose the indicators used by the organization for assessing risks and opportunities regarding climate in accordance with the strategies and risk management processes.	Reduce the total greenhouse gas emissions, electricity consumption, and water consumption.
	Disclosure of emissions and related risks in Scope 1, 2,and 3.	We inspect the inventory of greenhouse gas emissions data in Scope 1, and 2 according to the "ISO 14064-1 Standard" every year and accept verification by external institutions.
	Describe the organization's goals of managing risks and opportunities regarding climate and the performance of relevant goals.	To reduce overall greenhouse gas emissions, factory electricity consumption, and dyeing water usage, strategies and targets have been established for the major climate-related risks and opportunities identified. (note 7)。

Note 7: Goal of indicators

Index	Base year (2022)	2030 target		2025 actual		Performance
		Total usage	Unit usage	Total usage	Unit usage	
CO_2e (Consolidated)	24,796t CO_2e	Controlled within 11,186t CO_2e / approximately 55% reduction	2.8 CO_2e/t	12,815t CO_2e	3.47 CO_2e/t	Emissions reduction reached 87%; unit emissions reduction reached 81%
Electricity	10.12	Controlled within 7.9	2.0	8.32	2.25	Total usage reduced by

consumption	million kWh	kWh / approximately 22% reduction	kWh/t	million kWh	kWh/t	95%; unit usage reduced by 89%.
Water consumption	0.94 million m^3	Controlled within 0.6 m^3 / approximately 36% reduction	150 m^3 / t	0.64 million m^3	172 m^3 / t	Total usage reduced by 94%; unit usage reduced by 87%.

(VI) Climate information about TWSE/TPEx listed companies

1. Climate information implementation status

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>1.Describe the oversight and governance of climate-related and opportunities by the board of directors and management.</td><td>1. The risks regarding climate change have been included inthe scope of corporate risk management, and formulate "Climate Change Risk Management Operational Procedures", and incorporating the framework to reveal the risks and opportunities caused by climate change. The President Office convenes relevant units to prepared Issue Assessment & Response Action form (Note 4), report regularly to the Board of Directors annually.</td></tr>
<tr><td>2.Describe how the identified climate-related risks and opportunities affect the enterprise’s business, strategies and finance (short-, mid- ,and long-term)</td><td>2. Please refer to Significant risk/opportunity issue assessment form in 2025 (Note 5).</td></tr>
<tr><td>3.Describe the impact of extreme climate events and transformation on finance</td><td>3. Extreme weather events such as typhoons and floods may cause increased costs and damage to assets.The company has established disaster prevention mechanism and notification mechanism, and establish a crisis management team, and increased capital expenditures related to environmental protection.</td></tr>
<tr><td>4.Describe how the processes for identifying, assessing and managing clmited-related risks are integrated into the organization’s overall risk management</td><td>4. The company stipulated "Risk Management Measures" in 2021, the risk management of climate change was incorporated in the scope of corporate risk management, and integrate its identification, measurement and management processes into the company's overall risk procedures.
The company's climate risk management process is mainly divided into five major steps, including risk identification, analysis, assessment, response, monitoring and review, as follows:
<table>
<tr><th>Management procedure</th><th>Contents</th></tr>
<tr><td>Risk identification</td><td>Identify sources of risk and affected/impacted areas, and apply appropriate methods to identify potential risk events that may prevent the achievement of corporate objectives or cause losses or negative impacts.</td></tr>
<tr><td>Risk analysis</td><td>Understand the nature and characteristics of identified risk events, analyze their likelihood of occurrence and impact severity, and calculate risk levels accordingly.</td></tr>
<tr><td>Risk assessment</td><td>Compare risk analysis results with the Company’s risk appetite to determine priority risk events and risk ratings, serving as a basis for selecting subsequent response measures.</td></tr>
<tr><td>Risk respond</td><td>Establish appropriate risk response measures, ensure relevant personnel fully understand and implement them, and continuously monitor their execution.</td></tr>
<tr><td>Risk monitoring and review</td><td>Review whether risk management is integrated with key processes and remains effective, in order to strengthen oversight and enhance the effectiveness of risk management implementation.</td></tr>
</table></td></tr>
</table>

5.If scenario analysis is used to assess organization's resilience in the face of climate change risks, describe the scenarios, parameters, assumptions, and analytical factors used, as well as the main financial impact.

5. At the 30th Conference of the Parties (COP30) of the United Nations Framework Convention on Climate Change (UNFCCC) held in November 2025, the focus is on strengthening climate finance and promoting a just energy transition; however, there remain controversies and shortcomings regarding the concrete phase-out of fossil fuels and the enhancement of national emissions reduction commitments, making it unlikely to keep global warming within the 1.5°C threshold by 2030. The sixth Assessment Report (AR6) of the IPCC pointed out the link between air pollution and global warming, and that as global warming becomes more severe, air pollution indicators will deteriorate. The company uses the report SSP3-7.0 and SSP5-8.5 for analysis to 2050:

Scenario	SSP3-7.0	SSP5-8.5
Hypothetical state	Air pollution remains severe, with global warming projected to stay within the range of 1.5°C to 2°C.	The high levels of air pollution contribute to global warming, potentially causing temperatures to rise beyond 2°C.
Response Measures	Reduce the impact on the atmosphere during the operation process, set up relevant prevention equipment for each pollution source, and introduce new boiler equipment. (It will increased in capital expenditure on fincial).	

6.If there is transition plan to adress climate-related risk, describe the contents of the plan, and metrics and targets used to identify and manage physical riska and transittion risk

6. The company continues to carry out energy conservation and carbon reduction plans. The expected annual electricity saving rate is 3%.
Relevant measures: elimination of high energy-consuming equipment, installation of frequency converters/smart meters etc.
Please refer to the (Note 6) about the indicators and targets.

7.If internal carbon is used as a planning tool, describe the pricing basis.

7. The company analyzes the financial and business impacts of adopting carbon-reducing production methods.
Financial impact: Unit:NTD Thousand dollars

Annual cost items	Coal-Based Production(2021)	Carbon reduction production(2025)
Oal-Fired Boiler --depreciation	-	-
Natural gas boiler-depreciation	-	1,900
Fuel cost - coal	32,076	-
Fuel cost - natural gas	-	64,028
Carbon Fee & Air Pollution Fee	5,644	-
Total Cost	37,720	65,928

Implicit Carbon Price, (ICP)= $\frac{\text{Cost Increase Due to Carbon Reduction}}{\text{Reduced } CO_2e \text{ Emissions}}$

Using 2021 greenhouse gas (GHG) emissions of 42,148 tCO_2e, the verified GHG emissions in 2025 were 12,815 tCO_2e. With the transition from coal-based production to low-carbon production, as shown in the table above, the cost increased by approximately NTD 28,208 thousand, resulting in an additional cost of NTD 975 per ton of CO_2 reduction. In addition, the cost of natural gas may rise. The Company has set an internal carbon price of up to 1,500 per metric ton,

	the investment in natural gas boiler equipment for low-carbon production is deemed. Business impact: Climate change is a major challenge facing the world. The culprit is the warming effect brought about by the continuous increase in GHG emissions. In addition, brand customers are also strongly demanding to reduce carbon emissions, as well as the challenges of the European Union's CBAM in the future. Taking into account the above factors and the permanent changes of enterprises, In order to increase the added value of continued operations, the company switched to natural gas boiler production to reduce environmental pollution and delay the harm caused by climate change
8.If climate targets are set, describe the activities and scope of GHG emissions covered, planned schedule and annual progress achievd; If carbon offsets or renewable energy(RCEs) are used to achieve related targets, describe the sources and quantity of carbon reduction limit, or quantity of RECs.	8. Greenhouse gas emission data are checked every year in accordance with the "ISO 14064-1 standard". The scope of the check is the parent company and its subsidiaries. The check categories are Scope 1 (direct emissions) and Scope 2 (indirect emissions). We plan to control GHG emissions within 11,186 tons in 2030, achieving a performance rate of over 90%. Please refer to 1-2 for the annual achievement progress. The Company does not use carbon offsets or renewable energy certificates.
9.GHG accounting and assurance status, reduction goals, strategies and specific action plans (fill in 1-1 and 1-2 separately)。	9. Please refer to 1-1 and 1-2.

1-1 GHG accounting and assurance status in the past two years.

Company information： Company with capital of less than 5 billion yuan	According to the sustainability development roadmap for listed companies, disclosure of the parent company's individual inventory report is required.

1-1-1 GHG accounting

Describe greenhouse gas emissions in the past two years (t CO_2e)、intensity (t CO_2e/million)and data coverage.

Item \ Year	2024	2025
Scope of information	Taoyuan plant	Consolidated financial statements of parent and subsidiary companies
GHG Inventory Standards	ISO 14064-1:2006	Parent company : ISO 14064-1：2006、Subsidiary : GHG Protocol
Direct emissions (tCO_2e)	9,257.16	8,871.07
Energy indirect emissions (tCO_2e)	3,961.12	3,943.87
Total (tCO_2e)	13,218.28	12,814.94
Emission intensity (tCO_2e/million)	20.17	19.07

Note ：The intensity of greenhouse gas emissions is calculated based on turnover (NT$ million).

1-1-2 GHG assurance

Describe the assurance situation in the past two years as of the publication date of the annual report, including the scope of the assurance, Certification Body, the standard and the opinion for the

assurance.

Item \ Year	2024	2025
Scope of assurance	Taoyuan plant	Taoyuan plant (expected) (Note)
Assurance institutions	AFNOR Asia	No third-party assurance is conducted as of the publication date of the annual report.
Assurance standards	ISO 14064-3：2019	
Assurance opinion	Not in violation of any substantive limitations and compliant with the reasonable assurance level recognized by the Ministry of Environment.	
Direct emissions (tCO_2e)	9,257.16	
Energy indirect emissions (tCO_2e)	3,961.12	
Total (tCO_2e)	13,218.28	

(Note) Our Taoyuan plant is an emission source regulated by the Ministry of Environment of the Executive Yuan. Locations that have not yet been verified or assured account for less than 0.5% of the total inventory data and will be addressed in accordance with the prescribed timeline under the "Sustainable Development Roadmap for TWSE/TPEx Listed Companies."

1-2 GHG reduction goals, strategies and specific action plans

Describe the GHG reduction base year and its data, reduction targets, strategies, specific action plans and achievement of reduction targets.
GHG reduction base year and its data: With 2022 as the base year, GHG emissions are 24,796 tons of CO_2e. Reduction targets:Reduce GHG emissions to within 11,186 tons CO_2e by 2030, a reduction of 55%. Strategies, specific action plans：Mainly using natural gas to replace coal as the source of heat energy, while continuously upgrading dyeing and finishing equipment to enhance energy efficiency and reduce carbon emissions. Achievement of reduction targets: Greenhouse gas emissions of 12,815 tons CO_2e in 2025, achieving 87% of the target.

(VII) Performance of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons:

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
I. Establishment of ethical corporate management policy and plans				
(I) Does the Company have a clear ethical corporate management policy approved by its Board of	✓		(I) The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical	(I) No difference.

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?			Management and Guidelines for Conduct ", which have been resolved by the Board of Directors to regulate the Company's directors, managers, employees, appointees or persons with substantial control over the Company to uphold the ethical management principles and actively implement the ethical management philosophy.	
(II) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) The "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in Company's unethical behavior prevention plan and have been implement them.	(II) No difference
(III) Does the Company stipulate the operating procedures, behavior guidelines, and disciplinary and grievance systems in its unethical behavior prevention plan and implement them, and regularly review and revise the plan?	✓		(III) Under the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", the Company has established effective accounting and internal control systems for the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice	(III) No difference

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			Principles for TWSE/TPEx Listed Companies or in other business scopes. The internal auditors check the compliance of the systems on a regular basis.	
II. Implementation of ethical corporate management				
(I) Does the Company evaluate business partners' ethical records and include ethics-related clauses in business contracts?		✓	(I) Before the Company builds up a business relationship with another party, the Company will take into account the truthfulness, negative news, and illegal records of the party it deals with in order to evaluate its business integrity, and will include an ethical conduct clause in the contract signed with the party as appropriate; in addition, the Company's business activities shall avoid dealing with parties with poor ethical records, and if any dishonest conduct is discovered in the course of the transaction and has a significant impact on the Company, the Company may suspend or terminate the transaction at any time.	(I) No material difference
(II) Has the Company set up a dedicated unit under the board of directors to promote ethical corporate management, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior as well as its supervision of the implementation?	✓		(II) The Company currently designates the President's Office as a dedicated unit to assist the Board of Directors and executives in reviewing and evaluating the effective operation of the preventive measures established to implement ethical practices, and to report annually to the Board of Directors. Latest report date December 24, 2025, Execution form: 1. Responsible person and	(II) No difference

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
(III) Does the Company have a conflict of interest prevention policy to provide appropriate channels for explanation and implement it?	✓		accounting manager publish "Unauthorized False Statement" for financial report. 2. Organized educational training and publicity on "Corporate Integrity Management and Corporate Ethics" on November 28, 2025, total of 15 people, 22 hours. 3. Dyeing auxiliaries suppliers have signed the "Anti-Corruption and Social Responsibility Commitment," requiring compliance with anti-corruption principles and fulfillment of social responsibilities to ensure all products and services are legal and compliant. The signing rate is 100% (36 out of 36 suppliers). 4. Established externally/inter a box for accusation letters & special-line, it didn't happen in 2023. (Grievance cases: 0, Report box: 0, Covetous and greedy cases) (III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Rules for the Ethical Conduct for Employees" to restrict employees from engaging in any business, investment or related activities that may constitute a conflict of interest between the employee and the Company. The Company also provides a number of communication channels to encourage employees to participate in Company activities and to report to supervisors in order to prevent	(III) No difference

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			conflicts of interest or dishonest behavior.	
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical corporate management, and has the internal audit unit, according to the assessment results of the risk of unethical behavior, drawn up relevant audit plans to check the status of unethical behavior prevention accordingly, or entrusted an independent auditor to carry out the audit?	✓		(IV) To ensure the implementation of ethical management, the Company has established an effective accounting system and internal control system. The Company's internal auditors periodically audit the compliance with the rules and regulations and report the audit status to the Board of Directors.	(IV) No difference
(V) Does the Company regularly conduct internal and external educational training on ethical corporate management?	✓		(V) The Company educates all employees internally on the importance of ethical behavior on a regular basis so that they are fully aware of the Company's commitment to ethical management and the consequences of violating ethical behavior; the Company also provides external training as needed.	(V) No material difference
III. Operation of the company's accusation system				
(I) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the	✓		(I) The Company's "Rules of Ethical Conduct for Employees" set forth a specific whistleblowing and rewarding system. Employees who wish to file a complaint or file a whistleblowing report, they can file a complaint with their immediate	(I) No difference.

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
complaint received?			supervisor, the Company also has a comment mailbox, a whistleblowing hotline and a Line account to receive complaints from employees. All complaints made by employees of the Company are handled fairly and confidentially. The Company provides appropriate rewards and punishments to both the whistleblower and the person being reported, depending on the severity of the complaint.	
(II) Has the Company established the standard operating procedures for the investigation of accused matters, follow-up measures after investigation and the relevant confidentiality mechanism?	✓		(II) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Rules of Ethical Conduct for Employees" specify the standard procedures for investigating and handling whistleblowing reports and the confidentiality mechanism. In case of misconduct or breach of ethics, employees can report to their immediate supervisor anonymously. The Company also has a comment mailbox, a whistleblowing hotline, a Line account, and a stakeholder zone on the Company's website for employees to choose to report anonymously or non-anonymously. In case of violation of laws and regulations or fraud, the staff who have been received the complaints shall immediately report to the President, who shall designate the right person to handle the complaints and keep the information confidential. The whistleblowing case that is material, actions taken, and	(II) No difference

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
			subsequent reviews and corrective measures must be notified in writing to the independent directors and reported to the Board of Directors.	
(III) Does the Company take measures to protect the accuser from improper treatment due to the accusation?	✓		(III) The Company upholds the ethical management principles and is committed to keeping the cases confidential in order to prevent the whistleblowers from being improperly treated as a result of the whistleblowing. The Company will also provide necessary protective measures to whistleblowers as necessary.	(III) No difference
IV. Enhancement of information disclosure				
(I) Does the company disclose the content and promotion effect of its ethical corporate management best practice principles on its website and MOPS?	✓		(I) The Company discloses its sustainable development performance in this annual report. We also disclose the Company's Annual Report to Shareholders and Sustainable Development Best Practice Principles and other relevant information on the Company's website and the Market Observation Post System.	No difference.
V. If the company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: The Company has established the "Ethical Corporate Management Best Practice Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", taking into account the industrial environment, laws and regulations, and actual conditions of the Company, and has operated in accordance with the contents of the Best Practice Principles with no material differences.				
VI. Other important information to facilitate better understanding of the company's corporate conduct and ethics compliance practices (e.g., the Company's commitment to ethical management, policies and invitations to education and training for its business partners, and the				

Item	Implementation status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Explanation	
review the of company's corporate conduct and ethics policy). 1. The Company complies with the Company Act, the Securities and Exchange Act, the Business Accounting Act, the regulations governing the public listed companies, and other laws and regulations related to business practices, and operates with integrity and honesty. 2. The Company's board of directors has resolved to amend the "Ethical Corporate Management Best Practice Principles" on November 8, 2019 in line with the amendments to the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" by the competent authority to make the relevant procedures more comprehensive. 3. In order to demonstrate the Company's attitude on ethical management, directors re-elected by the shareholders' meeting in 2023 and new independent directors have signed the "Declaration of Integrity in Business Operations", and all key customers and manufacturers of the Company are negotiated and handled by the company's executives and professional team, in order to confirm the fair and honest operating spirit and to stabilize long-term relationships with them. 4. The Company has an internal control system, an internal audit system, and other management procedures in place to ensure the ethical management of the Company. The Company's auditors and external professionals (accounting firm) conduct random checks on the implementation of these procedures from time to time. The Company also cares about the transparency of business information and has set up a website to provide information about the Company to the general public. Major financial and business information is disclosed on the Market Observation Post System (MOPS) promptly in accordance with laws and regulations for stakeholders to review, and the implementation status of these business information is also disclosed in the annual report.				

(VIII) Other important information which may improve the understanding of the operation of the company's corporate governance:

1. Ethics and Code of Conduct for Employees: The Company has established the rules of ethical conduct for its employees. These rules are based on the spirit of responsibility, enthusiasm and cohesiveness, as well as the core values of human beings. We hope to lead our employees to the goals of steady transformation, continuous innovation and sustainability.
2. Certification of Employees Whose Jobs are Related to the Release of the Company's Financial Information:

License	Number of Employees
Certified Internal Auditor(CIA)	1

(IX) Implementation status of internal control system:

1. Internal Control System Statement

EVERTEX FABRINOLOGY LTD
Internal Control System Statement

Date: March 9, 2026

Based on the results of the self-assessment of the Company's internal control system in 2024, the Company hereby states the following:

I. The Company's Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Internal control system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.

II. The internal control system has its inherent limitations. No matter how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives. Moreover, due to the change of environment and situation, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a shortcoming is identified, the Company will immediately take corrective action.

III. The Company judges the effectiveness of the design and implementation of the internal control system in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the Regulations). The judgment items of the internal control system adopted in the "Regulations" are the process of management control, and the internal control system is divided into the following five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. Each component includes several items. Please refer to the "Regulations" for these items.

IV. The Company has adopted the aforesaid internal control system judgment items to assess the effectiveness of the design and implementation of the internal control system.

V. Based on the findings of such evaluation, TSMC believes that, on December 31, 2025, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations

VI. This Statement will be the company's annual report and prospectus' main content and will be made public. If the above-mentioned contents are false or concealing, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act shall be involved.

VII. This Statement has been approved by the board meeting of the company on March 9, 2026. Of the ten directors present, there was no objection, and the rest agreed with the contents of this Statement.

EVERTEX FABRINOLOGY LTD

Chairman: Chung-Fa Yeh

President: Anthony Poliang Yeh

2. If an independent auditor is entrusted with auditing the internal control system, the independent auditor's report shall be disclosed: None.

(X)Important resolutions and implementation status of shareholders' meetings and board meetings in the most recent year and as of the date of printing of the annual report:

1. Important resolutions adopted at the shareholders' meeting held on June 26, 2025 and their implementation status:

Resolution	Implementation Status
1. Adoption of the 2024 Business Report and Financial Statements	-

2. Important resolutions of board meetings:

Date	Important resolutions approved
March 12, 2025	1. Approved the 2024 Business Report and Financial Statements. 2. Approved the proposal for the distribution of the Company's earnings for the second half of 2024. 3. Approved the 2024 Statement of Internal Control System of the Company. 4. Adopted the ratio and amount of remuneration to directors and employees for 2024. 5. Assessment of external CPAs' competence and independence for 2025. 6. Approval of the amendment to the Company's Articles of Incorporation. 7. Convening the agenda and related matters for the 2025 Annual General Meeting of Shareholders.
May 9, 2025	1. Approved the material financial and business report for Q1 2025. 2. Approved the renewal of the loan from Taipei Fubon Bank with the original credit limit and amount. 3. Approved the 2025 ex-dividend date of the Company. 4. Approval of the amendment to the Company's "Sustainable Development Principles". 5. Supplementary agenda for the 2025 Annual General Meeting of Shareholders.
August 12, 2025	1. Approved the material financial and business report for Q2 2025. 2. Approved that the Company would not distribute earnings for the first half of 2025. 3. Release of the Company's 2024 Sustainability Report.
November 10, 2025	1. Approved the material financial and business report for Q3 2025. 2. Approved the amendment to the company's "Risk Management Measures"。 3. Approved the amendment to the company's "Board of Directors Performance Evaluation Method".
December 24, 2025	1. Approved the amendments to the Company's "Internal Control System" and related operations and procedures. 2. Approved the "2026 Audit Plan" of the Company. 3. Proposal for the review of the evaluation items for the performance of the Company's Board of Directors.

Date	Important resolutions approved
December 24, 2025	4. Proposal to define the scope of frontline employees in response to regulatory requirements. 5. Approval of the Company's 2025 year-end bonuses for managers.
March 09, 2026	1. Approved the 2025 Business Report and Financial Statements. 2. Approved the proposal for the distribution of the Company's earnings for the second half of 2025. 3. Approved the 2025 Statement of Internal Control System of the Company. 4. Adopted the ratio and amount of remuneration to directors and employees for 2025. 5. Assessment of external CPAs' competence and independence for 2026. 6. Approved the proposal for a complete re-election of the Company's Directors. 7. Approved the proposal for the Procedures for Shareholder Nomination of Directors for 2026. 8. Approved the proposal to release the newly elected directors of the Company from non-compete restrictions. 9. The agenda for the 2026 Annual General Meeting of Shareholders and its related matters.
May 11, 2026	1. Approved the material financial and business report for Q1 2026. 2. Approved the renewal of the loan from Taipei Fubon Bank with the original credit limit and amount. 3. Approved the 2026 ex-dividend date of the Company. 4. Set up the corporate governance officer. 5. Proposal for the nomination of the candidates for the Company's 16th term of Directors.

(XI)Major issues of record or written statements made by any director or supervisor dissenting to important resolutions passed by the Board of Directors during 2022 and as of the date of this annual report: NA.

IV. Information Regarding the Company's CPAs

Unit: NT$ thousand

Accounting Firm	Name of CPA	Audit period	Audit fee	Non-audit fee	Total	Remarks
Deloitte Taiwan	Meng-Gui Yu Keng-Shi Chang	January 01, 2025 to December 31, 2025	2,030	-	2,030	-

Note: If the CPAs or public accounting firms for the Company were replaced during the year, the duration of their audit engagement should be separately disclosed, and the reason for replacement should be explained in the remark section, and information such as audit and non-audit fees paid should be disclosed in said sequence. Detailed explanations to non-audit service should be provided.

(I) If the accounting firm is changed and the audit fee paid in the year of change is less than that in the year before the change, disclose the amount reduced, and reason: None.

(II) If the audit fee is reduced by more than 10% compared with the previous year, disclose the amount reduced, percentage and reason: None.

V. Change of Independent Auditor: NA.

VI. Whether the chairman, president, or manager in charge of financial or accounting affairs of the company has worked in the firm of the independent auditor or its affiliated enterprises in the past year: None.

VII. For the year 2025 and as of April 27, 2026, equity transfer and equity pledge by directors, managers, and shareholders with a shareholding ratio of more than 10%:

(I) Changes in Shareholding:

Job title (Note 1)	Name	2024		For the current year as of April 27	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Chung-Fa Yeh	-	-	-	-
Director	Anthony Poliang Yeh	(120,000)	-	-	-
Director	Ching-Tse Yeh	-	-	-	-
Director	Koi-Hui Yeh	-	-	-	-
Director	Yao-Chou Yang	-	-	-	-
Director	Sou-Tsun Yeh	-	-	-	-
Director	Rung-Shin Shu	-	-	-	-
Independent Director	Fu-Nan Chou	-	-	-	-
Independent Director	Bin-Huang Lin	-	-	-	-
Independent Director	Wu-Zhong Liao	-	-	-	-
Senior Vice President and Chief Factory Manager	Bao-Hong Lin	-	-	-	-
Vice President of Main Management Department	Shian-Jung Hung	-	-	-	-
Taipei Sales Division Assistant Vice President	Ying Xiao				
Major Shareholders	Chuan-Fa Investment Co., Ltd.	-	-		-

Note 1: Shareholders holding 10% or more of the total shares of the Company should be indicated as major shareholders and listed separately

Note 2: All the shares held during current period were acquired or disposed in the public market, no related party is involved.

(II) Information of change in equity: There is no transfer of shares to related parties from the directors, managers and major shareholders of the Company.

(III) Information of equity pledge: There is no equity pledge to related parties from the directors, managers and major shareholders of the Company.

VIII. Information of Related Parties of the top ten shareholders:

April 27, 2026

Name (Note 1)	The shareholder's own shareholding		Shareholdings of spouse and minor children		Shareholdings in the names of others		Names and relationships of the top ten shareholders who are related persons, spouses or relatives with 2nd degree of kinship. (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Cheng-Fa Investment Co., Ltd.	9,055,566	10.56	-	-	-	-	Da-Fa International Investment Co., Ltd. Representative: Anthony Poliang Yeh Po-Liang Investment Co., Ltd.	Brother Brother-in-law	
Representative: Chih-Ming Yeh	4,610,478	5.38	400,000	0.46	-	-	Representative: Shian-Jung Hung		
Da-Fa International Investment Co., Ltd.	8,479,179	9.89	-	-	-	-	Cheng-Fa Investment Co., Ltd. Representative: Chih-Ming Yeh Po-Liang Investment Co., Ltd.	Brother Brother-in-law	
Representative: Anthony Poliang Yeh	3,792,832	4.42	-	-	-	-	Representative: Shian-Jung Hung		
Chih-Ming Yeh	4,610,478	5.38	400,000	0.46	-	-	Da-Fa International Investment Co., Ltd. Representative: Anthony Poliang Yeh Po-Liang Investment Co., Ltd. Representative: Shian-Jung Hung	Brother Brother-in-law	
Anthony Poliang Yeh	3,792,832	4.42	-	-	-	-	Cheng-Fa Investment Co., Ltd. Representative: Chih-Ming Yeh Po-Liang Investment Co., Ltd. Representative: Shian-Jung Hung	Brother Brother-in-law	
Po-Liang Investment Co., Ltd.	3,060,500	3.57	-	-	-	-	Da-Fa International Investment Co., Ltd. Representative: Anthony Poliang Yeh Cheng-Fa Investment Co., Ltd.	Brother-in-law	
Representative: Shian-Jung Hung	30,090	0.04	200,910	0.23	-	-	Representative: Chih-Ming Yeh		

Name (Note 1)	The shareholder's own shareholding		Shareholdings of spouse and minor children		Shareholdings in the names of others		Names and relationships of the top ten shareholders who are related persons, spouses or relatives with 2nd degree of kinship. (Note 3)		Remarks
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
TA TUNG DYEING & FINISHING CO., LTD.	3,297,175	3.84	-	-	-	-	Da-Fa International Investment Co., Ltd. Representative: Anthony Poliang Yeh Cheng-Fa Investment Co., Ltd. Representative: Chih-Ming Yeh Po-Liang Investment Co., Ltd.	Father and son Father and son Son-in-law	
Representative: Chung-Fa Yeh	1,150,424	1.39	-	-	-	-	Representative: Shian-Jung Hung		
Yao-Chou Yang	2,775,013	3.24	407,982	0.48	-	-	None	None	
Hui-Huang Investment Co., Ltd.	2,760,947	3.22	-	-	-	-	None	None	
Representative: Yu-Hsin Du	-	-	-	-	-	-			
Ren-Fa Investment Co., Ltd.	2,118,000	2.47	-	-	-	-	None	None	
Representative: Koi-Hui Yeh	258,723	0.3	-	-	-	-			
LAN FA TEXTILE CO., LTD.	1,983,000	2.31			-	-	TA TUNG DYEING & FINISHING CO., LTD. Representative: Chung Fa Yeh	Brother-in-law	
Representative: Ching-Tse Yeh	1,892,618	2.21	4,972	0.01					

Note 1: All top ten shareholders should be enumerated in full. In case of juristic (corporate) person shareholders, the names of all such juristic (corporate) person shareholders and their representatives should be enumerated respectively.

Note 2: The shareholding ratios should be calculated based on the own names, names of spouses, minor children respectively

Note 3: The shareholders listed in the previous disclosure, including legal persons and natural persons, shall disclose their relationship in accordance with the issuer's financial report preparation standards.

IX. The number of shares held by the company, its directors, supervisors, managers, and the company's indirectly controlled enterprises in the same reinvested enterprise, and the consolidated shareholding ratio:

December 31, 2024

Reinvested enterprises (Note)	Investment of the company		Investment by directors, supervisors, managers and enterprises directly or indirectly controlled by the company		Total number of investments	
	Number of shares (Thousand shares)	Shareholding ratio %	Number of shares (Thousand shares)	Shareholding ratio %	Number of shares (Thousand shares)	Shareholding ratio %
Bright Wisdom Holdings Limited	92	1.15	239	2.99	331	4.14
Prince Housing & Development Corp.	900	0.06	500	0.03	1,400	0.09
China Steel Corporation	200	0.00	-	-	200	0.00
Tong Fa Green Energy Co., Ltd.	4,600	100.00	-	-	4,600	100.00

III. Fund Raising Status

I. Capital and shares

(I) Sources of share capital

1. Type of shares outstanding for 2022 and up to the date of publication of the Company's annual report:

April 28, 2025 Unit: Share; NT$

Year/Month	Issue price	Authorized share capital		Capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Capitalization	Share capital paid with assets other than cash	Others
1986.12.09	10	16,000,000	160,000,000	5,600,000	56,000,000	Founded	None	None
1987.03.23	10	16,000,000	160,000,000	11,200,000	112,000,000	Cash capital increase of NT$56,000,000	None	None
1987.05.22	10	16,000,000	160,000,000	16,000,000	160,000,000	Cash capital increase of NT$48,000,000	None	None
1988.05.19	10	19,760,000	199,600,000	19,760,000	197,600,000	Cash capital increase of NT$37,600,000	None	None
1991.12.18	12	70,000,000	700,000,000	35,348,500	353,485,000	Cash capital increase of NT$116,365,000 Capitalization of retained earnings of NT$39,520,000	None	Note 1
1992.06.23	-	70,000,000	700,000,000	42,600,000	426,000,000	Capitalization of retained earnings of NT$53,022,750 Capitalization of capital reserve of NT$19,493,250	None	Note 2
1993.07.27	-	70,000,000	700,000,000	46,000,000	460,000,000	Capitalization of retained earnings of NT$25,560,000 Capitalization of capital reserve of NT$8,440,000	None	Note 3
1994.07.29	-	70,000,000	700,000,000	49,680,000	496,800,000	Capitalization of retained earnings of NT$36,800,000	None	Note 4
1995.07.07	-	70,000,000	700,000,000	53,400,000	534,000,000	Capitalization of retained earnings of NT$37,200,000	None	Note 5
1997.10	15	70,000,000	700,000,000	60,000,000	600,000,000	Cash capital increase of NT$66,000,000	None	Note 6
1998.10	-	70,000,000	700,000,000	69,000,000	690,000,000	Capitalization of retained earnings of NT$60,000,000 Capitalization of capital reserve of NT$30,000,000	None	Note 7
1999.06.25	-	101,880,000	1,018,800,000	77,990,000	779,700,000	Capitalization of retained earnings of NT$89,700,000	None	Note 8
2000.08.02	-	101,880,000	1,018,800,000	85,767,000	857,670,000	Capitalization of retained earnings of NT$77,970,000	None	Note 9

Note 1: Approved by the Securities and Futures Institute on August 14, 1991, (80) Tai Cai Cheng (I) No. 02283
Note 2: Approved by the Securities and Futures Institute on May 22, 1992, (81) Tai Cai Cheng (I) No. 01059
Note 3: Approved by the Securities and Futures Institute on June 18, 1993, (82) Tai Cai Cheng (I) No. 01450
Note 4: Approved by the Securities and Futures Institute on June 20, 1994, (83) Tai Cai Cheng (I) No. 28445
Note 5: Approved by the Securities and Futures Institute on June 7, 1995, (84) Tai Cai Cheng (I) No. 33055
Note 6: Approved by the Securities and Futures Institute on July 8, 1997, (86) Tai Cai Cheng (I) No. 52531
Note 7: Approved by the Securities and Futures Institute on September 2, 1998, (87) Tai Cai Cheng (I) No. 75937
Note 8: Approved by the Securities and Futures Institute on May 20, 1999, (88) Tai Cai Cheng (I) No. 47536
Note 9: Approved by the Securities and Futures Institute on June 5, 2000, (89) Tai Cai Cheng (I) No. 48556

2. Type of shares issued:

Unit: share

Types of share	Authorized share capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common shares	85,767,000	16,113,000	101,880,000	All outstanding shares are listed shares.

3. Information related to the blanket declaration system: NA.

(II) List of Major Shareholders

April 27, 2025

Shares / Name of major shareholder	Number of shares held	Shareholding ratio (%)
Chuan-Fa Investment Co., Ltd.	9,055,566	10.56%
Da Fa International Investment Co., Ltd.	8,479,179	9.89%
Chih-Ming Yeh	4,610,478	5.38%
Anthony Poliang Yeh	3,792,832	4.42%
TA TUNG DYEING & FINISHING CO., LTD.	3,297,175	3.84%
Po-Liang Investment Co., Ltd.	3,060,500	3.57%
Yao-Chou Yang	2,775,013	3.24%
Hui-Huang Investment Co., Ltd.	2,760,947	3.22%
Ren-Fa Investment Co., Ltd.	2,118,000	2.47%
Lien Fa Textile Co., Ltd.	1,983,000	2.31%

(III) Company's dividend policy and implementation:

1. Dividend policy as stipulated in the Company's Articles of Incorporation:
   (1) The Company may distribute earnings or make up losses after the end of each semi-annual fiscal year. If the distribution of earnings is made in cash, it shall be resolved by the board of directors in accordance with Article 228-1 and Article 240 of the Company Act and reported to the shareholders' meeting without being submitted to the shareholders' meeting for ratification; if the distribution of earnings is made by issuing new shares, it shall be handled in accordance with Article 240 of the Company Act.
   (2) The Company's dividend policy is based on the current and future investment environment, capital requirements, and capital budget, while considering the shareholders' interest, dividend balance, and the Company's long-term financial planning as the Company is in the business development stage. The Company shall distribute dividends and bonuses to shareholders at a rate of not less than 50% of its annual earnings after deducting income tax, making up for loss, and setting aside legal reserve, and special reserve. However, when the legal reserve amounts to the authorized capital, this shall not apply. The balance shall be set aside or reversed as a special reserve in accordance with the law. The annual dividends shall be paid in cash first, but stock dividends may also be distributed, of which no less than 10% of the total dividends shall be paid in cash.
2. Distribution of dividends proposed by the shareholders' meeting:
   On June 27, 2019, the shareholders' meeting resolved to amend the Company's articles of incorporation to authorize the board of directors to determine the

distribution of earnings in cash at the end of each half-year. The Board of Directors approved the distribution of cash dividends of NT$0.65 per share for the second half of 2025, totaling NT$55,749 thousand, the remaining NT$13,487 thousand was not distributed.

Earnings Distribution Table
2025

Unit: NT$ thousand

Item	Sub-total	Total
Undistributed earnings at the beginning of the period		9,217
Add: 2025 net profit after tax	67,265	
Add: Actuarial gains are recognized in the retained earnings	506	
Add: Loss on sale of securities measured at other comprehensive income	0	
Distributable earnings		76,988
Less: Provision for statutory surplus reserve	(6,777)	
Less: Reversal of special reserve	(975)	
Total earnings available for distribution		69,237
Dividend to shareholders - 1st half of 2025	0	
Dividend to shareholders - 2nd half of 2025 (cash dividend of NT$0.65 per share)	(55,749)	
Undistributed earnings at the end of the period		13,487

3. There is no significant change in the dividend policy: None.

(IV) Impact of the stock dividend distribution proposed by the shareholders' meeting on the Company's operating performance and earnings per share: None.

(V) Remuneration of employees and directors:

1. The percentage or scope of remuneration to employees and directors stated in the Articles of Incorporation:
   Before the Company distributes earnings, no less than 3% of the profit is distributed as remuneration to employees and no more than 3% of the profit is distributed as remuneration to directors/supervisors,in accordance with Article 33 of the Company's Articles of Association. However, if the Company has accumulated losses (including adjustment of undistributed earnings), profit shall be set aside in advance to make up for losses. The aforementioned remuneration to employees may be distributed in stock or cash, and may be paid to the employees of subordinate companies who meet certain requirements set by the Board of Directors. The aforementioned remuneration to directors/supervisors may be paid in cash only.
2. Basis for estimating the amount of remuneration to employees and directors, basis for calculating the number of remuneration to employees distributed in shares and accounting treatment if the actual distribution is different from the estimated amount:
   If there is a difference between the amount approved in the shareholders' meeting and the amount proposed by the board of directors, the difference is recognized as a change in accounting estimate after the shareholders' meeting.
3. Remuneration distribution approved by the board meeting:
   (1) Remuneration of employees and directors distributed in cash or shares:
      ① Cash distribution: Employees' remuneration is NT$2,603,814 and directors' remuneration is NT$2,603,814.
      ② Share distribution: None.

(2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remuneration: NA.

4. The actual remuneration distributed to employees and directors for the previous fiscal year:
The 2024 employees' and directors' remuneration was NT$3,822,010 and NT$3,822,010, respectively, which were distributed in cash. There was no difference between the actual amount distributed and the amount of employees' and directors' and remuneration recognized in the accounts.

Remuneration of employees, directors:

2024 Unit: NT

	Resolved by the shareholders' meeting	Approved by the Board of directors	difference.
Distribution:			
1. Employees' cash remuneration	3,822,010	3,822,010	-
2. Employees' share remuneration			
(1) Number of shares	-	-	-
(2) Amount	-	-	-
(3) Percentage of outstanding shares at the end of the year	-	-	-
3. Remuneration to directors and supervisors:	3,822,010	3,822,010	-

(VI) The Company's buyback of its shares:

1. Repurchases already completed: The Company shall describe, for the most recent year and the period up to the annual report publication date, the purpose of the repurchase of its own shares, the period for the repurchase, the price range of the shares to be repurchased that it reported, and the type, number, and monetary amount of the shares already repurchased, the ratio of the number of shares that were repurchased to the planned number of shares to be repurchased, the number of shares that have been canceled and that have been transferred, the cumulative number of its own shares that the company holds, and the ratio of the cumulative number of its own shares that it holds to the total number of its issued shares: None.
2. Any repurchase still in progress: The Company shall describe the purpose of the repurchase, the type of shares to be repurchased, the ceiling on the total monetary amount of the repurchase, the planned period for the repurchase, and number of shares to be repurchased, and the price range of the shares to be repurchased, and also shall specify, as of the annual report publication date, the type, number, and monetary amount of the shares already repurchased, and the ratio of the number of shares that were repurchased to the planned number of shares to be repurchased: None.

II. Issuance of corporate bonds (including overseas corporate bonds): None.

III. Handling of preferred shares: None.

IV. Issuance of Global Depositary Receipt: None.

V. Issuance of employee stock option: None.

VI. Status of employee restricted new shares: None.

VII. Handling of M&A or receiving shares of other companies for issuing new shares: None.

VIII. Implementation status of fund utilization plan:

(I) Plan: None.

(II) Implementation status: None.

IV. Operation Overview

I. Business Content

(I) Business Scope:

1. The content of principal business:
   (1) Dyeing and finishing of functional textile products.
   (2) Weaving and sales of warp knitted and circular knitted greige goods.
   (3) Weaving and sales of warp knitted and circular knitted finished fabrics.
   (4) Sales of electricity from solar power plants.
2. Proportion of business: In addition to OEM dyeing and finishing, the Company is actively engaged in the sale of finished fabrics.

Unit: NT$ thousand

Product Category	2025		2024		2023	
	Amount	Proportion %	Amount	Proportion %	Amount	Proportion %
Dyeing and finishing OEM	131,384	16.34	136,578	17.33	143,425	21.89
Trading of fabric	661,266	82.28	640,710	81.31	500,407	76.37
Revenue from electricity sales	11,060	1.38	10,751	1.36	11,389	1.74
Total	803,710	100.00	788,039	100.00	655,221	100.00

3. The Company’s current products and services: Please refer to (I) Business Scope.
4. New products and services planned for development:
   (1) **Classic Fabric Transformation:** The raw materials are upgraded from traditional petrochemical sources to T2T (Textile-to-Textile) recycled yarns, retaining the advantages of the original fabric. This approach directly converts existing high-market-share products into **“sustainable solutions,”** significantly extending the product’s profit lifecycle while reducing the carbon footprint pressure on brand clients.
   (2) **Innovative Production Technology:** By applying microfiber near-zero shedding and closed-loop recycling techniques, this approach addresses the issue of traditional brushed fabrics generating large amounts of microfiber pollution due to fiber breakage. It reduces washing-related shedding to nearly zero, perfectly showcasing the advantages of the T2T (Textile-to-Textile) circular recycling system.

(II) Industry overview

1. Industry Status and Development

Since the 1950s, Taiwan's textile industry has experienced nearly 70 years of growth and development, and has progressively emphasized innovation, research

and development, and design to strengthen the ability in self-development, design, and own-brand operation, in order to overcome the dramatic changes in the domestic business environment and international competition, and to be more cost-effective. From the labor-intensive garment industry in the early days, Taiwan's textile industry has gradually developed into a complete upstream, midstream and downstream textile production system, including man-made fiber manufacturing, spinning, weaving, dyeing and finishing, garment and apparel industries, etc. So far, Taiwan's textile products have become one of the major sources to supply to the global market. Taiwan's textile industry plays an important role in the economic development of Taiwan, especially in the upstream and midstream industries, and serves as a major export sector. The downstream industry has already made a global deployment and played a driving role in the development of the upstream and midstream industries because it requires sufficient manpower. Furthermore, the development of the textile industry in Taiwan has gradually moved from OEM manufacturing to ODM innovation with its own R&D capabilities, and then grown into an international system that has vertical integration and horizontal labor division, making it the best partner for international brand manufacturers worldwide. In addition, more than 80% of Taiwan's major textile manufacturers have set up factories in Southeast Asia, small and medium-sized textile factories are facing increased competition in the market, tariff barriers, reduction in production, and closure of factories for sale, and are facing the choice to transform and to diversify their business.

As the global economy gradually stabilizes, international demand for high-quality, low-carbon, and traceable textiles continues to grow. The market also anticipates that the 2026 FIFA World Cup, jointly hosted by three North American countries, will drive another peak in the global sports and leisure apparel industry. However, over the past 25 years, the United States has remained the largest export market. The high tariffs imposed during the Trump administration have significantly impacted the industry, causing Taiwanese manufacturers to face order fluctuations and new challenges in price negotiations. Additionally, if the U.S. imposes heavy tariffs on textiles from mainland China, a large volume of Chinese-made products is expected to shift toward markets in Europe, Central Asia, Latin America, and Africa, intensifying global competition for Taiwan. Under this dual pressure, focusing on the development of functional and specialty products remains the key survival strategy for Taiwanese textile manufacturers.

According to the statistics from the Census and Statistics Department of the Ministry of Economic Affairs, the output value of the upstream textile industry is NT$40.4 billion in 2025, representing an decline of 21.0% over the same period in 2024, and accounting for 13.35% of the total output value of the textile industry; the output value of the midstream textile industry is NT$198.2 billion, representing an decline of 6.3% over the same period in 2024, and accounting for 65.49% of the total output value of the textile industry, the output value of the garment and apparel industry is NT$64.0 billion, representing an decline of 9.60% over the same period in 2024, and accounting for 21.15% of the total output value of the textile industry. The total output value of the textile industry reached NT$302.6 billion, representing a 9.3% decline as compared to 2024.

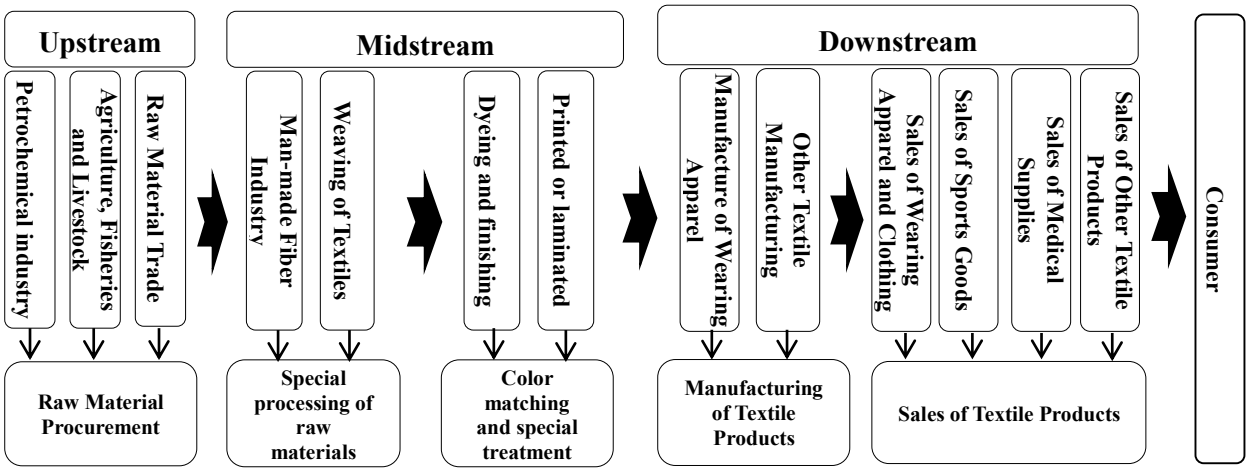
Looking to the future, artificial intelligence (AI) has gradually changed the traditional operating model of the textile industry and is growing rapidly. In addition to improving the automation of the production process, it can also improve manufacturing accuracy, speed up production and reduce costs through the integration of AI technology, industrial Internet of Things, and big data analysis and optimization, thereby improving productivity and profitability. It is also used in military, sports, medical and daily life applications. In addition, combined with

Taiwan's industrial advantages in chemicals, materials, information, electronics, machinery, medical care, etc., it will drive global consumer markets and international brands to demand Taiwan's functional fabrics, and more than 70% of the world's functional fabrics. sports functional fabrics have been supplied from Taiwan, prompting the textile manufacturing industry to gradually transform into a "smart" manufacturing industry. According to the data from Grand View Research, the market size of functional textiles will be US$21.8 billion by 2030.Today, over 70% of the world's functional fabrics for sportswear are supplied by Taiwan.However, Taiwan's textile industry is also facing competition from emerging markets, Taiwan's inability to effectively participate in international regional integration or the signing of free trade agreements, and increasing production costs, making it even more challenging for textile companies to operate.When we face the changes in the global environment, Taiwan textile companies should focus three major themes of "continuous environmental protection, functional application, intelligent manufacturing", the core of the future development of "continuous innovation".

2. Correlation among the Industry's Upstream, Midstream and Downstream

The Company's main products are the dyeing and finishing process and the manufacture of breathable, moisture-absorbent, antibacterial and anti-odor functional fabrics, which are in the midstream of the textile industry and are positioned in the upstream and downstream of the textile value chain. The upstream textile industries are divided into natural fiber, synthetic fiber, recycled fiber and related agriculture, fishery, livestock, and raw material trading businesses, as well as the petrochemical industry, which is used to produce synthetic fibers. The midstream is the fiber, spinning, weaving and dyeing industry, while the downstream is the textile manufacturing and trading business that includes garments, apparel, curtains and other textile products. The supply and demand of raw materials and product distribution between the upstream, midstream and downstream textile industries are highly correlated and have a strong chain effect. Therefore, the upstream, midstream and downstream industries should vertically integrate their production and marketing structures to reduce production errors, strengthen the division of labor, and increase the value-added products to improve product quality and enhance competitiveness, thereby sharing the economic advantages derived from the integration of production and marketing systems.

Association chart of upstream, midstream and downstream of textile industry in Taiwan:



3. Development trends of products

(1) Continue to improve towards high-value, differentiated products

In recent years, the quality and added value of Taiwanese textiles have greatly improved, the market has gradually become differentiated from products from developing countries. We also achieve differentiation by developing various high value-added materials, and produce various functional fabrics and garments in line with technology and trends, creating greater business opportunities for enterprises.

(2) Circular Recycling and Sustainable Processes
International brands are increasingly tightening their scrutiny of material sourcing and recyclability year by year. Taiwan's supply chain has successfully transformed waste such as old clothes, discarded fishing nets, and used tires into high-value materials. Notably, recycled PET textiles made from plastic bottles have gained significant global recognition. Sustainable processes represent a green transformation of production workflows. Taiwan's supply chain is rapidly commercializing technologies such as dope dyeing (solution dyeing), waterless dyeing, and the application of bio-based materials.

(3) Sportswear and leisure apparel is getting popular
As people have been pursuing life quality and enjoying all kinds of sports, the demand for sportswear and leisure apparel is increasing, consumers increasingly demand scenario-specific adaptation (indoor, outdoor, aquatic) and smart comfort features (temperature regulation, thermal conductivity); therefore, domestic and foreign manufacturers take the initiative to innovate and develop the manufacturing technologies. For example: low resistance, instant cooling effects, abrasion resistance, light weight, warmth, UV resistance, moisture absorption and quick drying, moisture permeability and waterproof, antibacterial deodorization and other functional effects to meet consumer demand for healthy, athletic and casual lifestyle.

(4) Smart textiles for cross-disciplinary applications
In response to the aging population, the health care field is a major development trend, so medical-grade textiles that combine functionality, comfort, sensing and intelligent interpretation will be a key development project. Taiwan has semiconductor and biomedical industry technology, coupled with its advantages in components, expanding applications into sectors such as industrial and automotive industries will be crucial to driving growth in the textile industry..

(5) Labor Rights and Brand Image
The anti-sweatshop movement, which has emerged in recent years, calls for the ethical exercise in consumption and the avoidance of excessive labor exploitation (ultra-low wages, overtime work, poor and dangerous working environment, and even the hiring slave and child laborers), and has also actively or passively caused international brand makers to think carefully about regulating the labor conditions in the manufacturing chain, establishing a good brand image, and resisting products made by "faster work, longer hours, and lower wages", which is gradually becoming one of the factors consumers consider when they shop.

4. Product Competition

The Company mainly offers high value-added functional and eco-friendly textile products and functional dyeing and finishing services. We have transformed from the traditional manufacturing to the value-added customized service industry in order to meet the rapidly evolving textile trend in the future, and are therefore well recognized and adopted by internationally renowned brands. We have been developing innovative functional and eco-friendly textile products and processes, and have been actively participating in international exhibitions in recent years to

gain more visibility for the Company. In particular, we have launched Janerino wool series products, which are dyed by interweaving long and short fibers to differentiate our wool products from other competitors, and we have developed high priced products on our own to break away from the price battle in the industry, thus creating differentiation and high added value. In March 2025, three groups of products were awarded in the Performance Days. The products that won awards were not only highly visible, but also distinguished the Company's products from those in the same industry and helped to improve the Company's competitiveness.

(III) Technology and R&D Overview

1. Research and development expenses invested in the most recent year and up to the publication date of the annual report:

Unit: NT$ thousand; %

Expense and Income / Year	R&D expenses invested	Net operating income for the period	R&D expenses as a percentage of net operating income
2025	4,391	803,710	0.54%
Q1 2026	3,429	191,305	1.8%

2. Overview of the company's R&D:

The Company spent 0.5% to 1.0% of its revenue on research and development, includes weaving, dyeing, finishing and coating, etc. In addition to enhancing the quality and scope of application for our dyeing and finishing processes to meet the changing requirements from our customers, we also develop various kinds of high functional fabrics, not only for outdoor sportswear but also for urban visual effects with stiff fabrics, effectively enhance the wear comfort and design and to meet the urban functional textiles demands in modern society.

The following technologies or products were successfully developed:

(1) **Transformation of Classic Fabrics:** The raw materials have been upgraded from traditional petrochemical sources to recycled yarns derived from textile waste (Textile-to-Textile or T2T yarn). While retaining the inherent advantages of the original fabrics, this transformation delivers a "sustainable solution" for existing products, significantly extending their product life cycles and reducing their carbon footprints.

(2) **Innovative Production Technology:** By applying varied combinations of weaving structures, this technology reduces the need for the brushing process while maintaining the plush, voluminous texture of the fabric. It effectively addresses the drawback of traditional brushed fabrics, where fibers broken during processing release a significant amount of microfibers during washing, thereby polluting water resources.

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

1. Short-term business development plans:

(1) Our dyeing and finishing OEM customers are analyzed based on order quantity, production volume and turnover, and are selected based on the operating conditions of the dyeing and finishing factories in order to find the best OEM customer portfolio.

(2) Deepen collaborative development with international brand clients, jointly promoting carbon reduction initiatives. Leverage the company's in-house weaving, dyeing, and finishing equipment and technological advantages to increase the proportion of ODM. We will also continue to participate in trade shows to increase our exposure and to gain more market opportunities.

(3) We continue to optimize our product portfolio and expand our value-added product lines to maximize our profitability.

(4) We continue to promote all kinds of management improvement measures to enhance the overall operational efficiency internally and improve the quality of customer services externally.

(5) We are reviewing the production capacity and carbon emissions from old machines to improve manufacturing efficiency by replacing them with new ones, while taking into account our social responsibility for environmental protection.

2. Long-term business development plans:

(1) Continue strengthening client development across all continents and collaborate with domestic raw material suppliers to develop FDA-compliant color masterbatches. Enhance business relationships with new partner brands and expand into various segments of the outdoor sports industry.

(2) We will keep up with the market trend and provide products and services that meet the customer's needs in order to add service items and improve the service quality for our existing customers. We also actively engage with new clients from well-known brands, and build up high efficiency, high quality, and fast delivery production and manufacturing capabilities to match order patterns and customer needs, in order to improve our competitiveness.

(3) We will continue to work with domestic and foreign fashion designers to build relationships with them in order to become a driving force for future business growth.

(4) The Company has gradually replaced the equipment with eco-friendly equipment in recent years. Under the self-assessment that is better than the legal standard, the Company was certified by bluesign®, a Swiss international environmental certification body, in 2014 and is under continuous audit inspection to meet the Company's own requirement to keep up with the latest development. In the future, we will also continue to develop the eco-friendly concept for sustainability, to provide customers with eco-friendly quality products and to fulfill our international social responsibility.

(5) Promote order analysis system to improve inventory management. Properly allocate production capacity through the system in order to improve production efficiency and create high unit price and high gross margin.

(6) The Company is committed to promote and provide consultation services as a solar energy demonstration factory in response to the government's green energy policy, with the goal that we will be able to lead the textile industry to invest in green energy generation by setting up a model factory.

II. Overview of Market, Production and Sales

(I) Market Analysis:

1. The Company's main products (services) are sold (provided) in the following areas:

Our domestic sales include functional dyeing and finishing, weaving services and a small portion of fabrics. Our export products are mainly warp knitted and circular knitted fabrics that are exported directly to Europe, America and Southeast Asia, etc. In recent years, the proportion of export sales has exceeded domestic sales.

Unit: NT$ thousand; %

Year / Sales area	2025		2024		2023	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Domestic sales	280,318	34.9	272,859	34.6	244,935	37.4

Direct export	523,392	65.1	515,180	65.4	410,286	62.6
Total	803,710	100.00	788,039	100.00	655,221	100.00

2. Market share:

The Company's revenue from dyeing and finishing OEM was NT$131,384 thousand, accounting for 1.46% of the total domestic sales of dyeing and finishing of knitted fabric for 2025; and the revenue from direct sales of finished knitted fabric in warp knitting and circular knitting was NT$523,392 thousand, accounting for 1.79% of the total direct sales of knitted fabric for 2025.

3. Demand and supply conditions and growth for the market in the future:

The global textile and garment industry is pivoting from the 'fast fashion' model, which prioritized speed and low cost, toward high-value-added development that emphasizes functionality, sustainability, and supply chain resilience. This phenomenon represents a structural transformation driven by the synergy of major international sporting events, policy regulations, technological advancements, and shifts in consumer behavior. Capitalizing on the global buzz surrounding the **2026 FIFA World Cup**—co-hosted by the United States, Canada, and Mexico—demand for sportswear, fan merchandise, and high-performance fabrics has surged significantly. Athleisure has become a cornerstone of daily wardrobes, driving growth in technical textiles such as stretch fabrics, moisture-wicking materials, and antimicrobial finishes. Under the dual pressure of government policies and brand mandates, **sustainability** has become a non-negotiable prerequisite for securing orders. Furthermore, the EU's upcoming **2027 Digital Product Passport (DPP)** system requires the entire supply chain to disclose comprehensive information regarding carbon emissions and raw material sourcing. Global brands such as Nike and Adidas have explicitly required their suppliers to provide comprehensive traceability data. The future competitiveness of the textile and apparel industry is defined by short, medium, and long-term milestones: the short term depends on inventory replenishment and the sports craze; the medium term hinges on the success of digital transformation; and the long term is determined by the depth of sustainability initiatives and technical upgrades. Overall, this represents a comprehensive upgrade as the industry shifts from cost-based competition toward value-based competition.

4. Competitive niche:

Regional economies are emerging, competition in emerging markets and business models are changing.Traditional strategy to win by quantity and price and to sell more at a lower price is no longer in line with the international trend. We must move from "quantitative" to "qualitative" development. We aim to develop "full lifecycle management and service" from product development and testing to customer service in order to differentiate Taiwan's products from those of emerging countries and to make the product differentiation from those in Southeast Asia and mainland China. The Company aims to strengthen its competitiveness by training talents who possess solid financial capabilities, management skills and market sensitivity, and by utilizing the Company's integrated operations (weaving → dyeing → finished products) to actively develop functional and eco-friendly textile products to achieve high value-added and advanced processing, to differentiate our products, to improve the quality and to provide a comprehensive customized service.

5. Positive and Unfavorable Factors for future development and the company's response:

(1) Favorable Factors

The Company provides diversified and customized services and products. We have been actively developing and researching on dyeing technology,

various functional and environmental friendly fabrics in recent years, not only paying attention on fashion trends, but also emphasizing on ergonomics and functionality to make our customers feel more comfortable, safe, innovative and environmental friendly.

In 2014, the Company was certified by the bluesign® standard, which is considered to be an extremely strict environmental standard for textile products in Europe and even in Germany, where the concept of environmental protection is relatively widespread. We not only produce products that comply with the bluesign® standard, but also implement the spirit of environmental protection in our production process. In recent years, we have been actively participating in international exhibitions to make the Company more visible. In February 2025, the Company participated in the Performance Days, an online exhibition for functional textiles in Germany, where three products received awards. The products that won awards not only gained attention, but also helped to differentiate our products from those in the industry and enhance the competitiveness of the Company.

In 2026, the global market for affordable and fashionable textile garments and functional outdoor casual wear will continue to develop with high functionality and low pollution, therefore, continuously implementing **AI and automated production**, addressing the long-standing challenges of **labor shortages and efficiency bottlenecks** faced by traditional industries ,having various certifications will be beneficial to the future expansion of the Company's operations.

(2) Unfavorable Factors

Unfavorable Factors	Countermeasures
Labor shortage and Zero Placement Fee Policy cause labor costs to increase.	1. To overcome the labor shortage problem, in addition to hire legal foreign workers, we also cooperate with colleges to train young students through work study to encourage the talents to work for the Company. 2. We will continue to upgrade the equipment, enhance the automation and improve the computerized process, to reduce the defective rate, and reduce the labor requirement and cost. 3. We have improved employee benefits, planned a better bonus system to recruit more young talents, and strengthened HR management in order to establish the idea that employees are the company's main asset. 4. We set up 6S management system to enhance workplace safety and work environment quality, and to strengthen the team work concept to increase production efficiency. 5. The HR Improvement Team has been able to attract more young people to join the Company by focusing on the transformation of the corporate culture to strengthen the employee's motivation and enthusiasm for their work. 6. By managing a social media and website, we can share the internal events and daily activities in the company, and change the stereotype that young people have about the traditional industry these days.
Not joining RCEP, CPTTP yet, possibility of ECFA suspension	1. Strengthen the stable product quality, accurate delivery, and cost control to ensure long-term partnership and establish good reputation of the Company. This will attract new customers and maintain customer loyalty for the Company.

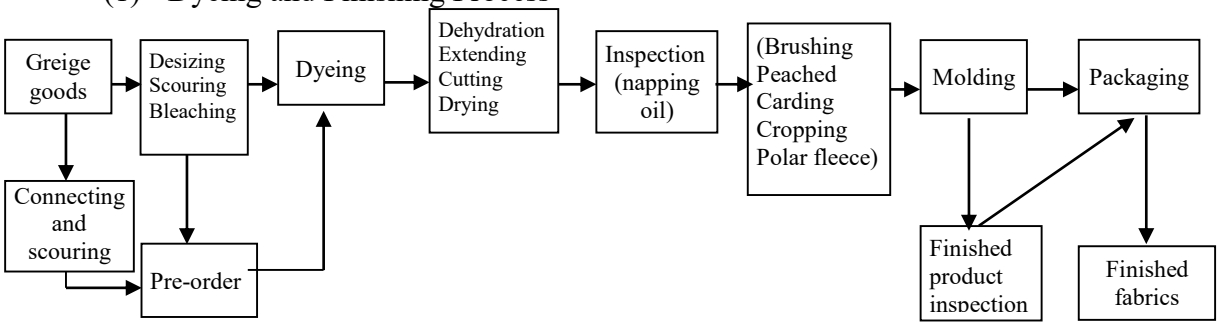
	2. We have vertical integration (from weaving → dyeing → finished products), which is the key to win customers' trust. 3. We are actively strengthening our development and R&D capabilities to enhance the product quality and added value, and to better differentiate our product markets from those in the emerging countries. 4. Combined internal research and rapid response ability for external customer service, so effective in controlling product life cycle. 5. We are committed to improving our competitiveness with specialized products by expanding orders in high performance markets on all continents.
Production costs such as raw materials, natural gas and electricity bills are increasing year by year.	1. We work closely with upstream suppliers to ensure the supply source and to stabilize the raw material price. 2. Continuously optimize the dyeing process and reduce re-dyeing or additional color correction, thereby lowering defect rates and avoiding extra costs. 3. Some fabric types have ceased using the Section 9 oven during finishing, resulting in natural gas savings. 4. Introduce an energy storage system to store electricity during off-peak hours and use it during peak hours to reduce electricity costs. 5. The target is to have over 80% of the plant's electricity metered, enabling detailed analysis and improvement of electricity consumption.
Cloth, dyeing and finishing work get harder, yield rate is down.	1.Establishment planning team improvement abnormalities, elimination of the rule of elimination, elimination of external demand, and analysis of rescheduling. 2. Set up quality monitoring points, reduce anomalies and rebuild. 3. Coordinating or increasing vendor.
The cost of testing and verification has increased due to the restriction imposed by the EU and other regions for non-toxic standards and verification.	To obtain the environmental label and product traceability certification to reduce the cost and risk associated with additional testing and certification in the future 1. Oeko-Tex® standard 100 2. bluesign® 3. RWS 4. GRS
The rising awareness in environmental protection worldwide and the strict environmental standards have increased the production cost.	In order to protect the environment and the next generation, the company is committed to establish environmental protection measures despite the increase in production costs, in line with its social and ethical responsibility. 1. We have a wastewater treatment plant with a new wastewater treatment facility that is capable to handle the daily wastewater generated by our factories. 2. We have installed various water quality monitoring equipment to comply with the water discharge standards. 3. Adopt waste reduction measures in the manufacturing process, such as computerized raw material control, use of central monitoring system, optimal selection for dyeing aids, upgrading of dyeing equipment with low liquor ratio, and reuse of cooling water.

	4. We conduct plant-wide energy-saving measures, building an intelligent energy management system, and actively participate in the greenhouse gas reduction program run by the Industrial Development Bureau of the Ministry of Economic Affairs. 5. Installed high efficiency air pollution prevention equipment for setting machines to meet air emission standards. 6. Replace the new dyeing machine to significantly reduce water consumption and wastewater discharge. 7. We implement the environmental protection policy by strengthening employee education and training, separate waste that should be recycled, non-combustible or uncombustible, and develop solid renewable fuels. 8. We have built a solar power plant that generates electricity from the sun. This way, we can use the power from the sun instead of the natural resources and pollution.
The textile dyeing and finishing industry relies on energy heavily	1. We evaluate the energy consuming status of the machines and continuously replace them with new ones or partially renovate them with energy-saving designs to minimize the proportion of energy consumption and to reduce the cost. 2. We have studied and learned from domestic and international peers in the textile industry to think about alternative energy solutions.

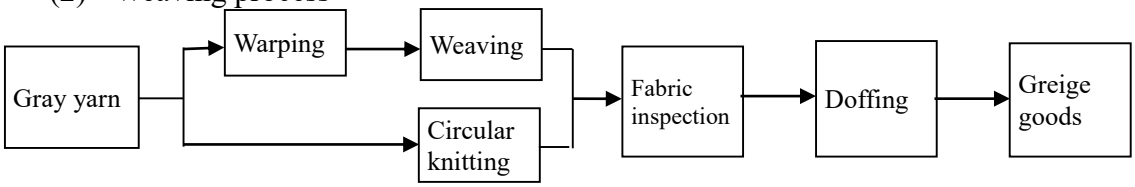
(II) Important Applications and Production Process of Main Products:

1. The textile products that we dye or sell are mainly used for casual wear, sportswear, general apparel and industrial fabrics.
2. Production Process

(1) Dyeing and Finishing Process



(2) Weaving process



(III) Supply Status of Main Raw Materials

The main raw materials required for our dyeing and finishing process are dyes, additives and resins, which are supplied as follows:

Raw material	Resource	Status
Dyes	The domestic procurement accounts for 100%. The main suppliers are Yeong Wang, Cheng Yu, and others.	Stabilizing

Additives	The domestic procurement accounts for 100%. The main suppliers are Fu Ying, He Yi, and others.	Stabilizing
Resins	The domestic procurement accounts for 100%. The main suppliers are Shang Yang, and others.	Stabilizing

(IV) Setting forth the names of any suppliers (clients) that have supplied (sold) 10 percent or more of the company's procurements (sales) in either of the preceding 2 fiscal years, and the monetary amount and the proportion of such procurements (sales) as a percentage of total procurements (sales):

1. Information of Major Suppliers in the Last Two Years

The Company is mainly engaged in dyeing and finishing OEM and fabric trading, and has long-term stable cooperative relationship with suppliers. The supply of raw materials is stable and there is no shortage, interruption or over-concentration of supply.

Unit: NT$ thousand; %

	2024				2025				2026 as of the end of the 1st quarter			
Item	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Purchase (%)	Relationship with the Issuer	Name	Amount	As % of March 31, 2023 total net procurement	Relationship with the Issuer
1	Company A	62,169	22	None	Company A	50,352	22	None	Company A	8,020	18	None
2		-	-			-	-	-	CompanyM	7,133	16	
	Others	212,875	78	-	Others	182,019	78	-	Others	29,926	66	-
	Net purchase amount	275,044	100	-	Net purchase amount	232,371	100	-	Net purchase amount	45,079	100	-

2. Information of Major Sales Customers in the Last Two Years

The Company's sales policy is to focus on customers with stable business structures. In the last two years, the sales amount from Company's major customers have changed due to the decrease or increase in customers' revenue and other market factors. Overall, the Company's major customers have changed in 2025: Customer M's sales increased due to orders placed by brand customers.

Unit: NT$ thousand; %

	2024				2025				2026 as of the end of the 1st quarter			
Item	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	Percentage of Annual Net Sales (%)	Relationship with the Issuer	Name	Amount	As % of March 31, 2023 total net sales:	Relationship with the Issuer
1	Customer B	127,402	16	None	Customer M	105,824	13	None	Customer L	32,164	17	None
2	Customer E	91,611	12	None	Customer B	101,619	13	None	Customer K	24,966	13	None
3				-								
	Others	569,026	72	-	Others	583,413	74	-	Others	134,175	70	-
	Net sales amount	788,039	100	-	Net sales amount	790,856	100	-	Net sales amount	191,305	100	-

III. Employees for the Most Recent Two Years

Year	2024	2025	As of April 30, 2026

Number of employees	Direct labor	67	67	64
	Indirect labor	81	75	76
	Total	148	142	140
Average age		44.96	47.35	46.78
Average years of service		11.68	12.76	12.38
Education	Master	4.73	4.93	5
	College	57.43	56.34	60
	High school	28.38	29.58	25.71
	Under high school	9.46	9.15	9.29

Note: The information does not include foreign workers; there were 100 foreign workers in 2025; 96 in 2024 and as of April 30, 2026 is 98.

IV. Environmental Protection Expenditure Information:

(I) Losses arising as a result of environment pollution in the last year up till the publication date of this annual report (including violations against environment protection law found during a inspection and the damage; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty). Please quantify the estimated losses and state any response actions, and state reasons if losses cannot be reasonably estimated: None.

(II) Countermeasures:

1. The proposed improvement measures are:
   The specific improvement measures and preventive measures proposed by the Company for environmental protection are as follows:
   (1) Replace old equipment: Replacing equipment that has reached the end of its useful life not only reduces the failure rate but also saves electricity, consumption and labor.
   (2) Introduce and develop new environmental protection technology: the molding machine adopts cooling electrostatic treatment and recycles waste oil, which not only reduces water consumption and waste oil emission, but also can be reused; the coal-fired boiler uses nano electrostatic treatment equipment, which not only reduces pollution emission but also improves boiler efficiency and saves energy.
   (3) Set regulations that are better than environmental standards: wastewater and air pollution standards are becoming more and more stringent. In order to continue to meet the standards and reduce the amount of investment, the Company sets improvement policies that are better than environmental standards when improving or adding new equipment. For example, the standard for air pollution particle size in molding machines is 100PPM, but the company set up electrostatic dust collection facilities can treat it below 30PPM, and the first inspection result is 8PPM. In addition, natural gas boiler is equipped with air pollution control equipment. The wastewater COD standard is 160 PPM, and our contract requires 140 PPM as the acceptance standard. The test results in 2025 were below 100PPM.
   (4) Wastewater from recycled raw water filtration and softening: The raw water filtration and softening system requires regeneration once for every 1,100 tons of production. Each regeneration consumes 120 tons of raw water, of which 20 tons are used for salt washing, and the remaining 100 tons of raw water can be recycled. Based on the dyeing plant's daily water consumption of 2,535 tons, the system undergoes approximately 2.3 regeneration cycles per day. It is estimated that about 230 tons of raw water can be recycled daily.

(5) Reinforce the management system and method: We will plan a continuous monitoring system, which will not only enable effective and real-time monitoring, but also demonstrate the Company's self-discipline and determination for environmental protection.
The annual investment amount of the Company's environmental protection (excluding daily maintenance and operation costs)

NT$:

Year of investment	Category	Investment amount	Investment content	Remarks
2022	Wastewater	3,376,500	Air Suspension Blower for wastewater Aeration	Completed
2022	Waste gas	1,322,041	Waste hot water, waste heat recycling and reuse project	Completed
2022	Wastewater	10,165,500	Wastewater improvement project	Completed
2023	Waste gas	18,595,754	Installation of air pollution prevention equipment for thermal coal boilers	Completed
2023	Waste gas	9,372,000	Set up natural gas boiler	Completed
2023	Wastewater	7,235,000	Waste water improvement project	Completed
2024	Wastewater	250,000	Wastewater pipeline renovation project	Completed
2025	Wastewater	205,000	Maintenance of the electrical control cabinet and electrical panel for the sludge dryer	Completed
2025	Wastewater	304,300	Replacement of the wastewater air flotation blower and related piping	Completed
Accumulated from 2022 to 2026		50,826,595	We will start the investment after 2026	2,958,000

(6) Adopting waste reduction measures in manufacturing process
In addition to increasing environmental protection equipment and facilities, the Company has adopted waste reduction measures in manufacturing (see the table below) to reduce the source of pollution in order to make the prevention of pollution more effective.

Serial number	Waste reduction measures in manufacturing process	Effectiveness of environmental protection
1	Use computer to control raw material	Computerized automatic dispensing equipment is used to maintain dyeing stability, reduce defective rate and rework rate, reduce water consumption, and further reduce wastewater generation.
2	Use the central monitoring system	The central control system can reduce the human errors and has the convenience for troubleshooting in order to avoid the losses caused by human beings and the higher cost and waste of energy caused by the reworking in the production process.
3	Best choice of dyes and additives	We choose non-toxic and easily decomposable low-pollution dyes and additives, and set the most suitable heating curve and holding time to improve the coloring rate, which can not only improve the product quality and reduce the amount of pollution and

Serial number	Waste reduction measures in manufacturing process	Effectiveness of environmental protection
		additives, but also reduce the water contamination and cost of wastewater treatment.
4	Upgrade the dyeing and finishing equipment	The new low liquor ratio dyeing machine not only saves dyes, additives and water, but also significantly reduces wastewater generation.
5	Waste recycling and reusing	We recycle and reuse cooling water and steam condensate, which not only saves costs but also reduces wastewater discharge and disposal costs. The production waste is sorted and screened for recycling and reuse, and established closed recycling system.
6	Use hot water to cool down the high temperature	Generally, cold water is used to cool down the temperature, but we use recycled hot water to cool down the temperature, which can reduce the water consumption and avoid the defective products caused by excessive cooling.
7	Routine machine maintenance	We regularly maintain the machines and equipment in accordance with the maintenance regulations so that the machines and equipment can function properly, to reduce the rework rate and defect rate, and to effectively prevent wastewater pollution.

(7) Implement environmental protection work and enhance employee education and training

①The Company has an "Occupational Safety and health Section", which is responsible for coordinating pollution prevention and control businesses. Apart from the daily water quality self-inspection, we also appoint an independent contractor approved by the Ministry of Environmental to conduct regular inspections on pollution sources, and make immediate improvements if there are any deficiencies, so that pollution prevention and control work can be carried out smoothly.

②The Company not only provides environmental protection training to its employees, but also plans to send employees to attend environmental protection training courses organized by the government' s environmental protection agencies and obtain licenses in order to make sure the environmental protection equipment operates effectively and to avoid environmental pollution caused by human negligence. There are 2 employees at present qualified to operate according to environmental protection regulations.

(8) Conduct plant-wide energy saving plan

①We use smart energy management system to record the electricity usage of the water chiller, which not only reduces the staff's working hours, but also provides energy-saving improvement strategies and implements the improvements through the data obtained, thus reducing the unit cost of electricity consumption.

②We are actively participating in the voluntary greenhouse gas reduction program run by the Industrial Development Bureau of the Ministry of Economic Affairs, purchasing high-efficiency equipment to reduce energy consumption, and implementing various energy-saving measures.

③The sludge is dried to 40-50% moisture by high efficiency plate and frame sludge dewatering machine, which reduces the cleaning cost and wastewater leakage during transportation, and reduces 60% of sludge weight after drying in order to save energy and protect the environment.

④We have established various recycle systems, condensate recycle system, cooling water recycle system, hot water supply system, boiler waste heat recycle system, boiler air preheat system, boiler water supply preheat system, wastewater recycle and reuse system, wastewater reduction plan; we will never waste any energy and never waste one drop of water.

2. The budgeted environmental spending for the following 3 years:
   (1) The cooling tower at the wastewater treatment plant has been in service for many years. A replacement with a new unit is being considered in the future to improve wastewater cooling efficiency, with an estimated investment of approximately NTD 2.46 million.

V. Labor-management relations

(I) Employee benefit measures

1. The Company provides employees with labor insurance in accordance with the law, and assists employees in applying for insurance benefits when the incident related to labor insurance occurs.
2. The Company provides employees and their dependents with national health insurance in accordance with the law.
3. Employees' leave (special leave, maternity leave, sick leave and other leave) and regular holidays are handled in accordance with the Labor Standards Act. Additional birthday leave.
4. We provide four meals per day (breakfast, lunch, dinner and snack) to our employees. We also provide Southeast Asian cuisine to respect the dietary habits for foreign employees, and pay attention to their suggestions for improvement and changes in the cuisine, and review the food every year.
5. We provide summer and winter uniforms that are made of our own functional fabrics, which have a moisture-wicking and anti-odor function, so that our employees can work comfortably and without sweating.
6. We provide staff lounge, occasional recreational activities and free clubs (yoga, badminton, physical fitness) to take care the physical and mental health of the employees and relieve their work stress.
7. To enhance employee welfare, the Employee Welfare Committee was established in accordance with the law to handle various employee welfares and subsidies.
   (1) Subsidies for marriage, childbirth, injury and illness, new home completion, and death of employees and dependents.
   (2) Three festivals gift, birthday gift, service seniority incentive, dinner supplements, staff travel, year-end lottery, staff restaurant and staff dormitory.
8. The Company cares about the safety and physical and mental health of its employees. In addition to providing them with a safe and comfortable working environment, the Company also promotes the welfare system and provides them with good education and training to establish a good relationship with employees. For example, medical subsidies, free health checkups, residential care for employees, breastfeeding rooms, free parking spaces, and electric bicycle charging stations in the factory. When employees encounter difficulties in their work or life, the Company will also arrange direct supervisors and human resources units to serve as consultation contacts and provide relevant assistance as appropriate.

(II) Further education and training of employees:

In order to enhance employees' professional knowledge and technical standards, the

company regularly organizes internal education and training according to the annual education and training plan. In addition, it provides pre-employment education and training for new employees, as well as on-the-job external education and training and online training courses for employees.

We also conduct cross-departmental and cross-discipline professional knowledge and technology sharing through various meetings for employees of different job categories. In addition to work-related instruction, we also emphasize the transmission of culture and work experience, so that each employee can perform better and create higher efficiency.

(III) Retirement plan and its implementation status:

1. Allocation of Retirement Reserves on a Monthly Basis:
   The Company adopts the Labor Standards Act and establishes the Company's employee retirement plan and the Labor Pension Supervisory Committee to enforce employee retirement matters. In accordance with the Labor Standards Act, the Company makes monthly contributions to the retirement reserve fund. In 2025, the contribution for the old pension scheme amounted to NT 315,000, sufficient to cover the retirement benefits for employees under the old system, which is appropriated to the Labor Retirement Reserve Fund Supervisory Committee account directly
2. Individual Labor Pension Account:
   Since July 1, 2005, in accordance with the "Labor Pension Act (New System)," the Company is required to make monthly contributions at a rate of not less than 6% of monthly wages to the employees' individual pension accounts at the Bureau of Labor Insurance in accordance with the Labor Pension Act, the recognized amount for the contribution to the new pension system in 2025 is NT$5,515 thousand.

(IV) Important agreement between labor and management:
Any new or amended measures related to labor relations will be fully discussed and communicated by both employers and employees, and no major labor disputes have occurred.

(V) Protection measures for the rights of employees
We believe that our employees are the most important assets of the Company, and we believe in "people-oriented and people-led", so that we can continue to fulfill our responsibility of caring for our employees.

(VI) Work environment and employee safety protection measures:

The Company attaches great importance to workplace safety and employee health and hygiene, and has set up an Occupational Safety and Health Committee: 24-hour security guards and access control are available in the office building and factory area. The Company has also formulated safety and health management rules and regulations, which stipulate safety management rules for employees to follow. The factory manager and labor safety and health personnel promote automatic safety and health inspection plans, supervise labor safety and health management in each unit, and provide safety and health education and training, and safety and health inspection.

1. Equipment safety:
   (1) Dangerous machines (lifts) are inspected by an external professional contractor on a monthly basis. The inspection results are recorded and obtained accordingly.
   (2) The user is responsible for monthly inspection and filling in the "Monthly Automatic Inspection Form for Electric Forklifts" and the inspection is conducted annually by an external professional vendor as required by law.
   (3) When signing the contract and entering the factory, the contractor informed the workers of the safety and environmental protection precautions and required them to purchase accident insurance for the workers entering the factory.

(4) On-site operators are required to wear safety gear (masks, helmets, safety boots, safety hooks, ear plugs, goggles, etc.) as required.

2. Production environment: The Company appoints an external professional contractor every six months to conduct dust and noise tests in the operating environment, as well as to conduct annual exposure tests for special chemical substances.
3. Sanitation: The Company has dedicated cleaning staff to do daily cleaning and maintenance, regular disinfection operations, regular replacement and maintenance of the drinking water supply. The Company also implements the "6S Campaign" system, with staff "safety" as the main axis, and uses the concept of "spirituality" to establish a consensual management language in the workplace, promoting all staff to do "sorting", "straightening", "sweeping" and "sanitation" voluntarily.
4. Healthcare:
   (1) We provide annual general health checks for employees.
   (2) For noisy workplace personnel, provide a special hearing examination once a year.
   (3) Our nurses and physicians are available on site to proactively care for the health of the employees and provide health consultation and advice to them.
   (4) If an occupational disaster occurs in the workplace, we will take the necessary first-aid measures and implement investigation, analysis, and make records.
5. Fire safety: A complete fire prevention system and a joint preventive system are set up in accordance with the fire prevention act. Fire prevention education and drills are implemented every six months to allow employees to be familiar with emergency response measures.

In addition, the Company provides activity zones and sports equipment to encourage employees to use their time off work to exercise and relieve work pressure.

Our company is committed to take responsibility for the work environment and employee safety and protection measures. In 2024, visual aided cloth inspection equipment was be introduced to judge cloth defects to reduce the occupational injuries of quality control colleagues during work, and we keep making progress in order to achieve the goal of zero disaster in the workplace.

(VII) Employee Code of Conduct

In order to provide better and more perfect service quality, to comply with legal and ethical principles, to maintain the company's assets, rights and reputation, and to enable the company to create better performance and sustainable operation and development, the "Rules of Ethical Conduct for Employees" have been formulated and announced, and all employees shall comply with all laws and regulations during the service period, as follows.

1. Employees are required to comply with laws and regulations and corporate policies, and are committed to follow the principles of "Business Ethics" and "Corporate Ethical Conduct".
2. To maintain the Company's trade secrets and to respect the business assets and intellectual property of the Company, its customers and partners.
3. We keep internal communication open and encourage employees to participate in the company's activities and provide feedback to supervisors
4. Employees shall not engage in any business, investment or related activities that may constitute a conflict of interest between themselves and the Company.
5. All employees are prohibited from accepting gifts or giving kickbacks or taking other improper advantages from customers, suppliers or other persons related to the Company's business.
6. All employees shall not, during their employment, directly, indirectly, part-time, operate their own business or engage in any form of cooperation with others, engage in or participate in the development, manufacture, operation and sale of products

and technical services that are the same as, similar to or in competition with the scope of business of the Company.

(VIII) Losses arising as a result of employment disputes in the last year up till the publication date of this annual report (including violations against Labor Standards Act found during a labor inspection; explain the date of penalty, reference number, the laws violated, the violating action, and the nature of penalty). Please quantify the estimated losses and state any response actions, and state reasons if losses cannot be reasonably estimated: None.

VI. Cyber Security Management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management:

1. Set up information security dedicated unit, responsible for information security and protection related policy formulation, implementation, risk management, etc. There is one dedicated information security supervisor and one dedicated information security staff member. Report relevant implementation status to the board of directors every year.
2. Establish an information security policy and ensure the confidentiality, integrity, availability and legality of information assets through regular internal audits, accountant information reviews, and ISO external audits every year.
3. In order to prevent various external information security threats, our company has set up various information security protection systems to prevent hackers and virus intrusions. It also has established procedures for information security incident reporting and response.
4. We implement information security promotion and education training to enhance colleagues' information security knowledge.

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

VII. Important Contracts: None.

V. Review and Analysis of Financial Status and Performance and Risk Issues

I. Financial Status

Unit: NT$ thousand

Item \ Year	2025	2024	Difference		Remarks
			Amount	%	
Current assets	615,402	662,447	-47,045	-7%	-
Financial assets at fair value through other comprehensive income or loss	2,172	6,578	-4,406	-67%	-
Property, plant and equipment	352,894	379,536	-26,642	-7%	-
Intangible assets	27	96	-69	-72%	-
Other assets	189,846	163,752	26,094	16%	-
Total assets	1,160,341	1,212,409	-52,068	-4%	-
Current liabilities	139,266	167,275	-28,009	-17%	-
Long-term liabilities	-	-	0	0%	-
Other liabilities	7,586	10,188	-2,602	-26%	-
Total liabilities	146,852	177,463	-30,611	-17%	-
Share capital	857,670	857,670	0	0%-	-
Capital surplus	7,317	7,317	0	0%-	-
Retained earnings	149,477	168,331	-18,854	-11%	-
Other equity	-975	1,628	-2,603	-160%	-
Total equity	1,013,489	1,034,946	-21,457	-2%	-

Explanation:

The following is an analysis of the percentage change by 20% or more in the last two years, and the amount of change reached NT$10 million:

1. **Current assets:** Mainly due to a decrease of approximately **NT$83,500 thousand** in bank time deposits with maturities within three months in Year 2025.
2. **Current liabilities:** Mainly due to reduced shipment volume and purchases in Year 2025, resulting in a decrease of approximately **NT$6,442 thousand** in notes payable and accounts payable, as well as a decrease of approximately **NT$8,462 thousand** in income tax payable due to lower net profit for the period.
3. **Retained earnings:** Mainly due to a decrease in net profit in Year 2025.

※The financial position as of December 31, 2025 and 2024 are based on International Accounting Standards.

II. Analysis of Financial Performance

Unit: NT$ thousand

Item	Year		Increase (decrease) amount	Change ratio (%)	Remarks
	2025	2024			
Operating sales	803,710	788,039	15,671	2%	-
Operating costs	609,306	588,656	20,650	4%	-
Operating margin	194,404	199,383	-4,979	-3%	-
Operating expenses	110,894	112,015	-1,121	-1%	-
Other income and expense	12	519	-507	-98%	-
Net Operating income	83,522	87,887	-4,365	-5%	-
Non-operating income and expenditure	-861	32,813	-33,674	-103%	-
Net profit before tax	82,661	120,700	-38,039	-32%	-
Income tax expense	15,396	23,391	-7,995	-34%	-
Net profit for the period	67,265	97,309	-30,044	-31%	-
Other comprehensive income, net	-2,097	2,062	-4,159	-202%	-
Total comprehensive income	65,168	99,371	-34,203	-34%	-

Explanation:
The following is an analysis of the percentage change by 20% or more in the last two years, and the amount of change reached NT$10 million:

1. **Non-operating income and expenses:** Mainly due to increased foreign exchange losses caused by tariff and exchange rate fluctuations in Year 2025 compared to the previous year.
2. **Profit before tax:** Mainly due to increased foreign exchange losses caused by tariff and exchange rate fluctuations in Year 2025 compared to the previous year.
3. **Net profit for the period:** Mainly due to increased foreign exchange losses caused by tariff and exchange rate fluctuations in Year 2025 compared to the previous year.
4. **Total comprehensive income for the period:** Mainly due to lower profits in Year 2025 compared to the previous year.

※The financial position as of December 31, 2025 and 2024 are based on International Accounting Standards.

III. Cash flows

(1) Analysis of cash flow changes in most recent year:

1. Operating activities: The company's inventory increased in 2025, resulting in a decrease in net cash inflow from operating activities.
2. Investing activities: The disposal of financial assets measured at amortized cost increased in 2025, resulting in an increase in cash inflow from investing activities.
3. Financing activities: The cash dividends paid for 2025 were NT$1.01 per share, increase from NT$0.58 per share in the previous period, so the net cash outflow from financing activities increased.

(2) Plans for improving liquidity: The Company's liquidity is relatively high, so it is not applicable.

(3) Cash flow analysis for the coming year

Unit: NT$ thousand

Beginning cash balance①	Estimated full year net cash flows from operating activities	Estimated net cash outflow for full year	Estimated cash surplus ①＋②－③	Expected remedies for cash shortfalls	
				Investment plan	Financing plan
291,257	100,000	120,000	271,257	-	-

1. Analysis of cash flow changes in coming year:
   Operating activities: The main reason is the expectation that the operating performance in 2026 will be similar to that of 2025.
   Investing activities: The net cash outflow from investing activities is mainly due to the expected acquisition of equipment.
   Financing activities: The net cash outflow from investing activities is mainly due to the expected cash dividends paid.
2. Expected remedies for cash shortfalls and liquidity analysis: None.

IV. Impact of Major Capital Expenditures on Financial Operations in the Last Year: None.

V. Reinvestment policy in the most recent year, main reason for its profit or loss, improvement plan and investment plan for the next year

Explanation / The Company	Investment amount (Note) (NT$ thousand)	Policy	Main reason for profit or loss		Explanation	Improvement plan
			Profit or loss for the current period (NT$ thousand)	Investment gains/losses recognized for the current period (NT$ thousand)		
Tong Fa Green Energy Co., Ltd.	46,000	100% owned subsidiary by the Company	3,763	3,763	In 2025, Tong Fa Green Energy's solar power plant generated approximately 2.08 million kWh of electricity NT$11,060 thousand in revenue from electricity sales.	Continue to maintain the efficiency of the equipment for power generation and control the expenses.

VI. Risk Analysis and Assessment

(I) Impact of interest rate and exchange rate changes, and inflation on the company's profit and loss and future countermeasures:
The Company evaluates bank borrowing rates on a regular basis and keeps close relationship with banks to obtain more favorable borrowing rates. As for foreign exchange rates, the Company has a clear strategy for foreign exchange operations and a strict control process to monitor changes in foreign currencies.

(II) The company's policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:
The Company shall follow the "Procedures for the Lending of Funds and Endorsement and Guarantee to Others" and "Procedures for the Acquisition or Disposal of Assets" stipulated by the Company. The Company provides endorsement and guarantee to its subsidiaries mainly for their capital needs in order to enhance the flexibility of their working capital. At present, the interest payment and repayment made by the subsidiaries are normal and do not have a significant impact on the Company.

(III) Future R&D plans and estimated R&D expenses:

We continue to develop functional textile fabrics to create warm, comfortable, safe and stylish fabrics.

(1) Classic fabric transformation: The raw materials are upgraded from traditional petrochemical sources to **T2T (Textile-to-Textile) recycled yarn**, while retaining the advantages of the original fabric. This directly converts existing high-market-share products into **sustainable solutions**, significantly extending the product's profit life cycle and reducing the carbon footprint pressure on brand customers.

(2) Innovative production technology: By applying **near-zero microfiber shedding** and **closed-loop recycling technologies**, this approach addresses the drawback of traditional brushed fabrics, which generate large amounts of microfiber pollution due to fiber breakage during abrasion. It reduces fiber shedding during washing to nearly zero, fully demonstrating the advantages of the **T2T circular recycling system**.

The Company estimates that it will invest approximately NT$4,400 thousand in research and development in 2026.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: The Company's countermeasures to address environmental issues are described on pages 92 to 95.

(V) Effect on the company's financial operations of developments in science and technology as well as industrial change, and measures to be taken in response

Effect	1. The textile manufacturing process relies on a high degree of labor, which cannot be completely replaced by automated production machines. Changes in technology can enhance the technology of weaving and dyeing equipment and improve productivity and energy efficiency. 2. As technology changes, the Company intends to refine the management aspect of information utilization.
Countermeasures	1. The Company continues to invest in the automated or technological equipment that is necessary to improve production efficiency and product quality. 2. We use information technology to continuously improve the ERP system and enhance management efficiency. 3. There is one dedicated information security supervisor and one dedicated information security staff member.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

Effect	Since the Company was founded, we have been committed to providing good quality services and products to our customers and maximize the value for our customers, employees, and shareholders. We have complied with government regulations and strengthened our corporate governance for a long time, and have not experienced any major corporate image changes or business crises.
Countermeasures	The Company will immediately clarify any media reports that are not impartial and objective. As for the material information, the Company will immediately make an announcement in accordance with the law.

	We value the relationship with our customers, suppliers and investors, and uphold the policy of transparency and openness in our corporate governance to build a good reputation for the Company.

(VII) Expected benefits and possible risks concerning mergers and acquisitions: None.

(VIII) Expected benefits and possible risks concerning plant expansion: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken: The Company has set a ceiling policy on the total amount of purchase and sales and strictly implements this policy.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: None.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) List major litigious, non-litigious or administrative disputes that involve any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.: None.

(XIII) Other important risks, and mitigation measures being or to be taken: Please refer to page 54 - 59 for other risks and risk management countermeasures.

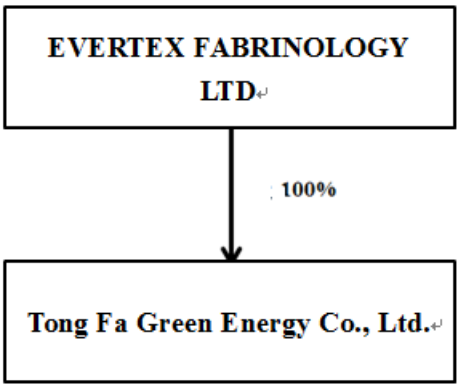
VII. Oher Important Matters: None.

VI. Special Items To Be Included

I. Information relating to the company's affiliates:

The consolidated business report, consolidated financial statement, and affiliation report for the most recent fiscal year, compiled in accordance with the FSC's Regulations Governing Preparation of Consolidated Business Reports Covering Affiliated Enterprises, Consolidated Financial Statements Covering Affiliated Enterprises, and Reports on Affiliations.

(I) Organization Chart of Affiliated Enterprises



(II) Basic information of affiliated enterprises:

Unit: NT$ thousand

Company name	Date of establishment	Address	Paid-in capital	Main businesses
Tong Fa Green Energy Co., Ltd.	2017.07.05	No. 9, Rong'an Rd., Luzhu Dist., Taoyuan City 338028	46,000	General power producer

(III) The names of the directors, supervisors and of the affiliates:

Unit: share

Company name	Job title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Tong Fa Green Energy Co., Ltd.	Chairman	Representative of EVERTEX FABRINOLOGY LTD.: Chung-Fa Yeh	4,600,000	100%
	Supervisor	Representative of EVERTEX FABRINOLOGY LTD.: Chih-Ming Yeh		

(IV) Operation Overview

Unit: NT$ thousand

Company name	Capital	Total assets	Total liabilities	Net worth	Net operating income	Operating profit	Current profit and loss (after tax)
Tong Fa Green Energy Co., Ltd.	46,000	82,521	29,671	52,850	11,060	4,981	3,765

II. Handling of private placement securities in the last year and as of the date of publication of the annual report: None.

III. Other necessary supplementary explanations: None.

IV. In the most recent year and as of the date of publication of the annual report, if there is any matter that has a significant impact on shareholders' rights and interests or the price of securities as specified in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act: None.

EVERTEX FABRINOLOGY LTD

Chairman: Chung-Fa Yeh

May 28, 2026