

Tah Tong Textile Co., Ltd.

2024 Annual Report

Printed on : March 30, 2025

Company website : <https://www.tahtong.com.tw>

The content of the annual report and the information of the Company may be viewed at the following link :

Market Observation Post System <https://mops.twse.com.tw>

**I. Addresses and Telephone Numbers of Headquarter, Branches and Plants**

Head Office : 3F., No. 346, Sec. 3, Nanjing E. Rd., Songshan Dist., Taipei City

Tel : 02-2752-2244

Vietnam Plant : I-1, I-2, I-3 My Xuan B1-Tien Hung industrial zone, My Zuan Ward, Phu My Town, Ba Ria-Vung Tau Province, Vietnam.

Tel : 84-254-3924036

**II. Share Transfer Agency :** Department of Shareholder Service Agency, Capital Securities Co., Ltd.

Address : B2, No. 97, Dunhua S. Rd., Sec. 2, Daan District, Taipei City

Tel : (02) 2702-3999

Website : <https://agency.capital.com.tw>

**III. Spokesperson :**

Spokesperson : Chen, Chien-Choan      Acting Spokesperson : Huang, Yung-Chang

Title : President

Position : Special Assistant

Tel : (02) 2752-2244

Tel : (02) 2752-2244

Email : [spokesperson@tahtong.com.tw](mailto:spokesperson@tahtong.com.tw)

Email : [spokesperson@tahtong.com.tw](mailto:spokesperson@tahtong.com.tw)

**IV. CPAs audited the annual financial report for the most recent fiscal year**

Name of CPAs : Lin, Ya-Hui and Lin, Yung-Chih

Name of Accounting Firm : PwC Taiwan

Address : 27F, No. 333, Keelung Rd., Sec. 1, Xinyin District, Taipei City

Tel : (02) 2729-6666

Website : <https://www.pwc.tw>

**V. The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities :**

Not applicable

**VI. Company website :** <https://www.tahtong.com.tw>

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# One. Report to the shareholders

All shareholding ladies and gentlemen :

Thank you for sparing time to attend the shareholders' meeting this year.

The consolidated revenue for the year 2024 was NTD 1,625,979 thousand, an increase of NTD 468,226 thousand than the year 2023. The consolidated gross loss for the year 2024 was NTD 8,083 thousand, a decrease of NTD 141,883 thousand than the year 2023. The consolidated operating loss for the year 2024 was NTD 163,276 thousand, a decrease of NTD 148,141 thousand than the year 2023. The net profit after tax attributable to the Company for the year 2024 was gain NTD 112,419 thousand, an increase of NTD 413,897 thousand than the year 2023.

In 2024, as the impact of the epidemic gradually decreased, the economy gradually recovered, and the overall industry showed positive development and niches. At the same time, it benefited from the strong demand boost during the Olympic year, driving the global economy to strive for recovery. However, the AI chip war ignited by the two superpowers, China and the United States, the geopolitical tensions that follow, the new US leader's re-implementation of tariff barrier policies, and China's weak consumption growth and unstable employment, and the worsening of structural economic problems, are like a butterfly effect, touching the sensitive nerves of the world and bringing hidden worries to the global economic outlook. In the global textile market, although the economies of Europe and the United States are resilient, they are still weak, customer consumer confidence is insufficient, and market purchasing power is relatively weak, which has affected the overall market recovery.

Looking forward to 2025, after a turbulent and critical year, Tah Tong Textile will continue to optimize its product mix, with a focus on developing special yarn products, to reduce the proportion of cotton yarn and increase gross profit margin. Meanwhile, the Company will vertically integrate the supply chain, deepen the services provided by Fabrics Division, enhance marketing and sales, mainly serve brand customers, and expand the customer base of Fabrics Division, in the hope of effectively increasing the Group's overall revenue. Overall, the Company's operating strategy will gradually yield results.

The Company will adhere to its core values of "Integrity and Ethics, Self-transcendence, Unity of Excellence, and Outstanding Contributions", continue the established business strategies , and commit to provide customers with high-quality, diversified and innovative products for stable growth and profitability.

The business results for 2024 and the 2025 business plan are summarized as follows :

## I. Business results for 2024

### (I) Implementation results of the business plan :

Unit : NT\$ thousand	2023	2024	Difference	%
Consolidated revenue	1,157,753	1,625,979	468,226	40.44
Consolidated gross profit (loss)	-149,966	-8,083	141,883	-94.61
Consolidated operating income (loss)	-311,417	-163,276	148,141	-47.57
Consolidated net income (loss) after tax	-332,876	101,452	434,328	-130.5
Net income (loss) after tax attributed to the Company	-301,478	112,419	413,897	-137.3
Earnings (loss) per share (NT\$)	-4.76	1.63	6.39	-134.2

### (II) Achievement of budget :

	Actual volume :	Budgeted volume	Achievement rate
Yarn (ton)	4,459	5,308	119.04%
Fabrics (thousand yards)	12,853	11,367	88.44%

### (III) Financial revenue and expense and profitability analysis

Unit : NT\$ thousand; %

Item		2023	2024
Financial revenue	Operating revenue	1,157,753	1,625,979
	Gross profit (loss)	(149,966)	(8,083)
	Net operating profit (loss)	(311,417)	(163,276)
	Net income (loss) after tax	(332,876)	101,452
	Attributed to the parent company	(301,478)	112,419
	Non-controlling interests	(31,398)	(10,967)

Item		2023	2024
Profitability analysis	Gross margin %	(12.95)	(0.50)
	Net profit margin (%)	(28.75)	6.24
	Return on equity (%)	(64.17)	22.03
	Earnings per share (NT\$)	(4.76)	1.63

Note 1 : The aforesaid financial data for each year have been audited by CPAs

(IV) Research and development

R&D expenses for 2024

Unit : NT\$ thousand

Item	Amount
Research and development expenses	5,555
Net operating revenue	1,625,979
In net operating revenue (%)	0.34%

## II. Summary of the 2025 business plan

In the face of the ever-changing post-epidemic era, there are many uncertainties and risks in the market. Dadong Textile still insists on continuously optimizing its product portfolio, focusing on special product development, and improving gross profit margin.

The company's 2025 business strategy and important production and sales policies are presented as follows :

(I) Operating strategy

Focus on product development in the textile industry and deepen cooperation with the industrial supply chain.

(1) Yarn Business Division

1. Continue to improve product quality, win strategic customers to place orders, and raise profitability.
2. Concentrate production capacity for environmental yarn, blended yarn and special yarn, and emphasizes differentiation in order to improve profitability.

(2) Fabrics Business Division

1. Continue to strengthen supply chain management strengths and increase orders from brand customers.
2. Strengthen research and development, provide better product mix, and expand market share.
3. Target new customers for business development, and cut to niche products.

(II) Expected sales volume

Unit : tons	Budgeted volume
Yarn (ton)	4,783
Fabrics (thousand yards)	14,863

(III) Important production and sales policy

As textile products are developing towards functionality and comfort, the Yarn Business Division will continue to expand new markets and develop functional and special yarn types; the Fabric Business Division will develop customized products and services based on the needs of brand customers and develop the functional knitted fabrics.

## III. How the Company's development strategy is affected by the competitive environment, the regulatory environment and the overall business environment is analyzed in the following aspects :

(I) Price of raw materials :

The international raw cotton price still accounts for a large proportion of the Company's product costs. Fluctuation in international raw cotton prices will have a significant impact on the Company's production costs. Therefore, the Company will continue to increase the proportion of blended yarn products to reduce the consumption of raw cotton and cope with the uncertain price fluctuations.

(II) Price of energy :

Fluctuations in international crude oil prices will affect the industrial electricity price and directly affect manufacturing costs.

(III) The downstream consumer market :

The Company's yarn and fabric products are mainly supplied in the form of semi-finished products to customers in Taiwan, Japan, Europe, America, mainland China, and the ASEAN, who will produce garments for sale in the global market.

We must pay more attention and observe the international political and economic situation, especially whether the US, mainland China, ASEAN, and the EU can maintain economic growth. Each country's political and economic situation, monetary policy and global inflation situation may affect the Company's sales and operating profit.

(IV) Competition with mainland China and ASEAN countries :

Functional fabrics produced in Mainland China and neighboring countries in Asia have significantly improved quality in recent years, posing competition with the Company's products. In order to differentiate in the market, the Company is currently developing higher value-added and special products to minimize the impact on the yarn supply chain system.

(V) ASEAN and CPTPP :

Under the framework of a FTA, member states of regional economies are entitled to trade liberalization and tariff reduction and exemption. Led by Japan, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed on March 8, 2018 by 11 countries including Vietnam and came into effect in 2019. Due to the advantages in infrastructure and an open policy to attract foreign investment, Vietnam will enjoy higher competitiveness among regional economies in the future. The Company has invested and expanded in Vietnam, and can expect reduced operating costs, more opportunities for export expansion, and industrial upgrades with preferential tariffs competitiveness.

Looking at 2025, the overall business environment remains complex. The Company will respond to changes in the external environment and make even harder efforts to expand operating results and gain sustainable operation competitiveness.

With regard to the 2024 Business Report and a summary of the 2025 Business Plan, I would like to thank all shareholders for their support. All of the Company's employees will also do their utmost to forge better operating strength than before and repay the shareholders' support with performance. In the future, I still hope that all shareholders will show your continued support and encouragement to the Company and let's create a brighter future together. We wish all shareholders good health and best of luck!

Tah Tong Textile Co., Ltd.

Chairman Chen, Shiou-Chung

## Two. Corporate Governance Report

### I. Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Divisions and Branches

#### (I) Information on directors and independent directors

March 30, 2025

Title	Nationality	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							No. of shares	Share- holdin g ratio	No. of shares	Share- holding ratio	No. of shares	Share- holding ratio	No. of shares	Sharehol ding ratio			Title	Name	Relations hip	
Chairman	R.O.C	Chen, Shiou-Chung	Male 81-90 years old	May 22, 2023	3	April 25, 1970	5,276,711	4.63 %	2,763,934	3.85 %	1,310,687	1.83%	-	-	Department of Business Administration, Feng Chia University	Chairman, Gloucester CO., LTD Chairman, DAYSTAR LIMITED Director, Great Bell Printing & Dyeing Co., Ltd. Director, KINGTEX CORPORATION Director, Hanbo Livestock & Farming Products Co., Ltd. Independent director, Yi Jinn Industrial Co., Ltd.	Director President	Chen, Chien- Choan	Father and son	Ready to increase the seats of independent directors by the end of 2024 (Note 3)
Director	R.O.C	Chen, Chien-Choan	Male 51-60 years old	May 22, 2023	3	June 09 2006	4,107,262	3.61 %	3,887,782	5.42 %	-	-	-	-	MBA, University of Michigan, the U.S	President of the Company Chairman, InnoPeak Advanced Materials Co., Ltd. Chairman, ROSEGATE HOLDING CORP. TAH TONG TEXTILE (VIETNAM) CO., LTD Chairman	Chairman	Chen, Shiou- Chung	Father and son	
Director	R.O.C	EVER GLORY Investment Co., Ltd.	-	May 22, 2023	3	June 4, 2009	24,972,025	21.92 %	17,388,482	24.24 %	-	-	-	-	Chin Chwang Vocational School of Commerce	Associate Vice President for operation and procurement of the Company	Director	Yen, Li- Rong	Spouse of the person in charge	Note 1
		Wu, Li-Wen	Female 51-60 years old	May 22, 2023			-	0.00 %	27	0.00 %	-	-	-	-			None	None	None	-
Director	R.O.C	FOUNDATION EVER GLORY EDUCATION FOUNDATION	-	May 22, 2023	3	June 11, 1997	3,103,550	2.72 %	1,724,669	2.40 %	-	-	-	-	Department of Business Administration, Tamkang University	Special Assistant of the Company Independent director, Highlight Tech Corp. Chairman, EVER GLORY EDUCATION FOUNDATION	None	None	None	-
		Huang, Yung-Chang	Male 61-70 years old	May 22, 2023			-	-	-	-	-	-	-	-			None	None	None	-

Title	Nationality	Name	Gender Age	Date of election / appointment to current term	Term of office	Commencement date of first term	No. of shares held at time of election		No. of shares currently held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree			Remarks
							No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio			Title	Name	Relationship	
Independent Director	R.O.C	Sun, Chin-Feng	Male 61-70 years old	May 22, 2023	3	June 11, 2015	-	-	-	-	-	-	-	-	MBA, University of Michigan, the U.S	President, SAGA Unitek Ventures Independent director, Wonderful Hi-Tech Co., Ltd. Independent director, Hua Eng Wire & Cable Co., Ltd. Independent director, Chicony Power Technology Co., Ltd.	None	None	None	-
Independent Director	R.O.C	Lin, Win-Jon	Male 71-80 years old	May 22, 2023	3	June 13 2018	-	-	-	-	-	-	-	-	Master, Automation and Management, National Taipei University of	President, Libao Investment Co., Ltd. Independent director, Universal Textile Co., Ltd. Independent director, Yi Shin Textile Industrial Co., Ltd.	None	None	None	-
Independent Director	R.O.C	Lin, Chien-Ping	Male 51-60 years old	May 22, 2023	3	July 06 2021	-	-	-	-	-	-	-	-	Department of Finance, Tamkang University	Independent director, DIVA Laboratories Ltd. Independent director, FORESHOT Industrial Corporation Independent director, RBC Bioscience Corporation	None	None	None	Note 2
Independent Director	R.O.C	Lin, Zheng-Yi	Male 51-60 years old	May 22, 2023	3	June 11 2015	-	-	-	-	-	-	-	-	Department of Accounting, National Chung Hsing University	ILilu Accounting Firm Independent Director of Baihong Industrial Co., Ltd. Supervisor of Zuozhen (Stock) Supervisor of Vimi Electronics (Co., Ltd.)	None	None	None	Note 2

Note 1 : Independent director Lin Jianping terminated his term as director on 2019.04.11.

Note 2 : Independent director Lin Zhengyi terminated his term as independent director on 2018.06.13.

Note 3 : The company reduced its capital in 2023 to make up for its losses, which resulted in a significant reduction in the director's shareholding compared to when he was originally elected.

Note 4 : Details of major legal person shareholders are shown in Table 1 below.

Table 1 : Major shareholders of institutional shareholders

March 30, 2025

Name of institutional shareholder	Major shareholders of institutional shareholders
EVER GLORY INVESTMENT COM, LTD.	Chen Jianmin (23.41%), Chen Xiuzhong (22.13%), Yan Lirong (17.90%), Chen Xiuxiong (13.52%), Chen Xiuyi (10.49%), Chen Jianzhou (9.18%), Chen Hongru (0.50%), Chen Hongwen (0.50%), Wang Zhihong ( 0.50%), Wu Xinchang (0.50%).
FOUNDATION EVER GLORY EDUCATION FOUNDATION	Donor : Chen, Yung-Huang (deceased) and Chen-Yang, Hung-Mien (deceased)



I) Disclosure of the expertise and independence of directors and independent directors :

Criteria Name	Professional qualifications and experience	Independence (Note)	No. of other public companies at which the person concurrently serves as an independent director
Chen, Shiou-Chung	<ol style="list-style-type: none"> <li>Mr. Chen, Shiou-Chung is the Chairman of the Company and its subsidiaries, and also serves as an independent director of other listed companies.</li> <li>Mr. Chen, Shiou-Chung has rich expertise and experience in administrative practices. He is capable of strategic management, leadership and academic capabilities. He leads the board of directors in a harmonious manner with abundant experience in corporate governance, and has the international market perspective and decision-making power. He has not violated any clause of Article 30 of the Company Act.</li> </ol>	1. A second-degree or closer relative of Mr. Chen, Hsiu-Chou	1
Chen, Chien-Choan	<ol style="list-style-type: none"> <li>Mr. Chen, Chien-Choan is the Director and President of the Company, also serves as the Chairman of the Company's subsidiary.</li> <li>Mr. Chen, Chien-Choan has rich expertise, corporate governance insights and operation and management capacities, provides diversified business judgments in business and marketing timely, and has not violated any clause of Article 30 of the Company Act.</li> </ol>	1. A second-degree or closer relative of Mr. Chen, Shiou-Chung	0
Huang, Yung-Chang	<ol style="list-style-type: none"> <li>Mr. Huang, Yung-Chang is the representative of a corporate director, while serving as an independent director of other listed companies.</li> <li>Mr. Huang, Yung-Chang has practical experience in corporate governance in the financial and banking industry. He is professionally capable of finance management, operation management and expertise. He is able to provide advice and guidance regarding operation and management to the Company's Board, and has not violated any clause of Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>The corporate director, Ever Glory Investment Co., Ltd appointed the representative.</li> <li>Not a spouse or second-degree or closer relative of any other director.</li> </ol>	1
Wu, Li-Wen	<ol style="list-style-type: none"> <li>Ms. Wu, Li-Wen is the representative of a corporate director.</li> <li>Ms. Wu, Li-Wen has more than 30 years of rich experience in the textile industry. She is capable of operation and management, as well as leadership and decision-making. She is able to provide advice and guidance regarding operation and management to the Company's Board, and has not violated any clause of Article 30 of the Company Act.</li> </ol>	<ol style="list-style-type: none"> <li>The corporate director, FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION, appointed the representative.</li> <li>Not a spouse or second-degree or closer relative of any other director.</li> </ol>	0
Sun, Chin-Feng	<ol style="list-style-type: none"> <li>Sun, Chin-Feng is a director of the Company, while serving as an independent director of other listed companies.</li> <li>Mr. Sun, Chin-Feng has practical experience in legal, commerce, finance and accounting. He is professionally capable of finance management, operation management, and expertise. He is able to provide advice and guidance regarding operation and management to the Company's Board to enhance the Company's corporate governance quality and supervisory function via his expertise, and has not violated any clause of Article 30 of the Company Act.</li> </ol>	<p>The four directors at the left are :</p> <ol style="list-style-type: none"> <li>Qualified for the independence as Independent directors</li> <li>Fully compliant with the independence requirements : <ol style="list-style-type: none"> <li>(1) No independent director or his or her spouse or any second-degree or closer relative serve as a director, supervisor, or employee of the Company or any of its affiliates;</li> <li>(2) No shares are held by the independent director, spouse or any second-degree or closer relative;</li> <li>(3) Not a director, supervisor, or employee of any company</li> </ol> </li> </ol>	3
Lin, Win-Jon	<ol style="list-style-type: none"> <li>Lin, Win-Jon is a director of the Company, while serving as an independent director of other listed companies.</li> <li>Mr. Lin, Win-Jon has practical experience in corporate governance in textile companies. He is professionally capable of finance management, operation management, and expertise. He is able to provide advice and guidance regarding operation and management to the Company's Board to enhance the Company's corporate governance quality and supervisory function via his expertise, and has not violated any clause of Article 30 of the Company Act.</li> </ol>		2

Criteria Name	Professional qualifications and experience	Independence (Note)	No. of other public companies at which the person concurrently serves as an independent director
Lin, Chien-Ping	<ol style="list-style-type: none"> <li>1. Lin, Chien-Ping is a director of the Company, while serving as an independent director of other listed companies.</li> <li>2. Mr. Lin, Chien-Ping has practical experience in corporate governance in finance and banking, electronics, and technologies, with rich experience in legal, commerce, finance and accounting. He is professionally capable of finance management, operation management, and expertise. He is able to provide advice and guidance regarding operation and management to the Company's Board to enhance the Company's corporate governance quality and supervisory function via his expertise, and has not violated any clause of Article 30 of the Company Act.</li> </ol>	<p>having a specified relationship with the Company (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)</p> <p>(4) Not received any payment for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years</p>	3
Lin, Zheng-Yi	<ol style="list-style-type: none"> <li>1. Mr. Lin Zhengyi is a director of the company and an independent director of other listed companies.</li> <li>2. Mr. Lin Zhengyi is a practicing accountant with rich experience in legal, commercial and financial accounting. He has both professional and practical skills. He has various professional abilities such as financial management and operational management. He can timely propose operational management opinions and policies to the company's board of directors and leverage his expertise to improve the board of directors. Governance quality and supervision functions, and no violation of Article 30 of the Company Law has occurred.</li> </ol>		1

I) Description of the board diversity and independence :

(1) Diversification of the board of directors :

- 1) The composition of the company's board of directors considers diversity. In addition to the fact that directors who are also managers of the company shall not exceed half of the directors' seats, appropriate diversification policies shall be formulated based on its own operations, operating types and development needs, including :
  - A. The number of directors with industry expertise of the company shall not be less than 1/4 of the number of directors.
  - B. Directors with accounting, financial or legal expertise shall account for no less than 1/3 of the directors' seats.
  - C. Include at least one director of different genders.
- 2) Diversification of board members helps the board of directors to perform its functions effectively. The nomination and selection of board members of the company are in accordance with the provisions of the company's articles of association, and a candidate nomination system is adopted to ensure the diversity and independence of board members. The company can invite and nominate a director candidate of different genders and select directors with different professional knowledge and skills to provide different perspectives and contributions to further strengthen the functions of the board of directors.
- 3) The Company has planned to increase the proportion of directors of different genders in the next board of directors in order to promote the diversity of the Company's directors.

(2) The Board as a whole should have the following abilities :

- ⊙ Ability to make operational judgments.
- ⊙ Ability to perform accounting and financial analysis.
- ⊙ Ability to operate and manage (the Company and subsidiaries)
- ⊙ Ability to deal with any crisis.
- ⊙ Industry expertise.
- ⊙ International market.
- ⊙ Leadership.
- ⊙ Ability to make policy decisions

(3) Specific implementation status of board diversity :

As of the publication date of the annual report, the company has eight directors, including four independent directors (accounting for 50%); there is one female director (accounting for 12.5%). The expertise and diversity of each director of the company The background is as follows :

- ⊙ Expertise in industrial development, market layout and resource integration : Chen Xiuzhong (Chairman), Lin Wenzhong (Independent Director),
- ⊙ Specializing in sustainable management : Wu Liwen (Director)
- ⊙ Specialized in product operation and marketing : Chen Jianzhou (Director)

- ◎ Specializing in innovation strategies and new industries : Sun Qingfeng (independent director)
- ◎ Specialized in financial resources : Huang Yongchang (Director), Lin Jianping (Independent Director)
- ◎ Specialized in accounting and legal compliance : Lin Zhengyi (independent director)

Item Name	Gender	Age				Industry knowledge	marketing	new venture	Financial Accounting Law	Business Transformation	Market layout
		51-60	61-70	71-80	81-90						
Chen, Shiou-Chung	M				V	V	V		V	V	V
Chen, Chien-Choan	M	V				V	V	V	V	V	V
Huang, Yung-Chang	M	V				V				V	V
Wu, Li-Wen	F		V			V			V	V	
Sun, Chin-Feng	M		V				V	V	V	V	
Lin, Win-Jon	M			V		V	V			V	V
Lin, Chien-Ping	M	V				V		V	V	V	
Lin, Zheng-Yi	M	V							V	V	

- (4) Independence : The Company currently has seven directors, and their expertise and independence are summarized in the table below. As of the end of 2023, all independent directors are qualified under the regulations regarding independent directors by the Securities and Futures Bureau of Financial Supervisory Commission, and none of the director and independent directors has such relationship with each other as set out in subparagraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. For information on the independence, education background, gender and work experience of the directors, see [Three. Corporate Governance Report/II. Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Divisions and Branches/(I) Information on directors and independent directors; and (II) Disclosure of the expertise and independence of directors and independent directors].

Name	Criteria	At least 5 years of work experience and the following professional qualifications or not			Independence consistency (Note 2)											
		An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, or university.	A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business.	Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	1	2	3	4	5	6	7	8	9	10	11	12
Chen, Shiou-Chung		No	No	Yes	-	-	-	-	-	✓	-	-	✓	-	✓	✓
Chen, Chien-Choan		No	No	Yes	-	-	-	-	-	✓	-	✓	✓	-	✓	✓
Sun, Chin-Feng		No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Win-Jon		No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Chien-Ping		No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lin, Zheng-Yi		No	No	Yes	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
EVER GLORY Investment Co., Ltd. Representative : Chuang Wu, Li-Wen		No	No	Yes	-	-	✓	✓	-	✓	✓	✓	✓	✓	✓	-
FOUNDATION EVER GLORY EDUCATION FOUNDATION Representative : Huang, Yung-Chang		No	No	Yes	-	-	✓	✓	✓	✓	✓	✓	✓	✓	✓	-

Note 1: Tick “✓” in the space below each code if any of the following circumstances is met by any director or supervisors for the most recent two years prior to election.

- (1) Not an employee of the Company or any of its affiliates.
- (2) Not a director or supervisor of the Company or any of its affiliates (except for an independent director engaged concurrently by the Company, its parent company, any of its subsidiaries, or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (3) Not a director, spouse, minor child thereof, or another natural person shareholder who holds more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.
- (4) Not the spouse, second-degree or closer relative, or direct third-degree or closer relative of a managerial officer referred to in (1) or a person referred to in (2) or (3).

- (5) Not a director, supervisor, or employee of an institutional shareholder who directly holds more than 5% of the Company's total issued shares, who is among the top five shareholders, or who designates its representative to serve as a director or supervisor of the Company in accordance with paragraph 1 or 2, Article 27 of the Company Act (except for an independent director engaged concurrently by the Company, its parent company, any of its subsidiaries or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (6) Not a director, supervisor, or employee of another company where a majority of the Company's director seats or voting shares and those of such another company are controlled by the same person (except for an independent director engaged concurrently by the Company, its parent company, any of its subsidiaries or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (7) Not a director, supervisor, or employee of another company or institution where the Chairman, President, or person holding an equivalent position of the Company and a person in an equivalent position at another company or institution are the same person or are spouses (except for an independent director engaged concurrently by the Company, its parent company, any of its subsidiaries or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (8) Not a director, supervisor, managerial officer, or shareholder holding 5% or more of the shares of a company or institution which has financial or business contacts with the Company (except for a specific company or institution holding more than 20% and no more than 50% of the total issued shares of the Company and for an independent director engaged concurrently by the Company, its parent company, any of its subsidiaries or a subsidiary under the same parent company in accordance with the Act or local laws and regulations).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the Company or any affiliate of the Company, or that provides commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company for which the provider in the past two years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Security and Exchanges Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations.
- (10) Not a spouse or second-degree or closer relative of another director.
- (11) Not in any of the circumstances under any paragraphs of Article 30 of the Company Act.
- (12) Not a government, juridical person, or representative thereof elected as per Article 27 of the Companies Act.

(II) formation on President, Vice Presidents, Assistant Vice Presidents, and Heads of Divisions and Branches

March 30, 2025

Title	Nationality	Name	Gender	Date of election / appointment to current term	Shareholding		Shareholding of spouse or minor children		Shares held through nominees		Major education and experience	Current employment with other companies	Spouse or second-degree or closer relative who is another managerial officer of the Company			Remarks
					No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio			Title	Name	Relationship	
President	R.O.C	Chen, Chien-Choan	Male	July 1, 2010	3,887,782	5.42%	-	-	-	-	MBA, University of Michigan, the U.S	Chairman, InnoPeak Advanced Materials Co., Ltd. Chairman, ROSEGATE HOLDING CORP. TAH TONG TEXTILE (VIETNAM) CO., LTD Chairman	-	-		-
Vice President, Yarn Business Division	R.O.C	LEE, I-MIN	Male	July 1, 2022	-	-	-	-	-	-	Department of Textile, Hsin-Pu Junior College of Industry	-	-	-		-
CFO	R.O.C	Kuo, Shun-Yi	Male	March 08, 2024	-	-	-	-	-	-	MBA, University of North Alabama	-	-	-		-
Assistant Vice President of President's Office	R.O.C	Wu, Li-Wen	Female	July 1, 2022	27	-	-	-	-	-	Chin Chwang Vocational School of Commerce	-	-			-

(III) If the chairman of the board of directors and the general manager or a person with a similar position (top manager) are the same person, each other's spouse or first-degree relative, the reasons, rationality, necessity and countermeasures should be explained.

The chairman and general manager of the company are first-class relatives of each other. Based on the succession strategy and planning of the company's board of directors, cultivating a subsequent succession team through the inheritance of the board's industrial experience can moderately enhance the company's sustainable operations and also improve the company's overall operation and management efficiency. and decision-making execution ability, and the chairman and general manager regularly communicate with each director/independent director about the company's internal operating status and discuss future operating plans, and implement various corporate governance policies.

The company's specific measures are as follows :

- I) The number of independent directors of the company has been increased to 4 since 2023, which meets the statutory number of seats, and more than half of the directors do not concurrently serve as employees or managers.
- II) The company has established an audit committee since July 2021. Independent directors can fully discuss and make suggestions in each functional committee for the board of directors to refer to and implement corporate governance.

## II. Remuneration Paid to Directors, Supervisors, President, and Vice Presidents in the Most Recent Year

### (I) Remuneration to non-independent and independent directors

Unit : NT\$ thousands; As of December 31, 2024

Title	Name	Remuneration of Directors								Sum of A+B+C+D and ratio to net income		Remuneration received for serving as an employee concurrently								Sum of A+B+C+D+E+F+G and ratio to net income		Remuneration from investees other than subsidiaries or from the parent company
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Cash amount	Share amount	Cash amount	Share amount			
Chairman	Chen, Shiou-Chung	520	520	-	-	-	-	24	24	544 0.48%	544 0.48%	2,425	2,425	-	-	-	-	-	-	2,969 2.64%	2,969 2.64%	120
Director	Chen, Chien-Choan	240	240	-	-	-	-	21	21	261 0.23%	261 0.23%	1,599	4,066	108	108	-	-	-	-	1,968 1.75%	4,435 3.95%	-
Director	EVER GLORY Investment Co., Ltd. Representative : Wu, Li-Wen	240	240	-	-	-	-	24	24	264 0.23%	264 0.23%	1,454	1,454	76	76	-	-	-	-	1,794 1.60%	1,794 1.60%	-
Director	EVER GLORY EDUCATION FOUNDATION Representative : Huang, Yung-Chang	240	240	-	-	-	-	24	24	264 0.23%	264 0.23%	1,411	1,411	66	66	-	-	-	-	1,742 1.55%	1,742 1.55%	-
Independent Director	Sun, Chin-Feng	480	480	-	-	-	-	30	30	510 0.45%	510 0.45%	-	-	-	-	-	-	-	-	510 0.45%	510 0.45%	-
Independent Director	Lin, Win-Jon	480	480	-	-	-	-	24	24	504 0.45%	504 0.45%	-	-	-	-	-	-	-	-	504 0.45%	504 0.45%	-
Independent Director	Lin, Chien-Ping	480	480	-	-	-	-	30	30	510 0.45%	510 0.45%	-	-	-	-	-	-	-	-	510 0.45%	510 0.45%	-
Independent Director	Lin, Zheng-Yi	360	360	-	-	-	-	24	24	384 0.34%	384 0.34%	-	-	-	-	-	-	-	-	384 0.34%	384 0.34%	-

Note 1 : The remuneration and business executive expenses of the three independent directors Sun Chin-Feng, Lin Win-Jon and Lin Chien-Ping include serving as both the audit committee and the salary and remuneration committee; the remuneration and business executive expenses of independent director Lin Zheng-Yi include concurrently serving as the audit committee

- Please describe the policy, system, rates and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration based on factors such as duties, risks, and time :  
The remunerations the Company pays to the independent directors comply with the Articles of Incorporation. The remuneration committee propose the remuneration, and the remuneration system is reviewed timely depending on the Company's overall operating conditions in practice and relevant laws and regulations, to seek the balance between the Company's sustainable operation and risk control, and approved by the Board after the discussion and resolution for implementation.
- Remuneration received by directors for services in the most recent year other than disclosed in the above table (e.g. for serving as a non-employee consultant of the parent company/companies/investees included in the consolidated financial statements) : None.

### (II) Remuneration to supervisors : not applicable.

## (III) Remuneration to President and Vice Presidents

Unit : NT\$ thousands; As of December 31, 2024

Title	Name	Salary (A)		Severance and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash amount	Share amount	Cash amount	Share amount			
President	Chen, Chien-Choan	1,599	4,066	108	108	-	-	-	-	-	-	1,707 1.52%	4,174 3.71%	-
Vice President	LEE, I-MIN	1,669	2,437	108	108	-	-	-	-	-	-	1,777 1.58%	2,545 2.26%	-

Note : Chuang Chin-Ming resigned in January 2023.

## (IV) Remuneration to top 5 best remunerated officers

Unit : NT\$ thousands; As of December 31, 2024

Title	Name	Salary (A)		Severance and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration from investees other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash amount	Share amount	Cash amount	Share amount			
President	Chen, Chien-Choan	1,599	4,066	108	108	-	-	-	-	-	-	1,707 1.52%	4,174 3.71%	-
Vice President	LEE, I-MIN	1,669	2,437	108	108	-	-	-	-	-	-	1,777 1.58%	2,545 2.26%	-
Associate Vice President	Wu, Li-Wen	1,454	1,454	76	76	-	-	-	-	-	-	1,530 1.36%	1,530 1.36%	-
Special Assistant	Huang Yong-chang	1,411	1,411	66	66	-	-	-	-	-	-	1,477 1.31%	1,477 1.31%	-
CFO	Kuo Shun-Yi	1,686	1,686	87	87	-	-	-	-	-	-	1,773 1.58%	1,773 1.58%	-

## (V) Names of managerial officers who distribute compensation to employees

As of December 31, 2024

	Title (Note)	Name (Note)	Amount in stock	Amount in cash	Total	As a % of net profit
Managerial officers	President	Chen, Chien-Choan	0	0	0	0%
	Vice President	LEE, I-MIN				
	Associate Vice President	Wu, Li-Wen				
	Special Assistant	Huang, Yung-Chang				
	Accounting Officer/Finance Officer	Kuo, Shun-Yi				

- (VI) Separately compare and analyze the proportion of the total remuneration paid to the Company's directors, supervisors, President, and Vice Presidents during the most recent two years by the Company and all companies included in the consolidated financial statements to the after-tax net profit, and describe the policy, rates and package of remuneration paid, the process for determining remuneration and its relation to operating performance.

Unit : NT\$ thousand

Item \ Year	Total remuneration as a percentage of the net income after tax			
	2023		2024	
	The Company	All consolidated entities	The Company	All consolidated entities
Net income (loss) after tax	(301,478)	(301,478)	112,419	112,419
Director	(3.47%)	(3.85%)	9.23%	11.43%
President and Vice President	(1.13%)	(1.68%)	3.10%	5.98%
The remuneration of the Company's directors and supervisors is fixed amount, based on the resolutions of the shareholders' and board meetings, regardless of profit or loss. The appropriate remunerations are paid to the president and vice presidents based on the "Procedures of Wage Payment to Employees" established by the Company by referring the level of the wage among peers, while considering the position's duties, performance, and contribution to operations for the Company.				

### III. Corporate Governance

#### (I) Board of directors :

Information on the operation of the board of directors :

The Board of Directors held 11 (A) meetings during the most recent year and as of the date of the annual report. The attendance of directors is presented as follows :

Title	Name	Attendance in person B	Attendance by proxy	Attendance (%) [B/A]	Remarks
Chairman	Chen, Shiou-Chung	11	0	100%	
Director	Chen, Chien-Choan	11	0	100%	
Director	EVER GLORY INVESTMENT COM, LTD. Representative : Wu, Li-Wen	11	0	100%	
Director	FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION Representative : Huang, Yung-Chang	11	0	100%	
Independent Director	Sun, Chin-Feng	11	0	100%	
Independent Director	Lin, Win-Jon	10	1	91%	
Independent Director	Lin, Chien-Ping	11	0	100%	
Independent Director	Lin, Zheng-Yi	11	0	100%	

Additional information to be recorded :

- (1) If the operations of the Board of Directors is under any of the circumstances below, the date of the board meeting, the session, the content of the proposal, independent directors' opinions, and the Company's response to said opinions shall be specified :
  1. Any matter under Article 14-3 of the Securities and Exchange Act : approved by all independent directors without dissent.
  2. Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement : None.
- (2) In the event of directors' recusal from proposals, the name of director, the content of proposal, the



reasons for recusal, and the participation in voting shall be specified :

Term and meeting of the Board	Director recused	Proposal description	Reason of recusal	Participation in voting
33th Board 06th Meeting	Chen, Chien-Choan Wu, Li-Wen Huang, Yung-Chang	Proposal for distributing year-end bonus to managerial officers	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
	Chen, Shiou-Chung Chen, Chien-Choan	Chairman's remuneration adjustment case	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
33th Board 08th Meeting	Chen, Shiou-Chung Wu, Li-Wen Huang, Yung-Chang	Redeem some private placement corporate bonds in advance.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
	Chen, Shiou-Chung Wu, Li-Wen Huang, Yung-Chang	Determining the price of the company's first private placement of common shares in 2024 and other related matters.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons upon discussion as organized by the acting chairman.
33th Board 11th Meeting	Chen, Shiou-Chung Chen, Chien-Choan Wu, Li-Wen Huang, Yung-Chang	Redeem some private placement corporate bonds in advance.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
	Chen, Shiou-Chung Chen, Chien-Choan Wu, Li-Wen Huang, Yung-Chang	Determining the price of the company's second private placement of common shares in 2024 and other related matters.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons upon discussion as organized by the acting chairman.
33th Board 15th Meeting	Chen, Chien-Choan Wu, Li-Wen Huang, Yung-Chang	Proposal for distributing year-end bonus to managerial officers	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
	Chen, Shiou-Chung Chen, Chien-Choan	Dispose of the shares of InnoPeak Advanced Materials Co., Ltd.. to related party Jianyi Investment Co., Ltd.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.
	Chen, Shiou-Chung Huang, Yung-Chang	Invest GREAT BELL PRINTING & DYEING CO., LTD.	Persons interested to the proposal, which involves their own interests.	The proposal was unanimously approved, without dissent, by all attending directors other than the interested persons.

- (3) Disclosure by listed/OTC companies of the evaluation cycle, evaluation period, evaluation scope, method, and evaluation content of the self-evaluation (or peer evaluation) of the Board of Directors.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content	evaluation result
Once a year	October 1, 2023 to September 30, 2024	Individual board member	The "Self-evaluation Questionnaire for Board Member's Appraisal" is conducted in a self-evaluation manner, and the evaluation results were submitted to the board meeting on January 16, 2025, as a basis for review and improvement.	1. Understanding of the Company's goals and mission 2. Awareness of the duties of a director 3. Participation in the Company's operations 4. Management of internal relationship and communication Professionalism and continuing education of directors 6. Internal control	On September 26, 2012, 8 copies of the "Board Member Self-Assessment Questionnaire" were issued and 8 were collected. The average self-evaluation of each director was "better than the standard", with an average score of 92.6 points.
		Board of directors	The "Self-evaluation Questionnaire for Board's Performance Appraisal" is conducted in a self-evaluation manner, and the evaluation results were submitted to the board meeting on January 16, 2025, as a basis for review	1. Participation in the Company's operations 2. Improvement of the quality of decisions made by the board of directors 3. Composition and structure of the board of directors	According to the evaluation results of the 2012 "Board of Directors Performance Appraisal Questionnaire", the overall operation of the board of directors is good, with an average self-evaluation of "above standard" and an average score of 94.7 points.

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation content	evaluation result
			and improvement.	4. Election and continuing education of directors 5. Internal control	
		Functional Committees (Audit Committee)	The "Self-Evaluation Questionnaire on the Performance of Functional Committees" is conducted by self-evaluation method, and the result will be submitted to the board of directors' report on January 16, 2025 as the basis for review and improvement.	3. Participation in the Company's operations 2. Awareness of the duties of a functional committee 3. Improvement of the quality of decisions made by a functional committee 4. Composition of a functional committee 5. Election of members and internal control	The evaluation result of the "Audit Committee Questionnaire" in 2012 was "above standard", with an average score of 89.2 points.
		Functional Committees (Remuneration Committee)	The "Self-Evaluation Questionnaire on the Performance of Functional Committees" is conducted by self-evaluation method, and the result will be submitted to the board of directors' report on February 16, 2025 as the basis for review and improvement.	1. Participation in the Company's operations 2. Awareness of the duties of a functional committee 3. Improvement of the quality of decisions made by a functional committee 4. Composition of a functional committee 5. Election of members and internal control	The evaluation result of the "Salary and Remuneration Committee Questionnaire" in 2012 was "better than the standard", with an average score of 99.2 points.

- (4) The goals of enhancing the Board's functions in the current and the most recent years (e.g. establishing the Audit Committee, or improving information transparency) and the assessment of implementation.
1. In order to cooperate with the competent authorities in promoting corporate governance policies, the Company has established an audit committee to assist the Board of Directors in performing its supervisory responsibilities.
  2. The relevant norms of the company's governance have been announced in the Public Information Observatory and disclosed on the company's website in accordance with regulations to enhance the transparency of the company's operational information.
  3. The company has purchased "Directors, Supervisors and Managers Liability Insurance" to diversify directors' legal liability risks, enhance corporate governance capabilities, and submit a board report on August 2, 2024.
  4. The company has established a corporate governance manager, and the board of directors reported on the corporate governance operations on August 2, 2024.
  5. The company's board of directors approved the establishment of a sustainability committee on November 7, 2024, to assist the board of directors in supervising and guiding issues related to corporate sustainability.
- (5) Succession planning for directors and key officers : In accordance with the Company's development direction and goals, the Company is making the succession. The successors must not only have expertise, but also possess integrity and the values that are consistent with those of the Company.
1. Succession planning for directors  
The Company currently has eight directors (including four independent directors) in total, all of whom have the capabilities required for commerce, finance and accounting, or the Company's business. In the future, the composition structure and experience background of the Board of the Company will continue the current structure. Regarding the succession planning of the Board, the good communication with professionals is maintained from time to time to discuss the selection of successors. In terms of independent directors, the work experience in commerce, legal, finance, accounting or the Company's business are required by laws, so they will be selected from the professionals in the domestic academic and industrial fields.
  2. Succession planning for management

The Company regularly reviews and screens potential talent lists at all levels, establishes a talent pool, and conducts training programs. The talent development program includes professional and management capabilities.

- 1) Participate in internal and external training based on personal development needs, to cultivate decision-making and judgment capabilities.
- 2) Keep complete training records and review the talent development plan regularly to adjust the development plan according to the needs of organizational operations.
- 3) Arrange job rotations and participate in senior officer meetings, so that successors can improve their management capabilities and mindset.

(II) Operation of the Audit Committee :

(1) Annual work priorities of the Audit Committee

1. Establish or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
2. Assessment of the effectiveness of the internal control system.
3. Establish or amend the procedures for handling major financial business activities such as acquisition or disposal of assets, trading in derivative products, lending funds to others, endorsing or providing guarantees for others in accordance with Article 36-1 of the Securities and Exchange Act.
4. Matters involving the directors' personal interests.
5. Significant asset or derivative transactions.
6. Loan, endorsement or provision of significant funds.
7. Raising, issuing or private placement of equity securities.
8. Appointment, dismissal or remuneration of certifying accountants.
9. Appointment and removal of financial, accounting or internal audit directors.
10. Annual financial report and quarterly financial report reviewed by CPA.
11. Other important matters stipulated by the company or competent authorities.

(2) Audit Committee

The Audit Committee held 10 (A) meetings during the most recent year and as of the date of the annual report. The attendance of independent directors is presented as follows :

Title	Name	Meetings actually attended (B)	Attendance by proxy	Actual attendance B/A (%)	Remarks
Independent Director	Sun, Chin-Feng	10	0	100%	
Independent Director	Lin, Win-Jon	10	0	100%	
Independent Director	Lin, Chien-Ping	9	1	90%	
Independent Director	Lin, Zheng-Yi	10	0	100%	

Additional information to be recorded :

1. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified.

1) Matters set out in Article 14-5 of the Securities and Exchange Act.

Meeting date	Proposal description	Resolutions adopted by the Audit Committee and the Company's treatment to the opinions of the Audit Committee
2024/01/26 (The 04th session of the 2nd session)	<ol style="list-style-type: none"> <li>1. The remuneration payment case for directors and independent directors in 2023.</li> <li>2. Year-end bonus payment case for managers in 2023.</li> <li>3. Director's remuneration adjustment case for the chairman of the company.</li> <li>4. The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended the financing line to INDOVINA BANK LTD. Shiyue Bank Dong Nai Branch and provided an endorsement guarantee case to the company.</li> <li>5. A loan of USD 1 million to the subsidiary Tah Tong</li> </ol>	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.

Meeting date	Proposal description	Resolutions adopted by the Audit Committee and the Company's treatment to the opinions of the Audit Committee
	(Vietnam) Textile Co., Ltd.	
2024/03/08 (The 05th session of the 2nd session)	<ol style="list-style-type: none"> <li>The company's 2023 "Internal Control System Statement".</li> <li>The company's 2023 business report, individual financial statements and consolidated financial statements.</li> <li>The company's losses in 2012 were allocated.</li> <li>Regularly evaluate the independence of the company's certified accountants.</li> <li>Authorize the chairman of the company to approve the endorsement guarantee within the company's "Endorsement Guarantee Operating Procedures" and ratify it at the latest board meeting.</li> <li>The company plans to conduct private placement of common shares.</li> <li>Subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended its financing line to Dong Nai Branch of Shanghai Commercial Bank and provided an endorsement guarantee to the company.</li> <li>GLOUCESTER CO., LTD., a subsidiary of our company, applied for a short-term financing line of US\$1.2 million from ROBINA VENTURES INCORPORATION and was endorsed and guaranteed by our company.</li> <li>GLOUCESTER CO., LTD., a subsidiary 100% owned by the company, provided a loan of USD 1 million to Tah Tong (Vietnam) Textile Co., Ltd., a company indirectly 100% owned by the company and a reinvestment company.</li> <li>Appointment of the company's financial officer.</li> </ol>	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2024/03/19 (The 06th session of the 2nd session)	<ol style="list-style-type: none"> <li>Redeem some private placement corporate bonds in advance.</li> <li>Determining the price of the company's first private placement of common shares in 2024 and other related matters.</li> <li>A loan of USD 1 million to the subsidiary Tah Tong (Vietnam) Textile Co., Ltd.</li> <li>Appointment of Audit Supervisor</li> <li>Add a new list of private placement common stock applicants.</li> </ol>	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2024/05/08 (The 07th session of the 2nd session)	<ol style="list-style-type: none"> <li>Consolidated financial statements for the first quarter of 2024.</li> <li>The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. renewed its financing line with Mega International Commercial Bank Ho Chi Minh Branch and ratified the company's endorsement guarantee.</li> <li>Revise the company's "Code of Practice for Governance of Listed Over-the-Counter Companies".</li> <li>Revise the company's "Internal Material Information Processing and Insider Trading Prevention Management Operating Procedures".</li> <li>Revise the company's "Operating Procedures for Fund Loans to Others".</li> <li>Revise the company's "Endorsement Guarantee Operating Procedures".</li> <li>Revise the "Fund Loans to Others Operating Procedures" and "Endorsement Guarantee Operating Procedures" of GLOUCESTER CO., LTD, a company 100% reinvested by our company.</li> <li>Revise the "Fund Loans to Others Operating Procedures" and "Endorsement Guarantee Operating Procedures" of the company's 100% indirect investment company DAYSTAR LIMITED.</li> <li>Revise the "Operational Procedures for Fund Loans to Others" of ROSEGATE HOLDING CORP., the company's 100% indirect investment company.</li> </ol>	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.

Meeting date	Proposal description	Resolutions adopted by the Audit Committee and the Company's treatment to the opinions of the Audit Committee
	10. The company plans to provide a USD 1 million loan to its subsidiary Tah Tong (Vietnam) Textile Co., Ltd. 11. The company's 100% reinvestment company GLOUCESTER CO., LTD plans to increase the capital of its 100% subsidiary "Bai Ling Trading (Shanghai) Co., Ltd." by USD 2.5 million through a third place reinvestment company. 12. The company's 100% reinvestment company GLOUCESTER CO., LTD plans to increase the capital of its 100% subsidiary "Tah Tong (Vietnam) Textile Co., Ltd." by USD 1.3 million through a third place reinvestment company.	
2024/06/19 (The 08th session of the 2nd session)	1. Redeem some private placement corporate bonds in advance. 2. Determining the price of the company's second private placement of common shares in 2024 and other related matters. 3. Revise the Company's "Organizational Rules of the Audit Committee". 4. Revise the company's "Meeting Procedures of the Board of Directors".	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2024/08/02 (The 09th session of the 2nd session)	1. Consolidated financial statements for the second quarter of 2024. 2. Increase the capital of the 100% subsidiary "Tah Tong (Vietnam) Textile Co., Ltd." through a third place reinvestment company. 3. ROSEGATE HOLDING CORP, a subsidiary 100% owned by the company, plans to provide a USD 16 million loan to Tah Tong (Vietnam) Textile Co., Ltd., a directly 100% reinvested company. 4. A capital loan of NT\$14.7 million to the subsidiary InnoPeak Advanced Materials Co., Ltd	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2024/08/30 (The 10th time of the 2nd session)	1. Cancellation of the USD 16 million loan line proposed by ROSEGATE HOLDING CORP, a subsidiary of the Company, which is 100% held by the Company, to Tah Tong (Vietnam) Textile Co., Ltd., a company directly 100% held by it as a reinvestment company. 2. Develop the company's sustainable information internal control system.	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2024/11/07 (The 11th session of the 2nd session)	1. Consolidated financial statements for the third quarter of 2024. 2. The company's 2025 "Internal Audit Operation Review Plan". 3. The 2025 audit fee will be conducted at public expense by an accountant. 4. Formulate the company's "sustainable information management operating procedures". 5. Formulate the company's "operating procedures for the preparation and assurance of sustainability reports." 6. Revise the company's "Internal Control System Processing Guidelines".	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.
2025/01/16 (The 12th session of the 2nd session)	12. The remuneration payment case for directors and independent directors in 2024. 13. The year-end bonus payment case for managers in 2024. 14. The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended the financing line to INDOVINA BANK LTD. Shiyue Bank Dong Nai Branch and provided an endorsement guarantee case to the company. 15. Subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended its financing line to Dong Nai Branch of Shanghai Commercial Bank and provided an endorsement guarantee to the company. 16. Amendment to the Articles of Association 17. Disposal of the Company's investment in Korea Textile & Dying Services Joint Stock Company. 18. Dispose of the shares of InnoPeak Advanced Materials Co., Ltd. held by the Company to its related party Jianyi Investment	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.

Meeting date	Proposal description	Resolutions adopted by the Audit Committee and the Company's treatment to the opinions of the Audit Committee
	Co., Ltd. 19. Participated in the capital increase of GREAT BELL PRINTING & DYEING CO., LTD.	
2025/03/10 (The 13th session of the 2nd session)	<ol style="list-style-type: none"> <li>The company's 2024 "Internal Control System Statement".</li> <li>The company's 2024 annual business report, individual financial statements and consolidated financial statements.</li> <li>The company's 2024 profit distribution proposal.</li> <li>Regularly evaluate the independence of the company's certifying accountants.</li> <li>Authorize the Chairman of the Board of Directors to review and approve endorsements within the scope of the Company's "Endorsement and Guarantee Operating Procedures" and ratify the approval at the most recent Board of Directors meeting.</li> <li>Revise the company's "Fund Lending Procedures".</li> <li>Revise the Company's "Procedures for Acquisition or Disposal of Assets".</li> <li>Cancel the unfinished portions of the private placement proposal resolved by the shareholders' meeting on May 27, 2024.</li> <li>The Company intends to conduct a private placement of common stock.</li> <li>The subsidiary Dadong (Vietnam) Textile Co., Ltd. has renewed its financing line from Shanghai Commercial Bank Dong Nai Branch and provided endorsement guarantee to the Company.</li> </ol>	Approved by all attending members and reported to the Board; approved by all attending directors without dissent.

- Any matters, other than those mentioned above, not approved by the Audit Committee but approved by more than two-thirds of all directors : None.
- Any circumstance where, in the event of any independent director's recusal from an interested proposal, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be stated : None.
- Communication between independent directors and internal/external CPAs (on the Company's financial and business affairs, methods, and results).

1) Communication between independent directors and CPAs

Date	Communication content	Result of implementation
2024/03/08 Audit Committee	<ol style="list-style-type: none"> <li>Interpretation of the newly revised sections of the IESBA Code on the Policy on Pre-approval of Non-assurance Services and Disclosure of Audit Fees</li> <li>Audit Quality Index (AQI) of 2023.</li> </ol>	No inconsistent opinion
2024/05/08 Audit Committee	Audit findings on the consolidated financial statements for Q1 2024.	No inconsistent opinion
2024/08/02 Audit Committee	Audit findings on the consolidated financial statements for Q2 2024.	No inconsistent opinion
2024/11/07 Audit Committee	Audit findings on the consolidated financial statements for Q3 2024.	No inconsistent opinion
2024/11/07 Audit Committee	Communication and discussion before review of individual and consolidated financial reports for 2024.	No inconsistent opinion
2025/03/10 Audit Committee	<ol style="list-style-type: none"> <li>Audit Quality Index (AQI) of 2024.</li> <li>Communicate and discuss the audit results of the 2024 parent-only and consolidated financial report.</li> </ol>	No inconsistent opinion

2) Communication between independent directors and internal auditors

Date	Communication content	Communication and results	The Company's treatment results to independent directors' opinions
2024/01/26 Board of directors	<ul style="list-style-type: none"> <li>Management of financial statement preparation process, research and development cycle, supervision and management of subsidiaries, management of related party transactions, procurement and payment cycle,</li> </ul>	<ul style="list-style-type: none"> <li>No dissent from all independent directors upon full</li> </ul>	<ul style="list-style-type: none"> <li>Followed up by the Board of Directors</li> </ul>

Date	Communication content	Communication and results	The Company's treatment results to independent directors' opinions
	management of loan funds to others, management of endorsement or guarantee for others, and engagement in derivative products Management of transactions, management of salary and remuneration committee operations, management of acquisition or disposal of assets, inspection of compliance with laws and regulations, tracking of improvement of internal control deficiencies and abnormal matters.	communication upon full communication.	
2024/03/08 Board of directors	<ul style="list-style-type: none"> <li>● Endorsement guarantee operations, capital loan operations with others, and derivative commodity transactions.</li> <li>● Proposal for the Company's 2023 Declaration of Internal Control System "</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> </ul>
2024/05/08 Board of directors	<ul style="list-style-type: none"> <li>● Improvement and tracking of internal control deficiencies and abnormal events, management of derivatives transactions, supervision and management of subsidiaries, management of financial statement preparation processes (and self-preparation of consolidated statements), and management of fund loans to others..</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> </ul>
2024/08/02 Board of directors	<ul style="list-style-type: none"> <li>● Management of endorsing or providing guarantees for others, payroll cycle, management of audit committee operations, use of computerized information processing operations, management of derivatives transactions, management of financial statement preparation processes (and self-preparation of consolidated statements) , Improve tracking of internal control deficiencies and abnormal matters.</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> </ul>
2024/11/07 Board of directors	<ul style="list-style-type: none"> <li>● Sales and collection cycle, R&amp;D cycle, supervision and management of subsidiaries, seal management operations, management of fund loans to others, management of endorsing or providing guarantees for others, management of related party transactions, management of preventing insider trading, Engaged in the management of derivatives transactions, management of board meeting operations, and tracking of improvements to internal control deficiencies and abnormal events. .</li> <li>● The 2025 "Internal Audit Operation Review Plan" case</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> <li>● No objection from all independent directors to the plan.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> <li>● Passed by the board of directors as proposed</li> </ul>
2025/01/16 Board of directors	<ul style="list-style-type: none"> <li>● Procurement and payment cycle, supervision and management of subsidiaries, management of financial statement preparation process, management of derivative commodity transactions, management of funds loaned to others, management of endorsement or guarantee for others.</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> </ul>
2025/03/10 Board of directors	<ul style="list-style-type: none"> <li>● Management of acquisition or disposal of assets, management of the operation of the remuneration committee, tracking of improvements to internal control deficiencies and abnormalities, supervision and management of subsidiaries, management of the financial statement preparation process, review of compliance with laws and regulations, management of fund lending to others, endorsement or guarantee for others, and management of derivative commodity transactions.</li> <li>● The 2024-year "Internal Audit Operation Review Plan" case.</li> </ul>	<ul style="list-style-type: none"> <li>● No dissent from all independent directors upon full communication upon full communication.</li> <li>● No objection from all independent directors to the plan.</li> </ul>	<ul style="list-style-type: none"> <li>● Followed up by the Board of Directors</li> <li>● Passed by the board of directors as proposed</li> </ul>

(III) The operation of corporate governance and deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and cause of deviation

Evaluation item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and cause of deviation
	Yes	No	Summary	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies?	V		The Corporate Governance Best Practice Principles have been approved by the Board on November 11, 2020.	No major deviation
II. The Company's shareholding structure and shareholders' equity		V		
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?		V	(I) The Company has not yet prescribed relevant operating procedures. Currently, a shareholder service agency is engaged to handle shareholders' affairs, and the spokesperson, deputy spokesperson, and dedicate finance unit are responsible for handling shareholder-related issues.	No major deviation
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	V		(II) The Company grasps the shareholding of directors, supervisors, managerial officers, and major shareholders holding more than 5% stake and ultimate controller, while reporting relevant information as required.	No major deviation
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	V		(III) The company establishes risk control mechanisms and firewalls with related companies in accordance with the management regulations "Regulations on Operations Between Related Persons". The regulations stipulate that related party transactions that meet certain conditions must be approved by the Audit Committee and the Board of Directors.	No major deviation
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	V		(IV) The company has established the "Company Internal Material Information Processing and Prevention of Insider Trading Management Operational Procedures" to standardize insider trading control measures and strictly prohibit insiders from using undisclosed market information to buy and sell securities, including insiders are not allowed to trade their stocks during the closed period of 30 days before the announcement of annual financial reports and 15 days before the announcement of quarterly financial reports. The company has notified insiders by email on 2024/2/2, 2024/4/29, 2024/7/2 and 2024/10/4 that they are not allowed to trade the company's stocks during the closed period for buying and selling stocks of Tah Tong. The company also held the "2024 Department Major Information Processing and Insider Trading Prevention Promotion Meeting" on November 28, 2024, which lasted for 2 hours and was targeted at all employees of the company (35 people in total). A test was conducted after the meeting. The average test result was 86.9, which shows that all colleagues in the company are aware of insider trading prevention, which is helpful to prevent insider trading.	No major deviation
III. Composition and responsibilities of the Board of Directors				
(I) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(I) The Company's directors have extensive experience or professional qualifications in operation, finance and accounting; see [Three. Corporate Governance Report/II.Directors, President, Vice Presidents, Assistant Vice Presidents, and Heads of Divisions and Branches/(I) Information on directors and independent directors, and (II) Disclosure of the expertise and independence of directors and	No major deviation



(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?	V	(II) The company has established a salary and remuneration committee and an audit committee in accordance with the law. And the Sustainable Development Committee was established on March 10, 2025. In the future, other functional committees will be added based on the actual situation and needs of the company.	A sustainable development committee has been established and the remaining committees are being planned
(III) Has the Company formulated board performance evaluation regulations and evaluation methods, conducted performance evaluations annually and regularly, reported the results of performance evaluations to the board of directors, and adopted such results as a reference for deciding the remuneration of and nominating candidates for individual directors?	V	(III) The Company has established the Rules for Performance Evaluation of Board of Directors, and designed the self-evaluation questionnaires. The performance evaluation of the Board is conducted and reported to the Board every year, and the performance evaluation results are completed and filed before the end of the first quarter of the following year. See [Three. Corporate Governance Report/IV. Corporate Governance/(I) Board of Directors/(3) Disclosure by listed/OTC companies of the evaluation cycle, evaluation period, evaluation scope, method, and evaluation content of the self-evaluation (or peer evaluation) of the Board of Directors.].	No major deviation
(IV) Does the Company regularly assess the independence of the CPAs?	V	(IV) Pursuant to Article 29 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the Company evaluates the independence of attesting CPAs regularly (at least annually), which is approved by the Board. (Note 1)	No major deviation
IV. Has the Company has appointed an appropriate number of competent corporate governance personnel and designated a corporate governance officer to be responsible for corporate governance affairs (including but not limited to providing directors and supervisors with the materials required for performance of their duties, assisting directors and supervisors with compliance, handling matters related to board meetings and the shareholders' meetings, and preparing minutes of board meetings and shareholders' meetings)?	V	The company has established a corporate governance manager on the board of directors in May 2023. The company's board of directors has made a special report to the board of directors on the operation of corporate governance on August 2, 2024.	No major deviation
V. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	V	Each functions of the Company execute the business on behalf of the Company internally or externally and maintain the relationships. The Company has established good communication channels with stakeholders and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern. See [Three. Corporate Governance Report/IV. Corporate Governance/(VIII)Other significant information that helps better understand the operation of the Company's corporate governance/(7)Stakeholders].	No major deviation
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	V	The Company appoints a professional stock affairs agency to handle the affairs related to shareholders' meetings, to ensure the shareholders' meetings are convened legally and effectively.	No major deviation
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial business and corporate governance?	V	(I) The company has set up a Chinese and English website and discloses relevant financial business and corporate governance information on the website. Stakeholders can also link to the "Public Information Observatory" for review.	No major deviation
(II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on	V	(II) The Company's spokesperson system is handled pursuant to the management regulations, the "SOP for Speaking and Deputy Spokespersons," and the dedicated personnel are appointed to take charge of collecting and disclosing the Company's information; the information required to be disclosed by TWSE, such as "investors' conference are disclosed regularly	No major deviation

the Company website)?			or from time to time at the Company's website or the "Market Observation Posting System."	
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?	V		(III) The company has announced and reported quarterly financial reports and monthly operating conditions in advance before the prescribed deadline. However, in addition to preparing the annual financial statements by itself, the company must wait for the accountants to complete the relevant verification procedures, which takes a long time. Although the Company failed to announce and file its annual financial report within two months after the end of the fiscal year, it still completed the announcement and filing within the time limit stipulated in Article 36 of the Securities and Exchange Act.	There is only a slight difference in the announcement and filing time of the annual financial report, but there is no other difference with the Corporate Governance Code of Practice.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	V		(I) Relevant corporate governance information has been disclosed on the Dadong Textile website [https://www.tahtong.com.tw/] (II) Employee rights and interests and employee care : They are formulated and implemented in accordance with the Labor Standards Act and other relevant laws and regulations. Please refer to this annual report [V. Operation Overview/V. Labor Relations/ (1) List the company's various employee welfare measures, further education, training, retirement systems and implementation status, as well as agreements between labor and management and various employee rights and interests protection measures]. (III) Investors, suppliers and other stakeholders : The Company has identified issues of concern to each stakeholder and established communication channels for stakeholders. Please refer to this annual report [Reference, Corporate Governance Report/IV. Corporate Governance Operations Situation/(8) Other important information that is sufficient to enhance the understanding of corporate governance operations/ (7) Stakeholders]. (IV) Continuing studies of directors and independent directors : detailed note 2. (V) Attendance of directors and independent directors at the board of directors : Please refer to this annual report [Reference, Corporate Governance Report/IV. Corporate Governance Operations/(1) Board of Directors Operations]. (VI) Implementation of the recusal of directors and independent directors from proposals involving interests : handled in accordance with the Company's "Rules of Procedure for Board Meetings"; (VII) The company purchases liability insurance for directors and independent directors : Yes. (VIII) The company attaches great importance to labor-management relations, cooperates with government environmental protection policies, and fulfills its social responsibilities.	No major deviation
IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved. Improvement : The Company's website has disclosed the related information including finance, business, and corporate governance. To be improved : the corporate governance related matters in the Company's website and the annual reports are being enhanced.				

**Note 1 : Assessment for the independence of the attesting CPAs**

	Assessment indicators	Yes	Description
I. Independence	1. Have the CPAs provided audit service to the Company for less than 7 consecutive years?		The CPAs, Lin, Ya-Hui has provided audit services continuously for less than 7 years since the Q1 2019 and Lin, Yung-Chih has provided audit services continuously for less than 7 years since the Q1 2023.
	2. Does the nature and degree of the non-audit services provided by the CPAs not compromised independence?		The Company does not have any other CPAs.

	Assessment indicators	Yes	Description
	3. Is the audit and attesting fee reasonable? Is there none of the "contingent service fee" agreement?		The audit and attesting fee is reasonably adjusted every year by considering factors such as manpower input and business volume, and there is no contingent agreement of service fees.
	4. Is there no joint investment or profit sharing relationship among the CPAs, the Company, and related parties?		The Company has assessed that the two attesting CPAs have no circumstances specified in Article 47 of the Certified Public Accountant Act, such as being employed by the Company, second-degree or closer relative of any officer, or related parties of the Company, lending or borrowing funds to or from the Company, or other relationship involving financial gains.
	5. Are the attesting CPAs free from the circumstances specified in the "Bulletin No. 10 of the Norm of Professional Ethics" that may affect the independence?		The attesting CPAs presented the statement to represent no circumstances specified in the "Bulletin No. 10 of the Norm of Professional Ethics" that may affect the independence.
	6. Are the attesting CPAs free from the circumstances specified in Article 47 of the Certified Public Accountant Act prohibited from contracting to perform attestation on financial reports?		The Company has assessed that the two attesting CPAs have no circumstances specified in Article 47 of the Certified Public Accountant Act, such as being employed by the Company, second-degree or closer relative of any officer of the Company, lending or borrowing funds to or from the Company, or other relationship involving financial gains.
II. Competency	1. Does the accounting firm have good reputation and certain scale?		PwC is a global professional consulting service organization with good reputation. PwC Taiwan is the member firm of PwC in Taiwan a large presence : eight service bases in Taiwan currently, 106 partner CPAs and more than 2,500 employees.
	2. Are the attesting CPAs free from the disciplinary actions take by the CPA Disciplinary Rehearing Committee?		By inquiring the "Disciplines and Sanctions - Supervision of CPA" under the Securities and Futures Bureau, the attesting CPAs have no records of disciplines and sanctions.
	3. Is the quality of audit services provided by CPAs and key management personnel good? <div> Professionalism <div> Audit experience Training hours Staff turnover Professional support </div> ----- <div> CPA load Audit input EQCR </div> ----- <div> Quality control support </div> Independence <div> Non-audit service fees Customer familiarity </div> ----- <div> Lack of external inspection and penalties </div> Supervision <div> Notice from competent authorities requiring improvement </div> ----- Innovation <div> Innovative planning or initiatives </div> </div>		The Company's evaluation of PwC's audit quality index (AQI) shows that PwC is one of the industry leaders in terms of "professionalism," "quality control," "independence," "supervision," and "innovation", shows that PwC can be trusted and relied on for its overall audit quality. Based on the service records of CPAs and key management personnel over the years, they have planned appropriate audit procedures in advance, communicated with the Company's corporate governance units beforehand and completed audit tasks on schedule as required.
	4. Do CPAs communicate properly with the Company's governance unit and document such communications?		The CPAs and the governance unit of the Company communicate properly before and after the audit, with records left.

- When "No" is checked for the above evaluation indicators, the situation should be described in detail to facilitate consideration of whether it is necessary to change the certification accountant.
- In order to avoid the loss of independence due to accountants who have been issuing company visas for too long and become overly familiar with the company's management, in accordance with the "Code of Practice on the Governance of Listed Companies", the same accountant cannot issue visas for the company for 7 consecutive years.
- The content of the statement on accountants' responsibilities and independence is based on the communication letter from PwC's audit planning and governance unit. In accordance with the "Code of Practice on the Governance of Listed Companies", the same accountant must not certify the company for 8 consecutive years.

**Note 2 : Continuing education of the directors, independent director and members of the Audit Committee in 2024**

Title	Name	Date of course	Organizer	Course title	Hours of continuing education	Total hours of continuing education in the current year
Chairman	Chen, Shiou-Chung	2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Trading Prevention Promotion Conference	3	6
		2024/10/08	Taiwan Stock Exchange	2024WIW Forum "Digital Finance and Sustainable Finance Concerto under the	3	

Title	Name	Date of course	Organizer	Course title	Hours of continuing education	Total hours of continuing education in the current year
				AI Boom" Special Lecture		
Director	Chen, Chien-Choan	2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Trading Prevention Promotion Conference	3	6
		2024/11/22	Securities and Futures Market Development Foundation of the Republic of China	2024 Insider Equity Trading Legal Compliance Seminar	3	
Independent Director	Sun, Chin-Feng	2024/05/03	Securities and Futures Market Development Foundation of the Republic of China	Sustainable Development Practice Promotion Seminar	3	6
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	3	
Independent Director	Lin, Win-Jon	2024/10/25	Corporate Organization Association.	Workplace labor disputes, resolution mechanisms and case sharing	3	6
		2024/11/12	Corporate Organization Association.	Building a corporate security fortress : Information security strategies that senior managers must know	3	
Independent Director	Lin, Chien-Ping	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission trends at home and abroad	3	12
		2024/11/13	Taiwan Institute of Directors	Long- and short-term economic trends that business managers need to know	3	
		2024/12/19	Taiwan Corporate Governance Association	Corporate governance, personal responsibility of directors and supervisors and risk management	3	
		2024/12/19	Taiwan Corporate Governance Association	Analysis of Risk Committee Operation Practice	3	
Independent Director	Lin, Zheng-Yi	2024/11/04	National Federation of Accountants Societies of the Republic of China	Money laundering patterns that accountants should pay attention to, analysis of tax crime cases	3	6
		2024/11/20	National Federation of Accountants Societies of the Republic of China	Greenhouse Gas Inventory and Assurance Standard 3410 Practical Issues Sharing	3	
Representative of the corporate director	Wu, Li-Wen	2024/05/22	Taiwan Institute of Directors	2024 SAP NOW Taiwan Business AI · Extraordinary achievements	3	6
		2024/06/03	Securities and Futures Market Development Foundation of the Republic of China	Institutional Investors' Perspectives Forum	3	
Representative of the corporate director	Huang, Yung-Chang	2024/07/30	Taiwan Corporate Governance Association	How does the Board of Directors (Sustainability Committee) review the Sustainability Report?	3	12
		2024/08/09	Taiwan Corporate Governance Association	Disputes over business rights and case analysis	3	
		2024/11/08	Taiwan Corporate Governance Association	Mainland China's economic situation and Taiwan businessmen's response strategies	3	
		2024/11/12	Taiwan Corporate Governance Association	In the AI era, enterprises need innovative thinking for growth	3	

(IV) Disclosure of the composition and operation of the Remuneration Committee or Nomination Committee, if applicable :

(1) Remuneration Committee

1. Major objectives of the Remuneration Committee

- 1) Establish and regularly review the policies, systems, standards and structures for performance evaluation and remuneration of directors and managers.
- 2) Regularly evaluate and determine the remuneration of directors and managers.

2. Information on members of the Remuneration Committee

Criteria		Professional qualifications and experience	Independence	Number of other public companies where the individual serves as a member of the remuneration committee concurrently
Status	Name			
Independent director/ Convener	Sun, Chin-Feng	MBA, University of Michigan, the U.S President, Kuo-Chuang Venture Capital Management Co., Ltd.	The members of the Remuneration Committee are the independent directors of the Company. For their independence, See "Three. II. (I) Information on directors and independent directors and (II) Disclosure of the expertise and independence of directors and independent directors."	3
Independent Director	Lin, Win-Jon	Automation and Management Institute, National Taipei University of Technology President, Libao Investment Co., Ltd.		2
Independent Director	Lin, Chien-Ping	Department of Finance, Tamkang University Independent director, Fore Shot Industrial Corporation		2

### 3. Information on the operation of the Remuneration Committee

There are three members in the Remuneration Committee.

The term of office for the members : the term of office for the members of the 5th term is from May 22, 2023 to May 21, 2026; in the most recent year, the Remuneration Committee held four (A) meetings. The qualifications and attendance of the members are as below :

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance (%) (B/A) (Note)	Remarks
Committee member	Sun, Chin-Feng	4	0	4/4=100%	Meetings expected to be attended : 4
Convener	Lin, Chien-Ping	4	0	4/4=100%	Meetings expected to be attended : 4
Committee member	Lin, Win-Jon	4	1	3/4= 75%	Meetings expected to be attended : 4

Additional information to be recorded :

- I. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified) : None.
- II. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified : None.
- III. Resolutions adopted by the Remuneration Committee

Term of the meeting	Meeting date	Resolution	Resolution results
6th Committee 3th meeting	2024.01.26	(1) Remuneration payment case for directors and independent directors in 2023. (2) 2023 year-end bonus payment case for managers. (3) Director's remuneration adjustment case for the chairman of the company.	Approved
6th Committee 4th meeting	2024.03.08	(1) Appointment of the company's financial officer	Approved
6th Committee 5th meeting	2024.03.19	(1) Appointment of the company's audit manager	Approved
6th Committee 6th meeting	2025.01.26	(1) Remuneration payment case for directors and independent directors in 2024. (2) 2024 year-end bonus payment case for managers.	Approved

(2) Other committees : None.

(V) Other functional committees :

(1) Sustainable Development Committee

1. The company established the Sustainable Development Committee on March 10 2025
2. The Company's Sustainable Development Committee has a total of 5 members, including 4 independent directors. The Chairman of the Company serves as the convener.
3. The main responsibilities of the Company's Investment Review Committee are as follows :
  - 1) Formulate, promote and strengthen the company's sustainable development policies, annual plans and strategies, etc.
  - 2) Review, track and revise the implementation and effectiveness of sustainable development.
  - 3) Supervise sustainability information disclosure matters and review sustainability reports.
  - 4) Supervise the implementation of the company's sustainable development code of business or other sustainable development-related work approved by the board of directors.
4. Important matters resolved by the Company's Sustainable Development Committee :  
As of the publication date of the annual report, the Sustainable Development Committee has held a total of 1 meeting

Date	Contents of motion	result	The company's handling of the opinions of the Sustainability Development Committee
2024/03/10 Sustainable Development 1st Committee 1st meeting	<ul style="list-style-type: none"> <li>● Nominate the convener of the Sustainable Development Committee.</li> </ul>	<ul style="list-style-type: none"> <li>● All members agree Mr. Chen, Shiou-Chung to be the Convener</li> </ul>	NA

5. Member qualifications and attendance

From March 10, 2025 to March 30, 2025, the Sustainable Development Committee (a functional committee under the Board of Directors) met once. The qualifications and attendance of the members are as follows : :

Title	Name	actual attendance	Attend by proxy	actual attendance rate	Notes and related majors
Convener	Chen, Shiou-Chung	1	0	100%	The chairman of our company is familiar with the industry's ESG development direction and countermeasures.
Committee member	Sun, Chin-Feng	1	0	100%	The Company's independent directors are familiar with different industries and can provide the Company with different thinking modes in promoting ESG.
Committee member	Lin, Chien-Ping	1	0	100%	The Company's independent directors are familiar with different industries and can provide the Company with different thinking modes in promoting ESG.
Committee member	Lin, Win-Jon	1	0	100%	Independent director of the company, special committee member of the Industrial Development Administration of the Ministry of Economic Affairs, and a pioneer in promoting sustainable development in the industry.
Committee member	Lin, Zheng-Yi	1	0	100%	The Company's independent directors and certified public accountants are familiar with international standards on sustainable reporting.

(2) Other committees : None

(VI) Implementation of sustainable development, and deviation from the Sustainable Development Best-Practice Principles for TWSE/listed Companies and cause of deviation; disclosure of climate-related information by companies that meet certain criteria. :

Evaluation item	Operations			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and cause of deviation
	Yes	No	Summary	
I. Has the Company established a governance structure for the promotion of sustainable development, and established a full-time (or part-time) unit to promote sustainable development that is implemented by the senior management as authorized by the Board of Directors, and how is it supervised by the Board of Directors	V		(I) The Company has approved the following at the 32nd and 9th Board of Directors on May 10, 2022 : (1) The establishment of full-time (part-time) units, the number of full-time (part-time) personnel and their responsibilities shall be completed by December 31, 2023; (2) The investigation plan was completed on June 30, 2024 : (3) The verification plan was completed on December 31, 2025. (II) The Company has approved the establishment of a Sustainable Development Committee at the 16th meeting of the 33rd Board of Directors on March 10, 2025 to promote the sustainable development of the Company. The committee consists of five members. In addition to the Chairman of the Company serving as the convener, the four independent directors of the Company all serve as members of the Sustainable Development Committee. (III) The Company has adopted the following measures on August 30, 2014 (the 13th meeting of the 33rd Board of Directors) and November 7, 2014 (the 14th meeting of the 33rd Board of Directors) : (1) Sustainability Information Internal Control System (2) Code of Practice on Sustainable Development (3) Sustainable Information Management Operations Procedures (4) Procedures for preparing and verifying the sustainability report (5) Organizational Charter of the Sustainable Development Committee	Has the Company established a governance structure for the promotion of sustainable development, and established a full-time (or part-time) unit to promote sustainable development that is implemented by the senior management as authorized by the Board of Directors, and how is it supervised by the Board of Directors
II. Does the Company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		The Company has established a Sustainable Development Committee and has begun to evaluate environmental, social and corporate governance issues related to operations based on the principle of materiality.	In progress
III. Environmental issues				
(I) Has the Company established an appropriate environmental management system based on its industrial characteristics?	V		(I) The Company has established appropriate environmental management mechanisms as per its sustainable development plan and in view of its industrial characteristics. These include : disposing of wastes in accordance with applicable laws and regulations, recycling all wastes that can be recycled, and reporting and tracking waste flows.	Consistent
(II) Does the Company endeavor to improve energy efficiency and	V		(II) The company implements the recycling and reuse of raw materials	Consistent

Evaluation item	Operations			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and cause of deviation											
	Yes	No	Summary												
to use renewable materials with low environmental impact?			<p>in each section of the production process or sells them to relevant manufacturers to improve utilization efficiency. Efforts will be made to seek applicable efficiency in the use of recycled materials. Obtained OEKO-TEX100 certification in 2014, became a BCI member in 2016, obtained OCS certification in 2017, obtained textile bluesign certification in 2017, obtained GRS certification in 2018, became a USCTP member in 2021, obtained RCS certification in 2022, and obtained GOTS certified. Tah Tong Club continues to actively promote environmentally friendly products to protect the ecological environment and resources and fulfill its corporate social responsibility.</p> <p>The company used recycled bottle materials with traceability certification in 2023 and 2024, equivalent to approximately 201 million bottles and 232 million bottles respectively.</p>												
(III) Has the Company assessed the potential risks and opportunities from climate change for its business now and in the future, and adopted relevant countermeasures?		V	(III) The Company has already begun to assess the potential risks and opportunities from climate change to the Company now and in the future, and will continue to follow up and develop appropriate countermeasures in the future.	In progress											
(IV) Does the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>(IV) The Company has implemented the sustainable development plan in accordance with this section, including :</p> <p>1. Carbon emission sources are calculated based on greenhouse gas emissions, water consumption and total weight of waste in the past two years.</p> <p>According to the "Sustainable Development Roadmap for Listed Companies" issued by the Financial Supervisory Commission, The Company has the following information without the consent of any third party</p> <table><tr><th>Year</th><th>Carbon emissions</th><th>Scope</th><th>Note</th></tr><tr><td>2023</td><td>66.50 Category 1 &amp; 2</td><td>Taipei Head Office. Not confirmed by a third party</td><td rowspan="2">Follow the timetable of the "Sustainable Development Roadmap for Listed Companies" issued by SEC</td></tr><tr><td>2024</td><td>80.29 Category 1 &amp; 2 &amp; 3</td><td>Taipei Head Office. Not confirmed by a third party</td></tr></table> <p>2. Policies for greenhouse gas reduction, water reduction or other waste management</p> <p>Implement energy-saving plans (such as installing energy-saving devices on equipment to reduce unnecessary electricity expenses; strengthen publicity of energy-saving and carbon-</p>	Year	Carbon emissions	Scope	Note	2023	66.50 Category 1 & 2	Taipei Head Office. Not confirmed by a third party	Follow the timetable of the "Sustainable Development Roadmap for Listed Companies" issued by SEC	2024	80.29 Category 1 & 2 & 3	Taipei Head Office. Not confirmed by a third party	Consistent
Year	Carbon emissions	Scope	Note												
2023	66.50 Category 1 & 2	Taipei Head Office. Not confirmed by a third party	Follow the timetable of the "Sustainable Development Roadmap for Listed Companies" issued by SEC												
2024	80.29 Category 1 & 2 & 3	Taipei Head Office. Not confirmed by a third party													



Evaluation item	Operations			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and cause of deviation
	Yes	No	Summary	
			<p>reduction policies and strengthen supervision of factories for thorough implementation) to achieve the company's sustainable development goals.</p> <p>A. Waste : The company's main source of waste is general domestic waste. In order to reduce waste output, colleagues are encouraged to reduce the use of disposable plastics, tableware, and paper cups, and by implementing various resource recycling and regular business waste collection Recycling management methods to strengthen waste reuse.</p> <p>B. Water consumption : The company has set a mid-range target of reducing global water consumption by 3% in 2027 compared with 2021</p> <p>C. Electricity consumption : In order to reduce carbon emissions, the company has set a mid-range goal of reducing carbon emissions by 10% in 2027 compared with 2021.</p>	
<p>IV. Social issues</p> <p>(I) Has the Company established related management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?</p>	V		<p>(I) The company strictly abides by the relevant laws and regulations of the Republic of China, supports and respects the "Universal Declaration of Human Rights (UDHR)", "United Nations Global Compact (UNGC)", and "United Nations Guiding Principles on Business and Human Rights" "UN Guiding Principles on Business and Human Rights", the core labor standards of the International Labor Organization's basic contract, and local laws and regulations to formulate policies that are in line with business ethics, sustainable environment, social issues, human rights and other public policies. The company specifically adopts OK :</p> <p>1. In accordance with local laws and regulations, the company attaches great importance to the balance of employees' health, work, family and leisure life; at the same time, it implements working hour management, prohibits child labor and prohibits various forms of forced labor, sexual harassment and discrimination.</p> <p>2. In order to establish a gender-equal workplace, the company implements a childcare leave without pay system, and also provides employees with family care leave, menstrual leave, maternity leave, paternity leave, and provides lactation rooms, etc.</p> <p>3. The company attaches great importance to the health of its employees, arranges regular physical examinations for employees, and implements safety and health conditions in the workplace environment.</p>	Consistent

Evaluation item	Operations			Deviation from the Sustainable Development Best Practice Principles for TWSE/listed Companies and cause of deviation
	Yes	No	Summary	
(II) Has the Company developed and implemented reasonable employee benefits measures (including compensation, leave of absence, and other benefits), and appropriately reflected operating performance or results in the employee's compensation?	V		4. The company has a complaint channel to provide an effective communication and response mechanism for different stakeholders, and assigns dedicated personnel to assist in handling the complaints. (II) The Company has developed salary management measures and performance appraisal measures; salary, promotion, and bonuses are all reflected in employee compensation depending on the operating performance and results. The Company has set up an employee benefits committee to take care of employee benefits.	Consistent
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	V		(III) The Company has established an mechanism for communication with employees through regular meetings, for informing them of possible major impacts on employees resulting from operating changes. The Company had no occupational disasters or fire incidents in 2024	Consistent
(IV) Has the Company offered effective career development training for employees?	V		(IV) The Company has established criteria for the promotion of titles in the employees' careers, and established training plans for new recruits, professionals, and management personnel based on this standards. For the above three items, See [Five. Business Overview/V. Labor Relations/(I) The Company's various employee benefit measures, continuing education, training, retirement system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures] herein.	Consistent
(V) Does the Company comply with applicable laws and international standards with respect to customer health and safety, customer privacy, marketing, and labeling of products and services and implement consumer protection policies and complaint procedures?	V		(V) The Company has complied with applicable laws and regulations and international standards. And the customer complaint service process has been established to protect the interests of customers.	Consistent
(VI) Has the company formulated a supplier management policy requiring suppliers to comply with applicable regulations on issues such as environmental protection, occupational safety and health, or labor rights, and how is it implemented?		V	(VI) This evaluation system has not been established so far, and relevant rules and systems will be added depending on actual operation.	Proceeded at the proper time
V. Does the Company prepare its corporate social responsibility report or other reports disclosing non-financial information by referring to international standards or guidance for preparing reports? Does the company obtain third party assurance or certification for the reports above?		V	The company has hired a professional coaching agency to assist the company in establishing relevant operating systems, and it is expected that the relevant operations can be completed before the statutory requirements expire.	Not applicable.
VI. If the Company has adopted its own corporate social responsibility best practice principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations : Not applicable.				
VII. Other important information that helps better understand the Company's promotion of corporate social responsibility : None.				

(VII) Performance of integrity management and deviation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and cause of deviation :

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policies and programs				
(I) Does the company have an ethical corporate management policy approved by its Board of 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?	V		(I) The Company's Ethical Corporate Management Best Practice Principles were approved by the Board on December 18, 2020. The ethics and morality are among the Company's core values. The directors and management team of the Company also value the ethical management with the high self-disciplines.	No major deviation
(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 Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?		V	(II) The Company will add related regulations or programs depending on the actual operation	Under planning
(III) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(III) The Company has formulated the Employee Code of Conduct, and implemented related education, training, and advocacy, and incorporated such code of conduct into the Company's performance evaluation system. See [Three. Corporate Governance Report/IV. Corporate Governance/(VIII) Other significant information that helps better understand the operation of the Company's corporate governance/(5) Employee Code of Conduct, its content and spirit].	No material deviation <sup>4</sup>
II. Ethical Management Practice				
(I) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?		V	(I) The Company will add related regulations or programs depending on the actual operation	Under planning
(II) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their implementation?		V	(II) The Company will add the related units depending on the actual operations.	Under planning
(III) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?		V	(III) The Company will add related regulations or programs depending on the actual operation	Under planning
(IV) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(IV) The Company has established an effective accounting system and internal control system; the internal auditors regularly audit the compliance with the preceding systems.	No major deviation
(V) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(V) Ethics and morality are one of the Company's core values. In addition to regular internal promotion, the management team	No major deviation

Evaluation item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary	
			also organizes external training courses from time to time to enhance the core value. The company has held the "2024 Integrity Management Promotion Meeting" on November 28, 2024, which lasted for 2 hours and was aimed at all employees of the company (a total of 35 people). A test was conducted after the meeting. According to the test results, the average score was 97.1, indicating that all colleagues in the company are aware of the concept of integrity management, which is helpful in promoting the company's integrity management.	
III. Implementation of Complaint Procedures				
(I) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel specifically responsible for handling complaints received from whistle-blowers?	V		(I) The Company has dedicated channels for reporting and complaining, and has designated personnel to accept reported matters. In the most recent year and as of the date of the Annual Report, no such incidents occurred.	No major deviation
(II) Has the Company established any SOP for accepting reported misconducts, any tracking measures or confidentiality measures to be taken after an investigation is completed?	V		(II) After accepting a reported case, the Company's acceptance window shall immediately set up an investigation team to investigate the suspected illegal or inappropriate conduct described in the report.	No major deviation
(III) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(III) The Company will keep the identity of the whistle blower and the content of the report confidential, and promise to protect the whistleblower from being improperly dealt with that may result from such report. The Company will reply on the investigation results by email. The Company accepted a total of 0 reporting cases in 2024. For details, see [Five. Business Overview/V. Labor Relations/(I) The Company's various employee benefit measures, continuing education, training, retirement system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures/(7) Complaining system].	No major deviation
IV. Strengthening Information Disclosure				
Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		(I) The Company discloses the ethical corporate management policies at the official website.	No major deviation
V. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviations between the principles and their implementation : No major deviation				
VI. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles) : establishing the four major cultural values of the Company : "Sustainable Management", "Moral Integrity", "Customer First", "Humanistic Care".				

(VIII) Other significant information that helps better understand the operation of the Company's corporate governance

- (1) Reference to Corporate Governance Best-Practice Principles and related regulations : on the Company's website : [www.tahtong.com.tw](http://www.tahtong.com.tw)
- (2) Continuing education of directors and independent directors on corporate governance during the year :

Title	Name	Date of course	Organizer	Course title	Hours of continuing education
Chairman	Chen, Shiou-Chung	2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Trading Prevention Promotion Conference	3
		2024/10/08	Taiwan Stock Exchange	2024WIW Forum "Digital Finance and Sustainable Finance Concerto under the AI Boom" Special Lecture	3
Director	Chen, Chien-Choan	2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Trading Prevention Promotion Conference	3
		2024/11/22	Securities and Futures Market Development Foundation of the Republic of China	2024 Insider Equity Trading Legal Compliance Seminar	3
Independent director	Sun, Chin-Feng	2024/05/03	Securities and Futures Market Development Foundation of the Republic of China	Sustainable Development Practice Promotion Seminar	3
		2024/07/03	Taiwan Stock Exchange	2024 Cathay Pacific Sustainable Finance and Climate Change Summit	3
Independent Director	Lin, Win-Jon	2024/10/25	Corporate Organization Association.	Workplace labor disputes, resolution mechanisms and case sharing	3
		2024/11/12	Corporate Organization Association.	Building a corporate security fortress : Information security strategies that senior managers must know	3
Independent Director	Lin, Chien-Ping	2024/06/13	Independent Director Association Taiwan	Introduction to IFRS sustainable disclosure standards and sharing of carbon emission trends at home and abroad	3
		2024/12/19	Taiwan Corporate Governance Association	Corporate governance, personal responsibility of directors and supervisors and risk management	3
		2024/12/19	Taiwan Corporate Governance Association	Analysis of Risk Committee Operation Practice	3
Independent Director	Lin, Zheng-Yi	2024/11/04	National Federation of Accountants Societies of the Republic of China	Money laundering patterns that accountants should pay attention to, analysis of tax crime cases	3
		2024/11/20	National Federation of Accountants Societies of the Republic of China	Greenhouse Gas Inventory and Assurance Standard 3410 Practical Issues Sharing	3
Representative of the corporate director	Huang, Yung-Chang	2024/07/30	Taiwan Corporate Governance Association	How does the Board of Directors (Sustainability Committee) review the Sustainability Report?	3

- (3) Continuing education of managerial officers on corporate governance during the year :

Title	Name	Date of course	Organizer	Course title	Hours of continuing education :
General Manager	Chen, Chien-Choan	2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	2024 Annual Insider Trading Prevention Promotion Conference	3
		2024/11/22	Securities and Futures Market Development Foundation of the Republic of China	2024 Insider Equity Trading Legal Compliance Seminar	3
Special Assistant	Huang, Yung-Chang	2024/07/30	Taiwan Corporate Governance Association	How does the Board of Directors (Sustainability Committee) review the Sustainability Report?	3
CFO as corporate governance director	Kuo, Shun-YI	2024/6/18	Taiwan Stock Exchange	CDP SME Questionnaire Promotion Course 2014 Annual Insider Trading Prevention Promotion Conference	6
		2024/09/20	Securities and Futures Market Development Foundation of the Republic of China	Latest "Annual Report Preparation" related to ESG sustainability policies and laws and net zero carbon emissions on financial statements practical analysis	3
		2024/11/14	Accounting Research and Development Foundation	CDP SME Questionnaire Promotion Course	6

(4) Continuing education and training of employees during the year :

Item	Total attendees	Total hours	Total expense (NT\$)
Internal Audit Continuing Education Course	2	24	12,000
Continuing Education Course for Accounting Supervisors (including Agents) of Issuers, Securities Dealers and Stock Exchanges	2	24	16,000
Initial Audit Course	1	18	9,700
Practical analysis of company reporting salary withholding and pension allocation	1	6	3,200
ESG Sustainability Reporting System Workshop	1	6	3,810
2024 Annual Insider Trading Prevention Promotion Conference	1	3	0
2024 Annual Insider Equity Transaction Legal Compliance Promotion Conference	1	3	0
Internal major information processing and prevention of insider trading meeting (self-organized internal training)	35	70	0
Integrity management promotion meeting (self-organized internal training)	35	70	0

(5) Licenses obtained by the Company's personnel related to financial information transparency from competent authorities : None

(6) Employee Code of Conduct, its content and spirit : In order to establish a culture of ethical corporate management and improve the organizational development, under the business philosophy of integrity and transparency, all employees shall abide by the Company's systems, rules, and various provisions related to their duties.

For the development of the Company and the wellbeing of all employees, the employees of the Company should observe the following principles :

1. Comply with all the Company's regulations and work procedures, and have the obligation to faithfully observe the Company's dispatch, command, and supervision of superior managerial officers.
2. In terms of the confidential business and technical matters of each unit of the Company, regardless of whether the unit is in charge, it is obliged to strictly keep these confidential, and not disclose them externally.
3. It is not allowed to use the name of the Company to deceive people, compromise the name of the Company, or engage in business activities.
4. It is require to behave properly, help and cooperate with each other, and must not have any quarrel, instigation, or other behaviors disrupting order and hindering public benefits.
5. It is not allowed to concurrently operate or serve any business with the same nature as the Company's business, affecting the performance of the employment contract; except for those

- approved by the Audit Committee and Board of Directors.
6. The daily conduct shall be honest and integral, without debauchery, extravagance, gambling, visiting prostitutes, and other behaviors that may compromise the Company's reputation.
  7. Value and not waste all public properties.
  8. The performance of duties should be practical, without being afraid of difficulties, avoidance, or delaying without reasons.
  9. Attention should be paid to clothing and appearance to be neat and dignified.
  10. Pay attention to etiquette when engaging with people, and comply with ethics of the workplace for all behaviors.

(7) Stakeholders :

The Company maintains good and open communications with stakeholders including shareholders, employees, customers, suppliers, financial institutions and creditors, and manufacturers and residents around; discloses issues such as integrity, environmental protection and energy conservation, product features, product quality, supplier policy, and employee benefits in the Company's annual report and on the official website. In addition, the Company also has different professional communication channels for issues of concern to different stakeholders , so as to maintain good interaction with all stakeholders. Furthermore, the Company duly discloses information on the acquisition and disposal of assets, and endorsements/guarantees on the Market Observation Post System so that stakeholders can make informed judgments and protect their rights and interests.

1. Issues of concern to stakeholders :

Stakeholders	core value	Focus on issues	Communication channels and frequency
Emolpyee	Talent is the core of Tah Tong Group's most important enterprise. Only people can enable us to continue to grow. Letting colleagues work with peace of mind and maintaining enthusiasm for the company and industry is the basic policy of Tah Tong Group.	<ul style="list-style-type: none"> <li>➤ Labor policy and human rights protection</li> <li>➤ Workplace safety and health</li> <li>➤ Employee salary and welfare policies</li> </ul>	<ul style="list-style-type: none"> <li>✓ The company regularly holds labor-management discussions and establishes adequate communication channels.</li> <li>✓ Our company' s overseas factories have established trade union organizations to clearly reflect the needs of employees.</li> <li>✓ The company regularly conducts education, training and promotion to improve talent capabilities.</li> <li>✓ Communicate immediately through employee suggestion boxes, emails, phone calls, interviews, internal instant messaging platforms, etc. when necessary.</li> <li>✓ Conduct regular production and sales meetings.</li> </ul>
Brand owners and trading customers	Customers and brands are not only partners in business execution, but also strategic partners who grow and develop together. We hope to help each other grow and create a win-win situation.	<ul style="list-style-type: none"> <li>➤ Customer communication and complaints</li> <li>➤ Product quality and delivery time</li> <li>➤ Production efficiency</li> <li>➤ Human rights protection and sustainable environmental maintenance</li> <li>➤ Innovative products and technologies</li> </ul>	<ul style="list-style-type: none"> <li>✓ Communicate immediately via email, phone, physical meeting, or video conference when necessary.</li> <li>✓ Factory inspections and factory visits.</li> <li>✓ Participate in international exhibitions.</li> </ul>
Suppliers and third parties	Continuous innovation and growth require not only Tah Tong Group's own efforts and advancement, but also cooperation and communication with raw material suppliers and third-party manufacturers in order to drive the progress of the overall industry.	<ul style="list-style-type: none"> <li>➤ Product quality and production efficiency</li> <li>➤ Sustainable supply chain</li> <li>➤ Supplier communication and grievance management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Communicate immediately via email, phone, physical meeting, or video conference when necessary.</li> <li>✓ Factory inspections and factory visits.</li> <li>✓ Participate in international exhibitions.</li> </ul>
shareholders, investors, financial institutions, and creditors	Creating maximum profits through sound operations and stable growth is a corporate responsibility to shareholders and investors.	<ul style="list-style-type: none"> <li>➤ Business performance</li> <li>➤ Corporate governance</li> <li>➤ Compliance</li> </ul>	<ul style="list-style-type: none"> <li>✓ The regular shareholders' meeting is held before the end of May in each year..</li> <li>✓ Conduct regular briefing sessions for legal persons.</li> <li>✓ A total of 42 pieces of major news in Chinese and 39 pieces of major news in English were released in 2024.</li> </ul>

Stakeholders	core value	Focus on issues	Communication channels and frequency
			✓ A spokesperson system and a dedicated mailbox are set up to maintain smooth communication channels with shareholders and investors. ✓ Publish financial reports in Chinese and English every quarter.
Government and competent authorities	Tah Tong Group operates in compliance with regulatory requirements and maintains good relations with competent authorities to assist the government in promoting textile industry innovation and technology.	➢ Corporate governance ➢ Energy and Greenhouse Gas Management ➢ Workplace safety and health ➢ Tax governance	✓ The annual audit plan implementation status, education and training hours and personnel, and internal control statement are disclosed on the public information observatory. ✓ Announce and declare on the website in accordance with regulations. ✓ Communicate immediately via email, phone, physical meeting, or video conference when necessary.
community residents	Tah Tong Group upholds a transparent and honest business attitude, lives in harmony with community residents, and reduces the impact on the community environment.	➢ Energy and Greenhouse Gas Management ➢ Waste Management ➢ Water resources management	✓ Communicate via email, phone, etc. ✓ Visit communities and participate in community activities.

2. Regarding issues of concern to various stakeholders, the Company can obtain the required information through the Company's corporate briefings and the release of various information. The Company also assigns dedicated personnel to respond to individual inquiries.
3. The company has made a special report on issues of concern to stakeholders and their handling at the 14th meeting of the 33rd session of the Board of Directors on November 7, 2024.
4. Stakeholders may report in the following ways :
  - (1) Employee feedback and reporting on illegal incidents  
Tel. : +886-2-2752-2244  
Email : audit@tahtong.com.tw
  - (2) Customer feedback  
Tel : +886-2-2752-2244  
Email : sales@tahtong.com.tw
  - (3) Investor and other stakeholders  
Tel : +886-2-2752-2244  
Email : spokesperson@tahtong.com.tw

(IX) Matters to be disclosed for the implementation of the Company's internal control system :

- (1) Internal Control Statement :  
Please see : <https://mops.twse.com.tw/mops/#/web/t06sg20>  
【Market : Listed stocks】  
【Year : 2024】  
【Code : 1441】
- (2) Internal Control Auditor's Report : None.

(X) Important resolutions made at shareholders' meetings and meetings of the board of directors in the most recent year as of the date of this annual report

(1) Shareholders' meetings

Meeting year	Meeting date	Resolution	Resolutions and implementation
2024	May 27, 2024	1. Accept the 2023 annual business report and financial statements. 2. Acknowledge the 2023 loss appropriation case. 3. Approved the proposed private placement of ordinary shares.	1. Resolution passed 2. Resolved not to pay dividends 3. The resolution was passed and the private placement of common shares and related announcements were completed in June 2024. The unissued portion was terminated by the board of directors in March 2025.

(2) Board of directors



Term of the meeting	Meeting date	Key matters to be resolved	Opinions of independent directors	The Company's response to the opinions of independent directors	Independent Director Participants
33th Board 06th Meeting	2024/01/26	<ol style="list-style-type: none"> <li>The remuneration payment case for directors and independent directors in 2023.</li> <li>Year-end bonus payment case for managers in 2023.</li> <li>Director's remuneration adjustment case for the chairman of the company.</li> <li>The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended the financing line to INDOVINA BANK LTD. Shiyue Bank Dong Nai Branch and provided an endorsement guarantee case to the company.</li> <li>The company plans to provide a USD 1 million loan to its subsidiary Tah Tong (Vietnam) Textile Co., Ltd.</li> <li>The company's 2024-year operation plan.</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 07th Meeting	2024/03/08	<ol style="list-style-type: none"> <li>The company's 2023 "Internal Control System Statement" case.</li> <li>The company's 2023-year business report and financial statements.</li> <li>The company's 2023 loss appropriation proposal.</li> <li>Regularly evaluate the independence of the company's certified accountants.</li> <li>Authorize the chairman of the company to approve the endorsement and guarantee within the company's "Endorsement and Guarantee Operating Procedures" specifications, and conduct a ratification case at the latest board meeting.</li> <li>The company plans to handle a private placement of common shares.</li> <li>The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. renewed its financing line with Dong Nai Branch of Shanghai Commercial Bank and provided an endorsement guarantee case to the company.</li> <li>The subsidiary GLOUCESTER CO., LTD. applied to ROBINA VENTURES INCORPORATION for a short-term financing amount of US\$1.2 million and the company provided an endorsement guarantee.</li> <li>The subsidiary GLOUCESTER CO., LTD. plans to provide a USD 1 million loan to Tah Tong (Vietnam) Textile Co., Ltd., a reinvestment company indirectly held 100% by the company.</li> <li>Appointment of the company's financial officer.</li> <li>Accept matters related to shareholder proposals.</li> <li>Determine the date, location, method and reasons for convening the 2024 Annual General Meeting of Shareholders and other related matters.</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 08th Meeting	2024/03/19	<ol style="list-style-type: none"> <li>The Company plans to redeem some private placement corporate bonds in advance.</li> <li>2024 private placement common stock prices and other related matters.</li> <li>A loan of USD 1 million to the subsidiary Tah Tong (Vietnam) Textile Co., Ltd.</li> <li>Appointment of audit supervisor.</li> <li>Added a new list of applicants for the private placement of ordinary shares that the company plans to handle.</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Chien-Ping Lin, Zheng-Yi
33th Board 09th Meeting	2024/04/09	<ol style="list-style-type: none"> <li>Added stipulations on the reasons for convening of 2024 shareholder meeting and other related matters</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 10th Meeting	2024/05/08	<ol style="list-style-type: none"> <li>The company's consolidated financial statements for the first quarter of 2024 and the draft report reviewed by accountants</li> <li>Subsidiary Tah Tong (Vietnam) Textile Co., Ltd. renewed</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon

Term of the meeting	Meeting date	Key matters to be resolved	Opinions of independent directors	The Company's response to the opinions of independent directors	Independent Director Participants
		<p>the financing line and ratified the company's endorsement guarantee from Mega International Commercial Bank Ho Chi Minh Branch</p> <p>3. Revision of the Company's "Code of Practice for Governance of Listed Over-the-Counter Companies"</p> <p>4. Revision of the Company's "Internal Material Information Processing and Insider Trading Prevention Management Operating Procedures"</p> <p>5. Revision of the Company's "Operating Procedures for Fund Loans to Others"</p> <p>6. Amendment to the Company's "Endorsement and Guarantee Operating Procedures"</p> <p>7. Revision of the "Operating Procedures for Fund Loans to Others" and "Operating Procedures for Endorsement and Guarantee" of GLOUCESTER CO., LTD, a company 100% invested by the company</p> <p>8. Revised the "Operating Procedures for Fund Loans to Others" and "Operating Procedures for Endorsement Guarantee" of the company's 100% indirect investment company DAYSTAR LIMITED</p> <p>9. Revision of the "Operating Procedures for Fund Loans to Others" of the company's 100% indirect investment company ROSEGATE HOLDING CORP.</p> <p>10. Case of fund loan and USD 1 million quota to subsidiary Tah Tong (Vietnam) Textile Co., Ltd.</p> <p>11. The company's 100% reinvestment company GLOUCESTER CO., LTD plans to increase the capital of USD 2.5 million in its 100% subsidiary "Bai Ling Trading (Shanghai) Co., Ltd." through a third place reinvestment company.</p> <p>12. The company's 100% reinvestment company GLOUCESTER CO., LTD plans to increase the capital of USD 1.3 million in its 100% subsidiary "Tah Tong (Vietnam) Textile Co., Ltd." through a third place reinvestment company</p> <p>13. Apply for renewal of financing line from Changhua Commercial Bank</p>			Lin, Chien-Ping Lin, Zheng-Yi
33th Board 11th Meeting	2024/06/19	<p>1. The company plans to redeem some private placement corporate bonds in advance</p> <p>2. Determine the price of the company's second private placement of common shares in 2024 and other related matters</p> <p>3. Amendment to the Company's "Organizational Rules of the Audit Committee"</p> <p>4. Proposal to amend the Company's "Board of Directors Procedures"</p> <p>5. Apply to the International Bill Finance Corporation for the renewal of commercial promissory note quota</p>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 12th Meeting	2024/08/02	<p>1. The company's consolidated financial statements for the second quarter of 2024 and the draft report reviewed by accountants</p> <p>2. Through a third place reinvestment company, we handled a capital increase of USD 16 million for our 100% subsidiary "Tah Tong (Vietnam) Textile Co., Ltd."</p> <p>3. ROSEGATE HOLDING CORP, a subsidiary 100% owned by the company, plans to provide USD 16 million in capital loans to Tah Tong (Vietnam) Textile Co., Ltd., a directly 100% reinvested company it directly holds.</p> <p>4. Fund loan and NT\$14.7 million line to subsidiary InnoPeak Advanced Materials Co., Ltd.</p> <p>5. Apply for financing line renewal from Taishin Commercial Bank</p> <p>6. Apply for financing line renewal from Taichung Commercial Bank</p>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi

Term of the meeting	Meeting date	Key matters to be resolved	Opinions of independent directors	The Company's response to the opinions of independent directors	Independent Director Participants
33th Board 13th Meeting	2024/08/30	<ol style="list-style-type: none"> <li>1. Cancellation of the USD 16 million loan quota proposed by ROSEGATE HOLDING CORP, a subsidiary owned 100% of the company, by Tah Tong (Vietnam) Textile Co., Ltd., a company directly 100% held by it to reinvest in it.</li> <li>2. Formulate the company's sustainable information internal control system plan</li> <li>3. Formulate the company's code of practice for sustainable development</li> <li>4. Apply for financial product transaction quota from Mega Commercial Bank Central Taichung Branch</li> <li>5. Apply for financing line renewal and adjustment case from Taishin Commercial Bank</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 14th Meeting	2024/11/07	<ol style="list-style-type: none"> <li>1. The company's consolidated financial statements for the third quarter of 2024 and the draft report reviewed by accountants</li> <li>2. The Company's 2025 "Internal Audit Operation Review Plan" Case</li> <li>3. 2025 Accountant Audit Fee Case</li> <li>4. Developed the company's "Sustainable Information Management Operational Measures"</li> <li>5. Developed the company's "Operational Procedures for the Preparation and Confirmation of Sustainability Reports"</li> <li>6. Revision of the Company's "Internal Control System Handling Standards"</li> <li>7. Formulation of the "Organizational Rules of the Sustainability Development Committee" of the company</li> <li>8. The company established a dedicated information security unit and appointed the chief information security officer</li> <li>9. Apply for financing line renewal from Far East International Commercial Bank</li> <li>10. Apply for a financing line from Taipei Star Bank</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 15th Meeting	2024/01/16	<ol style="list-style-type: none"> <li>1. The remuneration payment case for directors and independent directors in 2024.</li> <li>2. Year-end bonus payment case for managers in 2024.</li> <li>3. The subsidiary Tah Tong (Vietnam) Textile Co., Ltd. extended the financing line to INDOVINA BANK LTD. Shiyue Bank Dong Nai Branch and provided an endorsement guarantee case to the company.</li> <li>4. The Company intends to lend USD 1 million to its subsidiary Tah Tong (Vietnam) Textile Co., Ltd.</li> <li>5. Proposal on Amendment to the Company's Articles of Association.</li> <li>6. Disposal of the Company's investment in Korea Textile &amp; Dyeing Services Joint Stock Company.</li> <li>7. Disposal of the shares of Dingchuangke Materials Co., Ltd. held by the Company to its related party Jianyi Investment Co., Ltd.</li> <li>8. Participated in the capital increase case of Dazhong Printing and Dyeing Co., Ltd.</li> <li>9. Apply for financing quota from Taipei Star Bank.</li> <li>10. The company's 2025-year operation plan.</li> <li>11. Adjust the company's employee welfare plan</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi
33th Board 16th Meeting	2024/03/10	<ol style="list-style-type: none"> <li>1. The company's 2024 "Internal Control System Statement".</li> <li>2. The company's 2024 annual business report and financial statements.</li> <li>3. Proposed profit distribution proposal for the company in 2024.</li> <li>4. Regularly evaluate the independence of the company's certifying accountants.</li> <li>5. Authorize the Chairman of the Board of Directors to review and approve endorsements within the scope of the Company's "Endorsement and Guarantee Operating Procedures" and ratify the approval at the most recent Board of Directors meeting.</li> <li>6. Revise the company's "Fund Lending Procedures".</li> </ol>	Passed without objection	Implemented and completed as per the proposal	Sun, Chin-Feng Lin, Win-Jon Lin, Chien-Ping Lin, Zheng-Yi

Term of the meeting	Meeting date	Key matters to be resolved	Opinions of independent directors	The Company's response to the opinions of independent directors	Independent Director Participants
		7. Revise the Company's "Procedures for Acquisition or Disposal of Assets". 8. The private placement resolution passed by the shareholders' meeting of our company on May 27, 2024 will expire but has not been completed. 9. The Company intends to conduct a private placement of common stock. 10. The subsidiary Dadong (Vietnam) Textile Co., Ltd. has renewed its financing line from Shanghai Commercial Bank Dong Nai Branch and provided endorsement guarantee to the Company. 11. Establishment of the Company's Sustainable Development Committee and appointment of Sustainable Development Committee members. 12. Handle matters related to shareholder proposals. 13. To determine the date, location, method and reasons for convening the 2025 Annual General Meeting of Shareholders and other related matters. 14. Apply for financing from Mega International Commercial Bank. 15. Apply for a financing line from SinoPac Bank.			

(XI) Any dissents of any directors, independent directors or supervisors to important resolutions passed by the board of directors in the current year and as of the date of the annual report, as recorded or documented, to the effect that : None.

IV. Information on Audit Fees :

- (I) Where non-audit fees paid to CPAs, the CPA firm at which the CPAs work, and the CPA firm's affiliates accounted for 25% or more of the audit fees : None.
- (II) Replacement of the CPA firm and payment of less audit fees for the year of replacement than for the prior year : None.
- (III) Audit fees reduced by 15% from the previous year : None.

Information on CPA (External Auditor) Professional Fees

Unit : NT\$ thousand

Name of accounting firm	Names of CPAs	Period covered by the CPA audit	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Lin, Ya-Hui Lin, Yung-Chih	January 1 to December 31, 2024	3,200	500	3,700	

V. Information on CPA replacement : Not applicable

VI. Any of the Company's chairman, president, CFO or CAO who served the CPA firm or its affiliates in the most recent year : None.

VII. Any transfer or pledge of shares by any director, supervisor, managerial officer, and shareholder holding more than 10% of the Company's shares in the most recent year and as of the date of the annual report. Where the counterparty in any such transfer or pledge of shares is a related party, the name of the counterparty, the relationship with the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares, and the number of shares acquired or pledged shall be disclosed. :

- (I) Changes in shareholdings  
Please see : <https://mops.twse.com.tw/mops/#/web/home>
- (II) The counterparty of transfer or pledge is a related party : None.

VIII. Disclosure of relationships between the top ten shareholders including spouses and second degree relatives or closer :

As of March 30, 2025

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relationships between the top 10 shareholders if anyone is a related party, a spouse, or a second-degree or closer relative of another and their names		Remarks
	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	Name	Relationship	
EVER GLORY INVESTMENT COM, LTD. Representative : Yen, Li-Rong	17,388,482	24.24%	0	0%	0	0%	Chien Yi Investment Limited	The chairmen of both companies are a second-degree or closer relative of each other	-
							Great Bell Printing & Dyeing Co., Ltd.	The chairmen of both companies are a second-degree or closer relative of each other	-
							Hanbo Livestock and Farming Product Co., Ltd.	The chairmen of both companies are a second-degree or closer relative of each other	-
							Chen, Shiou-Chung	The spouse of the chairperson of the Company	-
							Chen, Chien-Choan	Second-degree or closer relative of the Chairman of that company	-
							Chen, Chien-Ming	Second-degree or closer relative of the Chairman of that company	-
Chen, Chien-Choan	3,887,782	5.42%	0	0%	0	0%	EVER GLORY INVESTMENT COM, LTD.	Second-degree or closer relative of the Chairman	-
							Chien Yi Investment Limited	Second-degree or closer relative of the Chairman	-
							Chen, Shiou-Chung	Second-degree or closer relative	-
							Chen, Chien-Ming	Second-degree or closer relative	
Chien Yi Investment Limited Representative : Deng, Chu-Jen	3,531,195	4.92%	0	0%	0	0%	EVER GLORY INVESTMENT COM, LTD.	The chairmen of both companies are a second-degree or closer relative of each other	
							Chen, Shiou-Chung	Second-degree or closer relative of the Chairman	
							Chen, Chien-Choan	Second-degree or closer relative of the Chairman	
							Chen, Chien-Min	Spouse of the chairman of the company	
KINGTEX CORPORATION Representative : Chang, Ya-Hui	2,957,195	4.26%	0	0%	0	0%	-	-	
Chen, Shiou-Chung	2,763,934	3.85%	1,310,687	1.83%	0	0%	EVER GLORY INVESTMENT COM, LTD.	Spouse of the chairman of the company	
							Chen, Chien-Choan	Second-degree or closer relative	
							Chen, Chien-Ming	Second-degree or closer relative	

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relationships between the top 10 shareholders if anyone is a related party, a spouse, or a second-degree or closer relative of another and their names		Remarks
	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	No. of shares	Share-holding ratio	Name	Relationship	
							Chien Yi Investment Limited	The chairmen of both companies are a second-degree or closer relative of each other	
							Great Bell Printing & Dyeing Co., Ltd.	The chairmen of both companies are a second-degree or closer relative of each other	
							Hanbo Livestock and Farming Product Co., Ltd.	The chairmen of both companies are a second-degree or closer relative of each other	
							EVER GLORY INVESTMENT COM, LTD.	Second-degree or closer relative of the Chairman	
Chen, Chien-Min	2,662,334	3.71%	347,209	0.48%	0	0%	Chien Yi Investment Limited	Spouse of the chairman of the company	
							Chen, Shiou-Chung	Second-degree or closer relative	
							Chen, Chien-Choan	Second-degree or closer relative	
Hanbo Livestock and Farming Product Co., Ltd. Representative : Chen, Hsiu-Hsiung	2,060,850	2.87%	0	0%	0	0%	Chen, Shiou-Chung	Second-degree or closer relative of the Chairman	
							EVER GLORY INVESTMENT COM, LTD.	The chairmen of both companies are a second-degree or closer relative of each other	
							Great Bell Printing & Dyeing Co., Ltd.	The chairmen are the same person	
Great Bell Printing & Dyeing Co., Ltd. Representative : Chen, Hsiu-Hsiung	1,771,552	2.47%	0	0%	0	0%	Chen, Shiou-Chung	Second-degree or closer relative of the chairman	
							EVER GLORY INVESTMENT COM, LTD.	The chairmen of both companies are a SECOND-DEGREE or closer relative of each other	
							Hanbo Livestock and Farming Product Co., Ltd.	The chairmen are the same person	
FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION Representative : Huang, Yung-Chang	1,724,669	2.40%	0	0%	0	0%	-	-	
Wu Ru-Yu	1,667,572	2.32%	0	0%	0	0%			

IX. The number of shares held by the Company, its directors, supervisors, managerial officers, and entities directly or indirectly controlled by the Company in an investee and the consolidated shareholding ratio :

As of December 31, 2024

Reinvestee	Invested by the Company		Investment by directors, supervisors, managerial officers, or any companies controlled either directly or indirectly by the Company		Total investment	
	No. of shares (shares)	Shareholding (%)	No. of shares (shares)	Shareholding (%)	No. of shares	Shareholding (%)
Great Bell Printing & Dyeing Co., Ltd.	1,918,290	19.18	803,421	8.03	2,721,711	27.22
GLOUCESTER CO., LTD.	67,455,000	100.00	-	-	67,455,000	100.00
InnoPeak Advanced Materials Co., Ltd.	6,000,000	36.09	-	-	6,000,000	36.09
DAYSTAR LIMITED	-	-	3,000,000	100.00	3,000,000	100.00
ROSEGATE HOLDING CORP.	-	-	59,000,000	100.00	59,000,000	100.00
TAH TONG TEXTILE (VIETNAM) CO., LTD.	-	-	59,000,000	100.00	59,000,000	100.00
eNova TEXTILES LTD.	-	-	-	100.00	-	100.00
KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY(Note2)	-	-	9,696,215	52.14	9,696,215	52.14

Note 1 : It is a long-term investment made by the Company using the equity method.

Note 2 : The Company has signed an equity transaction agreement with KAM FUNG (HONG KONG) GARMENT COMPANY LIMITED on January 27, 2015, and the transaction has been completed as of the date of publication of the annual report.

# Three. Fundraising

## I. Capital and Shares

### (I) Sources of capital :

#### (1) Formation of share capital

Month/Year	Issued price (NT\$)	Authorized share capital		Paid-in capital		Remarks		
		No. of shares (shares)	Amount (NT\$)	No. of shares (shares)	Amount (NT\$)	Sources of capital	Capital paid in by assets other than cash	Others
1988 10	10	98,280,000	982,800,000	98,280,000	982,800,000	Earnings and capital reserve	None	(77)Tai-Cai-Zeng-(I) No. 08908
1989 08	10	112,000,000	1,120,000,000	112,000,000	1,120,000,000	Cash capital increase	None	(78)Tai-Cai-Zeng-(I) No. 01510
1990 03	10	134,400,000	1,344,000,000	134,400,000	1,344,000,000	Capitalization of earnings to increase the capital	None	(79)Tai-Cai-Zeng-(I) No. 00177
1990 08	10	161,280,000	1,612,800,000	161,280,000	1,612,800,000	Earnings and capital reserve	None	(79)Tai-Cai-Zeng-(I) No. 01407
1991 05	10	172,569,600	1,725,696,000	172,569,600	1,725,696,000	Earnings and capital reserve	None	(80)Tai-Cai-Zeng-(I) No. 02564
1991 07	10	162,500,600	1,625,006,000	162,500,600	1,625,006,000	Buyback of treasury shares for cancellation	None	Jin-(90)-Shang-Zhi No.09001094360
1993 12	10	162,500,600	1,625,006,000	107,900,398	1,079,003,980	Capital decrease	None	Jing-Shou-Shang-Zhi No.09201345300
1999 06	10	162,500,600	1,625,006,000	67,900,398	679,003,980	Capital decrease	None	Jing-Shou-Shang-Zhi No. 09801147530
1999 10	10	162,500,600	1,625,006,000	73,560,398	735,603,980	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 09801249700
1999 11	10	162,500,600	1,625,006,000	78,900,398	789,003,980	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 09801266830
2000 06	10	162,500,600	1,625,006,000	80,800,000	808,000,000	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 09901119520
2000 08	10	162,500,600	1,625,006,000	65,800,000	658,000,000	Capital decrease	None	Jing-Shou-Shang-Zhi No. 09901187400
2011 10	10	162,500,600	1,625,006,000	85,800,000	858,000,000	Cash capital increase	None	Jing-Shou-Shang-Zhi No. 10001246640
2012 09	10	162,500,600	1,625,006,000	89,992,300	899,923,000	Capital reserve	None	Jing-Shou-Shang-Zhi No. 10101186440
2013 08	10	162,500,600	1,625,006,000	91,753,066	917,530,660	Earnings and capital reserve	None	Jing-Shou-Shang-Zhi No.10201172270
2015 02	10	162,500,600	1,625,006,000	89,799,066	897,990,660	Cancellation of treasury shares	None	Jing-Shou-Shang-Zhi No.10401021230
2017 03	10	162,500,600	1,625,006,000	62,112,408	621,124,080	Capital decrease	None	Jing-Shou-Shang-Zhi No.10601034180
2017 08	10	162,500,600	1,625,006,000	68,112,408	681,124,080	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No.10601127280
2017 11	10	162,500,600	1,625,006,000	72,112,408	721,124,080	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 10601164810
2018 01	10	162,500,600	1,625,006,000	78,112,408	781,124,080	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No.10701016840
2019 09	10	162,500,600	1,625,006,000	100,800,000	1,008,000,000	Capitalization of earnings to increase the capital	None	Jing-Shou-Shang-Zhi No.10801127590
2022 09	10	162,500,600	1,625,006,000	113,900,000	1,139,000,000	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No.11101192840
2023 06	10	162,500,600	1,625,006,000	63,295,225	632,952,250	Capital decrease	None	Jing-Shou-Shang-Zhi No. 11230125920
2024 03	10	162,500,600	1,625,006,000	69,382,182	693,821,820	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 11330055750
2024 06	10	162,500,600	1,625,006,000	71,744,387	717,443,870	Cash capital increase (private placement)	None	Jing-Shou-Shang-Zhi No. 11330123410



## (2) Types of issued shares

Share type	Authorized share capital			Remarks
	Number of outstanding shares	Unissued shares	Total	
Ordinary shares	71,744,387 shares	90,756,213 shares	162,500,600 shares	Private placement : 28,024,542 shares

## (II) List of major shareholders :

March 30, 2025

Names of major shareholders	Shares	Shareholding increase	Shareholding percentage
EVER GLORY INVESTMENT COM, LTD.		17,388,482	24.24%
Chen, Chien-Choan		3,887,782	5.42%
Chien Yi Investment Limited.		3,531,195	4.92%
KINGTEX CORPORATION		2,957,195	4.12%
Chen, Shiou-Chung		2,763,934	3.85%
Chen, Chien-Min		2,662,334	3.71%
Hanbo Livestock and Farming Product Co., Ltd.		2,060,850	2.87%
Great Bell Printing & Dyeing Co., Ltd.		1,771,552	2.47%
FOUNDATION TAICHUNG CITY PRIVATE EVER GLORY EDUCATION FOUNDATION.		1,724,669	2.40%
Wu Ru-Yu		1,667,572	2.32%

## (III) Dividend policy and implementation :

## (1) Dividend policy of the Company :

The Company shall, before deducting the remunerations distributed to the employees and directors/supervisors, and reserving the amount to offset the cumulative loss from the profit before tax of the year, distribute the remaining balance as the remuneration to employees at a rate of not less than 3% and no more than 15%, and the remuneration to directors/supervisors at a rate of not more than 3% of such balance. The remunerations distributed to the employees and directors/supervisors shall be resolved by a majority vote at a board meeting attended by two-thirds of the total number of directors, and reported to the shareholders' meeting. The remunerations to the employees may be distributed in cash or shares, and the employees of subsidiaries meeting certain specific requirements are entitled to receive the employee remunerations.

If there is any surplus in the Company's earnings as concluded by the annual accounting book close, after paying tax and making up for accumulated losses, 10% shall be set aside as legal reserve, except when the legal reserve has reached the Company's paid-in capital. The special reserves shall be set aside or reversed pursuant to the laws or competent authorities' requirements; if there is any remaining balance, with the undistributed earnings in previous years it shall be set aside as the cumulative distributable earnings. After considering the Company's future funding and budget plans, and measuring the fund requirements in the coming years, the retained earnings will be used to fund; if there is any balance, the shareholders' meeting may resolve to distribute the shareholders' bonus. The percentage of cash dividends being no less than 10% of the total dividend; provided, where the cash dividend is lower than NT\$0.2, dividends may be distributed in share dividends.

- (2) Dividends proposed to be distributed in the shareholders' meeting : The Company has resolved in the board meeting on March 10, 2025 not to distribute the dividends.

## (IV) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share

## (V) Employee remuneration and directors' and supervisors' remuneration :

- (1) The percentages or ranges with respect to employee, director, and supervisor remunerations, as set forth in the company's articles of incorporation : The Company shall, before deducting the remunerations distributed to the employees and directors/supervisors, and reserving the amount to offset the retained cumulative loss from the profit before tax of the year, distribute the remaining

balance as the remuneration to employees at a rate of not less than 3% and no more than 15%, and the remuneration to directors/supervisors at a rate of not more than 3% of such balance.

Remuneration to directors and supervisors is distributed according to the appropriate percentage of allocable earnings allocated for each year by the Company's Articles of Incorporation and resolutions of the shareholders' meetings and in consideration of the annual contribution ratio of each director. For employee compensation, see [Five. Business Overview/V. Labor Relations(5) Salary Policy] herein.

- (2) Basis for estimation of employee compensation and remuneration to directors and supervisors in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount :

1. No remuneration to employees and directors distributed at the shareholders' meeting.
2. If the actual amount distributed is different from the estimated amount, it will be adjusted according to IFRSs.

- (3) Distribution of remuneration approved by the board of directors : Any discrepancy between the amount of remuneration distributed in cash or stock to employees, directors, and supervisors and the estimated amount recognized for the year, the cause of such discrepancy, and solution to such discrepancy shall be disclosed :

1. On March 10, 2025, the company's board of directors decided to distribute the annual earnings. Due to the accumulated losses that have not been made up, it is not planned to pay the remuneration to employees, directors and supervisors.
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 : Not applicable as stated above.

- (4) Actual distribution of remuneration to employees, directors, and supervisors in 2023 : Not applicable as stated above.

- (VI) Repurchase of the Company's shares in the most recent year and as of the date of the annual report : None.

II. Issuance of corporate bonds, preference shares, depository receipts, employee stock warrants, or new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies :

- (I) Issuance of corporate bonds : None

- (II) Convertible corporate bonds : None.

- (III) Exchangeable corporate bonds : None.

- (IV) Issuance of corporate bonds under shelf registration : None.

- (V) Corporate bonds with warrants : None.

- (VI) Issuance of preference shares : None.

- (VII) Issuance of depository receipts : None.

- (VIII) Issuance of employee stock warrants : None.

- (IX) Issuance of restricted stock awards : None.

- (X) M&As (including mergers, acquisitions, and divisions), or transfer of new shares to other companies : None.

III. Implementation of the fund application plan :

Please See : <https://mopsov.twse.com.tw/mops/web/t116sb01>

## Four. Business Overview :

### I. Description of Business :

#### (I) Scope of business :

##### (1) Major business activities :

1. C301010 Spinning of Yarn
2. C302010 Weaving of Textiles
3. C305010 Printing, Dyeing and Finishing.
4. C306010 Wearing Apparel
5. C399990 Other Textile and Products Manufacturing
6. C801120 Manufacture of Man-made Fibers
7. F104110 Wholesale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
8. F113010 Wholesale of Machinery
9. F113020 Wholesale of Electrical Appliances
10. F113050 Wholesale of Computers and Clerical Machinery Equipment
11. F118010 Wholesale of Computer Software
12. F204110 Retail Sale of Cloths, Garments, Shoes, Hats, Umbrellas and Clothing Accessories
13. F213010 Retail Sale of Electrical Appliances
14. F213030 Retail Sale of Computers and Clerical Machinery Equipment
15. F213080 Retail Sale of Machinery and Tools
16. F218010 Retail Sale of Computer Software
17. F401010 International Trade
18. H701010 Housing and Building Development and Rental
19. Immovable property leasing
20. All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

##### (2) Proportion :

Unit : NT\$ thousand

Item \ Year	2023		2024	
	Total operating revenue (NT\$ thousand)	Operation weight (%)	Total operating revenue (NT\$ thousand)	Operation weight (%)
Yarn	646,727	55.86	518,419	31.88
Fabric	511,026	44.14	1,107,560	68.12
Total	1,157,753	100.00	1,625,979	100.00

##### (3) Current products :

Yarns : pure-cotton yarns, rayon yarns, various functional blended yarns, core-spun yarns, and slub yarns

Finished fabrics : woven fabrics, knitted fabrics and various functional fabrics, among other things.

##### (4) New products planned for development

The new products developed with the new materials in the staple fiber field will be developed in cooperation with Japan's New Functional Fibers and eco-friendly yarn according to the needs of specific downstream customers. New materials in the field of long fibers : the new products planned to be developed this year will integrating the variable processed fabrics, seeking to bring benefits in the future.

Due to the abnormal climate around the world and the lower consumption power against the backdrop of economic slowdown, the R&D of finished fabrics will be shifted to the functional yarns and changed organization from the current specs of high count of yarns and high density, to develop the market of the garments made with functional fabrics, and to integrate the fabrics with various process via the new materials in the long fiber area :

1. Various long-fiber, high-performance, waterproof, and moisture-permeable fabrics, including two categories, namely coating and lamination; the major claims are the high-functional outdoor coats or windbreakers, while adding camouflage printing to promote hunting clothing.
2. Due to the global warming, clothing tends to be light, thin, short, and small. The Company will develop a series of ultra-lightweight fabrics based on this trend, to be applied in windbreakers, tops, and T-shirts.

3. In the field of knitted fabrics, Japan's new functional fibers are used to develop functional yarn and fabrics. The use of chemicals is also in line with the global environmental protection and carbon reduction plan. The chemicals that meet environmental protection requirements are selected and certified.
4. Cooperate with well-known yoga clothing brands to customize and produce high-quality Tencel series products that emphasize softness, comfort and convenience of wearing. Meanwhile, products have been expanded to knitting and woven fabrics.

(II) Overview of the industry :

The Group's main business scope include two major categories, namely yarn spinning and fabrics, and conducts OEM/ODM product design, R&D, manufacturing, sales and trading. The Yarn Business Division supplies general yarn products with price advantage and stable quality and differentiated products with high added values to domestic and foreign customers; the main customers of fabric products are world-renowned fashion and sports brands, and the products include cotton-based popular garment materials, and new synthetic fabrics emphasizing functional performance. In 2018, the Group strived more toward the horizontal integration and investment in dyeing and finishing plants in Vietnam. The Group is a textile group with complete spinning production, fabric design and development, and dyeing and finishing capabilities. The following is an explanation of the current situation of the global textile industry and textile industry in Taiwan.

(1) Current status of the industry

1. Global textile industry

The textile industry involves the sections from fiber, spinning, weaving, dyeing and finishing to final products. The liberalization of textile trade in 2005 resulted in a shift of production locations to emerging low-cost countries, such as China, India, Vietnam, Bangladesh, and Pakistan, and textile and garment trade grew faster than in the era of quota restrictions. The main factors affecting the global textile industry are described below :

- 1) Multiple geopolitical conflicts have led to tensions in local areas, soaring uncertainty and insecurity, affecting global shipping, resulting in increased transportation costs for raw materials and longer stocking periods, impacting the operating schedule and costs of the industry, and affecting overall market development.
- 2) Although the inflationary pressure in the international economy has gradually slowed down, it is still in an economic environment with high interest rates. The uncertainty about the future is still worrying, and consumer confidence is insufficient, which has caused consumption crowding out and led to the shrinkage of the end market. .
- 3) The elimination of customer inventories is nearing completion and driven by demand during the Olympic year, it is expected to help the textile industry gradually recover from the bottom, strengthen the market growth push, and contribute to the recovery and recovery of the industry.
- 4) Major brands in the global textile industry are gradually subverting the previous business model on the issue of environmental protection and sustainability. They not only seek to use recyclable and renewable materials, but also begin to try environmental protection and sustainability as the main brand management model. Environmental protection and sustainability is a major concern not only for brand owners, but also for manufacturers in receiving production orders in the future. In terms of the textile industry, according to a study on pollution presented by TAIEX, more than 90% of clothing pollutant emissions come from four activities in the manufacturing process : dyeing and finishing, fabric preparation, yarn preparation, and fiber production. However, the current digitization of manufacturing has demonstrated the emphasis on sustainability and the long-term goal of reducing pollution during the processing of textiles and clothing. For example, new digital and automated laser and ozone technologies are helping to reduce the use of water, chemicals, and energy in the dyeing and finishing process. In other respects, the development of turbine technology that can evaporate the wastewater and sludge from dyeing and finishing is in progress to replace chemical solution treatment or chemical discharge. In addition, low-energy automation has proven to be an essential investment for companies that make sustainability their top priority. Although these technologies still cannot be practically used in the production process in the short term, they show that the R&D of Industry 4.0 is gradually moving towards sustainable production, which is crucial for the realization of circular manufacturing in the future.

## 2. Textile industry in Taiwan

In 2024, the total production value of the textile industry decreased from NT\$247,582 million in 2023 to NT\$261,224 million, with an annual decline rate of 5.51%. Based on the statistical data of international trading from Taiwan's customs, in terms of textile trade in 2024, the total value of Taiwanese textile exports from January to December 2024 was USD 7.02 billion, increase 6.0% from 2023; the total import value was USD 4.69 billion, increase 21.8% from 2023.

Table of foreign exchange creation and production value of textile industry in Taiwan

Year	Export value (USD million)	Import amount (USD million)	Foreign exchange earning (USD million)	Production value (NT\$ million)
2024	70.3	46.9	23.4	261,224
2023	66.3	36.5	29.8	247,582
2022	88.5	39.4	49.1	356,708
2020	90.3	38.5	51.8	358,736
2019	75.4	33.7	41.7	299,552

Source : Taiwan Textile Research Institute , Statistics Department, MOEA, and Customs Import and Export Trade Statistics

### 1) Analysis of main export items

Fabrics are still the bulk of Taiwan's textile exports, with an export value reaching US\$47.77 billion, accounting for 70.92% of the total export value, with a decline of 1.83% compared to the same period last year; the export volume was 496,300 tons, a decrease of 2.02%, and the unit export price increased by 3.94%.

Analysis of Taiwan's major textile products exported

Item	Export value (US\$100 million)	Proportion %	Comparison over the same period %	Export volume (10,000 tonnes)	Comparison over the same period %	Unit Price (USD/kg)	Comparison over the same period %
1 Fiber	3.39	5.04	(12.38)	25.63	(15.22)	1.32	3.36
2 Yarn	9.12	13.54	4.66	29.92	3.69	3.05	0.94
3 Fabric	47.77	70.92	1.83	49.63	(2.02)	9.62	3.94
4 Garments and accessories	3.48	5.16	3.36	1.36	(3.98)	25.62	7.65
5 Miscellaneous textiles	3.59	5.34	3.12	6.09	(2.29)	5.90	5.54
Total	67.35	100.00	1.52	112.63	(4.06)	5.98	5.80

Source : Website of National Textile and Apparel Institute

### 2) Analysis of major export markets

Based on the analysis of export destinations, the largest export market of Taiwan's textiles in 2024 was Vietnam, with an export value of USD1.89 billion, accounting for 28.12% of the textile export value, a YOY increase of 9.40% ; which is followed by mainland China, the United States, Indonesia and Cambodia. The sum of these areas is accounted for 61.12% of exports.

Analysis of major export markets for Taiwan's textile products

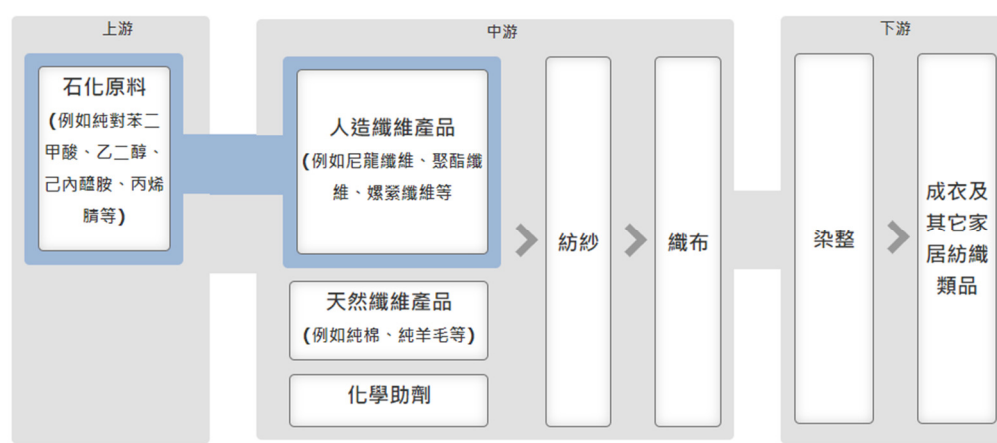
	Export value (US\$100 million)	Export proportion (%)	Comparison over the same period%
Vietnam	18.94	28.12	9.40
Mainland China	8.76	13.01	-5.30
North America	6.10	9.06	3.60
Indonesia	4.41	6.55	7.80
Cambodia	2.95	4.38	1.00
Europe	26.19	38.89	11.10
Others	18.94	28.12	9.40

Source : Website of National Textile and Apparel Institute

## 3. The relations between the up-, mid-, and downstream industries

The upstream of the textile industry chain is petrochemical raw materials, which are manufactured into nylon fiber, polyester fiber, rayon fiber, carbon fiber and other synthetic

fiber products, being spun into yarns, being woven into fabrics, and then going through the dyeing and finishing procedures including bleached, dyed, printed, coated, finished, being tailoring into ready-to-wear products or other related textile products. The textile manufacturing process may be divided into four major stages : fiber, textile, dyeing, and ready-to-wear/home textiles. Among them, textile may be further divided into two steps : spinning and weaving : spinning is converted from roving to spun yarns; once yarns are sent to the plant, the yarns are inserted into the operating axis of the weaving machine, and the weaving machine pulls the yarn upwards and sends it to the weaving machine; the next step is the weaving step, at this stage, the shuttles in the weaving machine go back and forth without stopping, and finally weave the yarns into a piece of fabric. The fabrics (including cotton, wool, synthetic fiber) may be sent to downstream vendors for post-processing after being sorted into boxes.



#### Upstream

In addition to natural cotton, animal hair, silk, and linen, the upstream raw materials of the textile industry also include plastic and chemical raw materials, such as ethylene glycol (EG) for the production of polyester products; pure terephthalic acid (PTA) and caprolactam (CPL) required for the production of nylon products, and acrylonitrile (AN) required for the production of acrylic cotton; in the production chain of synthetic fibers, the upstream petrochemical raw material of PTA is Xylene (p-Xylene, PX), the upstream petrochemical raw material of EG is ethylene, and the upstream of ethylene is naphtha.

#### Midstream

The midstream of the textile industry include synthetic fiber products, natural fiber products, chemical additives, and yarns and fabrics spun from the above materials. Natural fibers are divided into plant-based fibers and animal-based fibers. The plant-based fibers include cotton, linen, jute, ramie, among other plants; while animal-based fibers include wool, rabbit hair, silk, camel hair, and other hair of animals. Due to the limited production of natural fibers in Taiwan, and the production sources of natural fibers are unstable, the artificial methods are applied to manufacture materials with stable sources, low prices and properties similar to natural fibers, such as rayon and acetate fibers. By blending the synthetic fibers and natural fibers with some special processing and finishing, the fabrics made are featured the characteristics of no shrinkage, no wrinkle, easy washing, and quick drying, increasing the comfort of wearing.

#### Downstream

Dyeing and finishing, apparel industry and other home textile industries are downstream of the textile industry. Dyeing and finishing is the most energy-consuming and water-consuming part of the textile industry. However, dyeing and finishing also provides an important link for the differentiation and value-addition of textile products. To respond to international environmental protection requirements, the dyeing and finishing industry has recently focused on improving dyeing and finishing technologies, developing low-carbon or environmentally friendly green products, to achieve energy saving and carbon reduction, and produce products compliant with the international environmental protection regulations.

#### 4. Product development trend

Looking at 2023, many countries have gradually moved towards a lifestyle of "coexisting with viruses". The uncertainty in respect of the impact of COVID-19 on the global apparel consumer market is gradually diminishing. Consumers desire to regain control of their freedom and health, and are more aware of the beauty of nature, and the pursuit of interacting with the outside world in a safe way. Under the demand of the [New Normal], the global apparel market will develop towards the three major trends : [health and comfort], [recycling and sustainability], and [digital transformation], as described below :

1) Health and comfort

The COVID-19 pandemic has changed the lifestyles of consumers, and they are expected to return to normal as usual in 2023. However, according to the NPD market survey, 70% of consumers plan to maintain the current clothing style, or choose more comfortable clothes compared to before the outbreaks of COVID-19.

In addition, the COVID-19 pandemic has created [new] health awareness in consumers. Therefore, they hope that pollutants will not remain on clothes when going out through crowded outdoor spaces, taking the subway or taxi, on board planes, in restaurants. To this end, the demand for anti-viral, antibacterial and other functional clothing will continue to grow.

2) Recycling and sustainability

In the post-pandemic era, sustainable marketing will still be the direction of development, especially given the issues of a large amount of waste clothes, marine microplastics, and greenhouse gas (CO<sub>2</sub>) emissions. Continuing to invest in green production processes (conservation of water and energy, and low-carbon emissions) will continue to be the focus of the industry.

3) Digital transformation

The demand for zero-contact with COVID-19 helps brands accelerate their digital transformation, which in turn requires Taiwan's suppliers to highly simulate digital samples, reduce sample production times, and produce in small, diverse quantities and quick response. Digital transformation is inevitable, especially through the application of innovative technologies such as big data, Internet of Things, AI, and RFID.

5. Competition

1) The unique cyclical demand of the industry

Due to the labor-intensive nature, most of the textile industry chains are located in developing countries with relatively low wages. After the finished products are manufactured, the finished products are shipped to major global consumer markets such as the United States, France, Germany, and China.

The rise and fall of the global economy has affected the operation of the entire industry. The rise in geopolitical conflicts and the impact of inflation in major European and American markets have had a pessimistic impact on the subsequent economic outlook, and the overall market uncertainty has increased. Fortunately, the textile industry is a hard demand for the overall people's livelihood economy. In view of the global apparel consumer market expectations, the demand for outdoor functional apparel is still expected to strengthen; the impact will be relatively small. Therefore, the research and development of high-end technology to improve functionality will become an issue and challenge that the textile industry needs to face to combat the current climate fluctuations, and will also contribute to the growth and development of the overall textile industry.

2) The impact of alternative products

In recent years, Taiwan's textile industry has moved towards refinement and differentiation positioning due to the transformation of the industry, and has also expanded a new path. Benefiting from the rise of fitness trend, the importance of functional textiles has become higher and higher. The textile industry value chain has become one of the important supply chains of world-renowned apparel brands. The products have developed comprehensive functions such as windproof and breathable, waterproof and breathable, quick-drying, anti-pilling, elastic for fit, lightweight but heat preservation, waterproof and breathable, among other functions. In addition, the current combination of high-tech industry and textile industry with the development of wearable products and smart clothing, demonstrates the competitive advantages of Taiwanese manufacturers. Currently, Taiwan has provided 70% of the functional fabrics to the world-renowned international brands; and the world-renowned outdoor or sports brands are the customer of textile industry in Taiwan, including well-known sports brands such as Nike,

Under Armour, and Adidas; all of which are OEM by Taiwanese manufacturers. Taiwan has become a major supplier of synthetic fibers in the world, among which the functional and high-quality fabrics are the features of Taiwanese textiles. In addition, high-end markets in Europe have high requirements for environmental protection, so eco-friendly fabrics are another new trend. The sources of raw materials and the entire manufacturing process must meet the environmental protection standards. At this stage, Taiwanese manufacturers are striving to obtain environmental certification from international organizations, and dyes are also changed to the natural plant dyeing as the active differentiation of environmental protection clothing from the Chinese market. However, the yarn and fabric products developed and produced by different manufacturer have their own strengths, and the products are substitutable, so there is the possibility of competition and substitution exist among products in the same industry.

### (III) Technology and R&D Overview

#### (1) Technological capabilities and R&D :

The R&D department of the Group belongs to the Plant Affair Research and Development Team under the Fabric Business Division, in charge of research and development of new products, improvement of new production technologies, and fabric quality control inspections. The current product research and development are mainly the development and post-processing technology of woven fabrics, and the development and post-processing technology of circular/warp knitted fabrics. In light of the abnormal global climate, environmental protection awareness has increased in recent years. In addition to actively cooperating with downstream customers to develop eco-friendly multi-functional fabrics, the dyeing and finishing chemicals are also screened to meet environmental protection requirements. Efforts are made to upgrade product quality and improve production technologies, and develop various products meeting market demands.

#### (2) R&D expenditures for each of the past two years

Unit : NT\$ thousand

Year/ Amount	2023	2024
R&D expenditures	7,212	5,555
Net operating revenue	1,157,753	1,625,979
Ratio to the net operating income	0.62%	0.34%

#### (3) Technologies and/or products successfully developed

Regarding the yarns, as the costs of cotton yarns have been increasing, the survival space will disappear gradually if the conventional approaches to the market and production. Therefore, for R&D, the following development direction shall be shifted to gradually in the future :

16. Integrating functional new fibers from Japan, to develop functional or differentiated products continuously, with planned promotions for the ultimate goal of quantification.
17. Continuously revising the SAP standardized operation process, as well as the standardized operation of raw materials and processes, enabling the product quantification to demonstrate its reproducibility and generate true profit.
18. Utilizing the differences in production patterns, to transfer technology and production bases for the quantified differentiated products, to maintain market advantages and the competitiveness with better manufacturing costs and stable quality.
19. Start the development of compound yarn to explore new markets.

The R&D of finished fabrics will be shifted to the differentiated yarns, changed organization, and material compound of new materials from the current specs of high count of yarns and high density, to develop the fabrics accepted by the public with variations and affordable prices.

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

##### 1. Yarn Business Division

##### 1) Short-term business development plans :

- (a) Adjust product mix and seek to enhance profitability.
- (b) Raise production efficiency and reduce production costs.
- (c) Develop international markets and increase customers for niche products.

##### 2) Long-term business development plans :

- (a) Explore new markets for special yarn.
- (b) Improve production efficiency and product quality.
- (c) Reinforce the productive effect in Vietnam and explore international sales channels.

##### 2. Fabrics Business Division



- 1) Short-term business development plans :
  - (a) Combining yarn spinning to develop functional and differentiated fabric products of new materials, and using existing product development capabilities, the global brand customers are provided with high-quality product selections, to increase the proportion of direct customer orders.
  - (b) Develop new products required by target customers.
  - (c) Build the foundation for cross-border outsourcing and supply of products.
  - (d) Continue to explore new brand customers and expand market share.
- 2) Long-term business development plans :
  - (a) Cultivate strategic customers.
  - (b) Build bases for multinational operations based on the characteristics of different regions.
  - (c) Vertical integrate products and services.
  - (d) In response to global trade trends, build overseas production supply chains to activate and strengthen product competitiveness.

## II. Overview of the market and production and sales :

### (I) Market analysis

#### (1) Sales territories for major products and services

Unit : NT\$ thousand

Year		2023		2024	
Geographic areas		Sales amount	Ratio (%)	Sales amount	Ratio (%)
Taiwan		167,566	14.47	194,906	11.99
Export	China	499,585	43.15	113,755	7.00
	Southeast Asia	434,002	37.49	1,262,920	77.67
	Others	56,600	4.89	54,398	3.35
Total		1,157,753	100.00	1,625,979	100.00

#### (2) Supply and demand and growth potential of the market in the future :

The major products of the Company include the 100% combed cotton yarn, CVC, T/C blended yarns, rayon yarns, other customized yarn types developed in cooperation with customers, cotton gray cloth, blended gray cloth, finished fabrics and knitted fabrics. With the development trends of textile products towards refinement and functional demands, the Yarn Business Division will continue to expand new markets and develop functional and special yarn types; the Fabric Business Division will develop customized products and services based on the needs of brand customers to develop the functional woven and knitted fabrics.

#### (3) Competitive edges, and favorable and unfavorable factors for future development and countermeasures :

1. Competitive edges :
  - 1) Develop and manufacture functional and differentiated products.
  - 2) An one-stop production system from spinning, weaving, to printing and dyeing processing, with the advantages of quick response, short delivery time, low cost, and quality control.
2. Favorable factors :
  - 1) Higher human quality, R&D capabilities, and technology level.
  - 2) Better quality image.
  - 3) Production bases established overseas.
  - 4) Some popularity and recognition in the market.
3. Unfavorable factors :
  - 1) India and Southeast Asia continue to introduce the new production capacity with high-volume equipment, and the competition in price and quantity in the market is becoming increasingly fierce.
  - 2) Taiwan's raw material pricing formula is un-pegged to the international raw material market, and there is no longer the cost advantage of petrochemical and chemical fiber raw materials.
  - 3) Elevated energy costs and labor costs.
4. Countermeasures :
  - 1) Since Taiwan does not have the conditions for production and supply of cotton as the main raw material on its own, the spinning mill industry needs to monitor the international cotton prices and decide the best time to purchase to grasp the cost advantage. In addition, due to the emphasis on credibility, Taiwanese spinning

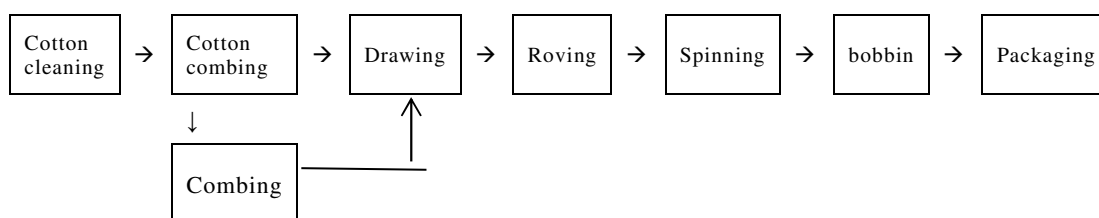
companies have established a solid foundation of trust in the process of partnership with customers for many years. In the future, the excellent cotton formula technology and management shall be continuously applied to meet the requirements of stable quality, so that even facing order fighting with low prices from emerging countries, Taiwan's spinning mill industry is able to also solidify orders in a disadvantageous environment.

- 2) Actively expand the global business landscape and increase the direct export ratio.
- 3) In addition, as emerging countries also begin to increase the production proportion of differentiated products, with the continuous innovation R&D energy, combined with the upstream chemical fiber raw material development advantage of Taiwan, increase the development proportion of functional composite yarn and other characteristic products to meet the development requirements of international brands of performance products demand.

(II) Important functions and production processes of main products

- (1) The major products of the Company include the 100% combed cotton yarn, CVC, T/C blended yarns, rayon yarns, other customized yarn types developed in cooperation with customers, cotton gray cloth, blended gray cloth, finished fabrics and knitted fabrics. Its main use is that in terms of yarns, it is a high-end yarn after combing treatment, used to produce fabrics for high-end casual clothing; in terms of fabric, it is used in high-end shirts, sports and leisure series and high-end women's apparel.

- (2) Product process :



(III) Supply of main raw materials :

The main raw materials are raw cotton, synthetic fibers and elastic fibers. Raw cotton is mainly imported from abroad, mainly from North America and South America, and the rest is from Australia. While the global raw cotton price fluctuates sharply, the Company will monitor the price changes and trends of raw materials, while purchasing at the right time, to adjust the inventory of raw materials flexibly to maintain the competitive advantage of raw material cost. Synthetic fibers are mainly purchased from domestic suppliers. Due to the continuous fluctuation of global oil prices, the prices of such synthetic fiber products also fluctuate. However, in terms of quantity, there is no supply issue, while the foreign supply sources have been sought to maintain the stability of quantity and price. Elastic fibers are supplied from North America and South Korea. Because the good partnership with distributors and have a certain percentage of inventory, there should be no risk of material shortage. As for the staple yarns needed for weaving, in addition to the products produced by the Company, it will also be purchased from China or other Asian countries to facilitate price competition.

- (IV) Suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases

- (1) Information on major suppliers for the most recent 2 years

Unit : NT\$ thousand

Item	2023				2024			
	Name	Amount (NT\$ thousand)	As a percentage of the annual net purchase (%)	Relations with the issuer	Name	Amount (NT\$ thousand)	As a percentage of the annual net purchase (%)	Relations with the issuer
1	S200038	184,114	20	None	S200038	415,593	29	None
2	1000221	91,190	10	None	1000221	125,788	9	None
3								
	Others	647,240	70	None	Others	882,571	62	None
	Net purchase	922,544	100		Net purchase	1,423,952	100	

## (2) Information on major customers for the most recent 2 years

Unit : NT\$ thousand

Item	2023				2024			
	Name	Amount (NT\$ thousand)	As a percentage of the annual net sale (%)	Relations with the issuer	Name	Amount (NT\$ thousand)	As a percentage of the annual net sale (%)	Relations with the issuer
1	C100040	129,358	11	None	C100014	303,051	19	None
2	C100014	116,244	10	None	C100040	273,354	17	None
3	101418	116,142	10	None	C100083	170,129	10	None
4	Others	796,009	69	None	Others	879,445	54	None
	Net sale	1,157,753	100		Net sale	1,625,979	100	

## III. Information on employees for the most recent two years and as of the date of the annual report :

## (1) Information about employees

Unit : Persons; %

Year		2023	2024	Till March 30, 2025
Number of employees	Staff	146	153	157
	Worker	456	391	380
	Total	602	544	537
Average age (years old)		37.13	36.60	36.26
Average years of service (years)		5.83	6.00	5.82
Distribution of education attainment	Doctoral Degree	-	-	-
	Master	0.83	1.29	1.3
	College/University	22.43	23.16	23.09
	Senior high school	11.13	7.90	9.12
	Under senior high school	65.61	67.65	66.48

## (2) Workplace diversity or promotion of gender equality policies

The company adheres to the gender equality policy and attaches great importance to the development of diversity in the workplace. The proportion of female supervisors in the company in the most recent year was approximately 34.6%, an increase from the previous year. The average salary of the company's female supervisors in the most recent year was slightly higher than the average salary of male supervisors. High, and there is no significant gender difference in the overall average salary of employees.

	2023 Year			2024 Year		
	Male	Female	Average	Male	Female	Average
Proportion of management positions	71.0	29.0	100.0	65.4	34.6	100.0
Proportion of non-managerial positions	35.7	64.3	100.0	42.6	57.4	100.0
Proportion of all employees	35.7	64.3	100.0	42.6	57.4	100.0
Average salary for management positions	99.5	100.5	100.0	99.5	100.5	100.0
Average salary for non-managerial positions	107.5	92.5	100.0	107.5	92.5	100.0
average employee salary	100.6	99.4	100.0	100.6	99.4	100.0

## IV. Information on environmental protection expenditures :

- (I) According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made :

## (1) Pollution facility installation or pollution emission permit :

By Plant	Item applied	Permit number
Tah Tong Vietnam Plant	Report of the Impact Assessment for Environment and Health	1822/QĐ-UBND
Tah Tong Vietnam Plant	Emission Registration No. of Stationary Pollution Sources	QLCTNH : 77.000800.T
KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY	Report of the Impact Assessment for Environment and Health	171/QĐ-KCNĐN
KOREA TEXTILE & DYEING SUPPORT SERVICES JOINT STOCK COMPANY	Emission Registration No. of Stationary Pollution Sources	QLCTNH : 75.002656.T

- (2) Pollution prevention and control expenses payable : Apart from engaging a professional waste removal company to dispose of wastes, the Company has no material expenditures for pollution prevention and control.
- (3) Pursuant to laws, the establishment of dedicated units and personnel is not required; currently, the

operation is outsourced to a professional unit and inspected regularly.

- (II) List the Company's investments in major equipment for prevention and control, the intended use, and possible benefits : None.
  - (III) Describe the process undertaken by the company on environmental pollution improvement for the most recent 2 years and as of the date of the annual report. If there were any pollution disputes, how they were dealt with : None.
  - (IV) For the most recent two years and as of the date of the annual report, the Company's losses due to environmental pollution (including compensation for violations of environmental laws and regulations as a result of environmental audits), specify the date of punishment, the reference number of the punishment, the provisions of the violation, the details of the violation, the punishment if it is impossible to estimate reasonably, state the fact of the occurrence : None.
  - (V) The current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the company, as well as the projected major environment-related capital expenses to be made for the coming 2 years : None.
    - (1) Status quo of pollution and the impact of its improvement on the Company's earnings, competitive position, and capital expenditure : All of the Group's production plants comply with the environmental pollution regulations enacted by the local governments.
    - (2) The expected major environment-related capital expenses to be made for the coming two years : All production plants of the Group comply with the environmental pollution regulations of the local government, so there is no major environment-related capital expenditure expected for the time being. In the future, the Group will continue to track relevant environmental pollution laws and regulations, and propose environmental protection expenditure budgets according to actual needs.
- V. Labor Relations :
- (I) The Company's various employee benefit measures, continuing education, training, retirement system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures :
    - (1) Employee benefits measures

The Company has established an employee benefits committee to appropriate the employee benefits fund and deal with the following benefits-related matters in accordance with the Regulation on Employee Benefits :

      - 1. Flexible half-hour time in working days.
      - 2. Leave : Two days off per week, maternity leave, paternity leave, menstrual leave, family care leave, etc.
      - 3. Insurance : Labor Insurance, National Health Insurance, and Overseas Travel Insurance.
      - 4. Bonus : Year-end bonus, employee bonus (remuneration to employees).
      - 5. Leisure : Employee travel allowance, company or department-level meals, gift vouchers, etc.
      - 6. Education and training : Internal and external training courses.
      - 7. Health checkup : Free employee health checkups are provided on a regular basis.
      - 8. Others : Year-end dinner, lucky draw, birth/birthday/wedding gifts, sickness/funeral payments, Spring Festival, Dragon Boat Festival and Mid-Autumn Festival gifts, and lunch reservation.
      - 9. Appointed stores.
    - (2) Continuing education and training system :

To develop human resources, enrich employees' knowledge and working skills, and enhance human resource planning, the Company has prescribed the "Education and Training Implementation Regulations," arranging internal and external training according to the training needs of each unit, and evaluating and recording the training benefits.
    - (3) Retirement system :
      - 1. Pursuant to the Labor Standards Act, the Company has a defined benefit plan and contributes 14% of the total salaries every month to the pension fund, which is deposited to the dedicated account with the Bank of Taiwan under the name of Labor Pension Reserve Supervisory Committee. The regulations are summarized as below :
        - 1) Self-retirement : An employee of the Company may choose to retire on his own account if he or she falls under any of the following circumstances :
          - (a) Aged 55 or above with at least 15 years of service.

- (b) Having served for at least 25 years.
  - (c) Aged 60 or above at least 10 years of service.
- 2) Forced retirement : The Company shall not force the Company's employees to retire except under any of the following circumstances :
  - (a) Aged 65 or above.
  - (b) Unable to perform his/ her duties due to mental or physical disability.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.
- 2. Pursuant to the Labor Pension Act, the Company has made a determined contribution plan, which is applicable to local employees. The labor pension of no less than 6% of the wage is contributed to the employees' individual accounts with the Labor Insurance Bureau every month. The payment of the employee's pension may be received monthly or in a lump sum from the employees' personal pension account and the accumulated gains.
- (4) Employer-employee agreements and various employee rights protection measures :
  - 1. The Company has clearly stated its work rules that outline employees' rights, obligations, and benefits measures to protect their interests.
  - 2. The Company complies with the Labor Standards Act and applicable labor laws and regulations for the matters related to employee interests.
- (5) Salary policy
  - 1. The Company's salary system is a system based on internal fairness and external competitiveness, while maintaining a stable life for employees and taking into account individual work performance.
  - 2. Once a year, the Company decides whether to make adjustments for the current year by referring to the economic environment, operating profit for the current year, adjustments to the salaries of soldiers, civil servants and teachers, inflation, and adjustments to the salaries of the industry or the market. The results of individual performance appraisals are also considered.
  - 3. For year-end bonus, the base number is determined based on the Company's business performance results in the previous year and prior to bonus payment, and the amounts payable are determined with reference to the performance evaluation results of units and individuals in the current period.
  - 4. Other bonuses will be granted according to other rules and timing.
  - 5. The Company's employee bonus (employee remuneration) payable is determined annually in accordance with the Articles of Incorporation and the percentage of the allocable earnings, and by reference to the assessment results.
- (6) Protective measures for the work environment and personal safety of employees and their implementation
  - 1. Occupational safety and health policy :
 

Tah Tong Textile Co., Ltd. operates with the philosophy of developing towards an "Sustainable management", continues to fulfill its corporate social responsibilities, and fully complies with all applicable government occupational safety and health laws and regulations. By establishing a complete occupational safety and health system, the Company tries to create a good working environment, prevent occupational hazards, promote health, and ensure worker safety in order to achieve the Company's mission of sustainable development.
  - 2. Occupational safety and health program :
    - 1) Identify, evaluate and improve the work environment and operational hazards.
    - 2) Appoint occupational safety and health personnel by law.
    - 3) Follow the occupational safety and health rules.
    - 4) Identify occupational safety and health regulations on a monthly basis.
    - 5) Classify, label, communicate, and manage hazardous chemicals.
    - 6) Offer occupational safety and health training.
    - 7) Investigate occupational accidents, and take corrective and preventive measures.
    - 8) Automatically inspect occupational safety and health.
    - 9) Monitor the operating environment.
    - 10) Manage contractors.
    - 11) Emergency response.
    - 12) Health promotion, health risk assessment and health checkup plan.
  - 3. Implementation of the occupational safety and health program

- 1) Access control : Those who are not the Company's employees will obtain gate pass before entry, so as to prevent outsiders from coming in without authorization and keep the Company safe.
  - 2) Computer room control : Prevent unauthorized personnel from entering and causing damage to the computer system, resulting in fire, electric shock, and other hazards.
  - 3) Maintain and inspect elevators and other equipment on a yearly basis, and regularly maintain service vehicles.
  - 4) Pursuant to the Fire Protection Act, the Company outsources fire-fighting equipment inspection, maintenance, and declaration to a qualified fire-fighting manufacturer every six months.
  - 5) Environmental health : Regularly clean and disinfect facilities in the workplace to ensure a healthy, comfortable working environment.
  - 6) Test the operating environment regularly every year.
  - 7) Drinking water facilities : maintain and inspect employees' drinking water facilities on a regular basis to ensure their drinking water safety.
  - 8) Disaster preparedness and emergency response : Provide an emergency response plan, emergency response personnel, accident response procedures, and escape route maps.
  - 9) Health checkup : According to the Employee Health Protection Rules, require new employees to receive physical checkups; provide current employees with regular checkups.
- (7) Complaining system
1. The Company's internal personnel who make false reports or malicious accusations shall be subject to disciplinary action, and shall be removed from their positions. Upon substantiation, the Company will provide appropriate incentives to the whistleblower.
  2. Complaining channels are presented as follows :
    - 1) Acceptance window : A dedicated unit of the Company
    - 2) Email : [audit@tahtong.com.tw](mailto:audit@tahtong.com.tw)
    - 3) Acceptance procedures : After receiving a report, the call center of the Company shall immediately establish an investigation team to investigate the suspected illegal or inappropriate conduct described in the report.
    - 4) Response : The Company will keep the identity of the whistleblower and the content of the report confidential, and promise to protect the whistleblower from reporting misconducts that may result in undue treatment, and will reply the investigation result by email.
- (II) Describe any losses suffered by the Company due to labor disputes in the most recent two years and as of the date of the annual report (including violations of the Labor Standards Act found in labor inspections, the disposition date, disposition number, violation of laws and regulations, details of violation, and punishment) , and disclose the estimated amounts that may occur currently and in the future, and countermeasures. If it is impossible to make reasonable estimates, please specify the fact that it cannot be reasonably estimated : The Company suffered no losses due to labor disputes in the most recent two years and as of the date of annual report.
- VI. Information security management :
- (I) Describe the information security risk management framework, the information security policy, the specific management plan, and resources input in information security management.
- (1) Information Security Risk Management Framework : The Company's Information Security Risk Management Team is composed of the Assistant to the General Manager's Office, the Information Department and internal audit personnel, and reports regularly to the Board of Directors.
  - (2) Information security policy : To ensure sustainable operation and maintain information security, the Company has established an information security organization and provided related management measures and rules, supervise and monitor the implementation of related operations and equipment, detect exceptions in advance, avoid and control any damage.
  - (3) Specific management plan and resources input in information security management : Join information security information sharing platforms including ISAC and TWCERT, in addition to regular information security inspections, cooperate with internal and external auditors to include information security inspections in the annual audit plan.

Internet control	Data access control	Backup recovery mechanism
1. Install a firewall 2. Install SPAM, a mail filtering protection platform, to effectively reduce the risk of various mail attacks. 3. Install anti-virus software in computer equipment, and regularly scan computer systems and data storage media for viruses. 4. Use various network services pursuant to the information security policy.	1. Designate specified persons to keep computer equipment, and set user names and passwords. 2. Grant different access authorities based on functions 3. Revoke the authorities of any person rotated to another position. 4. Duly approve remote access to an information system.	1. Establish system backup mechanisms for all important systems, and implement remote backup. 2. Conduct system recovery drills regularly every year 3. Regularly review computer network security control measures 4. Make the Information System Emergency Recovery Plan

The Company does not yet need to obtain any international certification for any information security policy and any specific management plan. Currently, based on the appetite for information security risks identified by the Company's risk management team, insurance is not needed yet for information security risks. However, insisting the information security management, the Company has continuously been enhancing the information security protection, and holds disaster recovery drills regularly every year. Moreover, the team members continue to improve the latest knowledge related to the information security management all the time to enhance professional functions and master the issues related to the information security.

The company has spent a total of NTD 1,844 thousand on information security in 2024, and has effectively established and prevented various information security risks.

The company has established an information security chief and related teams at the board of directors on November 7, 2024 (the 14th meeting of the 33rd session), and conducted an information security project report at the board meeting.

- (II) List the losses suffered as a result of major information security incidents in the most recent year and as of the date of the annual report, possible impact thereof, and countermeasures. If it is impossible to estimate reasonably, specify the facts : None.

## VII. Important Contracts :

Nature of contracts	Parties	Beginning and end dates	Major content	Restrictive covenants
Long-term prepayments of rents	Tah Tong (Vietnam) Textile Liability Limited Tien Hung Co.,Ltd. Branch of Tien Hung Co., Ltd. My Xuan B1-Tien Hung Industrial Park	2013/05/22 - 2056/05/18	Lot I-1, I-2, I-3 My Xuan B1- Tien Hung Industrial Zone, My Xuan ward, Phu My Town, Ba Ria – Vung Tau Province, Vietnam. Long-term lease of industrial land, 59,540.8 square meters in total	Before the lease expires, if the lessee wishes to transfer the rights and obligations of this lease, it must obtain the consent of the owner of the industrial zone before transferring.
Loans from medium- and long-term related parties	Tah Tong Textile Co., Ltd. Great Bell Printing & Dyeing Co., Ltd.	2023/10/18 ~ 2029/04/15	Due to the related enterprise Dazhong Printing and Dyeing disposing of its land and repaying the company's bank borrowings, the two parties agreed that the company would use Dazhong Printing and Dyeing's surplus distribution to repay the remaining outstanding position of approximately NT\$155,941 thousand, with an annual interest of 2.5 % calculation, the principal and interest will be repaid in 48 equal installments starting from December 2024	None

## Five. Financial Position and Financial Performance Review Analysis and Risk Management

### I. Financial Position

- (I) Main reasons for any material change in the Company's assets, liabilities, or equity for the most recent 2 years and the effect thereof :

Unit : NT\$ thousand

Year	2023	2024	Difference	
			Amount	%
Current assets	701,743	875,050	173,307	24.7%
Net property, plant and equipment	772,188	666,506	(105,682)	-13.7%
Intangible assets	4,172	3,477	(695)	-16.7%
Other assets	435,684	448,775	13,091	3.0%
Total assets	1,913,787	1,993,808	80,021	4.2%
Current liabilities	1,329,026	1,137,639	(191,387)	-14.4%
Non-current liabilities	238,678	281,408	42,730	17.9%
Total liabilities	1,567,704	1,419,047	(148,657)	-9.5%
Share capital	632,952	717,444	84,492	13.3%
Capital reserve	19,186	44,752	25,566	133.3%
Retained earnings	(299,521)	(185,472)	114,049	38.1%
Other equity	(22,491)	(8,131)	14,360	63.8%
Equity attributable to owners of parent company	330,126	568,593	238,467	72.2%
Non-controlling interests	15,957	6,168	(9,789)	-61.3%
Total equity	346,083	574,761	228,678	66.1%

Analysis and description of the items with changes of 20% and NT\$10 million or more :

- (1) Current assets : Mainly due to the increase in overall current assets as a result of the expansion of operating scale in 2024.
  - (2) Current liabilities : mainly due to the decrease in short-term borrowings.
  - (3) Capital reserve : mainly due to the issuance of new shares at a premium in 2024.
  - (4) Retained earnings : mainly due to the increase in profits in 2024.
  - (5) Other interests : mainly due to changes in exchange rates resulting from changes in the translation of financial statements of foreign operating entities..
- (II) Any material changes in assets, liabilities, or equity for the most recent two years, and any future response plan :
- (1) The increase in total assets in 2024 was mainly due to the improvement in operating standards.
  - (2) The decrease in total liabilities in 2024 was mainly due to the reduction in short-term borrowings.
  - (3) The increase in total equity in 2014 was mainly due to operating profit in 2024.

### II. Financial performance :

- (I) Main reasons for any material changes in revenue, operating profit, or income before tax for the most recent two years :

Unit : NT\$ thousand

Item	Year	2023	2024	Difference	
				Amount	%
Operating revenue		1,157,753	1,625,979	468,226	40.44
Operating costs		1,307,719	1,634,062	326,343	24.96
Gross profit (gross loss)		(149,966)	(8,083)	141,883	-94.61
Operating expenses		161,451	155,193	(6,258)	-3.88
Gains (losses) of Operating		(311,417)	(163,276)	148,141	-47.57
Non-operating income (expenses)		(23,262)	299,951	323,213	-1,389.45
Net profit (loss) before income tax		(334,679)	136,675	471,354	-140.84
Income tax benefit (expense)		1,803	(35,223)	(37,026)	-2,053.58
Net profit (loss) of the period		(332,876)	101,452	434,328	-130.48
The total comprehensive profit (loss) of the period		(333,406)	118,620	452,026	-135.58



Analysis and description of the items with changes of 20% and NT\$10 million or more :

- (1) The decrease in operating income and operating costs in 2024 was mainly due to the Company's efforts in product transformation and the increase in demand during the Olympic Games.
  - (2) The increase in operating gross profit in 2024 was mainly due to the Company's efforts in product transformation during the period.
  - (3) The increase in non-operating income and expenses in 2024 was mainly due to the dividends distributed by the investee companies in this period.
  - (4) The increase in income tax expense in 2024 was mainly due to the recognition of income tax differences in 2023.
  - (5) The decrease in net loss and total comprehensive loss for the period in 2024 was mainly due to the decrease in gross operating profit for the period as explained in (3).
- (II) Expected sales volume and its basis : Not applicable as the Company made no financial forecast for 2024.
- (III) Possible financial impacts and response plan : See Report to Shareholders hereof.

### III. Cash flows :

- (I) Analysis of changes in cash flows for 2024 :

Unit : NT\$ thousand

Item	Year	2023	2024	Increase (decrease)	
				Amount	%
Net cash inflow (outflow) from operating activities		(34,995)	(169,746)	(134,751)	(385.06)
Net cash inflow (outflow) from investment activities		58,193	401,682	343,489	590.26
Net cash inflow (outflow) from financing activities		(85,485)	(251,463)	(165,978)	(194.16)

- (1) Operating activities : Net cash outflow from operating activities in 2024 increased compared to the previous year, mainly due to the increase in accounts receivable and inventory caused by the increase in operating scale in this period.
  - (2) Investing activities : The increase in net cash inflow from investing activities in 2024 was mainly due to the dividends distributed by investee companies during the period.
  - (3) Financing activities : Net cash outflow from financing activities increased in 2024, mainly due to the repayment of more bank loans during the period..
- (II) The corrective measures to be taken in response to illiquidity, and provide a liquidity analysis for the coming year
- (1) Improvement plan for insufficient liquidity : Not applicable as the Company suffered no insufficient liquidity.
  - (2) Liquidity analysis for the coming year :

Beginning cash balance (1)	Estimated net cash inflow (outflow) from operating activities throughout the year (2)	Estimated net cash inflow (outflow) from investment and financing activities throughout the year (3)	Cash flow surplus (deficit) amount (1)+(2)+(3)	Remedial measures for cash flow deficit	
				Investment plans	Financing plans
122,917	64,069	(14,306)	172,680	-	-

Analysis for the changes in the estimated cash flow for the year (2023) :

- (1) Operating activities : Priority will be given to strengthening inventory liquidation and increasing the net contribution of the yarn business, which is expected to generate net cash inflow.
- (2) Investing activities : The net cash flow from investing activities for the full year is expected to be a net cash inflow, based on the planned disposal of investment activities.
- (3) Financing activities : As operating activities reduce inventory and bring in cash inflows, priority is given to repaying bank loans to reduce debt positions, improve financial conditions, and enhance the company's financial health.
- (4) Cash flow forecast : There is no cash flow shortage in this year. If there is a shortage in the future, we plan to issue no more than 10 million shares of private placement common stock, which will help to generate cash inflow of NT\$80 million (calculated based on the 2024 financial report's net asset value of NT\$8.01 per share). This proposal has been included in the Company's 2025 shareholders' meeting agenda for discussion.

IV. The impact of major capital expenditures in the current year on financial operations. :  
None.

V. Investment policy for the current year, the main reasons for profit or loss, improvement plan, and investment plan for the following year :

(I) Investment policy : Integrate the resources of the Group and make investments that helps the main business develop upstream and downstream related industries, while at the same time develop new businesses and create new opportunities, promote the upgrading and transformation of affiliates, and commit to stable growth in investment profits.

(II) Main reasons for investing in profits/losses and plan for improvement :

Unit : NT\$ thousand

Reinvestee	Investment gains (losses) recognized for 2024	Main reasons for the profits/losses	The future plan for improving
Great Bell Printing & Dyeing Co., Ltd.	327,227	Disposal of idle land leads to operating profit	Assist the investee in introducing strategic partners to increase production utilization.
InnoPeak Advanced Materials Co., Ltd.	(16,097)	That company is developing R&D new exhibits and expanding business.	As of the date of the annual report, that company has gradually matured its technology and completed its plant buildings. With 3C products produced and sold in 2022, 2024 will see that company's entry in the sports equipment market and automotive market. After the introduction of strategic partners in the future, it is expected to produce favorable synergies.
GLOUCESTER CO., LTD.	(171,584)	The holding company recognized losses on each overseas investment.	See the countermeasures of each subsidiary below.
DAYSTAR LIMITED.	(2,664)	The holding company recognized losses incurred by eNova Textiles Ltd.	For details, see the countermeasures adopted by eNova.
ROSEGATE HOLDING CORP.	(157,111)	The holding company recognized losses on its investment in Vietnam plant.	For details, see the countermeasures for investment in TAH TONG TEXTILE(VIETNAM) CO., LTD.
The Company re-invests Korea Textile & Dyeing Support Services Joint Stock Company in ("KTD.")	(11,948)	Deficiencies in the production and business teams and poor production efficiency resulted in losses.	As a dyeing and finishing plant for horizontal integration of the Group, the Company has signed a sales contract with a third party on January 27, 2025. As of the date of publication of the annual report, the transaction has been completed.
TAH TONG TEXTILE(VIETNAM) CO., LTD.	(157,111)	The Company has considered the future market development direction and has made provisions for price decline losses of approximately NTD 107,359 for existing products.	The Company has adopted strategic adjustments to reduce the impact of raw cotton and expects that overall operating performance will improve.
eNova Textiles Ltd.	(2,664)	The slow post-epidemic recovery of the Chinese market has affected the overall operating performance.	The company has temporarily suspended its expansion in the Chinese market and currently only maintains the Chinese market by accepting orders for products with special specifications. It is expected that it will be able to escape the price competition in the red ocean market and improve its operating performance.

(III) Investment plan for the coming year : The Group will continue to develop up- and downstream industries, be positive about the Vietnamese market, and vertically integrate the operation technologies of dyeing and finishing plants to increase the investment income.

VI. Risk analysis and assessment :

- (I) Impacts of changes in interest rates, exchange rates, and inflation during the current year and as of the date of this annual report on the Company's profit and loss, and measures to be taken in the future :
- (1) The effect upon the Company's profits (losses) of interest rate fluctuations, and response measures to be taken in the future :  

In the post-pandemic era, as part of the efforts to combat inflation, countries around the world have been shrinking balance sheets and raising interest rates in an attempt to cool down the overheated price index. From the perspective of USD, the Federal Reserve started to raise interest rates in Q2 2022, driving a rapid rise in the overall interest rate market, which resulted in an increase in overall capital costs and increased operating burden.

The Company is now renegotiating the terms and conditions with financial institutions, trying to mitigate the overall operational impact by on-lending low-interest currency liabilities or raising funds through the capital market.
  - (2) The impact of exchange rate fluctuations upon the Company's profits (losses), and response measures to be taken in the future :  

The Company's main exchange rate risk comes from the USD positions of its affiliates. The Company will reduce the net USD positions for its affiliates in a timely manner by flexibly utilizing the money market and the capital market and reduce risks by natural hedging.
  - (3) The impact of inflation upon the Company's profits (losses), and response measures to be taken in the future :  

The Company's major raw materials are purchased from third parties, and are subject to fluctuations in international supply and demand. Therefore, the Company always monitors the fluctuations in the international markets and controls raw material inventory and procurement lead time within a reasonable extent, as a response to reduce risk, with short-term futures operations and yarn price adjustments.
- (II) Policies on engaging in high-risk investments, highly leveraged investments, loans to others, endorsements and guarantees, and transactions of derivative instruments during the year and as of the date of this annual report; main causes of profit or loss and measures to be taken in the future :
- (1) Based on the principle of prudence and business philosophy of pragmatism, the Company focuses on its own operations and has not engaged in high-risk, high-leverage investments.
  - (2) T The Company has formulated the "Procedures for Lending Funds to Others". As of March 30, 2025, the Company has about provided a total of USD 2,444 thousand in loan funds to its subsidiaries and invested enterprises, which does not exceed the Company's loan limit.
  - (3) The Company has developed the SOP for Endorsements and Guarantees as the basis for making endorsements and guarantees. As of March 30, 2025, the Company provided endorsements/guarantees to subsidiaries for US\$ 11,000 thousand.
  - (4) The Company has defined principles and strict control procedures for the trading of derivative financial products, but has not engaged in any such operations so far.
- (III) Future R&D plans and expected R&D expenses for the current year and as of the date of the annual report : See [Five. Business Overview/I. Description of Business/(III) Technology and R&D Overview] herein.
- (IV) The impact of changes in important policies and laws at home and abroad on the Company's financial operations for the current year and as of the date of the annual

report and countermeasures :

Pursuant to the “Roadmap for the Domestic Enterprises to Adopt the International Financial Reporting Standards” by the Financial Supervisory Commission on May 14, 2009, the Company adopted the IFRSs in 2014 to prepare the financial report.

The operation of the Company complies with the relevant domestic and foreign laws and regulations, and the domestic and foreign policy development trends and changes in regulations are monitored all the time; the relevant information is collected as references for decision-making at the management level, to adjust the Company's relevant operating strategies. As of the annual report publication date, The operations of the Company and its subsidiaries comply with the relevant domestic and foreign laws and regulations, and changes in important domestic and foreign policies and laws are monitored all the time for timely response planning. It is expected that the Company's finance and business will not suffer major adverse effects resulting from changes in important domestic and foreign policies and laws in the future.

- (V) The impact of technological changes and industrial changes on the Company's financial operations for the current year and as of the date of the annual report and countermeasures :

The major products of the Company and subsidiaries are yarns and finished fabrics, analyzed as below :

(1) Yarn Business Division

Regarding the yarns, as the costs of cotton yarns have been increasing, the survival space will disappear gradually if the conventional approaches to the market and production. Therefore, for R&D, the following development direction shall be shifted to gradually in the future :

1. Integrating functional new fibers from Japan, to develop functional or differentiated products continuously, with planned promotions for the ultimate goal of quantification.
2. Continuously revising the SAP standardized operation process, as well as the standardized operation of raw materials and processes, enabling the product quantification to demonstrate its reproducibility and generate true profit.
3. Utilizing the differences in production patterns, to transfer technology and production bases for the quantified differentiated products, to maintain market advantages and the competitiveness with better manufacturing costs and stable quality.
4. Start the development of compound yarn to explore new markets.

Short-term business development plans :

1. Adjust product mix and seek to enhance profitability.
2. Raise production efficiency and reduce production costs.
3. Develop international markets and increase customers for niche products.

Long-term business development plans :

1. Explore new markets for special yarn.
2. Improve production efficiency and product quality.
3. Reinforce the productive effect in Vietnam and explore international sales channels.

(2) Fabrics Business Division

The R&D of finished fabrics will be shifted to the differentiated yarns, changed organization, and material compound of new materials from the current specs of

high count of yarns and high density, to develop the fabrics accepted by the public with variations and affordable prices.

Short-term business development plans :

1. Combining yarn spinning to develop functional and differentiated fabric products of new materials, and using existing product development capabilities, the global brand customers are provided with high-quality product selections, to increase the proportion of direct customer orders.
2. Develop new products required by target customers.
3. Build the foundation for cross-border outsourcing and supply of products.
4. Continue to explore new brand customers and expand market share.

Long-term business development plans :

1. Cultivate strategic customers.
2. Build bases for multinational operations based on the characteristics of different regions.
3. Vertical integrate products and services.
4. In response to global trade trends, build overseas production supply chains to activate and strengthen product competitiveness

(VI) The impact of any change in the corporate image on corporate crisis management for the current year and as of the date of the annual report, and countermeasures :

The Company and its subsidiaries did not experience any crisis resulting from any change in the corporate image for the most recent year and as of the date of the annual report. Regarding the internal operation, the Company and its subsidiaries are committed to maintaining the corporate image and complying with the relevant laws and regulations. If there is any circumstance affecting the corporate image or violating the laws and regulations, a task force will be formed to prepare countermeasures. Regarding external information disclosure, the Company has established spokespersons, deputy spokespersons and dedicated personnel for information disclosure as required by laws, to provide investors with real-time and transparent operation information.

(VII) Expected benefits and possible risks associated with mergers and acquisitions and countermeasures : No mergers or acquisitions for the most recent year and as of the date of the annual report. If there is any M&A plan, the overall synergies of M&A will be carefully evaluated and considered, to protect the interests of shareholders.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures : The Company will make a long-term strategy based on the long-term market trend and plan for the Company's production capacity based on the market demand. The Company will continue to observe market movement and work closely with customers. If the market demand is not as expected, the Company will adjust the production structure timely to increase operational efficiency.

(IX) Risks associated with sales or purchase concentration and countermeasures :

(1) Assessment of purchase concentration risk

The Company purchases major raw materials always from two or more suppliers to maintain stable delivery. The Company maintains a good relationships with suppliers and adopts the strategy of risk diversification. Therefore, the Company has not experienced supply interruptions caused by product shortages.

(2) Assessment of sales concentration risk

The company's customers are spread across Taiwan, China, the European Union and ASEAN. The sales of the top three customers accounted for 46% of the consolidated revenue in 2024. Our company has already carried out classification management

for customers and actively expanded and developed new customers. At the same time, we continue to pay attention to and evaluate regional market conditions and customer credit risks and respond in a timely manner.

- (X) The impact and risks associated with any significant transfer or replacement of shares by any director, supervisor, or major shareholder holding more than 10% of the shares and countermeasures : No material impact on the Company's operations due to no significant transfer or replacement of shares by any director, supervisor, or major shareholder holding more than 10% of the shares for the most recent year and as of the date of the annual report.
- (XI) The impact and risks associated with any change in the right of management on the Company and countermeasures : No change in the right of management for the most recent year and as of the date of the annual report.
- (XII) Litigious and non-litigious matters
  - (1) List major litigious, non-litigious or administrative disputes that involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company : None.
  - (2) Litigation cases involving the Company's directors, supervisors, President, actual responsible persons, shareholders holding more than 10% of the shares, and subsidiaries, whether concluded or pending judgment for the most recent two years and as of the date of the annual report , non-litigious, or administrative litigations that may have a material impact on the Company's shareholders' equity or security prices : None.
- (XIII) Other important risks and countermeasures : No other important risks for the most recent year and as of the date of the annual report.

VII. Other important matters : None.

## Six : Special items to be included

- I. Information related to the Company's affiliates
  - (I) Investment in overseas subsidiaries : <https://mopsov.twse.com.tw/mops/web/t05st16>
  - (II) Investment in China subsidiaries : <https://mopsov.twse.com.tw/mops/web/t05st15>
  - (III) Consolidated financial statements of affiliates : None.
  - (IV) Report on relationships : None
- II. Private placement of securities in the most recent year and as of the date the annual report. :  
Please see : <https://mopsov.twse.com.tw/mops/web/t116sb01>
- III. Other necessary supplementary information : None.
- IV. Any events specified in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act with a material impact on shareholders' rights and interests or securities prices arising during the most recent year and as of the date of the annual report to be included : None.

Tah Tong Textile Co., Ltd.

Chairman : Chen, Shiou-Chung

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